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## **IMPACT OF INVENTORY CONTROL MANAGEMENT ON ORGANIZATIONAL PRODUCTIVITY (A STUDY OF RISONPALM COMPANY LTD., RIVERS STATE)**

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### **Abstract**

*The study sought to achieve the following objective: 1: To determine the significant impact of inventory management on organizational productivity, 2: To assess significant impact of the first-in-first-out of stock control method on the product output of Risonpalm. 3: To ascertain the significant effects of last-in-first-out stock control method on the market share of Risonpalm. 4: To evaluate the significant influence of weighted average cost of inventory management on the turnover of Risonpalm. 5: To determine the significant effect of re-order level inventory control method on the demand for Risonpalm Company Limited. The research questions and hypothesis study were formulated from these objectives. The study adopted a descriptive survey research design. Data was collected from both primary and secondary sources. The population of this study was 600. This population is finite because the staff of Risonpalm Company is known. The sample size is 230, determined with Taro Yamen formula which was considered appropriate for finite population. The stratified sampling technique was adopted. Questionnaire was the major research instrument used for data collection. The reliability of the study instrument was calculated with test and retest variables. The hypotheses were tested using chi-square statistical tools at 5% level of significance. At the end of the study, the following findings were made: 1: Inventory management had significant impact on organizational productivity. 2: First-in-first-out stock control method has significant impact on the product output of Risonpalm Company. 3: Last-in-first-out stock control method has significant effects on the market share of Risonpalm Company. 4: Weighted average stock control method does not have significant influence on the turnover of Risonpalm Company. 5: Re-order level inventory control method has significant effects on the demand for Risonpalm Company Limited River State. The study recommends that Inventory management should become more effective and properly monitored from source; since most of the raw materials for production are locally sourced. In addition with the second hypothesis which states that First-in-first-out stock control method had significant impact on the product output of Risonpalm Company Limited. This point could further be explained by the fact that the process of production largely depends on the input in determining quality. When the input are bad or poor, no matter how good the process that conveys the work-in-progress is, the product quality will still be at the same level as the material inputted.*

## INTRODUCTION

From the history, industrial revolution in the 1770s, Inventory has been known to be one of the most important assets to many companies, representing a good percentage of total invested capital. A firm can try to reduce costs by reducing on-hand inventory levels.

(Abara, 2011), On the other hand, customers become dissatisfied when frequent inventory outages, called stock-out occur. Thus, companies must take the balance between low and high inventory levels. As you would expect, cost minimization is the major factor in obtaining this delicate balance. The interval between receiving the purchased parts and transforming items to final products varies from industries depending upon the cycle time of manufacture. Materials are procured and held on the shape of inventories. It is therefore necessary to hold inventories of various kinds to act as a buffer between supply and demand for efficient operation of the system.

Thus effective control on inventory becomes a must for smooth and efficient running of the production cycle with least interruptions. Inventory generally refers to the materials in stock. It is also called the idle resource of an enterprise. Inventories represent those items which are either stocked for sale or they are in the process of manufacturing or they are in the form of materials in which are yet to be utilized.

According to Njahmias (1997), inventory as a physical good held at a specific location at a specific time. To the researcher's understanding, inventory can be defined as a material that an organization or a firm holds for finished goods, are direct function of demand. Once we determine the demand for completed clothes, for example, it is possible to use this information to determine how much cotton sewing machines. Sewing time and other raw materials and work-in-process are needed to produce the finished product (Abara 2011).

Raw materials, work-in-process, finished goods Etc. are the examples of inventory control. Inventory control is a planned approach of determining what to order and how much to order and how much to stock so that costs associated with buying and storing are optimal without interrupting production and sales. Inventory control has an impact on several business functions, especially operations, marketing and finance. Inventories provide customers service which is important to marketing. Finance is concern with the overall financial structure of a firm, including funds allocated to inventory.

Operations need inventories to ensure smooth and efficient (uninterrupted) production. Inventories of different kinds are found in organization like Risonpalm today, but they vary a lot in number and nature of the material or component intermediate work in progress, finished goods and distribution inventories center's or wholesalers (Tersine, 1998).

Inventory Control is an attempt to balance inventory needs and requirement with the need to minimize costs resulting from obtaining and holding inventory (Helms 2006). Inventory control may also mean the supervision of supply, storage and accessibility of

items in order to ensure adequate supply and curb over supply. Inventory Control is among the most important operations management function because inventory requires a great deal of capital and affect the delivery of goods customers. The motive for keeping inventories differs between companies, depending on if the inventory is designed for a process flow of material, or for a function it has for a company. Consequently, keeping inventories for most company a natural activity (Lumsden 1998), Organization, which could measure output over input within an organization, which could be in terms of cost reduction, quality enhance and revenue generation.

