

**EFFECTIVE STORE CONTROL SYSTEM AS A VITAL TOOL
FOR SOUND MANAGEMENT OF ORGANIZATIONS
CAPITAL INVESTMENT**

(A CASE STUDY OF LUBCON NIGERIA COMPANY LIMITED, ILORIN)

BY

HARUNA SASILI AYODEJI

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**BEING A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF
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CERTIFICATION PAGE

This is to certify that this research work was carried out and approved as meeting the requirement for the award of National Diploma (ND) in the Institute of Finance and Management Studies (IFMS), Kwara State Polytechnic, Ilorin in partial fulfilment of the requirement for award of National Diploma (ND) in Purchasing & supply.

MR. SALAMI SIDIQ

(Project Supervisor)

DATE

DR. K.A. DANGANA

(Project Coordinator)

DATE

MR. SIDIQ OLANREWAJU

(Head Of Department)

DATE

MRS. YUSUF MARIAM OMOWUNMI

(External Examiner)

DATE

DEDICATION

I dedicate this project work to Almighty God for his grace and guidance, and to our families for their constant support and encouragement throughout the duration of this project.

AKNOWLEDGEMNT

My sincere gratitude goes to Almighty God for the privilege given to me to complete this project work; He has been helping me from the beginning till the end of this program.

My sincere gratitude goes to my kind and esteem supervisor in person of Mr. Salami Sodiq for his advice through supervision, moral support and word of encouragement to the success of this project. May God almighty continue to preserve, guide, and shower his blessings on you sir.

My upmost and sincere appreciation goes to our beloved parents for being my backbone and supporters, without them, I have no power to be where I am today. I thank them for their support financially, morally, and spiritually, and for always encouraging me to be of my best behavior. May God in his absolute mercy enrich their course and grant them long life and prosperity to reap the fruit of their labor.

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ABSTRACT

Store control system is mainly concerned about identifying the amount and the position of goods that a firm has in their organization with particular emphasis on Lubcon Nigeria Limited. Store control system is imperative as it helps to defend the intended course of production against the chance of running out of important materials or goods. This work titled “effective store control system as a vital tool for sound management of organization capital investment” shows that ineffective store control system has a lot on the profitability of the organization. Store control system also includes making essential connection between the replenishment lead time of goods, assets management, and the carrying costs of inventory, future price forecasting, physical inventory, and available space for inventory, demand forecasting and much more. The major objective of the study is to examine the technique used by the company to control the inventory. It also includes methods on how to control the inflow and outflow of the materials held in the organization. In this report we come to know the background information and the objectives of the organization as a whole and also develop the project procedures and various method performed in order to get a detailed report on the management of the organization. The study will reduce the incidence of financial losses characterized by inefficient stores management. Sampling method used was Taro Yamane formulation and it was used to arrive at an appropriate sample size in qualitative and quantitative research.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

For an organization to be successful, it depends on the efficient control of stock in that organization. Therefore, for the study of purchasing and supply management to be complete, there must be efficient control of stock. Store management is very closely linked with product and distribution and is a much neglected area of business study. Yet stock control is a vital part of all industrial organization, and it must be design to suit the particular needs of the organization. Stock control is set up in any organization to assist in the production of goods and services and no substantial size can be efficiently manage without it. The basic aim of every efficient manager is to reduce the time and labor involved in each operation to the absolute minimum consistent with maintaining the required quality. Bin (2008).

According to (BIM 2008) stock control represents the clerical control of the movement of materials into and out of the stores, and of the level of stocks in the stores at all times with due regard to the economy in storage as well as on ordering costs, purchase price agreed, and the level of organizations working capital.

The stock control process focuses attention on factors related to time utility location, quality and quality of materials used by the operations of the organization.

1.2 STATEMENT OF THE PROBLEMS

The efficient of stock control in an organization is so vital in both large and small firm upon the efficient of stock control. The researchers, in carrying out this research work were able to identify some problems that hinder the progress or smooth control of stock in an organization. Some of these problems are identified below:

- 2 The method of sources of information used in the organization in terms of checking the control of stock is not encourage able in the sense it was done without considering if the individual has the capacity.
- 3 Professionals were not employed in the purchasing department and this makes the strategies involved in the efficient control of stock not to be in place.
- 4 The efficient stock control records are not properly kept and this makes the stores manager/keeper to be very inactive.
- 5 Another problem which hinders the progress of stock control in an organization is the type of materials purchased by the procurement manager. This implies that the material might be in a bad shape, thereby stops the smooth running of the organization.
- 6 Finally, the stock held in stock for so long can also cause a problem in controlling the stock in an organization. This means, the stocks are not supposed to be keeping in the stores for so long before they are dispatched.

1.3 OBJECTIVES OF THE STUDY

Obviously, every organization, according to carter (1982:31) has its own needs and requirements which have to be met by its stock control system. However, if we look at stock control in terms of the average medium size production and distribution organization we will obtain a complete in selecting and operating stock control methods control the level of stocks, the stock controller of the organization is seeking to achieve the following fundamental objectives.

1. To stress on the importance of stock control in an organization, thereby motivating the management to develop interest on the stock control function.
2. To highlight on the need of employing young and energetic employees for the purpose of stock control operations.
3. To lay emphases on the importance of employing a workers of technical know - how on the current advancement of technology e.g. computer.
4. Employing people with business experience knowledge for the purpose of transacting effective with suppliers and other department in another objective.
5. To ensure that there is efficient and effective control of stock in the organization.
6. To control the inflow and outflow of the materials held in the organization.

