

# Role of Purchasing and Supply Management in Manufacturing Profitability in Nigeria

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## Abstract

Purchasing and supply management function is central to obtaining the relevant materials for manufacturing at the best prices, quantity and quality. The ever increasing competition in the global market space now makes it critical for purchasing and supply management to involve robust e-procurement to enhance easy access to credible suppliers across boundaries. A major concern of most manufacturers is productivity and profitability and such goals can only be realized through provision of goods and services in the appropriate levels desired by consumers. The exploratory research design was used for the study, and it was found that purchasing and supply management leads to manufacturing profitability. On the basis of this result, it was recommended among others, that manufacturers need to work with credible suppliers to ensure the procurement of materials in the right measures to promote effective productivity and enterprise profitability.

## Keywords

Question of Quantity and Quality, E-procurement, Purchasing Behavior, Inventory Management, Global Market Space

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## 1. Introduction

The manufacturing of goods involves the physical transformation of raw materials into finished products. Some companies need to manufacture their goods before they are taken to the market, while others only sell goods acquired as a finished product. Manufacturing enterprises usually purchase raw materials from suppliers and use labour and other inputs to produce goods and provide services. To be profitable, raw materials and equipment must be purchased in the most efficient and economical manner. Purchasing and supply management activities are critical to manufacturing productivity because it ensures the selection of the best materials from the most reliable sources. In the absence of high quality suppliers and effective purchasing the quality and quantity of production may be impaired. According to Fitzgerald purchasing is also very involved in product design and development work. He opines that many manufacturers

have found out that manufacturing costs can be reduced, product quality maximized, and new products brought to the market at a much faster rate if purchasing brings key suppliers into the product design and development at the earliest stage of the process [1]. Purchasing and supply management is the identification, procurement and coordination of all the activities for obtaining materials from outside sources for productive functions. Manufacturing profitability relates to the quality, quantity, efficiency and frequency of products and services. According to Stevenson purchasing is responsible for obtaining the materials, parts, supplies, and services needed to produce a product or provide a service. He stresses that the goal of purchasing is to develop and implement purchasing plans for products and services that support organizational strategies. Among the duties of purchasing and supply management would among others include to: identifying sources of supply, negotiating the terms of the contracts, keeping a database of reputable suppliers of materials, obtaining goods and services that meet

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and, if possible exceed the expected requirements, in a timely, effective and efficient manner [2]. The role of purchasing and supply management in manufacturing profitability is increasing in importance as many organizations today place greater emphasis on the efficacy of supply chain management, quality control, quality improvement, quality production, outsourcing, and interbusiness dealing relationships. The dynamic business environment, the growing dependence on e-commerce and e-purchasing and the increasing rate of globalization have combined to alter substantially the traditional forms of doing business thus making purchasing and supply management a relevant mechanism to enhance the effectiveness of manufacturing activities. Specifically, purchasing and supply management collaborates with suppliers, and other relevant departments of the enterprise to ensure the procurement of necessary items in the most effective, timely and profitable manner. The absence of transparent purchasing and supply management is fast driving textile manufacturers in Nigeria out of profitability. For example, according to Kwajaffa the consequences of fraudulent imports and counterfeiting are taking as much as 95 percent of the textile market share in Nigeria. He posits that the textile manufacturing industry uses any financial support to finance its losses but not to restore its profitability [3]. Manufacturing profitability requires the development and understanding of global purchasing and logistics trends, as well as the decision and challenges related to the design and implementation of a firm's purchasing strategy within the context of an integrated global purchasing and supply chain. Purchasing is very crucial to supply chain and manufacturing

efficiency and profitability because it does the important work of selecting qualified suppliers and also establishes mutually beneficial relationships with them. Fitzgerald posits that without good suppliers and without superior purchasing, supply chains cannot compete effectively in the global market environment. Sound ethical behavior in purchasing is now central to manufacturing profitability because of the necessity to keep pace with the challenges of increased globalization. To be competitive, global ethical best practice in purchasing and supply management must be understood and acknowledged because a particular purchasing behavior regarded as customary and ethical in one region or country might well be regarded as unacceptable and unethical in another region or country [4]. Stevenson believes that reliable and trustworthy suppliers are a vital link in an effective purchasing and supply management, and that closely working with suppliers to coordinate supplier and buyer operations improve operational productivity and profitability [5-8].