### **Statement of the Problem**

Inventory Control basically deals with two problems, which is. when should an order be placed? (Order level) and how much should be ordered? (Order quantity) Issues that have been of concern to most manufacturing organizations could be traced to inadequate or over stocked raw materials. Is stocked beyond need or stocked below the manufacturing firm could either face a problem in cost of keeping these overstocked materials or run short of materials for production. This is the case with Risonpalm the possible effect may be on the case with Risonpalm then a possible effect may be on the cost of the firm. Also, an issue with processing of raw materials into work-n-progress has also been of concern in Risonpalm. A scenario where work-in-process is not properly processed has a negative effect on the quality of products being churned out from the product machinery. Obviously, any dip in the quantity of products from any manufacturing firm leads to blow on its productivity. Finally, the inability of a firm to effectively market its finished goods at zero level would definitely have to deal with a low turn in revenue which would be a strain on organizational productivity.

### **Objectives of the Study**

The general objective of this study was to determine the significant impact of inventory management on organizational productivity. The specific objectives of the study were:

1. To assess the significant impact of the first-in-first-out of stock control method on the product output of Risonpalm Company Limited
2. To ascertain the significant effects of last-in-first-out stock control method on the market share of Risonpalm Company Limited.
3. To evaluate the significant influence of weighted average cost of inventory management on the turnover of Risonpalm Company Limited.
4. To determine the significant effect of re-order level inventory control method on the demand for Risonpalm Company Limited.

## Research Hypotheses

To properly carryout this research work effectively, the following hypothesis are hereby postulated and structure in a null form as follows:

1. **H<sub>01</sub>**: Inventory management does not have significant impact on organizational productivity.  
**H<sub>A1</sub>**: Inventory management has significant impact on organizational productivity.
2. **H<sub>02</sub>**: First-in-first-out stock control method does not have significant impact on the product output of Risonpalm Company Limited.  
**H<sub>A2</sub>**: First-in-first-out stock control method has significant impact on the product output of Risonpalm Company Limited.
3. **H<sub>03</sub>**: Last-in-first-out stock control method does not have significant effects on the market share of Risonpalm Company Limited.  
**H<sub>A3</sub>**: Last-in-first-out stock control method has significant effects on the market share of Risonpalm Company Limited.
4. **H<sub>04</sub>**: Weighted average stock control method does not have significant influence on the turnover of Risonpalm Company Limited.  
**H<sub>A4</sub>**: Weighted average stock control method has significant influence on the turnover of Risonpalm Company Limited.

## Conceptual framework

Inventory management supervises the flow of goods from manufacturers to ware houses and from these facilities to point of sales. A key function of inventory management is to keep: a detail record of each new or returned product as it enters or leaves a ware house or point of sale. The relationship between inventory management and transportation is an interesting one. A lot of attention has being giving to this relationship. Through logical thinking it can be deduced that there is a direct relationship between transport and inventory management. If inventory is managed better, transport performance can become better. As inventory management is entirely concerned with the movement and flow of all materials (is it raw materials, work-in- progress item and all the finished product of a supply chain) it should be clearly defined, across the whole supply chain, what transportation mode will best benefit the end consumer. Inventory is regularly reformed throughout the supply chain and transportation; decisions should be made considering the type of materials that is being handled, and the trade-off between inventory management and transportation.

A manufacturing company looking to import materials would be focused on moving raw materials. The inventory is of less value that completed products and using a cheaper transport alternative could pose benefits.

## Inventory Control Systems

An inventory control system is a system that encompasses all aspects of managing a company's inventories, purchasing, shipping, receiving, tracking, warehousing and storage, turn over, and re-ordering. In different firms the activities associated with each of this area may not be strictly contained within separate subsystem, but this function must be performed in sequence in-order to have a well run inventory control system.

