INVENTORY MANAGEMENT IN THE HOTEL INDUSTRY
(A CASE STUDY OF HAMDALA HOTEL KADUNA)

BY

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DECLARATION

This project is written by Salaudeen Raliat Bola under the guidance of Mallam I. F Okeji and approved by him has been submitted and accepted by the post graduate school of Ahmadu Bello University Zaria in partial fulfillment of the requirements for the degree of Master of Business Administration, 1995 Session.

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APPROVAL PAGE

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DEDICATION

This project is dedicated to my dearest son, Master Adebowale Oluwaseun Adepoju

ACKNOWLEDGEMENTS

I express my gratitude to my Supervisor Mallam I. F. Okeji for offering me constructive advice and suggestions in the course of writing this project. I am sincerely grateful to my Almighty Allah who spare my life and my time to be able to complete this programme. I am also grateful to Mr Rafiu Salaudeen and Mrs Raliat Salaudeen for their encouragement. My thanks also go to Architect Fola Adeyemi for his assistance always. Also Mr Akin Famujimi for his assistance for typing the manuscripts.

ABSTRACT

This research work is based on inventory management in an hotel industry a case of Randala Hotel, Kaduna. In order to understand this research work better, the researcher has introduced the subject matter in stating the statement of general problems, background for the subject matter, history of the organisation, the rationale for study, limitation constraints as well as the delimitation.

The researcher in order to have a guide, he has developed two sets of working hypothesis, which at the end of the research work he was able to prove and the results found led to some recommendations for management actions.

In the literature review, the views given by the various authors have shown that inventory management in the public section is very important as it is in the private concerns. This shown the importance of inventory management in any organisation. In carrying out the study, a total of 60 questionnaires were sent out, out of which 50 questionnaires were answered and returned and which were useful for data analysis. The sampling strategy and statistical techniques was employed in evaluating the data. Three methods were being taken and utilized when collecting the data, these were questionnaires, documents, and interview methods and the results were analysised through the percentage technique.

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CHAPTER ONE

1.1 INTRODUCTION

Inventory control is the means by which the correct list of stock items are made available as and when required with due regard to overstocking, understocking and also cost of ordering and working capital.

The purpose of inventory management is to reduce the cost associated with maintaining an inventory. These costs fall under the cost of holding stock, the cost of not holding stock, and also the cost of workload caused by movement of merchandise in and out of the inventory and the corresponding movements of all the necessary information.

In any branch of an organisation inventory control requires a special attention than what it has presently being.

Service organisation is that organisation whose aimed at making profit and then provide services to the people. In the light of this, the researcher has decided to take Hamdala Hotel Kaduna as a case study.

In analysing the inventory control there should be no doubt that the responsibility for inventory control lies with the top management of organisation.

The effects of poor inventory control are not directed on the operating statement as a composite cost of inventory. Nevertheless, in most organisations these indirect cases possess a hidelum throughout the operating statement, can have a significant influence on efficiency. Therefore top management should for this reason carefully formulate and

periodically review the basic policies, plans and forecasts which constitute the framework within the daily inventory operating functions.

From the above, therefore there is no specific standard system of inventory control that can universally be recommended or to be applied, but in the cause of time, certain principles and practices of more or less general applications have to be adopted.

BACKGROUND TO THE SUBJECT MATTER

Inventory control for quite sometimes has now become a typical issue among academicians and practitioners.

A research of this nature will be meaningless if one is not aware of how the researcher came about choosing the subject matter which is 'The inventory and its management in a service organisation "HAMDALA HOTEL". Thus the researcher becomes curious in choosing the subject matter because of limited information given to the researcher when the part-time training was conducted, with the store officer of Hamdala Hotel, Kaduna where she raised a motion that inventory management and the role it plays in the organisation.

The researcher as a student of finance where inventory management is being study is confronted with a series of challenges trying to put things through most inventory practitioners who are not learned in the field. Such people always tend to believe that inventory management should be practiced as handed down to them by early managers or their

organisations. Little do they realise that dynamic business environment at one time or the other make a particular practice unproductive. However, various firms have not been expecting the advantages of inventory management process into their exercise. They have shallow view of the whole system which in the longrun brought set-back to the organisation.
One could have thought that the primary function of inventory management is to provide for efficient receipt storage, preservation and issue and also general handling of materials to be distributed to the ultimate users at a minimum cost taking into account with due regards to the economy in storage and ordering cost, purchase price and working capital.
The researcher has been a part time staff of Hamdala Hotel for a short period of time yet she is quite ignorant of what is happening in that organisation. Based on the skilled and the knowledge acquired in the area of inventory management, She is anxious to consolidate or discard his present conception about inventory control management in the hotel whereby the researcher is trying to confirm whether the inventory management in the hotel is still or not at its primitive level.

2 STATEMENT OF PROBLEMS

General, the problems of inventory management in some organisations have been regarded as an unnecessary expenses. As a result, little or no attention is accorded to it.
However, the impression most companies, establishment and

programmes have created in the mind of the public is that of inefficiency and failure. They hardly yield results nor do they satisfy those who are meant to benefit from their services.

It is common nowadays to hear that this or that company or government parastatals run short of materials in order to continue rending its services. The companies and other government parastatals always run short of materials. It is indeed very difficult to see a company that have enough materials to cope with the demands. One can see that either the materials needed are not available for the production department at the needed time and it may even lead to the production stoppage. At the same time the wages and salaries of the workers must be paid.

What is actually wrong? Is it such a company has no money and materials to run the business? Is it that they lack the required effort in inventory management? If their inventory management is faulty, what are the proper alternatives available for them?

These are some of the related questions that will be focal point of the project.

Based on Hamdala Hotel, Kaduna the researcher is interested in evaluating its inventory management as it operates despite some of the problems highlighted above the subject matter.

1.3 OBJECTIVES OF THE STUDY

In any organisation, effective inventory management is very important. Therefore, this work is intended to see how effective inventory management could improve services in Hamdala Hotel as a case study.

The researcher hopes that this study would be beneficial to the management of any hotels in general and Hamdala Hotel in particular.

This research work will enable people that have no idea or have never worked under any hotels or government parastatals to have a first hand information on how inventory management activities are being carried out. It will also enable the researcher to direct some problems militating against inventory management and gave some reasonable suggestions where appropriate.

This research work will enable the researcher understand the basic or root cause of stock-out syndromes that is very prevalent in our public enlightments.

The research work will also enable the researcher to make a short of comparison between the theoretical knowledge acquired and the practical aspect of inventory management system in the hotel.

To broaden the practical knowledge of the researcher and serve as a platform for her future development in the area of study. Also, it is intended to serve as an invaluable reservoir of information for students and lecturers as well.

In the end, the researcher intended to solve the problem of developing policies and procedures and will lead to fulfillment of the organisational objectives at the lowest but reasonable operating cost. The project will also lead to the training and development of highly competent personnel who could be motivated to keep inventory management losses which arises due to obsolescence, theft, deterioration to minimum. This project will benefit fellow researchers in this area and many other organisation in the effectiveness of inventory management.

1.6 LIMITATIONS OF STUDY

In any research work of this nature, there are occasions where the researcher encounters one problem or the other. In this case, this researcher is not an exception.

A number of circumstances limited this research work. Notable among them are:

The researcher encountered a problem of lack of enough text books which made it difficult for the writer to carry out this research very well. The availability of text books of this profession is limited and also the knowledge of the researcher is limited.

The time limitation was also a problem. In the sense that the time given by those that have the information needed from the organisation is delaying. If they promised, this month and you were there, there will be one complaint or the other due to lack of improper arrangement among themselves, this is due

to the fact that there is no proper arrangement between the School authority and the organisation for the collection of data. This of course was a great problem to the researcher. There is also lack of enough fund to enable the writer to buy all the necessary requirements for the project which contributing to the writing of the project.