### 1.1. Conceptual Framework of the Study

A conceptual framework is a structure of the research idea or concept and how it is arranged which elaborates the research problem in relation to relevant literature. It is often summarized in a schematic model that presents the major variables and their hypothesized relationships [9]. The concept of this study is summarized in figure 1, with purchasing and supply management (PSM) as independent variable, and manufacturing profitability (MP) as dependent variable.

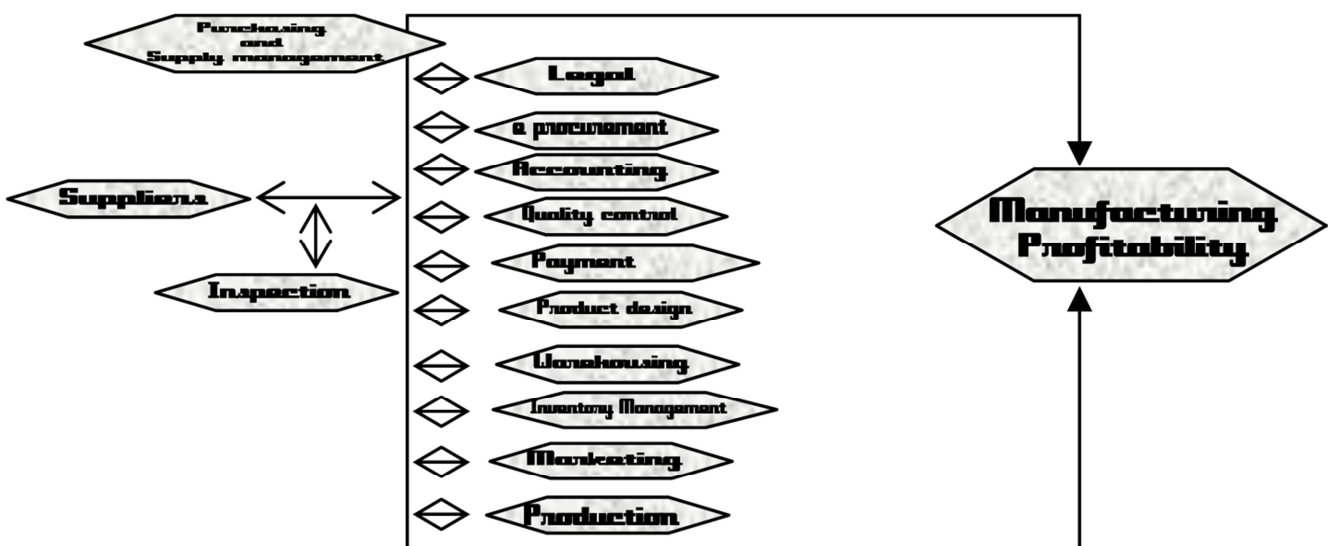


Figure 1. Purchasing and Supply Management and Manufacturing Profitability Model.

Source: Author Fieldwork (2017)

As shown in figure 1, a model is representative of reality. A model helps to bring out facts that would otherwise be hidden in an excess of words [16, 11]. Models are popular in

advancing management education. They help to clarify ideas and also reduce the woodenness in thinking as the result of absolute abstraction. Even though the practice of purchasing