The trend toward automation in inventory management naturally has move into the warehouse as well. Citing various warehousing expert, Sara Bergin contended in transportation and distribution magazine that "the key to getting productivities gains from inventory management is placing real-time intelligent information processing in the warehousing. This empowers employees to take action that achieve immediate results. They are several steps cited by transportation and distribution magazine that business utilizing warehouse storage systems can take to help ensure that they get the most out of their facilities. It recommended that companies utilize the following tools:

1. **Maximization of storage Capacity:** Warehouse that adhere to rigid "storage by incoming lot size" storage arrangements do not always make the best use of their space. Instead, businesses should settle on a strategy that eases traffic congestion and best eases problems associated with ongoing turn over in inventory.
2. **Communication System:** Again, this can be a valuable investment if the business warehouse requirements are significant. Such facilities often utilize fork-lift machinery that can be used more effectively if their operators are not required to periodically return to a central assignment area.

## Empirical Framework

A study by Agbogu Edward (2002), on the inventory management in a selected manufacturing organization in Enugu State, the objective of the study was to ascertain the extent of the inventory control and management that is being applied or operated in the company. To identify the problem the company is facing or encountering in the inventory control and management. The study adopted a descriptive research design with extensive use of questionnaire and interview in gathering factual information. Data uses for the study were collected from two major sources that are primary and secondary sources. The study was conducted at Nigerian breweries plc. Finding shows that the company is highly computerized, documents are updated immediately issues are made, the life of staff personnel is effective, as it helps flow of work in the organization, and the computerization of the company helps in fastening information circulation among the various departments. The study recommends that: The company should set up basic control measures once they start operations, to ensure accurate recording of transaction. The purchasing control unit or materials department should be established to prevent wastage of raw materials. Under

safe stocking, store keeper should inspect and record all purchased item accordingly and principles stipulated as a control measure by the company, should be put into practice.

The survey method of researching was used for this study. Though many researcher limited it to the use of personal interview and questionnaires only. The study concluded that inventory management is being operated in Nigeria Breweries Plc but it is not hundred percent effective. Also inventory should be properly managed and collected and controlled in order to sustain the business organization at the great height for effective achievement of its objectives.

A study by Brand (2008) on the impact of inventory control on organizational productivity. A study conducted at Risonpalm Company Limited Enugu State.

The objectives of the study were to determine how raw materials, work-in-progress and finished goods affects measures of organizational productivity.

The study adopted a descriptive survey design. The instruments used for data collection were questionnaire and oral interview. The techniques used were chi-square method for testing of hypothesis and simple percentage was used for data analysis.

Findings showed that, there is a relationship between managing finished goods and sales revenue in Risonpalm Company. The study recommended that work-in-progress is product quality and relationship between managing finished goods and sales revenue in Risonpalm Company. The study recommended that work-in-progress control do not have effect on the quality of the product, in Risonpalm Company. The study concluded that raw material should control from source, which would inevitably reduce safety stock and also, finished goods should be effectively managed to continually increase sales revenue.

Hau (1996) on: "effective inventory and service management through, product and process redesign" accentuated that with regards to inventory control, one of the major challenges to operational managers is product proliferation. The study showed that product proliferation makes it difficult to fore cast demands accurately, and consequently, leads to high inventory investment and poor customer service. Such proliferation is often a result of the global nature of the market place. Different markets may have different requirements for the product, due to differences in taste, language, geographical environment, or government regulations. Another reason for product proliferation is the expansion of the customer base. Different product version is often developed for different market segment (e.g. education, personal, business, or government user may have different needs of product). To gain central of inventory and service, significant benefits can be obtained by properly exploring the opportunities in the design of the product or process by which the product is made logistic issues like inventory and service are thus important dimensions that mangers should consider, in addition to measures like functioning, performance, and manufacturability. The performance and inventory models can be used to support the logistic dimension of product/process design.

## **METHOD**

### **Research Design**

The design serves as a master plan, which helped the researcher to conduct an in-depth investigation as regard the work. The researcher adopted a descriptive research design (survey study) with extensive use of questionnaire and interviews gathering factual information. Secondary data were collected through review of related literature, journals, textbooks etc.

### **Source of Data**

In the process of carrying' out this research study data used for the study were collected from two major sources, that is primary and secondary sources.

#### **Primary Sources**

Primary sources of data used for the analysis are those obtained from personal interviews, questionnaire, observation, and 'experiences. This technique was adopted because of the advantage of using direct information and also because of the working setting of the organization.

#### **Secondary Literature Sources**

The sources of secondary data on the other hand were collected from other research works that have been published that has some degree of relevance to the subject matter. The secondary literature sources used includes text-books, projects work, journals, lecture manuals and company bulletin.