Another problem the researcher encountered was the supervision, especially in the area of correctness and rewriting again before it is being approved. This constitute a major problem to the writer especially where the researcher has no much knowledge of this nature of work.

1.7 DEFINITION OF TERMS

INVENTORY: Inventory is a detail list of the items to regulate in the input and output.

STOCK MANAGEMENT: A system employed to ensure availability of the right quantity and right quality to meet operational requirement.

STOCK TAKING: It is the process of verifying the quantity balances of the entire range of items hold in stock.

STOCK: The actual quantity of goods or materials held in the storehouse.

STOCK RECORDS: Are those documents used to record all stores transactions.

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STORES REQUISITION: This record is used mainly in an organisation to register their requests for materials from the store.

CODING: This is a method used in identification of items by way of letters of figures or a combination of both.

HANDLING EQUIPMENT: This is the facility used in moving materials into or outside the organisation e.g Forklift and Crane.

VOUCHER: It is the document showing correctness of supply, receipt and issue.

CHAPTER TWO

2.1 LITERATURE REVIEW

The aim of literature review is to present, trends and progress on the field of study; to acknowledge efforts of pioneers; to create awareness for reviewing and objectively criticize other researcher's work with the aim of improving on such work for the better. The subject matter cannot be said to be a new era of study. Inventory management strategies, and its effects in the hotel have received the blessings of professionals and pioneers. The idea here is an acknowledgement and comments on their opinions with the aim of improving on the research work. In a highly competitive business environment such as ours, inventory system must be backed up by effective strategies. We can no longer be satisfied with conventional materials. Everything which has been done before, every method we use must be challenged and forced to justify its validity. Thus it is one thing to adopt a particular inventory management system and another thing to know the strategies to apply in such a system.

All resources are limited, time, space, money, labour, materials but the most urgent needed resource is the one which is scarce, that of ideas" (Warmar P.4).

The only way to get ideas is to ask questions, and adapt our own eyes, adapt our own reasoning processes and put everything under enquiry.

Inventory management as defined by (Barrett S.D 1972) "he

defines inventory management as a system to reduce the cost associated with maintaining an inventory such as cost of holding stock, the cost of not holding stock and the cost of work load caused by movement of merchandise 'in and out' of inventory and the corresponding movement of information".
Therefore, this variable meant the system whereby to reduce whatever cost that have accrued in either holding stock or not and to achieve possible means of reducing the cost of inventories.

Appleby R.C in his analysis about the inventory management system he defined "it as being responsible for ensuring that the right quantity and quality of materials are made available when and where required and to ensure that capital is not tied up".

Our view from the two Authors already discussed in their assertion, they all agree that inventory control is a means to put into consideration the quantity, quality of material needs in order to save cost by not tying up the capital of the organisation.

However, A Burton (1989 P. 153) confirms in his definitions "that inventory control concept quantity of the right quality, at the right time and place".

Harper (1958 P. 28) states that the essence of inventory control is to assess management in avoidance of both the cost of overstocking e.g interest on capital unnecessary tied down)and cost of understocking e.g profit on order list because of failure in delivery).

This definitions could be seen that inventory control assists in the personnel to avoid unnecessary tying down of capital. In the Encyclopedia Americana Vol. 10, (1829 P.285) The Encyclopedia defines "Inventory control as an itemized list of goods, descriptive debts, credits and sometimes real estates, usually which the corresponding actual or estimated value attached, made it to fulfil legal requirements as a routine business procedure".

Glacifer (P.123) looked at the inventory control in a different angle "as a means of exercising a close control over the flow of inventory into production or sales vis-a-vis preventing loss but also ensuring that adequate inventory level are maintained. He thus further emphasized that inventory control was to be maintained both at the flow of production and by use of record keeping.

This definition can be seen as a means of providing all that is necessary for the smooth operation in order to satisfy the basic objectives of the organisation and the function to its uses by giving them the right service.

2.2 INVENTORIES

Green J A (1970 P.14-15) He refers to inventories as closely related to the need for anticipation of stock for a cushion between actual and forecasted demand. That is to say the extent to which inventories will be needed is a function of the accuracy of forecasting and the variations in actual demands.

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Borce faith (1974 P.88) He also defines inventories as "stocks of raw materials supplies parts, materials in process, finished parts and finished products". In all cases, inventories in an organisation within this organisation is a bigger or a smaller organisation. They need an inventory control. Whereby that inventory represent a high proportion of their working capital of that organisation. And for that reasons a very light control must be established over their inventories, purchases, and the material issues, so that organisation will save cost and also will not tie down capital. Finally, it could be observed that inventories includes all these component of raw materials, work-in-progress and also finished goods that are needed to be properly anticipated and forecasted for before the falling of production.

Indeed, it could be seen that all the different authors quoted above on their analysis have seems to have different analysis and also approaches in their procedures. But at the end they seem to agree on a single motion that to ensure a proper inventory is the best policy, whereby there will be proper reduction on all cost level and at the same time to ensure that the right quantity and quality of materials are made available when and where the materials are required.

2.3 INVENTORY CONTROL SYSTEMS

The operation of the inventory control in most of the organisation is carried out through some basic functions, the

type of organisation and also the type of items they dealt with. These fuctions comprises of receiving, pnspection, issuing and material handling. The effective operation of these functions (i.e the strategies applied) form the basis of any successful operation of any inventory.

Green J.H (1970: P.14-15) define inventory control system "as the process of determining the items or groups of items that deserve the maximum control of effort".

2.4 CONTROL OF INVENTORY BY IMPREST AND TWO BIN SYSTEM

Peter J. H Barly (1973 P.283) on the other hand has viewed the term inventory control unlike his counterparts. He takes different dimension about the control of stock. He lays much emphasis on the operation of the stock level in the controlling of stocks, he rather introduces a policy of imprest and two-bin system" which he further claims would provide adequate and the best results if properly used. He goes on to say that the imprest and two-bin system are methods of stock control in which stock are replenished up to a certain level called the imprest level after reviews at a regular intervals, where by this kind of system have the control of stock. This system also has the connection with the old system for controlling petty cash, postage system of control.

"The two-bin system on the other hand do not involve so much in the paper work rather its the kind of system that gives periodically as the name implies. The basic idea of the two

-bin system is that the situation whereby to have the working bin and the reserving of bin, whereby the time the working bin is empty, the storeman can start to issue from the reserved bin at the same time try to notify the purchasing department in order to replace the empty bin so as to bring the stock to its normal level.

2.5 CONTROL BY CYCLICAL PROVISIONING

Control by cyclical provisioning is another method of stock control. According to Morrison A (1981 P.11) "It involves examine the stock records for a particular class of commodity at regular intervals and raising a provision demand at one time for all item requiring replenishment". To this definition according to him, it may be done at an interval of one month, three months, six months, one year whatever other interval is deemed satisfactory is practice.

Lee and Bubler in his own analysis has viewed in different angle Lee and Bubler (1977 P.194) defined Cyclical ordering system "as a time based system which involves scheduled periodic reviews of stock levels of all inventory item". According to Bubler when the stock level of a given item is not sufficient to sustain in the production line of operation. It means that until the next batch scheduled review, has been made to placed replenishing the supply. That is to say, anticipated average historical usage in a stable demand situations or on specific calculation of requirements from known production schedules and products bills of materials in

either stable or unstable demand situations. For administrative convenience, however, each material order quantity is usually chosen from a small number of pre-determine coverage periods. In the real sense, it can be said that the cyclical provisioning ordering system is mostly suitable for materials that is mostly purchased on planned schedule as planned months in advance because of established and frequent production schedule that is frequently maintained by the suppliers. It can also be worked well for the materials that are being exorbitant and irregular or seasonal usage and whose purchase must be planned in advance based on the basis of sales estimates.