1.4 RESEARCH QUESTIONS

- i. In order to make a complete investigation of subject matter, the researcher has come out with the following question; thus:
Does store department have adequate number of staff?
- ii. Does your organization control their stock?
- iii. Does your organization adopt any method to supply requirements of materials without holding stock?
- iv. What are the process and procedures for stock control?
- v. What are the tools for stock and material control?
- vi. Do you find out reason why customer waste much time in the company?

1.5 FORMULATION OF HYPOTHESIS

Ho1: Store department does not have adequate number of staff

Ho2: Organization does not adopt any method to supply requirements of material without holding stock

Ho3: there is not any tools for stock and material control

Ho4: There is not any reason to find out why customer waste much time in the company

Ho5: There is not any process and procedures for stock control

1.6 SIGNIFICANCE OF THE STUDY

The relevance of the stock control in an organization to know the various ways of controlling the stock held in their firm/organization.

Stock control is an important aspect of business management and must not be neglected by management. This is so because any management that neglects its control of stock will generally reduce its profit potential or even the level of service provided, shortage in inventory and as well as tools, for instance, will interrupt production, rendering machines and labor force idle and will further lead to losses in sales revenue. In the same manner, if there is an unintentional excess buying and over stocking of materials in inventory, the organizations fund will be tied up in stock and will represent cash that would have been used for other purpose.

1.7 SCOPE AND LIMITATION OF THE STUDY

In industries as well as in the public sector organization, the “stores” has remained as one of the production departments, and storage, whether of raw materials, partly processed work or finished products, in part of the sequences of operations both clerical and physical which starts as soon as the customer’s order or management decision to manufacture and is completed by the dispatch of the finished product.

The major aim of every efficient manager is to reduce the time and labor involved in each operation to the absolute minimum consistent with maintaining the required quality so as to achieve minimum output and reduce manufacturing cost. In treating the stock control as an operation, the manager must have similar objects in minds, his aim in this regard to ensure that every piece of material, whether raw or worked, coming into any store, shall stay therefore as short a time as possible before moving either out into

the factory to be processed, or, in the case of such things spares, tools or building materials, into use. The essential qualifying condition here is that stock must be maintained just high enough for a constant supply of materials or components to be available when required.

LIMITATION OF THE STUDY

An investigation of this kind is confronted with several limitations, its limitations; its limitations are as follows.

1. *FINANCIAL PROBLEM*: Financing this project has been a trying experience, because of the prevailing economic condition in the society. So, the researcher is unable to travel and cover many places of interest in order to gather comparable data or information for the research work.
2. *LIMITED TIME FACTOR*: Due to the schedule of academic activities for every final year students both in ND's and HND's of the polytechnic is lactic. The researcher needs to attend classes, read other courses that is related to her course of study, collect data/information from other polytechnics which she would have loved to do but due to limited time factor, the researcher was unable to so.
3. *NATURAL FACTOR*: This also a hindrance to the study. These projects work is disturbed from effects of regular rainfalls and hot whether wind thereby, hinders the researcher's movement in her bid to collect data/information and distribution of questionnaires to respondents.
4. *TRANSPORTATION*: The researcher was also confronted with transportation problems. She wasted so much time on the road or on the

vehicles boarded, and thereby making her to reach her place of choice to get information from the school libraries.

1.8 HISTORICAL BACKGROUND OF THE CASE STUDY

Lubcon is a company committed to consistent production, marketing and supply of quality lubricants and petroleum products that meet and exceed its customer's expectations at all times. Lubcon was established in 1991 with its head office in Ilorin while extending its offices and operations across Nigeria and overseas.

Lubcon Nigeria limited headquartered in Ilorin, Kwara state was incorporated in August 1991 as a limited liability company. It began with the core business of blending lubricants and distributing petroleum and allied products. Initially, the company operated from Lubcon avenue, adequate industry layout, Ilorin overtime, it has grown to become one of the largest and fastest growing independent lubricant blending companies in Nigeria.

The company has received numerous award, including recognition for quality products and operational excellence, such as the Nigeria industrial standards (NIS) award for lubricating oil and the iso 9001 : 2015 certification.

Lubcon has been at the forefront of product innovation in Nigerian oil and gas sector. Introducing new technology and products, including fully synthetic lubricants and nano technology based lubricants.

Lubcon continue to expand its presence both domestically and internationally with plans for further growth and investment.

1.9 DEFINITION OF TERMS

Store: It refers to the building set aside for keeping materials regarding its safety.

LEADTIME: This refers to the time interval between when an order is placed and the period of the receipt of order.

WORK IN PROGRESS: This refers to the semi finished goods it is obtainable in a situation where a balance flow of production is not possible.

RAW MATERIALS: This refers to the items held in the store.

INVENTORY: This has to do with a term which Americans use for stock that are kept or stored for use as the need arises.

OBSOLESCENCE: This refers to the left over of stocks which cannot be used immediately in the operation.

REDUNDANT: This refers to the unwanted materials that are out of use in the store.

DETERIORATION: The act of worsening the situation of the goods in the store.

STOCK RECORDS: This refers document which record particular of receipt issues and balance or stock.

STOCK TAKING: is the physical verification of the quantities and condition of items held in an inventory or warehouse.

CHAPTER TWO

LITERATURE REVIEW

This study will focus on the effective store control system as a vital tool for sound management of organization capital investment. This chapter in literature review will focus on conceptual review, Theoretical Framework, Empirical review and Gaps in literature.