#### **Population of the Study**

The population of Risonpalm Company Limited is a finite population which consists of office staff and factory workers which sum up to 600. Source: field survey 2019.

#### **Sampling Techniques**

The sample size used in this study was 240 staff. Stratified sampling was used in determining the sample size.

$$N = \frac{N}{1 + N(0.5)^2}$$

### Distribution of Sample Size

Option	Frequency	Percentage
Management	70	30%
Production Manager	60	26%
Factory Worker	10	44%
Total	230	100

### Method of Data Collection

The following methods were used to generate data for this research work.

1. Questionnaire
2. Documentations the study organizations
3. Existing Literature

The statistical tables would show the responses frequency and percentage of the responses through the total responses sought in giving questions. The frequency table or statistical table was used in order to compare the number of responses that are in agreement or against a particular question which enabled the researcher to do the analysis.

### Data Presentation and Analysis

In data analysis, the researcher used frequency tables in data presentation, the techniques of frequency and presentation. The chi-square data statistics was used for further analysis and test of validity of the four hypotheses formulated for this study. The chi-square statistics according to wert (1954) is a statistical techniques which enables the investigator to evaluate the probability of obtaining differences between the actual and expected frequencies in the categories of result of sampling fluctuation. The statistical tool used for this study is chi square method. Using the formula below:

$$X^2 = \frac{\sum(f_o - f_e)^2}{f_e}$$

Where;

$\Sigma$  = Summation

$F_o$  = Observed frequency

$F_e$  = expected frequency

$X^2$  = chi-square

Chi-square ( $\chi^2$ ) enables us to calculate and determine the difference between calculated frequencies of data distribution, and afterward draw out conclusion by comparing the null hypothesis with alternate hypothesis.

## FINDINGS/DISCUSSION

### Testing of hypothesis one

**Table 1: Contingency Table on the Respondents views to the Statement: Inventory has significant impact on organizational productivity**

Option	Frequency	Percentage	Total
Strongly agree	120	52%	172
Agree	30	13%	43
Undecided	40	17%	57
Disagree	25	11%	36
Strongly disagree	15	7%	22
<b>Total</b>	<b>230</b>	<b>100</b>	<b>330</b>

*Source: Field survey, 2019*

### Contingency table

O <sub>i</sub>	E <sub>i</sub>	O <sub>i</sub> -E <sub>i</sub>	O <sub>i</sub> -E <sub>i</sub> <sup>2</sup>	O <sub>i</sub> -E <sub>i</sub> <sup>2</sup>
120	119.8	0.2	0.04	0.003
52	52	0	0	0
30	29.26	0.04	0.016	0.030
13	13	0	0	0
40	39.7	0.3	0.009	0.022
17	17.27	-0.27	-0.0729	-0.042
25	25	0	0	0
11	10.9	0.1	0.01	0.01
15	15.33	-0.33	-0.109	0.012
7	6.66	-0.34	-0.109	0.0134
				17.06

$$C-1 \times R-1 = 5-1 \times 3 = 4 \times 2 = 8$$

$$df = 8$$

Level of significance = 0.05

X<sup>2</sup> calculated value = 17.06

X<sup>2</sup> table value = 7.06

**Decision Rule/Criteria**

The decision taking/rule states that the null hypotheses should be rejected if the calculated value is greater than critical/tabulated value or do not reject the null hypothesis if the critical value is greater than calculated value. Meanwhile, from the above calculations, the calculated value is 17.06 while the critical value is 7.06 at 5% level of significance and 4 degrees of freedom. This reveals that the calculated value is greater than the critical value. Based on this, we rejected the null hypothesis and conclude that Inventory management has significant impact on organizational productivity.

**Table 2: Product output of Risonpalm Company Ltd**

Option	Frequency	Percentage	Total
Strongly agree	125	54%	179
Agree	25	11%	36
Undecided	15	17%	36
Disagree	25	11%	36
Strongly disagree	40	7%	47
<b>Total</b>	<b>230</b>	<b>100</b>	<b>330</b>