The cyclical provisioning system can of course, be used for materials in an inventory in this manner. But however, this method presents three main disadvantages over the rest of the methods.

First, is that it compels a periodic review of all items. In this respect, it makes the system somewhat in efficient. Secondly, the system also demands the establishment of rather inflexible, order quantities in the interest of administrative efficiency.

The third disadvantage is that the order of the cyclical system tends to point the purchasing work loan around the review dates.

2.6 FLOW OF CONTROL SYSTEM

In the flow of control system of controlling inventories represents a special variation of the system of cyclical

provisioning. This method is mostly applicable where the needs of the materials are frequently in use daily.

THE ANALYSIS OF THE TECHNIQUES OF INVENTORY

1. Lee D. Bubler (1918: 190-193) refers to inventory analysis as the initial planning and subsequent control of such an inventory is accomplished on the basis of knowledge about each of the individual items and finished products of each is a part. Consequently, the starting point for sound inventory management is the development of a complete inventory which include the following as its techniques.

ABC ANALYSIS OR TECHNIQUES

While in purchasing department, this method is commonly used by companies worldwide said by Abiodun (P.87). In practice such an analysis can be made on the basis of either the average inventory investment, in each item or the annual usage of each item. The analysis is easy to conduct once inventory has been properly identified and usage records have been maintained for a complete operating cycle. If purchasing experience is analysed through ABC Analysis or (proportionate value analysis) the typical result will be as follows:

'A' items: 10% of the line items account for 75% of the money spent.

'B' items: 10% of the items account for 15% of the money spent.

'C' items: 80% of the line items account for 10% of the money spent.

Obviously, the items that are the ones where the big amount of money is, and this is where the significant savings can be realised through better purchasing terms of good negotiations, transportations, handling costs, insurance and so on.

A 10% savings on 'A' item may be equivalent to about 90% savings in 'C' item. The time and effort spent by the buyer could be allocated on the basis of potential savings. It is a simple idea, but one which often is overlooked and which can pay a big dividends.

2.6 SYSTEM CONTRACTING

This is another technique whereby the buyer makes up a contracts or purchases agreement with the supplier covering large amount of materials or supplies generally bought from a distributor. This supply might include wire valve, bearings, steel or tools.

The supplier agrees to carry sufficient stock of each of the items. Requisitioners merely order needed items from the supplier when the needs arise and he who keeps on all items bought shipped, and then mails a combined invoice at prescribed intervals (e.g once a month).

Another aspect of inventory management is to provide maximum customer service with maximum plant efficiency and minimum inventory investment and in order to achieve this functions, inventories of certain quantities need to be held and the reasons for being are as follows:-

Morrison A viewed the reasons for holding stock on various organisations. That if is necessary to keep stock in the stores for one of the followings:-

(a) Discount: It improves the discount for bulk items that are purchased. What can offset the cost of storage.

(b) Operational risk: For the possible charges in programmes, industries require to hold stock as a precautions against break down or interruption of production or other activities.

(c) Delivery: In the process whereby delivery cannot match with the daily usage. In that there is the need for stock holding.

(d) The cost of storage: is not weighed by the saving production of quantities in excess of immediate requirements, as in the case of price piece parts in production in economic batches.

(e) Fluctuation in price: In this, it is necessary to hold stock for the fluctuation of the process of the commodity. It is considered desirable to lay in stock when the prices are low.

(f) For work-in-progress where a complete balanced production

flow is unpracticable.

(g) For finished products where the holding of stock between the manufacturer and consumer is essential.

The importance to be given to each factor depends upon the circumstances of individual businesses.

Baret (1972 P.1) views that the purchase of inventory control is to reduce cost associated with maintaining an inventory control. He said that "These cost fall under three main headings:

1. The cost of holding stock
2. The cost of not holding stock
3. The cost of work head caused by movement of merchandise in and out of the inventory and the corresponding movement of the information.

This definitions is accepted because it covers almost all aspect of stock control. It abuses the mind of those who see stock control as a means of looking after the stock at their disposal. The cost he mentioned are actually what stock control is all about, First, the cost involved in holding stock such as deterioration, storage cost pilferage etc. are minimised to the lowest possible while the cost of not holding stock such as loss of goodwill, production stoppages are also minimised and lastly, the cost involved in work load causes by movement such as handling equipment off and on loading cost is reduced.

However, BURTONA. (1974 P.153) says "Stock control concept is to provide the right materials, in the right quality, of the right quality at the right time and at the right place".
This definition can be seen as the means of providing all that is necessary for the short operation in order to satisfy basic objective of the store functions to its users by giving them their services rightly.
BURTONA. (1979 P.152) examines the reasons for holding stock, as the logical classification of stock control problem which is very difficult, because reasons vary considerably from one industry to another, even within one industry the problems can be diverse e.g the manufacturing industry where the demand for stationery is usually constant for day to day activities whilst the demand for cardboard will vary widely according to the subject matter it may be wanted. One of the most common reason in every stock is that the stock services to bridge the gab between successive operation of an organisation.
Reasons for holding stock in relation to inventory control in any management might arise because of unreliable deliveries where suppliers to deliver every order exactly on time, everytime an order is placed. Stock need to be held to safeguard impossible unforeseen situation such as strikes, transport delay or breakdown, bad weather or administrative errors.
From the view of the various authors work have been quoted in this chapter, the researcher aims at pointing out that all

factors discussed are purely on the emphasis of inventory control in a management of an organisation.

While some authors like Barret and Harper, they make emphasis strongly on the cost associated with the maintaining of an inventories. But Green, Lee and Bubler are in the view of the proper control of inventory system.

In the conclusion, it can be seen that various authors have different views and approaches over the issue. But all the same, they are all aiming at the same direction. In view of that, from the research work made by the researcher based on place of the case study (Hamdala Hotel, Kaduna), her view of the subject matter inventory management and how it is being operated, from the Barret's point of view which states that inventory management is a system to reduce the cost associated with maintaining an inventory, such as cost of holding stock, the cost of not holding stock and the cost of work load caused by movement of merchandise 'in and out' of the inventory and the corresponding movement of the information as it is being defined earlier in the chapter.

CHAPTER THREE

3.1 HISTORICAL BACKGROUND OF HAMDALA HOTEL

The foundation stone of what is now Hamdala Hotel was laid in 1961, a year after the Nigerian Independence. The project was carried out and finally completed in 1964.

Hamdala Hotel was officially opened in September, 1964 by the then Late Sardauna of Sokoto, Sir, Ahmadu Bello, with Mr Papa Nicolla as the first General Manager (GM). The hotel was commissioned in order to promote tourism and provide more up to date hotel services in Kaduna in particular and Northern State in general.

The hotel has the following departments:

1. General Manager's office
2. Front office
3. Accounts office
4. Laundry section
5. House keeping
6. Food and beverage section
7. Telephone section.

All these departments are headed by specialist. As at the time of the official opening, the management was largely foreigners. However , it is of significance to know that the present motel chalet was serving as a rest house along Kanta Road before Hamdala was officially opened. At the time of opening, the hotel was having 78 rooms consisting of suits and double rooms.

In 1975 Hamdala was transferred to the management of Arewa Hotels which is a subsidiary of Northern Nigerian Development Company 9NNDC). At this point a need for distribution between Hamdala and its counterparts had to be made. As discussed earlier, the hotel is headed and solely owned by N.N.D.C whose properties like Bank of the North, Kaduna Polytechnic are controlled by six Northern States then the states becomes ten and now presently eleven Northern States.