2.1 CONCEPTUAL REVIEW

Stores management is concerned with carrying the right kind of materials in right quantity, neither in excess nor in short supply, providing it quickly as and when required, keeping it safe against any kind of deterioration, pilferage or theft, and to carry out the efficient performance of all these functions at lowest possible cost (Tompkins, 2004). Stores management is regarded as the policies and procedures which determine and regulate a firm's stores (Chalotra, 2014). It is also associated with identification, acquisition, planning, storage, packaging, transporting of inventories to meet customer satisfaction levels. (Karim, Nawawi & Salin, 2018) revealed that the activities of stores management vary by firm, industry and or sector. Additionally, stores management strengthens internal controls to ensure optimal and quality stores while providing value to customers (Sitienei & Memba, 2015). It basically reduces unnecessary stock wastage, shortages, thefts, production costs while ensuring sales growth, customer satisfaction, competitiveness and eventually survival of firms.

Robert jacobs (2005) stores management is concerned with ensuring that all the activities involved in store keeping and stock control are carried out efficiently and economically by those employed in the store. In many cases it will also encompass the recruitment, selection, induction and the training of store personnel and much more.

The work of any manager comprises two different aspects; the technical aspect which is concerned with the work to be performed in the section department or enterprises concerned. The human aspect which is concerned directly with the people who are employed to perform that work.

The technical work of different managers might vary considerably; thus the technical work we use the word in the widest sense of its meaning work of a factory manager will be very different from the technical work of a sales manager or a store manager or an office manager e.t.c. Even the technical work of two stores manager working for two different enterprises might differ in many areas.

However, the Human aspect of the work of all managers must be similar because it involves managing the activities of their people.

The management of people is an art; (Karim, Mawari 2008). men and women are unpredictable and each person has his or her own different and complex character. The management of human beings requires the provision of leadership for a group of people and more they require training, advice and guidance, supervision and control and their work must together as a team to

achieve and co-ordinate that they in the case of stores management is the efficient running of the store of an enterprises.

(Aguinis, 2013) management has been considered as one of the components affecting performance, furthermore; scholars in the field emphasizing the importance of following effective management practice in generating high levels of performance argue that trust in management is just as important as a psychological component in improving effort and achieving higher performance levels. Performance management process related to perform out put. Performance management and financial management system are the means by which the government achieves its budgetary objectives(Pollitt, 2001) in any organization the integration of performance management system with those of financial management is a significant relevance for the establishment of sound human resources practices given the importance of such practices to the organization's ultimate performance(Pollitt, 2001). (Campos & Pradhan, 2007) have identified a number of objectives that can serve as guiding benchmarks for performance standard in public organization. Accordingly, it is argued that (i) maintaining fiscal discipline (ii) allocating resources in line with organization priorities and (iii) promoting efficiency in using budgetary resources for the efficient delivery of public programs and services; will assist institution in configuring their organization management system. Financial and performance management system, through directing them at developing the necessary tools and building appropriate incentive systems needed to minimized problems and fulfill objectives.

2.2 THEORETICAL FRAMEWORK

Different theories have been employed to help bring clarity to the study of the effective store control system as a vital tool for sound management of organization capital investment. The study borrowed from the theory of constraints contingency theory to build the capital concerns on effective store control system as a vital tool for sound management of organization capital investment.

THEORY OF CONSTRAINTS

According to the theory of constraints, for instance, manufacturing firms are predominantly exposed to stores constraints arising from thefts, expires, shortages and long lead times which could obstruct their entire systems (Gupta & Boyd, 2008). Organizations can only overcome their stores constraints while improving performance levels by adapting to relevant stores management practices (Flynn, Huo & Zhao, 2010).

Moreover, these are clear indications that, managing stores can never be effectively done in the absence of stores management practices which are concerned with balancing demand and supply by controlling and monitoring manufacturing and purchasing orders so as to ensure uninterrupted material flow and value-adding activities (Johnson & Ruankaew, 2018).

Stores management practices have largely been found to include economic order quantity (EOQ), just in time (JIT) replenishment, vendor managed stores, strategic supplier partnerships, material replenishment planning (MRP), Pareto analysis, among others (Chalotra, 2013). These

practices have largely been found to improve operational performance in areas of product quality, operational speed, flexibility, dependability while minimizing overall operational costs (Elsayed, 2015).

Organizations have been found to rely on these practices during stores management (Adu-Fosu, 2016); however, it remains unknown the most-preferred practices adopted by the firms. Previous studies by Prempeh, (2016) revealed key stores management practices used by Ghanaian manufacturing firms to include Pareto analysis, Economic Order Quantity (EOQ), Just In Time (JIT) replenishment, Vendor Managed Stores (VMI) and more recently, Strategic Supplier Partnerships (SSPs). They further stressed that stores management practices are key determinants of firms' financial performances thus cannot be overemphasized. Similarly, Prempeh, (2016) found stores management to improve performance levels of Ghanaian manufacturing firms, but it still remains unclear the contributions of each of the practices to operational performance of the manufacturing firms.

ELLIOTT WAVE THEORY

Elliott wave theory is an extension of training and developing on the job training is also considered as a set of activities planned by the organization to enhance on the job knowledge and skills or modify members attitudes and behavior in ways that are consistent with the organization goals and job requirements (Musmuliana & Mustaffa. 2012). there are other definition that are given regarding training and development as a single concept. One defines training and development as the process by which people acquire or adsorb

skills and knowledge that enhance their effectiveness. They do this in a variety of ways such as; evidence and leadership, hardship, organization and influencing others (Khen et al, 2011 Musmukiana & Mustaffa 2012).