and supply has existed for a very long time at different levels, there is now a considerable anxiety among purchasing experts over how to manage effectively, transparently, and fairly large annual government and nongovernment purchasing and supply volumes of goods and services. Uba, et al hypothesize that in almost every country in the world today, purchasing amounts to almost one fifth of GDP, and that good purchasing and supply management has positive correlation with performance [12]. Also, Amemba, et al suggest that in view of the rapid change in global manufacturing scenario, environmental and social issues purchasing activity is the key starting point of eliminating waste, enhancing inventory management, sustaining quality and appropriate economic order efficiency [13]. With increasing competition in the global business space purchasing and supply management now involve e-procurement as a measure to reduce costs and improve profitability [14]. Chaffey postulates that e-procurement is closely linked with purchasing and supply management. He emphasizes that e-procurement is an electronic integration and management of all procurement activities including purchase request, authorization, ordering and payment between a purchaser and a supplier [15]. According to Raju e-procurement aids purchasing process, by using the internet to make it easier, faster and to align with the trends in global competition, and helps in streamlining the entire purchasing function so that organizations can focus more on core business activities and increase profitability [16]. There is no doubt that the present century and beyond will continue to witness huge changes and advancement in the system of purchasing and supply necessary to improve the means of manufacturing goods and the methods of managing these operations that would result to greater levels of efficiency in the use of available organizational resources. The model of purchasing and supply management for this study emphasizes that it primarily liaises with external suppliers, product design unit, marketing operations, the warehouse, and quality control so as to enhance manufacturing profitability. Identifying and managing good suppliers is the best starting point for purchasing and supply management. Producing quality products and providing good services start from the point of design. Ensuring the marketability of products and services, controlling the warehouse to maintain necessary economic order quality enhancing the quality and quantity of products and services are critical to manufacturing profitability. It is argued that purchasing interfaces with a number of functional areas of the organization as well as with outside suppliers. Purchasing is the connecting link between the organization and its suppliers. In this capacity, it exchanges information with suppliers and functional areas to provide a good source of information on product and material improvements to promote

manufacturing quality and ultimate productivity and profitability [17, 18]. The ability of a company to identify opportunities, mount the development effort, and bring to market new products and processes quickly is critical and to a high extent depends on purchasing and supply management. This is true because suppliers not only provide the materials needed to make products and provide services but also the equipment used in the manufacturing process. Chase, et al posit that in the global competitive environment, suppliers in a manufacturing arrangement often follow the parent company to the foreign country in an effort to meet the requirements of the business. They assert that the supplier is in the position to drive technological change and play important role in global sourcing of equipment for manufacturing and other processes. They argue that purchasing and supply management deals with time, quality, and efficiency that determine the profitability of manufacturing [19].

## 1.2. Statement of the Problem

Manufacturing enterprises can suffer serious setback that may even lead to total collapse as a result of poor purchasing and supply management mechanism. Efficient purchasing and supply processes help organizations to conserve resources that help them to maintain quality, remain competitive and profitable in their domain. Even in the public sector in Nigeria lack of good purchasing and supply management has led to huge revenue leakages like the over ₦2billion meant for the purchase of vehicles for the Nigerian Army that was diverted by some military officers. It is also not far from the truth that some vehicle assembly plants and breweries in Nigeria collapsed partially due to fraudulent purchasing and supply arrangements. Indigenous manufacturers in the beverages and textiles industries have not made the desired impact on the economy despite the availability of raw materials in the country because of porous purchasing and supply systems. Nigeria has sugar plantations, maize, sorghum, cocoa, cotton, among others in good quantity but the problem of indigenous manufacturers has been how to get them in the correct quantity, quality and in the most efficient manner to ensure manufacturing profitability. In most cases, when high quality items were ordered low quality ones were purchased, even at high prices, and sometimes not even delivered, while payments were made. Such practices usually flourish because of lack of credible suppliers and adequate control measures. Sometimes rejected items are produced at high prices and which do not contribute anything to manufacturing productivity and profitability. In the Nigerian textile manufacturing industry for example, poor PSM has contributed to its woes. According to Kwajaffa under invoiced and counterfeited textile imports as well as fraudulent imports have led to huge