The management and director of the hotel can be seen as follows:

N.N.D.C as its proprietors and source of capital

Group Managing Directors: Report to N.N.D.C Management Board

Director of Hotels report to Group Managing Directors

Arewa Hotels Managing Director reports to the Director of Hotels on all issues concerning the management of the hotels.

Hamdala Hotel General Manager reports to Arewa Hotel Managing Director.

The Hamdala Hotel among other five star hotels is the only hotel owned by the N.N.D.C.

The is no shareholder apart from the N.N.D.C. Other hotels under the management of Arewa Hotels are Durbar, Zaranda Hotel, Sokoto Hotel, Lake Chad Hotel etc.

Presently, the system of management and employment adopted in N.N.D.C applied to the Hamdala Hotel. Hamdala has four hundred and fifty (450) rooms in the hotel.

The objectives of the organisation are as follows:

1. To make profit
2. To provide accommodation and catering services to tourists and other members of the public satisfactorily.
3. To charge moderate rates to its customer
4. It also include other services like;

   Investment

   Development

   Management

   Consultancy

The organisational chart of Hamdala Hotel is shown here.

RESEARCH METHODOLOGY

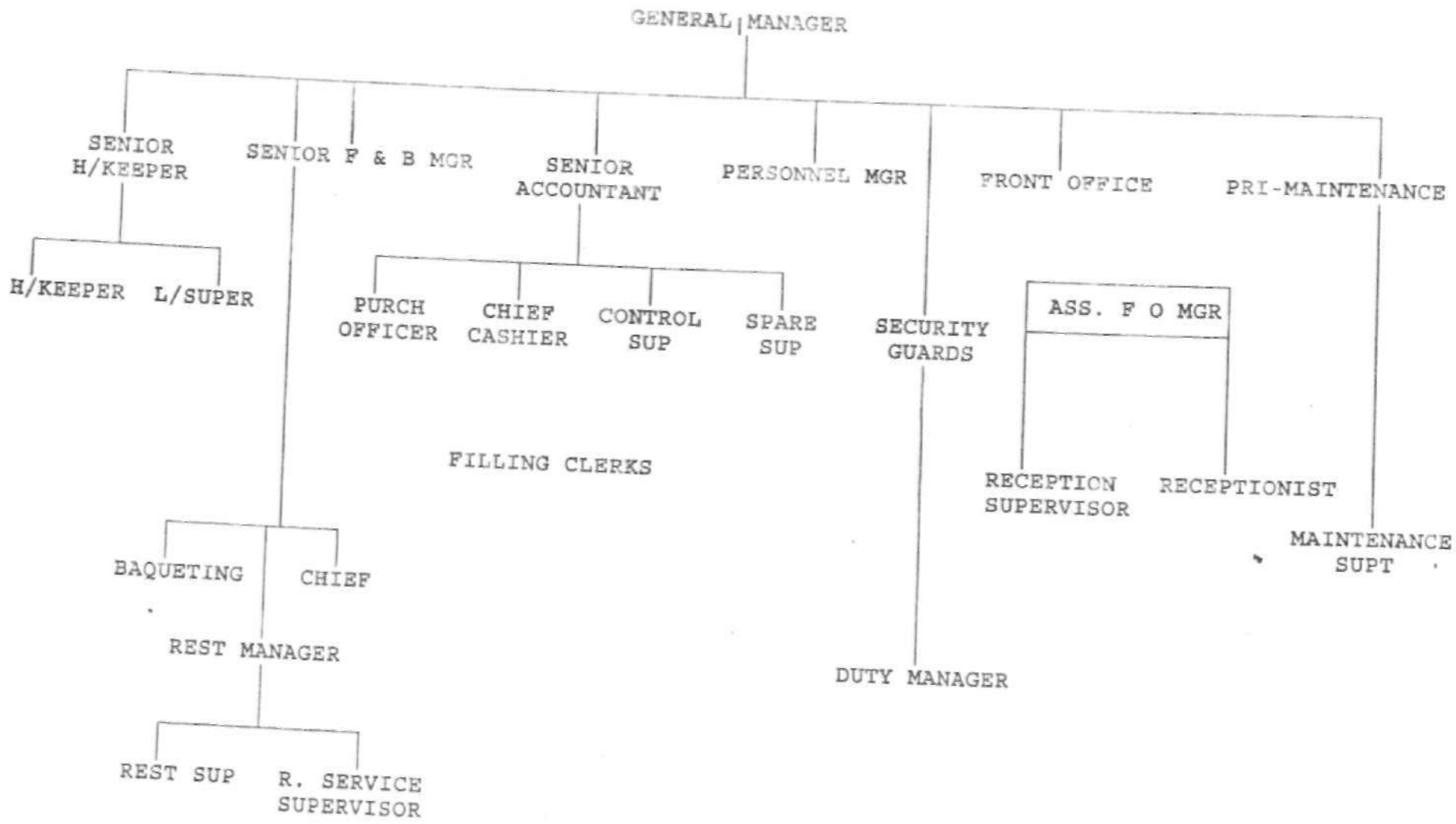
In this chapter of the research work, the method applied in acquiring data will be analysed to the readers. This will comprises of research population, sample size and strategy instruments used in acquiring the data.

3.2 RESEARCH POPULATION

The population size covered in this research work includes all staff of Hamdala Hotel, Kaduna and it is from this population that the sample size was chosen.

HAMDALA HOTEL KADUNA

ORGANISATIONAL CHART



SAMPLE SIZE

A sample size of sixty (60) people covering various sections of the organisation will be chosen i.e from purchasing, inventory control, issuing, receiving and verification sections.

The breakdown of distribution is in accordance with the population size of each section.

3.3 SAMPLE STRATEGY EMPLOYED

The sampling procedure employed in this research is the simple random sampling strategy. The researcher will pick very few respondents, out of the total population randomly to make up this sample size. The picking exercise is however interested to cover all the staff of the organisation regardless of their rank, educational background and appointments.

3.4 JUSTIFICATION FOR APPROACH USE

In this research work, the researcher used descriptive method because She is of opinion that all the relevant data in the information required as regards the inventory management system of the organisation will be fully discussed and believed that by so doing all short coming and the constraints in the system can be easily be located and all the necessary suggestions and recommendations will be given to the organisation in order to enable its effect changes where necessary and ensure effective operation of inventory control management.

3.5 INSTRUMENTS USED

For the purpose of this research work, the researcher has resorted to the use of:

i. Validated questionnaire

ii. Personal observations

iii. Documents.

HYPOTHESIS

HO That the application of the inventory management does not affect the organisation.

H1 Proper inventory management is a means of profit maximization or service satisfaction.

3.6 JUSTIFICATION FOR SAMPLE PROCEDURE AND SAMPLE SIZE

In choosing simple random sampling, the researcher took into consideration the relevant cost this type of procedure that can be afford. If data are secured from only a small fraction of the aggregate expenditures that are smaller than 119 complex census that is attempted. Then, the sampling procedure will saves money, time and labour because it frequently enable data of high quality to be collected. Time factor also make it impossible to work on a larger sample and it's also not easy to obtain the accurate information needed that is the reason why a sample size of sixty (60) respondents were chosen as adequate to represent the establishment so that the researcher aim could be achieved easily.

The already stated sample procedure or sample size was based on the nature and scope of the study and the establishment under study.

3.7 STATISTICAL TECHNIQUES USED IN ANALYSING THE DATA

Simple percentage technique was used in analysing the data. The percentage ratio method is widely, applied. All the responses mentioned in this chapter were first of all selected according to their relative class/group and further consented to percentage and finally analyse such question showing the percentages and the number of responses per each question answered.