The effectiveness of training can also be determined based on the amount of training that an individual has achieved. Other important training elements to consider regarding the effectiveness of the practice are the advantages of training and the importance of participating in training and development objectives include gathering knowledge that is necessary for staff to accumulate knowledge that assists in performing work tasks correctly and effectively (Truitt, 2011). For their part employers may not be sufficiently attentive to staff development needs as they tend to provide training only for those services or work processes that are most valuable to them (TRUITT, 2011).

LEAN THEORY

Lean theory is an extension of ideas of just in time. Kros Falasce and Madler (2006) elaborate just in time as a pull based system designed to align the production and business process throughout the supply chain. Green and in man (2005) assessed the impact of lean theory on financial performance. They say that theory may eliminate better store and minimize waste in production process. Eroglu and Hofer (2011) found that leanness positively affects profitability of a business firm. They argue that inventory leanness is the best inventory control tool.

They theory elaborates on how manufacturers gain flexibility in their ordering decision reduce the stock of inventory held on site and eliminate inventory carrying cost at the aggregate level the empirical strength of the adoption. However in the theory inventory constrain a firms ability to respond to, fluctuation in demand.

Scholarly studies indicate that companies successfully in optimize inventory through lean supply chain practices and system to achieve higher levels of asset utilization and customer satisfaction leading to improved organization growth, profitability and market share (Green & Inman. 2005).

Another study suggesting a positive relationship between inventory management and performance was that of Eroglu and Hofer (2011) in which their study focused on manufacturing firms covering the period of 2003-2008. they found that leanness positively affect margins.

According to lean theory inventory management act as a major component of any chain irrespective of whether it is product or services supply chain inventory management plays an important roles in matching demand and supply within the each and every partner in the entire supply chain ultimately providing flexibility in copies up with external event of the today's uncertain globalized business environment (Floyed Exal 2010). ineffective inventory control is a major problem faced by industries in developing countries and that ever the very basic store control concept and technique are not used by the majority of the companies studies. Due to the heavy reliance on imported industrial materials and parts, and the endemic bureaucratic

delays and associated communication problem in developing countries order lead times cannot be computed with any degree of accuracy (Chenifran and Wu, 2007).

2.3 EMPIRICAL REVIEW

Store control has been defined by different authors in different ways among which are Lewis defined store as “the structural building set aside for keeping of stores in a particular place until they are needed for immediate or for future purpose.

An effective store control system is a vital tool for sound management of organization capital investment because it ensures efficient use of resources minimizes and improves overall operation performance by accurately tracking and managing inventory organization can avoid overstocking under stocking, spoilage, leading to better cash flow and profitability. Additionally, a well implemented store control system helps in cost accounting financial reporting and production planning, contributing to a more robust and resilient business.

Pandy (2000) resources efficiency: A store control system helps organization optimize the use of their resources by accurately tracking inventory levels, reducing waste and minimizing losses due to theft, damage or obsolescence.

(Edward Hanssman) minimizing losses by implementing a strong inventory control system, organization can reduce the risk of inventory losses due to various factors including inadequate inspections spoilage and theft.

Better operational performance: a well manage store control system enables organization to plan production more effectively, optimize purchasing decision and reduce delays caused by material shortages (Adedeji et al 2008).

Improved cash flow (Hassan 2007) effective inventory management reduces the need for excessive investment in inventory freeing up capital for other areas of the business and improving cash flow.

Enhanced financial reporting, accurate inventory record provides reliable data for cost accounting, financial reporting and other managerial decisions.

Strategic advantages (Boluwatife 2006) by efficiently managing their inventory organization can gain a competitive advantage in the market by ensuring timely delivery meeting customer demands and reducing operating costs.

Examples of effective store control system:

- ABC classification system: This system categorize inventory items based on their importance and allocates control efforts accordingly focusing on critical items.
- Cycle counting: Regularly reviewing inventory record to ensure accuracy and identify discrepancies.
- Demand forecasting: using data to predict future demand and optimizing inventory levels.
- Just-in-time (JIT) System: Minimizing inventory levels by coordinating supply with demand.

- Electronic data interchange (EDI): using electronic system to automatic inventory management processes.

2.4 GAPS IN LITERATURE

In the past inventory control management was not seen to be necessary in fact excess inventories were considered as indications of wealth management by then considered over stocking beneficial but, today firms have started to embrace effective inventory management due to its strategic role inventory constitute the major part of a Nigeria manufacturing firm's current assets due to the big size of inventories kept by firm's most part of an organization fund is being invested into it. The objectives of most business include survival and growth, fulfillment of social responsibilities and realization of satisfaction profit. This level of returns enables one company to take advantages of business opportunities, undertake research and invention which further makes fir growth and survival on the long run discharge its social responsibilities and its obligations to the owner. In order to maintain this status quo. It became important that positive effort be made to reduce operational costs of the business increase production and boost the sales of their products. Efficient inventory control and cost management is vital for the successful functioning of manufacturing and retailing organization. Inventory management is a system used in a firm to control the firm's investment in stock. This includes the recording and monitoring of stock levels forecasting future demands and deciding when and ow many to order.

CHAPTER THREE

METHODOLOGY

INTRODUCTION

This chapter will discuss the method and procedure that will be used in carrying out the research and it will also discuss the research approaches, research design, population of study, sample size determination, Research Instrument, Method of Data Collection, Research Reliability, Research Validity and Ethical Consideration.