losses in terms of jobs and profitability in the industry. In the case of purchasing and supply scandal involving the Nigerian Army and others, the Presidential Committee on Audit of Defence Equipment Procurement (CADEP) found no credible evidence of delivery of the vehicles by some companies as there were no receipt vouchers but only unauthenticated delivery notes, invoices and waybills that were purportedly used for the deliveries. According to Alli the CADEP, found that nevertheless, the vendors were fully paid based on job completion certification authenticated by the then chief of logistics. The payments were also made without deduction of Withholding Tax (WHT). Furthermore, analyses of the various bank accounts of the two companies showed transfers to individuals. The CADEP report showed that the individuals were five (5) children of the ex-chief of Army Staff and one other front. The scenario unveiled in this case is a replica of what happens in the purchasing and supply arrangement that negatively affects manufacturing profitability in Nigeria. There are not many reports on the role of purchasing and supply management on manufacturing profitability in Nigeria despite the collapse of many indigenous manufacturing enterprises [20]. To this extent, this study is imperative at this time when the Federal Government of Nigeria (FGN) is interested in indigenous manufacturing through the promotion of policies like the new Tomato Policy, among others. Good purchasing and supply management will help to check corruption and enable indigenous manufacturers to grow and sustain profitability. According to Umeofia even development of Nigeria through agriculture and manufacturing by indigenous investors is the fastest way to reduce youth restiveness through job creation and inspiring hope for them. He believes that indigenous manufacturers can move the economy forward, but may not achieve much without reducing the intimidating bribery tendencies exhibited by the import cabals [21]. Also the institutionalization of good purchasing and supply management is crucial to mitigate operational risks. [22, 23]

### 1.3. Objective of the Study

The study was conducted to examine the role of purchasing and supply management in manufacturing profitability in Nigeria.

### 1.4. Significance of the Study

The study is expected to enable students, researchers, consultants, and the public understand the relevance of purchasing and supply management in manufacturing profitability in Nigeria.

### 1.5. Research Questions

i. Is pre-supply inspection necessary to ensure the quality of

materials to be purchased?

- ii. Can quality control enhance the quality of goods produced or services provided?
- iii. Does plant location affect the flow of manufacturing activities?
- iv. Is it true that the governments in Nigeria provide the necessary incentives for profitable manufacturing activities?
- v. Can efficient purchasing and supply management lead to manufacturing profitability in Nigeria?

### 1.6. Hypothesis

Ho: There is no relationship between PSM and MP

Hi: There is a relationship between PSM and MP.

## 2. Literature Review

The purchasing and supply function is responsible for identifying, and procuring the specific materials, tools, parts, and services required for providing a service or producing a product for consumption and distribution. According to Stevenson the importance of purchasing is underscored to the extent that in manufacturing organizations upward of about 60 percent of the cost of finished goods comes from purchased parts and materials. He emphasizes that furthermore, the percentages for purchased inventories are even higher for retail and wholesale organizations, and sometimes exceeding about 90 percent. Besides the importance of purchasing and supply function is more than just about the cost of goods purchased, other important elements include the quality of goods and services and the timing of deliveries of goods or services that can have a significant relationship with operational productivity and profitability. In his model, Stevenson insists that purchasing has interfaces with a number of other functional areas, as well as with outside suppliers, and that purchasing is the connecting link between the organization and its suppliers. In this capacity, it exchanges information with suppliers and functional areas that help in promoting manufacturing efficiency and overall profitability. Inventory management helps to enhance the control of supplies in purchasing and supply management. The procurement of supplies for any type of enterprise is primarily to ensure uninterrupted production process. Without good inventory management, purchases and supplies may be poorly done, or be in excess of necessary demand. Also, materials may be purchased at too high a price or of the wrong quality, and result to obsolescence and loss of interest on capital. Too little purchases may also lead to production delays. Therefore wrong purchasing and



supply often have serious negative effect upon manufacturing profitability. For effective purchasing and manufacturing activity the purchases of capital equipment and the acquisition of major materials that constitute a large share of costs are almost invariably handled by top management in single plant enterprise and in companies with several manufacturing plants in different geographical areas. Very large manufacturing companies often have a purchasing research unit which keeps contact with worldwide purchasing and supply trends. According to Stevenson the unit studies sources of supply, systems in the purchasing and supply management framework, operating units constitute the main source of requests for purchased materials, and close cooperation between these units and the purchasing department is vital if quality, quantity, and delivery goals are to be met. Since accounting is responsible for handling all payment to suppliers it must be notified promptly whenever goods are received so as to take advantage of possible discount provisions in early payment. In large manufacturing organizations, data processing is often handled by a computer unit in collaboration with the accounting department, which keeps inventory records, checks invoices, and also monitors vendor performance levels. These activities, including design and engineering, receiving, and other related purchasing and supply management functions ensure that materials for manufacturing activities comply with specifications in terms of cost, reliability, quality, quantity as well as delivery targets. Stevenson summarizes that good purchasing and supply management relations can be very important on *rush orders and changes*, and that good vendors provide a good source of information on product and material improvements and purchasing, inventory problems and market trends, the most effective method of delivery, whether maximum discounts are being earned, the amount and use of waste materials, among other details that help in efficient purchasing and inventory management. For effective inventory management, supplies may be obtained according to the types of materials; in this case, purchases are done by a particular section of the organization. A large company may have a director of purchasing and supply to ensure steady manufacturing of goods. Whether a company is large, medium or small, the objective of purchasing and supply often includes buying materials at the best cost consistent with the service, quality and quantity required, and avoiding any wastes and duplication of materials, and maintaining the lowest possible outlay on stocks. Purchasing in small or large quantities is determined by company purchasing policy, and depends on price variations. However, good purchasing policy attempts to avoid holding large stocks, but ensuring the adequacy of supply which is very important in the flow of