The method adopted is:

$$\frac{\text{The number of respondents to question}}{\text{Total number of respondents}} \times \frac{100}{1}$$

CHAPTER FOUR

4.1 PRESENTATION OF DATA

In this chapter, the data collected are presented in tabulated form and analysed it by using the statistical tools chosen. In this process of tabulating the data, sixty (60) questionnaires were being collected and administered and fifty (50) were answered and returned by the respondents. These responses questionnaires are being tabulated and analysed below:

4.1 RESEARCH QUESTION ONE: Type of item in stock.

What type of item do you normally hold in stock?

	Option	No of respondents	Percentages
A.	Raw materials	7	14%
B.	Stationeries	15	30%
C.	Provisions	25	50%
D.	Fuel and lubricants	-	-
E.	Other specify	3	6%
	Total	50	100%

Source: The questionnaire

When the respondents were asked to chose the type of items the organisation normally hold in stock, they have different opinions. 14% of the respondents were of the opinion that the organisation normally hold raw materials. 30% of the respondents also were of the opinion that the organisation hold mostly stationeries as stock. Whereas 50% of the respondents were of the opinion that provision is the one that

is mostly hold as a stock. And 6% of the respondents were of the opinion that others are being specify. At the end none of the respondents agreed with the fuel and lubricant.

4.2 Research question 2

Who is responsible for inventory management in the organisation?

	Option	No of respondents	Percentages
A.	General Manager	2	41%
B.	The Purchasing Manager	30	60%
C.	The Internal Auditor	-	-
D.	The Operation Manager	4	8%
E.	Others (Please specify)	14	20%
	Total	50	100%

Source: The Questionnaire

From the above table, it shows that 4% of the respondents were of the opinion that its the General Manager who is responsible to ensure the inventory management on the organisation. 60% also were of the opinion that its the responsibility of the purchasing Manager, 8% have the view that its the duty of the Operation Manager and then 20% of the total respondents view others. But none of the respondents agreed with the view of Internal Auditor.

4.3 Research question 3

What method of storage does the organisation adopt?

	Option	No of respondents	Percentages
A.	Centralized	12	24%
B.	Decentralized	14	28%
C.	Combination of centralized and decentralized	18	36%
D.	Any other specify	6	12%
	Total	50	100%

Source: same as Table 4.1

In this question, 24% of the respondents said that they use centralized method of storage, while 28% of the respondents agreed that they decentralized their store and 36% said that they employed both centralized and decentralized, while only 12% of the respondents agree with any other specify.

4.4 Research question 4

What section is responsible for inspection?

	Option	No of respondents	Percentages
A.	Verification	-	-
B.	Control	30	60%
C.	Procurement	12	24%
D.	Verification/Procurement	8	16%
	Total	50	100%

The above table indicates that 60% of the respondents agreed that control section is the section that has the responsibility for inspection whereas 24% of the respondents agree with the procurement and then 16% said that it is the

responsibility of the verification/procurement.

4.5 Research question 5

Who authorises the issue of materials?

	Option	No of respondents	Percentages
A.	The General Manager	7	14%
B.	The Director General	3	6%
C.	The Accountant	-	-
D.	The Chief Store officer	40	80%
E.	Others specify	-	-
	Total	50	100%

The above table indicates that 80% of the respondents agree that the Chief Store officer is the only person that can authorise the issue of the materials in the store. Whereas 14% of the respondents also agree with the view of the General Manager. 6% agree with the Director Genera. Then none of the respondents agree with the Accountant and no other please specify view.

4.6 Research question 6

Who is responsible for posting of records cards?

	Option	No of respondents	Percentages
A.	The Issuing Section	1	2%
B.	The Receiving Section	25	50%
C.	The Inventory Control Section	4	8%
D.	The Store Records Officer	20	40%
E.	Other specify	-	-
	Total	50	100%

The table above shows that about 2% of the respondents said that the issuing section is responsible for posting of all the records cards. While 50% of the respondents agree that it is the responsibility of the receiving section. Also about 8% of the respondents agree that it is the duty of the inventory control section. Whereas about 40% out of the total number of 100% respondents agree that its the responsibility of the stock record officer to post all the records in the store.

4.7 Research question 7

What method of inspection does the organisation operate?

	Option	No of respondents	Percentages
A.	100% inspection	30	60%
B.	Random inspection	15	30%
C.	Sample inspection	5	10%
D.	Any other specify	-	-
	Total	50	100%

Sixty percent of the respondents stated that they use 100% inspection system of inspection. While about 30% of the respondents agree that they use random method of inspection of items in the store. 10% of the respondents also stated that they use sample inspections method and none agree with the use of any other specification.

4.8 Research question 8

How often do departments request for materials?

	Option	No of respondents	Percentages
A.	Everyday	10	35%
B.	Weekly	40	65%
C.	Monthly	-	-
D.	Annually	-	-
E.	Others (specify)	-	-
	Total	50	100%

In this question, 35% of the respondents said that the departments do request for the materials everyday whereas 65% also agree that the departments can only request for the materials weekly. And the rest of the options, there is no respondent for it at all.

4.9 Research question 9

Which body organise stock taking in the organisation?

	Option	No of respondents	Percentages
A.	Internal Auditor	32	64%
B.	Accounts Section	14	28%
C.	Personnel Department	2	4%
D.	Any other specify	2	4%
	Total	50	100%

As it can be seen in the table above 64% of the respondents out of the total number of 50 respondents answered in favour of Internal Auditor. While 28% respondents answered in favour of the Account Section. However, 4% are of the favour

of the personnel department. And only 4% respondents are in the opinion of any other specify.

4.10 Research question 10

What stock taking exercise do the organisation operate?

	Option	No of respondents	Percentages
A.	Periodic stock taking	35	70%
B.	Continue stock taking	10	20%
C.	A and B above	5	10%
D.	Any other specify	-	-
	Total	50	100%

Source: The questionnaire.

When the respondents were asked to choose the type of stock taking exercise they operate, they have the following opinions. 70 of the respondents were of the opinion of periodic stock taking, 20% of the respondents were also of the view that the continue stock taking is normally choosing while 10% were of the opinion of both the periodic and the continue stock taking. Then none of the respondents answered in favour of any other specify.

4.11 Research question 11 Treatment of discrepancies

In the process where the is discrepancies, how does Hamdala Hotel treat it?

	Option	No of respondents	Percentages
A.	Write it off	5	10%
B.	Query it	30	60%

C.	Charge it to store keeper	10	20%
D.	Any other specify	5	10%
	Total	50	100%

Source: The same as above.

In a case where there is a discrepancy in the store 10% of the respondents stated that it is often written of. Whereas about 60% stated that it has to be queried and 20% of the respondents are of the opinion of charge it to the store keeper. But only 10% of the respondents were of the opinion of any other specify.

4.12 Research question 12 Inventory control section

Who is responsible for inventory control section in the organisation?

	Option	No of respondents	Percentages
A.	The General Manager	-	-
B.	The Purchasing Manager	35	70%
C.	The Operation Manager	5	10%
D.	The Accountant	10	20%
	Total	50	100%

4.13 Research question 13 Handling of breakages and damages of goods

How do they handle breakages and damages of goods or items sent to them from their suppliers?

	Option	No of respondents	Percentages
A.	Send them back to the suppliers	45	90%
B.	Write them off	-	-
C.	A and B above	-	-
D.	Give them to the staff	5	10%
E.	Any other specify	-	-
	Total	50	100%

From the above table 90% of the respondents agree that the best method of handling breakages and damages of goods sent to them by their suppliers is by sending them back to the supplier. While about 10% of the respondents stated that the damaged goods can be given to the staff.

4.14 Research question 14 Handling aids used on the organisation

What are the handling aids that are used in the store?