3.1 RESEARCH PHILOSOPHY

Research philosophy is also known as a research paradigm is a framework of beliefs and assumptions that guide the research process (Blumberg 2008). The research philosophy encompasses a researcher's views on knowledge, reality and values. Ultimately influencing their research questions, methods and interpretations. Understanding research philosophy is crucial for justifying research choices and ensuring consistency with research aims. Key components of research philosophy. Ontology (Gabriel 2006) Assumptions about the nature of reality. Epistemology (Martinez 2008) Assumption about how knowledge is acquired and what constitutes valid knowledge, Axiology (Gerrad et al 2010) Assumption about the role of values in research.

3.2 RESEARCH APPROACHES

Research approach outlines the detailed steps and procedures a researcher uses to collect, analyze and interpret data in their study it encompasses the broader assumption method and strategies employed throughout the research process, key elements include. Data collection methods, data collection: This involves deciding on the methods or observation. Data Analysis determine the techniques used to process and analyses the collected data.

3.3 RESEARCH DESIGN

Research design is the strategy and structure conceived in a bid to acquired solution to research problem: it is also defined as a blueprint for collection, measurement and data analysis (Blumberg Cooper & Schinder, 2008). The research design that was employed in the study is the descriptive research design which according to Saunders, Lewis and Thornhill (2010) is a design meant to demonstrate a preference for commencement with the utility of theory in research.

Descriptive design require s researcher together present and interpret information for purpose of clarification.

Descriptive research involve collecting data in order to test hypothesis or answer questions regarding the participants of the study. Descriptive study is undertaken to ascertain explain and describe characteristics of variable associated with a subject population, it seek to answer questions such as

what, who,, when, where and how of any provided topic in its woke (Blumberg etal 2008) The design was chosen because it was more effective in investigating the effective store control system as a tool for sound management of organization capital investment.

3.4 POPULATION OF STUDY

A rigorous empirical investigation requires a clear and previse definition of the population from which data will be brown. In there project the population encompasses all individuals who are directly or indirectly involve in procurement an supply chain management activities within Lubcon Nigerian Limited Plc. This includes both is not limited to procurement and supply chain manager, logistics coordinator contract administrators, quality assurance personnel finance staff involve in budgeting and contract payments and senior management responsible for setting procurement strategy and policy.

Lubcon Nigeria Limited Plc as a subsidiary of an international agglomerate operates a complex supply chain with multiple layers of decision making and stakeholder involvement. Thus the population also include those who may not be core procurement staff but whose roles influence or interest with negotiation processes for example legal advisor who review supplier contracts, IT professional who manage procurement software and compliance officer to who overse regulatory adherence in supplier engagement consideration is also given to the hierarchy and structure of the organization with suppliers and from senior executives who's enter stone and strategics

direction for procurement practices such an inclusive approach ensures that the study does not overlook improper perspective from any fair of the organization though on the over providing a holistic view of negotiation skills and their impact across the company's supply chain.

3.5 SAMPLE SIZE DETERMINATION

Sampling is the method used to select the sampling in a given population. The research made use of samples that represent the population of this research these samples are through reappraisal of the population and they will be investigated and the result shall use to generate opinion of the total population which is going to constitute close to staff of Lubcon Nigeria Limited Plc and 14 is going to used as sample size.

The sample size is determined using Yaro Yaman formulation was used to determine and estimate the sample size.

$$\frac{N}{1 + \frac{N}{1000000}}$$

Where N is the size of the population a is alpha (the level of significance which is 0.05

3.6 RESEARCH INSTRUMENT

The major instrument that will be used to collect data for this study is the questionnaire which consists of structured questions. The questionnaire was divided into two sections A and B, Section A was on demographic, age occupation , marital status, religion, educational ststus and family

background, Section B designed to elicit information on the hypothesis formulated responses to the questions would be based on a five point Likert scale from strongly agreed (SA-5) Agreed (A-4) under code (U-3) Disagreed (D-2) and strongly Disagreed (SD-1).

3.7 METHOD OF DATA COLLECTION

The method of data to be adopted for this study is the primary method data collection, the primary sources provides data that are original and have not been used in any previous study or emanate from any such study. This implies that primary data are obtained directly from those concerned with the study or those to whom the study relates.

Thus, in this study the primary sources of data are those who were selected into the sample for the purpose of completing the questionnaire.

3.8 RESEARCH RELIABILITY AND VALIDITY

Before the commencement of data analysis, the reliability and validity tests were carried out to establish that the instrument and its constructs had internal consistency and had actually measured what they were designed to measure for ascertaining the reliability the research would employ the Cronbach's Alpha test of reliability. The test would be carried out to determine the consistency of all the responses given to respondents to items in the questionnaire instrument used to get respondent perception on total reward system and its effects on organizational performance. It also examines the inter connectedness of responses using the Cronbach's Alpha (α) with a coefficient value ranging from 0 to 1 (Tavakol & Dennick 2011).

3.9 ETHICAL CONSIDERATION

This study are a set principles that guide researchers to ensure their work is responsible, respectful and beneficial. These principles include obtaining informed consent protected confidentiality and anonymity, minimizing potential harm and communication findings accurately key areas of concern include respecting participants autonomy ensuring justice and fairness in research practices and maintaining the integrity of the research process. (Olaide Johnson).

CHAPTER FOUR

4.1 PRESENTATION AND ANALYSIS OF DATA

This research work was carried out to examine the effective store central system as a vital tool for sound management of organization capital investment which Lubcon Nigeria Company Limited serve as a case study. This chapter will be will be based on the questionnaire distributed to the respondents who were employed of the organization under study. The questionnaire contains twenty main question divided into two parts.