manufacturing. Manufacturing profitability is inextricably linked to good inventory control and management and can result in both under and over stocking of essential materials. Understocking results in missed deliveries lost sales, dissatisfied customers, and production bottlenecks, while overstocking unnecessarily ties up funds that might be more productive elsewhere. The overall objective of inventory management is to achieve satisfactory levels of customer satisfaction while keeping inventory costs within reasonable bounds. A measure of effective inventory management performance is uninterrupted manufacturing flow, profitability and customer satisfaction. An inventory is a stock of good which is a vital component of business. Not only is inventory necessary for manufacturing but also it contributes to smooth operations and the reputation of the organization. A typical manufacturing company often carries different types of inventories including raw materials, partially completed goods, finished goods, parts and tools, goods-in-transit, among others. A company may have about 30 percent of its current assets and perhaps as much as about 90 percent of its working capital invested in inventory. Inventory control is a widely used measure of managerial performance that relates to return on investment (ROI) which is profit after taxes divided by total assets. Therefore, because inventories may represent a significant portion of total assets, a reduction of inventories can result in significant increase in ROI and manufacturing profitability [24-27].

### 3. Methodology

#### 3.1. Research Design

The qualitative and quantitative techniques of exploratory research design were adopted for this study. The exploratory design is historical in nature and does not usually require a large sample or a structured questionnaire. It is concerned with discovering the general form of the problem, and tends to rely more on secondary data [28]. The strength of the qualitative technique lies in its capacity to provide deep insights and descriptions of the matter under investigation [29].

#### 3.2. Sources of Data

Data were generated through secondary and primary sources. Secondary data are information that has been previously collected for some other purposes other than the research project at hand, whereas primary data are information gathered and assembled specifically for the research objectives at hand [30].

### 3.3. Sample Frame

A sample is a subset of a population. It is imperative in research because in most cases, it is impracticable to collect data from every person in the target population. The best sample method is based on the theory of probability to provide a miniature version of the target population. For this study therefore, the sample was selected through the judgmental method [31].

### 3.4. Sample Size

For the purpose of this study, 45 respondents were selected, which comprised of 15 females and 30 males ranging in age between 18 and 75 years.

### 3.5. Scope of the Study

This study was conducted in Southeastern Nigeria consisting of five states out of the thirty six states, and federal capital territory, in Nigeria. The areas have the presence of top manufacturers like Nigerian Breweries (NB) Plc, Guinness Nigeria Plc, and Nigerian Bottling Company Plc, among others. The plant of NB Plc in the area is one of the largest brewing plants in the whole of Africa, located in Enugu State because of the proximity to the supply of raw materials from the Northern parts of Nigeria. Therefore the need for this type of study within the locality at this time of globalization cannot be overemphasized.

### 3.6. Decision Rule

The cut-off point for analysis of responses was put at 70 percent “yes”. According to Nwankwo this method is appropriate to answer research questions [32].

### 3.7. Data Analysis

Data were analyzed through descriptive and regression statistical techniques and result presented in tables. The regression equation for the study is:

$$Y = a+bx$$

Where Y = manufacturing profitability (MP)

X = purchasing and supply management (PSM)

a = a constant term

b = the regression slope coefficient.