	Option	No of respondents	Percentages
A.	Forklift	15	30%
B.	Conveyor	30	60%
C.	Crane	-	-
D.	Wheel barrows	-	-
E.	Any other specify	5	10%
	Total	50	100%

The analysis of the data above shows that 30% of the respondents said that Forklift is being used as an handling aid. Whereas 60% of the respondents agree that the Conveyor

is being used and 10% stated that other specify is their view. And none of the respondents agree with crane and wheel barrows.

4.15 Research question 15 Extent of stock holding

Who is responsible for deciding the extent of stock holding?

	Option	No of respondents	Percentages
A.	Store Officer	50	100%
B.	External Auditor	-	-
C.	General Manager	-	-
D.	Accountant	-	-
E.	User Department	-	-
	Total	50	100%

Source: The questionnaire.

In the analysis of the question, all the respondents agreed that the Store Officer is the only person to decide the extent of the stock holding in Hamdala Hotel.

4.16 Research question Absolute and redundant materials

Does the Hamdala Hotel normally get absolute and redundant materials?

	Option	No of respondents	Percentages
A.	Agreed	37	74%
B.	Strongly agreed	10	20
C.	Disagree	3	6
D.	Any other specify	-	-
	Total	50	100%

The respondents were asked about whether the Hamdala Hotel get absolute and redundant materials and they were able to give the following information. 74% of the respondents agreed that the hotel gets absolute and redundant materials. Whereas 20% were strongly agreed with the view, and 6% does not agree with this view while none of the respondents agree with the view of any other specification.

4.17 Research question Inventory management principles

Is it necessary to ensure inventory control management principles in Hamdala Hotel?

	Option	No of respondents	Percentages
A.	Agreed	20	40%
B.	Strongly agreed	30	60
C.	Disagree	-	-
D.	Any other specify	-	-
	Total	50	100%

From the above data, it is observed that 40% of the respondents agreed that its necessary to ensure inventory control management principles in Hamdala Hotel. While 60% of the respondents were of the opinion in that they strongly agree with the same view.

4.18 Research question 18 Proper inventory management as means of profit maximization.

In Hamdala Hotel, does proper inventory management serves as a means of profit maximization?

	Option	No of respondents	Percentages
A.	Strong agreed	50	100%
B.	Strongly disagreed	-	-
C.	Disagree	-	-
D.	Any other specify	-	-
	Total	50	100%

Source: The questionnaire.

From the table, all the respondents agreed that proper inventory management control serves as a means of profit maximization.

4.19 Research question 19 Inventory management as a service satisfaction.

Does inventory management serve as a service satisfaction in Hamdala Hotel?

	Option	No of respondents	Percentages
A.	Agreed	15	30%
B.	Strongly disagreed	35	70%
C.	Disagree	-	-
D.	Any other specify	-	-
	Total	50	100%

Source: The same as above.

From the below it can be seen that 30% of the respondents agreed that inventory management serve as a service satisfaction, whereas 70% of the respondents strongly agreed with the same view.

4.2 DISCUSSION OF THE RESULTS

The discussions here will be basically be concentrated on the opinions put forward by the respondents. The aim is to discuss as logically as possible the opinion of these respondents which have been satisfactorily tabulated in order to whether their opinions tally with the existing knowledge or not and to find why this is so.

Also the researcher aim at stating if any new findings put forward arguments based on her findings to test the hypothesis.

With regard to question one in that question, the opinion of the respondents are divided over the type of the item they normally held in stock. While concerning the respondents, about 50% of them agreed that the item normally held is on provisions. Whereas 30% of them agree with the stationeries. This is unusual when asked about the reason for the differences in the opinions. It was observed as a result of the system operated, a system where stationeries are bought and distributed on the imprest basis. This is bad to the assumption that it is not always stocked. It is also observed that most of these people with the opinion lack the knowledge of inventory management.

In this situation, it must be pointed out that for an effective inventory management to take place, it is necessary that its operational process and strategies should be made known. And that the system which is being operated must be sought and be approved with changes.

The respondents in the question two, when they were asked about the person that is responsible for inventory management, 50% of them agreed that the Purchasing Manager is the person responsible for inventory management. In that process, also the researcher agreed with the respondents view because is the duty of the purchasing manager who buys all the materials in good quality and must make sure that the materials are properly kept in order.

With regards to question three, the opinions of the respondents did not tally with the existing knowledge and views, because when they were asked about the storage method adopted by their organisation; about 24% of the respondents admitted that they operated centralized system, while about 20% of the respondents were of the opinion that they use a decentralized method of storage, and 36% agreed that the organisation uses both methods. This is unusual in order to have uniformity in process, procedures and it is advisable that they should adopt a kind of centralized system of storage, because organisation of this kind of nature being smaller can take a centralized system of storage.

Question four is intended to know the section that is responsible for inspection. 60% of the respondents have shown that control section of the organisation is the one that is responsible for inspection. The researcher was also of the opinion of the control section, this is because the control section is the one responsible for

stock checking and to make sure that the materials are in good condition before receiving them into the store. Therefore, it is good that they should constantly know what quantity and quality of materials are coming in.

From the question five, the respondents were asked about the person authorises the issue of the materials in the store. 80% of the respondents agreed that the Chief Store Officer is responsible for it. The researcher seems to agree with the notion because the store officer is the overall boss and therefore he should know and when the materials are to be issued out to ensure proper accountability.

In question six, where the research tried to find out who is responsible for posting of record cards, here to opinions were divided on this but it is consistent with the existing knowledge and views. Where it is considered better to assign responsibilities of posting of all the record cards to the stock record officer. This is considered better because manipulation of records will almost be impossible and records can be considered accurate e.g issuing section may record issues, the receiving receipts and the inventory control section monitoring stock movements and usages rates. Meanwhile, the stock record section does the co-ordinating work.

When respondents were asked further on whether or not the system operated is the best they agreed that since it serves as a check on each other, thereby leading to reduction in

mistakes and eradication of possible manipulation of records which will in turn reduced the cases of pilferage and theft. With respect to question seven, the organisation favours all types of inspection, when they were asked about the type of inspection used, 60% of the respondents agreed that they use all type of inspections. This is in line because what type of inspection is best used will depend on the demand of a situation.

As regards to question eight, where respondents were asked to give their assessment of the response on materials, 65% of them agreed that they requested on weekly basis, while 35% of the respondents were of the opinion of everyday. From these facts, one can observe the effect of the inventory management. The responses here are in line with the existing knowledge and views because it has become conventional that materials could be issued to the departments on weekly basis especially on a fairly large organisation like Hamdala Hotel. Everyday issuing of the materials at any time will be unpracticable.

On question nine, where the researcher tried to find out who is responsible for organising the store taking on the organisation. The researcher's findings did not in fact tally with the existing knowledge and views. This is because in an effort to find out which body of the organisation involved in stock taking, 64% of the respondents indicated the Internal Auditor section, and 28% favoured accounts section, while personnel and any other specify are in favour of 5% each.

This shows that stores participates in stock taking activities, since its stores that is being checked.

The inclusion of both internal audit and the accounts section in stock taking is practical and a combination of the two will aid effective stock taking. Basically, their responsibilities are similar and while internal audit may concern itself with the checking of the physical goods and also checking the financial affairs of the organisation, it must be noted that the accounts section in each organisation is responsible for stock taking.

However, when respondents were asked why stores was involved in stock taking and whether there is justification for that, opinions show that it becomes necessary to involve stores sometimes because of the issues of location and proper identification of the items in stock and that the only justification is that stores aid efficient and effective stock taking by their role.

Based on the above data on stock taking team, the researcher in question then, tried to find out what stock taking exercise does the organisation operate. 70% of them with the periodic type of stock taking whereas 25% of the respondents were in the opinion of continue stock taking. 20% also said both the periodic and continue stock taking are being adopted. At last none of the respondents agreed with the view of any other specify. In that respect, the researcher agreed with the view of the periodic type of stock taking whereby the stock could

be checked based on the periodic either monthly or quarterly to see whether the quantity of the materials in physical have agreed with the one on the bin card.