“A” part of question covered the personal data of the respondents, while “B” contains various questions on value analysis.

A total Eighty (80) copies of questionnaire were distribution to the staff of Lubcon Nigeria Company Limited, all the copies were dully completed and returned back by the respondents. The table below represents 100% of the total numbers of respondents.

TABLE 1: SEX DISTRIBUTION

OPTIONS	RESPONDENTS	PERCENTAGE (%)
MALE	50	63
FEMALE	30	37
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above 50 of the respondents representing (63%) of the total were male while 30 respondents representing (37%) of the total were

female: The significance of this result show that they are more men involve in the case study than women.

TABLE 2: MARITAL STATUS

OPTIONS	RESPONDENTS	PERCENTAGE (%)
SINGLE	20	25
MARRIED	50	63
OTHERS	10	12
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above 20 respondents representing (25%) were single. 50 respondents representing (63%) of the total were married while 10 respondents representing (12%) of the total were others. The significance of this result show that more married personnel thus respondent people were involved in the research work.

TABLE 3: EDUCATIONAL QUALIFICATION

OPTIONS	RESPONDENTS	PERCENTAGE (%)
O'LEVEL	-	-
ND/NCE	30	37
HND/BSC	50	63
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above 30 respondents representing (37%) of the total were ND/NCE certificate holder, 50 respondents representing (63%) of the total were HND/BSC graduate. No holder respondent representing O'level. The significance of this result was that respondent with higher knowledge and experience were used for the study. This will enhance the reliability of the result and findings obtained from the study.

TABLE 4: WORKING EXPERIENCE

OPTIONS	RESPONDENTS	PERCENTAGE (%)
MANAGEMENT	50	63
SENIOR STAFF	20	25
JUNIOR STAFF	10	12
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above, it show that 50 respondents representing (63%) of the total were management, 20 respondents representing (25%) of the total were Senior Staff while 10 respondents representing (12%) of the total Junior Staff.

TABLE 4: AGE DISTRIBUTION OF RESPONDENT

OPTIONS	RESPONDENTS	PERCENTAGE (%)
18 – 30	30	38
31 – 40	40	50
41 – above	10	12

TOTAL	80	100
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Source: Researcher's Survey, 2025

From the table above 30 respondents representing (38%) of the total were 18-30, 40 respondents representing (50%) of the total were 31-40 while to respondents representing (12%) of the total were 41-above.

SECTION B: RESEARCH QUESTION

QUESTION 1: DOES YOUR ORGANIZATION HAVE A FORMAL STORE CONTROL SYSTEM IN PLACE

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	60	75
NO	20	25
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above 60 respondent representing (75%) of the total indicated Yes that the organization have a formal store control system in place while 20 respondents representing (25%) of the total chase NO.

QUESTION 2: DOES YOUR ORGANIZATION USE A PERPETUAL INVENTORY SYSTEM

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	50	63
NO	30	27

TOTAL	80	100
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Source: Researcher's Survey, 2025

From the table above 50 respondent representing (63%) of the total indicated Yes that the organization use perpetual inventory system while 30 respondents representing (27%) of the total chase NO.

QUESTION 3: DOES YOUR ORGANIZATION CONDUCT PHYSICAL INVENTORY COUNTS?

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	60	75
NO	20	25
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above 60 respondent representing (75%) of the total indicated Yes that the organization conduct physical inventory counts while 20 respondents representing (25%) of the total chase NO.

QUESTION 4: DOES YOUR ORGANIZATION HAVE A DESIGNATED INVENTORY MANAGER OR TEAM

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	60	75
NO	20	25
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above 60 respondent representing (75%) of the total indicated Yes that the organization have a designated inventory manager or team while 20 respondents representing (25%) of the total chase NO.

QUESTION 5: DOES YOUR ORGANIZATION DETERMINE INVENTORY LEVELS AND ORDER POINTS?

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	60	75
NO	20	25
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above 60 respondent representing (75%) of the total indicated Yes that the organization determined inventory levels and order points 20 respondents representing (25%) of the total chase NO.

QUESTION 6: DOES YOUR ORGANIZATION INVOLVE IN INVENTORY MANAGEMENT TECHNIQUE?

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	60	86
NO	20	14
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above 60 respondent representing (86%) of the total indicated Yes that the organization involve in inventory management technique while 20 respondents representing (25%) of the total chase NO.

QUESTION 7: DOES YOUR ORGANIZATION USE INVENTORY OPTIMIZATION SOFTWARE

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	60	75
NO	20	25
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above 60 respondent representing (75%) of the total indicated Yes that the organization use inventory optimization software while 20 respondents representing (25%) of the total chase NO.

QUESTION 8: DOES YOUR ORGANIZATION HANDLE INVENTORY DISCREPANCIES OR ERRORS?

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	60	75
NO	20	25
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above 60 respondent representing (75%) of the total indicated Yes that the organization handle inventory discrepancies or error while 20 respondents representing (25%) of the total chase NO.

QUESTION 9: DOES YOUR ORGANIZATION CONSIDER STORE CONTROL AND INVENTORY MANAGEMENT WHEN MAKING CAPITAL INVESTMENT DECISIONS?

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	70	86
NO	10	14
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above 70 respondent representing (86%) of the total indicated Yes that the organization consider store control and inventory management while 20 respondents representing (25%) of the total chase NO.