## 4. Presentation of Result

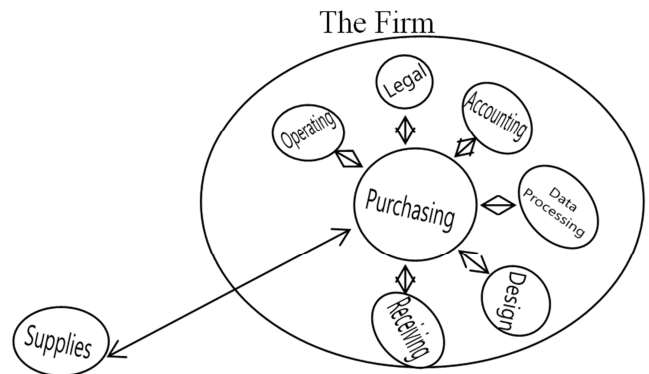


Figure 2. Purchasing Interfaces.

Source: Author Fieldwork (2017) Adapted from Stevenson

As shown in figure 2, Stevenson suggests that effective purchasing arrangements interfaces with suppliers and different units of the firm to produce the desired result.

Table 1. Top Ten Manufacturers in Nigeria.

S/N	Names
1	Nigerian Breweries Plc
2	Guinness Nigeria Plc
3	Dangote Cement Plc
4	Dangote Sugar Refinery Plc
5	Dangote Flour Mills Plc
6	Flour Mill Nigeria Plc
7	Nestle Nigeria Plc
8	PZ Cussons Nigeria Plc
9	Honeywell Flour Mill Plc
10	May & Baker Nigeria Plc

Source: Author Fieldwork (2017)

The names in table 1 to research question cannot be exhaustive, but whether they are large, medium or small, they to a high degree rely on the role of purchasing and supply management for effective manufacturing activity. Despite the problems of multiple environmental changes, some of these companies like Dangote Cement Plc continue to gain in share equity prices, and currently splashing N500m on retailer promo in the country. These are among the indices to measure ROI and profitability [33, 34].

Table 2. Profile of Respondents (n = 45).

S/N	Description	Category	Total	Percentage
1	Gender	a) Female	15	33.33
		b) Male	30	66.67
2	Education	a) Above FSLC	10	22.22
		b) Diplomas/Degrees	30	66.67
		c) Others	05	11.11
3	Experience	a) Less than 10 years	12	26.67
		b) Between 10 and 20 years	18	40.00
		c) Above 20 years	15	33.33

S/N	Description	Category	Total	Percentage
4	Age	a) 10 to 35 years	13	28.89
		b) 36 to 60 years	20	44.44
		c) 61 to 75 years	12	26.67
5	Income	a) Low	14	31.11
		b) Middle	10	22.22
		c) Average	15	33.33
		d) High	06	13.34
6	Employment	a) Private	17	37.78
		b) Public	21	46.67
		c) Self employed	07	15.55

Source: Author Fieldwork (2017)

Table 2 showed the demographic profile of the respondents who were selected on the basis of their knowledge in the areas of purchasing and supply management and manufacturing profitability.

Table 3. Analysis of Responses (n = 45).

S/N	Restatement of Research Questions	Yes		No		Total	Decision @ 70% "Yes"
		No	%	No	%		
1	Pre-supply inspection is necessary to ensure quality of materials to be purchased	35	77.78	10	22.22	45	Accepted
2	Quality control is critical to check the quality of goods produced or services provided	38	84.44	7	15.56	45	Accepted
3	Plant location affects the flow of manufacturing activities	33	73.33	12	26.67	45	Accepted
4	Governments in Nigeria provide the necessary incentives for manufacturing activities	13	28.89	32	71.11	45	Rejected
5	Good purchasing and supply management can lead to manufacturing efficiency and profitability	41	91.11	4	8.89	45	Accepted

Source: Author Fieldwork (2017)

By the design of this study, table 3 provided necessary answers to the research questions. With about 91 percent "yes" in table 3 (5) it was agreed that purchasing and supply management leads to manufacturing profitability. This supports the findings of Uba, et al that efficient procurement has significant positive relationship with organizational productivity and profitability.