Table eleven is asking in the process where there is discrepancies how does Hamdala Hotel tried or find out. 15% of the respondents said that the best method is to write it off, whereas 60% of the respondents were in the opinion that it has to be queried. The researcher agree with the ways and manners the organisation is treating their discrepancies. The normal practice is that the store keeper involved should be surcharged or responsible and also be queried to avoid future occurrence of such discrepancies, since this is consistent with the existing knowledge and views.

From the question twelve, 70% of the respondents were of the opinion that the Purchasing Manager is responsible for inventory control section, 20% of the respondents were also of the opinion that the accountant has to take the responsibility of inventory control. And 10% agreed with the view of the Operation Manager. This stated that the purchasing manager who is in charge of buying all the materials must have the knowledge and has to take effective care of the inventory control so that the good quality and quantity of goods can be purchased.

In the response to question thirteen, 90% of the respondents revealed that by sending them back to the suppliers is the best whereas 10% of the respondents were of the opinion that

by given it to staff is the best method so as to motivate the staff to work harder in the organisation. But all the same, the researcher agree with the view that it has to be sent back to the suppliers involved because if they were to be given out to staff like that the organisation would not be able to break even talkless of making profit at the end. Moreso, this will not encourage the supplier to progress, if their goods were not in good shape and instead of returning it back for them to make the adjustment necessary, then the organisation took it like that, is not a good practice.

Question fourteen shows that 60% of the respondents were in the opinion that the conveyor has to be used as an handling aids in the store. While 30% of the respondents agree that forklift has to be used and 10% specified on it. But with the present improvement in technology, the researcher disagreed with the forklift arrangement since the conveyor can convey as many materials to where its suppose to be located. With this, it is of the opinion of the researcher that more sophisticated method of conveyor can be used in order to improve the inventory management of the organisation. Moreso, with the use of conveyor, it will make the work faster and easier than the use of forklift.

From question fifteen, 100% of the respondents agreed that its the responsibility of the store officer to decide the extent of the stock handling. Even from the oral interview conducted by the researcher with the Chief Store Officer. Its true that

the store officer must be someone with a qualified knowledge of the stores and must also be a person of intelligent and accuracy. Because the store department is considered the life center of the organisation. Therefore, adequate care has to be given to the store department. The researcher support the undertaking which is consistent with the existing knowledge of inventory management with great importance being attached to inventory management.

Based on question sixteen, it has been disclosed that 74% of the respondents agreed that absolute and relevant materials are found in the organisation. 20% of them strongly agree with the motion but 6% of the respondents disagreed with the motion. But all the same the researcher attributed this problem to mismanagement of the materials.

In question seventeen, it intended to know whether it is necessary to ensure inventory control management principles in the organisation. 40% of the respondents agreed with the motion whereas 60% of them strongly agreed with the motion. Therefore, the question has tally with the existing knowledge and views. With the researcher's view, every organisation must have a strong principles concerning their inventory management, if not they would be out of operation at the end of the day. So in essence a good principles of inventory management should be adopted.

In question eighteen whereby all the respondents were 100% agreed that the proper inventory control management serves as

a means of profit maximization. The researcher agreed with this practice and it is consistent with the existing knowledge and view because of the nature of the project concern for an organisation of this level, inventory management should be given much priority. With proper inventory management, it can make the organisation to be successful both in the short run and in the long run and also with good principles of inventory management.

Question nineteen was intended to know whether inventory control serves as a service satisfaction in the organisation. 70% of the respondents were strongly agreed that inventory control serve as a service satisfaction, whereas 30% of the respondents agreed with the same motion. The researcher also support the motion and strongly agree that inventory serves as a service satisfaction. This of course, helps in proper inventory management and it reduces the cost being the profit making organisation. When all these analysis from the beginning are properly take into consideration, it would help the organisation and this will make the customers to enjoy the satisfaction needed from the organisation.

FINDINGS

The new findings discovered in the course of investigation that is worth mentioning is that of the general organisational structure of the various sections within the organisation and the overall inventory management structure of the organisation.

Here in this respect, the issuing section where the items are being issued is not well defined so there is the need to place more authority on the issuing officer in order to authorize the issues.

Also, the stock taking activities lack proper organisational procedure leading to the involvement of the stores in stock taking. This of course should not be so in an organisation of this high calibre. This is reasonable if the Internal audit or the account departments are involved in stock taking than the stores itself.

Another area the researcher noticed during the course of investigation is the fact when the discrepancies arise. In that respect, there is the need for training and development of the officers involved so that they will know or have the knowledge of how to post the daily received and the issuing of the materials properly. Moreso, each staff must know his or her duties and responsibilities that is being assigned to him/her. In essence both the Stock keeper or any person assign to the store will be responsible for any discrepancies occurrences. In order that it would not be just any person that does not know anything about it that they would be queried.

Apart from the above discoveries, the organisation lacks inter-departmental relationships. This is shown in the expression of the respondents knowledge of the operation in most of the answers provided, the staff tends to express their opinions of the system in operation and in most cases they

portray a lack of understanding of the system. This of course can be lack of good inter-departmental relationship especially between the stores and other departments.

4.3 PROOF OF HYPOTHESIS

Hypothesis is used as a guide for researcher for if research is undertaken to build further theory or to explain the horizons of knowledge, establishments of structural framework of knowledge this will thus appear to be useful for productive research.

HO That the application of the inventory management does not affect the performance of a service organisation.

H1 Proper inventory management is a means of profit maximization or service satisfaction.

The hypothesis can either be proved right or wrong. The result is based on the response tabulated below:

QUESTION	FAVOURABLE	UNFAVOURABLE	TOTAL
2	30	20	50
4	30	20	50
5	40	10	50
7	30	20	50
8	40	10	50
9	32	18	50
10	35	15	50
11	30	20	50
12	35	15	50
13	45	5	50
14	30	15	50

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15	50	-	50
16	37	13	50
17	30	20	50
18	50	-	50
19	35	15	50
---	---	---	---
180	579	221	800
===	===	===	===
PERCENTAGE:	72.37%	27.63%	100%

Prior to this research study a performed hypothesis about this topic was formed for testing to be used for either the acceptance or rejection of the hypothesis. After a critical and extensive research has been carried out to test the formulated assumptions, the research has proved the acceptance of hypothesis (1) which says:- proper inventory management is a means of profit maximization or service satisfaction. This has been supported by enough evidence arising from the study of the questionnaire administered on the respondents.

On the other hand, the researcher has every course to reject the null hypothesis which states: that the application of the inventory management control does not affect the performance of the service organisation.

This is obvious from the above table where 72.37% of the hypothesis formed proved to be substantial as against 27.63%

Therefore, the researcher is of the view that effective and proper inventory management is a means of profit maximization or service satisfaction.

CHAPTER FIVE

5.1 SUMMARY OF FINDINGS

To summarise this research work, the researcher has in her research work attempted to examine the principles of inventory management in a service organisation and also the technique that is being employed in the practice a case study of Hamdala Hotel, Kaduna. The first and most fundamental function of the organisation is to foster the effectiveness of inventory management system of the organisation. The reason behind this is to crease the production and to improve the standard of the organisation.

In the research work shows that the organisation has both adopted the system of fixed and random location system. Furthermore there are some documents that are being used in the store such as store result cards, store ledger and tally cards. All these are used in the organisation. Also the authority and responsibility to issue out the materials is being given by the Chief Store Officer and this is carried out on monthly basis.

In the case of this research study, the test carried out is in the support of hypothesis 1 H1 which says proper inventory management is a means of profit maximization or service satisfaction.