QUESTION 10: DOES YOUR ORGANIZATION HAVE A DESIGNATED INVENTORY MANAGER OR TEAM

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	50	63
NO	30	37
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above 60 respondent representing (75%) of the total indicated Yes that the organization have a designated inventory manager or team while 20 respondents representing (25%) of the total chase NO.

QUESTION 11: DOES YOUR ORGANIZATION PRIORITIZE INVESTMENTS IN STORE CONTROL AND INVENTORY MANAGEMENT TECHNOLOGY?

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	50	63
NO	30	37
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above 50 respondent representing (63%) of the total indicated Yes that the organization prioritize investments in store control and inventory technology while 30 respondents representing (37%) of the total chase NO.

QUESTION 12: DOES YOUR ORGANIZATION MEASURE THE EFFECTIVENESS OF IT'S STORE CONTROL SYSTEM?

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	60	75
NO	20	25
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above 60 respondent representing (75%) of the total indicated Yes that the organization measure effectiveness of it's store control system while 20 respondents representing (25%) of the total chase NO.

QUESTION 13: DOES YOUR ORGANIZATION USE KEY PERFORMANCE INDICATORS (KPIS) TO MONITOR STORE CONTROL AND INVENTORY MANAGEMENT PERFORMANCE

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	60	75
NO	20	25
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above 60 respondent representing (75%) of the total indicated Yes that the organization use key performance indicators (KPIS) to monitor store control and inventory management performance while 20 respondents representing (25%) of the total chase NO.

QUESTION 14: IS THERE ONLY BENEFITS THAT YOUR ORGANIZATION EXPERIENCED FROM IMPLEMENTING AN EFFECTIVE STORE CONTROL SYSTEM?

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	70	86
NO	10	14
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above 60 respondent representing (86%) of the total indicated Yes that there is there only benefits that your organization experienced from implementing an effective store control system while 20 respondents representing (25%) of the total chase NO.

QUESTION 15: HAVE YOUR ORGANIZATION EVER FACED ANY CHALLENGES IN IMPLEMENTATION AN EFFECTIVE STORE CONTROL SYSTEM?

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	80	100
NO	-	-
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above. It can be seen clearly that the organization have faced any challenges in implementation an effective store control system by which the respondents representing all of them strongly agreed.

QUESTION 16: DOES YOUR ORGANIZATION BALANCE THE NEED FOR INVENTORY AVAILABILITY WITH THE NEED TO MINIMIZE INVENTORY.

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	70	86
NO	10	14

TOTAL	80	100
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Source: Researcher's Survey, 2025

From the table above 70 respondent representing (86%) of the total indicated Yes that the organization balance the need for inventory availability with the need to minimize inventory while respondents representing (14%) of the total chase NO.

QUESTION 17: DOES YOUR ORGANIZATION USE DATA ANALYTICS TO INFORM STORE CONTROL AND INVENTORY MANAGEMENT DECISION

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	50	63
NO	30	37
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above 50 respondent representing (63%) of the total indicated Yes that the organization use data analytics to inform store control and inventory management decision while 30 respondents representing (37%) of the total chase NO.

QUESTION 18: DOES YOUR ORGANIZATION FOLLOW BEST PRACTICES FOR STORE CONTROL AND INVENTORY MANAGEMENT?

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	70	86

NO	10	14
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above 70 respondent representing (86%) of the total indicated Yes that the organization follow best practices for store control and inventory management while 10 respondents representing (14%) of the total chase NO.

QUESTION 19: DOES YOUR ORGANIZATION SEE STORE CONTROL AND INVENTORY MANAGEMENT AS A STRATEGIC PRIORITY FOR FUTURE GROWTH AND SUCCESS?

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	80	100
NO	-	-
TOTAL	80	100

Source: Researcher's Survey, 2025

From the table above, it can be seen clearly that 80 respondent representing (100%) of the total strongly agreed that the organization see store control and inventory management as a strategic priority for future growth and success.

QUESTION 20: DOES YOUR ORGANIZATION PLAN TO EXPAND OR MODIFY IT'S STORE CONTROL SYSTEM IN THE FUTURE?

OPTIONS	RESPONDENTS	PERCENTAGE (%)
YES	100	100
NO	-	-
TOTAL	100	100

Source: Researcher's Survey, 2025

From the table above, it can be seen clearly that 100 respondent representing (100%) of the total strongly agreed that the organization plan to expand or modify it's store control system in the future.

4.2 TEST OF HYPOTHESIS

The analysis of the table

H0: There is no any tool for stock and material control

H1: There is tools for stock and material control Note.

H0: Null Hypothesis

H1: Alternative Hypothesis

TABLE: CLASSIFICATION TABLE OF CHI- SQUARE CALCULATION

Alternatives	O	E	O-E	(O-E) ²	(O-E) ² /E
Very Important	12	4.6	7.4	55	11.98
Not Important	1	4.7	-	14	2.98
Not Answered	1	4.7	-	14	2.98
TOTAL	14	14	83	17.92	

Using Chi-Square method

$$X^2 = \frac{(O-E)^2}{E}$$

Where O = Observation

$$E = 4.7 \text{ or } 4.6$$

From the above X^2 above $X^2 = 17.92$

Degree of freedom = $R - 1$ (where $R = 3$)

$$\text{Degree of freedom} = 3 - 1 = 2$$

Therefore, Critical value of X^2 at 0.05 level of significant and at 2 degree of freedom = 5.991.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY OF FINDINGS

Having gone through a rigorous exercise the researcher came up with the following findings.