Table 4. Model Summary.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.479a	.230	.143	1.44632	1.060

- a. Predictors: (Constant), PSM
- b. Dependent variable: MP

Table 5. Anova.

Model	Sum of Square	Df	Mean Square	F	Sig.
1	Regression	33.066	6	5.511	2.635
	Residual	110.867			
	Total	143.933			

- a. Predictors: (Constant), PSM
- b. Dependent variable: MP

Table 6. Coefficientsa.

Model	Unstandardized Coefficients B	Standardized Coefficients	Std. Error	t	Beta	Sig.
(Constant)	24.053		3.011		7.988	.000
Accounting	-.395	.157		-353	-2.511	.015
Payment	-.061	.206		-.041	-.296	.768
Marketing	.161	.541		.044	.298	.017
Quality control	.080	.137		.072	.581	.564
Inventory Management	-.562	.254		-.321	-2.208	.032
Procurement	.000	.029		.001	.010	.012

In regression analysis, there is an important measure, R<sup>2</sup>, which measures the goodness-of-fit of the regression model. By this, it calculates the percentage of variation in the dependent variable accounted for by the independent variable(s). In table 4, R<sup>2</sup> =.230. This explained the total

variability in the dependent variable Y, explained by the independent variable X. This is the measure of goodness-of-fit. For categorical models such as this, R<sup>2</sup> value could range between 0.2 to 0.6 [35]. Therefore, the value of .230 was adequate. In table 5, the regression was significant. In other

words, PSM explains MP. In table 6, the coefficient calculated was significant at 0.05 level. Therefore,  $H_0$  was rejected and  $H_1$  accepted, to conclude that PSM has significant positive association with MP.

#### 4.1. Discussion

Purchasing and supply management is critical for obtaining the necessary materials for effective manufacturing because the issue of productivity and profitability is a question of quantity and quality. Collaborating with reliable suppliers, ensuring quality inspection and also maintaining close relationship with relevant units of the enterprise provide the bedrock for smooth manufacturing function and enterprise profitability. Stevenson posits that purchasing arrangement interfaces with various organs of the company to improve its efficiency and profitability. On this basis it may be safe to assume that some of the top manufacturing companies in Nigeria like Nigerian Breweries Plc, Dangote Cement Plc, that are very profitable embrace efficient purchasing and supply management. E-procurement as a component of purchasing and supply management is an important element that helps manufacturing giants to take competitive advantage in the global market space. Primary data used to supplement secondary data for the study were obtained from people who have necessary experience and knowledge in the science of purchasing and supply management. The result of the study showed that purchasing and supply management leads to manufacturing profitability [36-40].

#### 4.2. Scope for Further Study

Further study should examine the relationship between purchasing and supply budget and enterprise failure in Nigeria as a way out of the phenomenon in Nigeria.

#### 4.3. Recommendations

- i. Manufacturing companies need to work with credible suppliers to ensure the procurement of quality materials.
- ii. Productivity and profitability relate to the question of quantity and quality therefore to remain competitive and profitable there should always be good inventory management to enhance uninterrupted manufacturing.
- iii. With the increasing tide of globalization, manufacturing giants should put in place robust e-procurement platform to enhance easy access to suppliers across national boundaries.
- iv. Insisting on quality control is important to ensure that products manufactured and services provided are of the quality that the consumers desire. People patronize products or services not only if they are more economical, but because they serve them longer.

- v. Manufacturing or production economic enterprises in Nigeria should pay close attention to their CSR to upgrade cordial relationship with their employees, host communities and other significant stakeholders to improve smooth manufacturing flow, reduce sabotage and increase profitability.

## 5. Conclusion

Purchasing and supply management function is an important starting level that can lead to manufacturing profitability. Exploring credible suppliers and liaising with relevant units of the enterprise as well as ensuring presupply inspection and quality control are critical to improve the quality of goods and services. In the ever increasing competitive global environment, e-procurement now plays a significant role in the purchasing and supply management arrangement as regards doing business across national boundaries. Exploratory research design was used for the study, and it was found that purchasing and supply management leads to manufacturing profitability. This is the interest of the study.

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