On the other hand, the test has rejected the null hypothesis which says that the application of inventory management control does not affect the performance of a service

organisation. The management of Hamdala Hotel, Kaduna need to study the recommendation put forward for improving the performance and standard of inventories control.

5.2 CONCLUSIONS

Inventory control management can be seen as a means by which the correct list of stock of the materials is made available and when its require with due regards to reduce cost of storage and also to prevent the materials from being deteriorated. In this respect the inventory control management can be seen as one of the life wire of the organisation. Since stock represents cash as a concern. Therefore inventory management has to be given due consideration as the accountant control the financial aspect of the organisation.

Inventory control management is serving in this research work as the area that serves as the proper control in any organisation. The process of this management of stores which cannot bring out the full utilization of stock at the right time by the right person in the right place has to be looked at critically.

In this respect, inventory management control could be seen as a tool that is responsible for the complete inflow of the materials from the right person in the right place with the sole of improving services. In addition, inventory management and its significant roles in the service organisation both in the public and private organisation needs to be given a full

attention to by the management of inventory control and its effectiveness if the organisation wants to achieve its goals and objectives. Inventories of whatever type is quite need to be taking care of for the successfulness of the establishment. So adequate care should be given particularly in the field of inventory management.

Finally, for the system and procedures to be successfully implemented, all the activities have to be well organised and be handed over to the professionals who knows better or that were in line with inventory control procedures in order to make fully effective in Hamdala Hotel, Kaduna as a case study.

5.3 RECOMMENDATIONS

For effective running of organisation, the writer has from her findings come out with the following recommendations which if taken into consideration will go along way to reduce inventory control problems in the organisation.

Stock taking should be done on monthly basis since the establishment is big enough and therefore to conduct weekly or quarterly will amount to waste of time and effort even money wastage.

The researcher is also of the view that the organisation should try as much as possible to recruit enough staff in the stores and they must be those that are knowledgeable in the field i.e having knowledge of stores and the existing ones should be given an adequate training. By so doing effective and efficient services could be achieved.

The use of shelving system as a storage facility by the organisation is appropriate and suitable so as to know which one is available and which one needs to be ordered for. Other storage facilities such as racks and packets should be employed in the stores. The employment of these facilities will ensure maximum security against deterioration, breakages and theft because this will be discovered on time than when everything is just mixed together in the store.

It is also suggested that the organisation should use a bin-cards showing columns for maximum, minimum and re-order levels. This will ensure regular ordering of materials found finishing or its about to finished rather than allowing it to fall below minimum level before placing an order.

The team work of stock taking being practiced in the organisation is good enough rather than allow a single person to take stock because there is probability of jumping items in the process or manipulate some figures and this will not in any way give satisfactorily a good result.

Finally, with the dynamic changes in technology, the researcher is of the view that computer should be incorporate with the existing method of posting stock in the organisation to enhance accuracy and less time being used in the process.

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APPENDICES

Ahmadu Bello University
Zaria
Department of Business Admin
Kongo Campus
Kaduna

Dear Sir/Madam,

QUESTIONNAIRE

I am a post graduate student of Ahmadu Bello University Zaria, Kaduna State. I will be glad if you can fill or answer the following questions for me. They are solely designed for academic purpose and your response will be treated as confidential.

Thanks for your anticipated assistance.

Yours faithfully

Salaudeen Raliat Bola

Question 1

What type of item do you normally hold in stock?

a. Raw materials
b. Stationeries
c. Provisions
d. Fuel and lubricants
e. Others (please specify)

Question 2

Who is responsible in inventory control in your organization

a. The General Manager
b. The Purchasing Manager
c. The Internal Auditor
d. The Operation Manager
e. Others (please specify)

Question 3

What method of storage does your organization adopt?

a. Centralized
b. De Centralized
c. Combination of Centralized/Decentralized
d. Any other (specify)

question 4

What section is responsible for inspection?

a. Ventilation
b. Control
c. Procurement
d. Ventilation/Procurement

Question 5

Who authorises the issue or rids in the store?

a. The General Manager
b. The Director General
c. The Accountant
d. Chief Store Officer
e. Other specify

Question 6

Who is responsible for posting of Records Cards?

a. The Issuing Section
b. The Receiving Section
c. The Invention Control Section
d. The Stock Record Officer
e. Others please specify

Question 7

What method of inspection does your organization operate?

a. 199% Inspection
b. Random Inspection

c. Sample Inspection
d. Any other specify

Question 8

How often do departments request for materials
a. Everyday
b. Weekly
c. Monthly
d. Annually
e. Others specify

Question 9

Which body organized stock taking in the organization?
a. Internal Auditor
b. Accounts Section
c. Personnel Department
d. Any other specify

Question 10

What stock taking exercise do the organisation operate
a. Periodic stock taking
b. Continuous stock taking
c. A and B
d. Any other specify

question 11

In the process where there is discrepancies, How does the Hamdala Hotel treat it.
a. Write it off
b. Query it
c. Charge it to the Store Keeper
d. Any other specify

Question 12

Who is responsible for inventory control section to your organization.
a. The General Manager
b. The Purchasing Manager
c. The Operation Manager
d. The Accountant

Question 13

How do you handle breakages and damages of goods or items sent to you from your supplier?
a. Sent them back to the supplier
b. Write item off
c. A and B above
d. Give it to the Staffs
e. Any other specify

Question 14

What are handling aids that are used in the store?

a. Fork lift
b. Conveyor
c. Crane
d. Wheel barrow
e. Any other please specify

Question 15

Who is responsible for deciding the extent of stock holding?

a. Store Officer
b. External Auditor
c. General Manager
d. Accountant
e. user Department

question 16

Does the Hamdala Hotel normally gets absolute and redundant materials?

a. Agreed
b. Strongly agreed
c. Disagree
d. Any other specify

Question 17

Does it necessary to ensure inventory control management principles in Hamdala Hotel.

a. Agreed
b. Strongly agreed
c. Disagreed
d. Any other please specify

Question 18

In Hamdala Hotel does proper inventory management control services as means of profit organization?

a. Strongly agreed
b. Strongly disagreed
c. Disagreed
d. Any other specify

Question 19

Does inventory control serve as a service satisfaction in Hamdala Hotel?

a. Agree
b. Strongly agreed
c. Disagreed
d. Any other specify

Unit Price _____

Description _____

Minimum level _____

Maximum level _____

Re-corder level _____

AREWA HOTELS (DEVELOPMENTS) LIMITED

Code _____

Unit of issue _____

UNIT _____

BIN CARD

Date	Suppliers	LPO No.	RECEIPTS			ISSUES				Balance		Initial	Remarks
			Ref/SRV	Qty.	Purchase Price	Ref/Req	To whom	Qty. Issued	Issue Price	Qty.	Value N - K		

KADUNA HOTELS CO. LTD.

HH. № 3[illegible]

TRANSFER INVOICE

.....

.....

s J. 26 Zaria Rd. Kaduna Tel: 210833, 211850

Costed	
Extended	
Checked	

	Quantity	Description of Goods	C/P	S/P	Cost Extension		Selling Extension	

.....

spatch Clerk

Received	

– To be sent to the receiving Station

.....19...

arewa hotels

HAMDALA HOTEL KADUNA

No 0450

Date _____

ept. _____ STORES REQUISITION FORM

Item No	Description Of Item	Qty	Unit Price	Amount	Allocation

arewa hotels

GOODS RECEIVE NOTE

GRN No 10439

SS Form 8

Received From	Date of Receipt

Items	Description	Qty.	Pac kage	Rate N K	Value N K	REMARKS

P.O. No_____ Date_____

oice No_____ Date_____

Route Code_____

ds Received by _____

gnation _____

ature _____