This findings makes it necessary for managers and inventory control management personnel to undergo intensive training on how to operate automated inventory control management systems in order to utilize them fully and effectively otherwise they will be of no value to the organizational performance.

Nevertheless, the managers reported that computerized inventory control system, when it was in full use. It gave the company an edge over its competitors for instance, when the system is efficient and speeds re-ordering process input raw materials are delivered on time and production goes on uninterrupted. There is also the issue of time saving which means faster inventory update on company site and its warehouse.

These sales force while conducting their field job they needed to be updated with inventory levels of the finished so that they can meet customers of availability and delivery of consignments. All these led to efficient production and appropriate delivery of raw material to the plant and timely delivery of finished products to the consumers. So computerized inventory

control management system is one of the factors that affect productivity of the food and beverage company and indirectly affects company sales and profits.

There observations were summed by comments of one participant.

That there are number of challenges encountered in implementing and effective store control systems study mostly in the area of outdated facilities and also on the safety and security of staff and materials.

5.2 CONCLUSION

The study examined the effect of inventory control management systems on organization performance. The adopted perpetual inventory control system that applied the principles of economic order quality (EOQ) enabled the food and beverage manufacturing company to know the extent to which an item ought to be ordered, not only that but also at what exactly time it should be ordered to meet.

Its is so vital to any organization, it allow to see if they is any significant discrepancies between what you think should done in an organization.

It allow the organization to regularly monitor and increase gross profit, reduces loss, improve control of allowances.

Effective store control system help the organization balance the need for inventory availability with the need to minimize inventory costs.

5.3 RECOMMENDATION

An effective store control system is crucial for managing an organization's capital investment by ensuring accurate inventory tracking, optimizing stock levels and reducing losses. It helps prevent overstocking and damage which can significantly impact financial performance.

Key Recommendation

- Use software or technology that track stocks level monitors reorder point and generates report on inventory performance.
- Arrange shelving, racking and bins efficiently to minimize space and facilitate easy access to inventory.
- Establish clear procedures for receiving, storing and holding inventory, including regular audits and cycle counts.
- Analyze sale patterns, seasonal trends and other factors to predict demand and optimize inventory levels.
- Maintain a buffer of inventory to protect against unexpected demand fluctuations or supply chain disruptions.
- Ensure all staff members are knowledgeable about stock control procedures and responsible for maintaining accurate inventory records.
- Regularly track key metrics like stock turnover, carrying costs and losses to identify areas for improvement.
- Implement a system where inventory is received and used only when needed, minimizing storage costs.

- Build strong relationships with suppliers to ensure reliable delivery and negotiate terms.
- Leverage barcoding, RFID and other technologies to automate inventory tracking and reduce errors.

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APPENDIX

Department of Procurement And
Supply Chain Management,
Institute of Finance and
Management Studies,
Kwara State Polytechnic, Ilorin.
Nigeria P.M.B. 1375.
Kwara State.
May, 2025.

Dear Respondent,

RE: RESEARCH QUESTIONNAIRE

This questionnaire (attached) is designed together information on the effective store control system as a vital tool for sound management of organization capital investment. This being carried out for a management project paper as a requirement in partial fulfilment for award the National Diploma (ND) in Procurement and Supply Chain Management, Kwara State Polytechnic, Ilorin please note. This is strictly an academic exercise towards the attainment of the above purpose. You are hereby assured that the information will be treated with the strict confidence. Your co-operation will be highly appreciated.

Thank you for your appreciated kind response.

Yours sincerely,

Haruna Sasili Ayodeji
ND/23/PSM/PT/024

QUESTIONNAIRE

SECTION A

1. SEX: MALE (), FEMALE ()
2. MARITAL STATUS: SINGLE (), MARRIED ()
3. AGE: 18-30 (), 31 – 40 (), 41 and above ()
4. EDUCATIONAL QUALIFICATION: BSC () HND () ND ()
5. WORKING STATUS: MANAGEMNENT () SENIOR STAFF () JUNIOR ()

SECTION B

1. Does your organization have a formal store control system in place? Yes (), No ()
2. Does your organization use a perpetual inventory system? Yes (), No ()
3. Does your organization conduct physical inventory counts? Yes (), No ()
4. Does your organization have a designated inventory manager or team?
Yes (), No ()
5. Does your organization involve in inventory management technique? Yes (), No ()
6. Does your organization determine inventory levels and order point? Yes (), No ()
7. Does your organization use inventory optimization software? Yes (), No ()
8. Does your organization handle inventory discrepancies or errors? Yes (), No ()
9. Does your organization consider store control and inventory management when making capital investment decision? Yes (), No ()

10. Does your organization evaluate the return on investment (ROI) for store control and inventory management initiatives? Yes (), No ()
11. Does your organization prioritize investment in store control and inventory management technology? Yes (), No ()
12. Does your organization measure the effectiveness of its store control system? Yes (), No ()
13. Does your organization use key performance indicators (KPIs) to ? Yes (), No ()
14. Is there any benefits that your organization experienced from implementing an effective store control system? Yes (), No ()
15. Have your organization ever faced any challenges in implementing an effective store control system? Yes (), No ().
16. Does your organization balance the need for inventory availability with the need to minimize inventory costs? Yes (), No ().
17. Does your organization use data analysis to inform store control and inventory management decision? Yes (), No ().
18. Does your organization follow best practices for store control and inventory management? Yes (), No ()
19. Does your organization see store control and inventory management as a strategic priority for future growth and success? Yes (), No ().
20. Does your organization plan to expand or modify its store control system in the future? Yes (), No ().