Source: Field survey, 2019

$$df = (C - 1)(R - 1) = 5 - 1 \times 3 - 1 = 8$$

$$C_{11} = \frac{230 \times 36}{330} = 25.09$$

$$C_{12} = \frac{100 \times 36}{330} = 11$$

$$C_{21} = \frac{230 \times 179}{330} = 125$$

$$C_{22} = \frac{100 \times 179}{330} = 25.09$$

$$C_{31} = \frac{230 \times 36}{330} = 33$$

$$C_{32} = \frac{100 \times 36}{330} = 11$$

$$C_{41} = \frac{230 \times 47}{330} = 33$$

$$C_{42} = \frac{100 \times 47}{330} = 14.2$$

$$C_{51} = \frac{230 \times 32}{330} = 22.30$$

$$C_{52} = \frac{100 \times 32}{330} = 9.6$$

**Contingency table**

O <sub>i</sub>	E <sub>i</sub>	O <sub>1</sub> -E <sub>1</sub>	O <sub>i</sub> -E <sub>i</sub> <sup>2</sup>	O <sub>i</sub> -E <sub>i</sub> <sup>2</sup> /E
25	25.5	-0.09	-0.081	-0.032
11	11	0	0	0
125	125	0	0	0
54	25.0	29	841	33.64
25	33	-8	-64	-1.939
11	11	0	0	0
40	33	7	49	1'484
7	14.2	-7.2	-51.84	-3.752
15	22.3	-7.3	-53.29	-2.389
17	9.8	7.4	54.76	5.704
				32.78

$C-1 \times R-1 = 5-1 \times 3 = 4 \times 2 = 8$

df = 8

Level of significance = 0.05

$X^2$  calculated value = 32.78

$X^2$  table value = 7.06

**Decision Rule**

The decision taking/rule states that the null hypotheses should be rejected if the calculated value is greater than critical/tabulated value or do not reject the null hypothesis if the critical value is greater than calculated value. Meanwhile, from the above calculations, the calculated value is 32.78 while the critical value is 7.06 at 5% level of significance and 4 degrees of freedom. This reveals that the calculated value is greater than the critical value. Based on this, we rejected the null hypothesis and conclude that First-in-first-out stock control method has significant impact on the products output of Risonpalm Company Ltd.

**Table 3: Contingency table on the respondents views to the statement: Last-in-first-out stock control method has significant effects on the market share of Risonpalm Company Ltd.**

Option	Frequency	Percentage	Total
Strongly agree	130	57%	187
Agree	20	9%	29
Undecided	15	6%	21
Disagree	25	11%	36
Strongly disagree	40	7%	57
<b>Total</b>	<b>230</b>	<b>100</b>	<b>330</b>

Source: Field Survey, 2019

$$df = (C - 1)(R - 1) = 5 - 1 \times 3 - 1 = 8$$

$$C_{11} = \frac{230 \times 29}{330} = 20.2$$

$$C_{12} = \frac{100 \times 29}{330} = 8.78$$

$$C_{21} = \frac{100 \times 187}{330} = 130.3$$

$$C_{22} = \frac{230 \times 187}{330} = 56.6$$

$$C_{31} = \frac{230 \times 36}{330} = 925.0$$

$$C_{32} = \frac{100 \times 36}{330} = 10.9$$

$$C_{41} = \frac{230 \times 57}{330} = 39.7$$

$$C_{42} = \frac{100 \times 57}{330} = 17.2$$

$$C_{51} = \frac{230 \times 21}{330} = 14.6$$

$$C_{52} = \frac{100 \times 21}{330} = 17.2$$

**Contingency table**

O <sub>i</sub>	E <sub>i</sub>	O <sub>1</sub> -E <sub>1</sub>	O <sub>i</sub> -E <sub>i</sub> <sup>2</sup>	O <sub>i</sub> -E <sub>i</sub> <sup>2</sup> /E <sub>i</sub>
20	20.2	-0.2	-0.04	8.19
9	8.76	0.22	0.0484	2.055
130	130.3	-0.3	-9.09	0.069
57	56.6	0.4	0.16	0.028
25	25.0	0	0	0
11	10.9	0.1	0.01	5.091
40	39.7	0.3	0.09	10.22
17	17.2	-0.2	-0.04	0.023
15	14.6	0.4	0.16	2.10
6	17.2	-11.2	-125.44	-7.23
				21.46

$$C-1 \times R-1 = 5-1 \times 3 = 4 \times 2 = 8$$

df = 8

Level of significance = 0.05

X<sup>2</sup> calculated value = 21.46

X<sup>2</sup> table value = 7.06

**Table 4: Weighted average stock control method has significant influence on the turnover of Risonpalm Ltd**

Option	Frequency	Percentage	Total
Strongly agree	70	31%	101
Agree	110	48%	158
Undecided	12	5%	17
Disagree	18	8%	26
Strongly disagree	20	8%	28
<b>Total</b>	<b>230</b>	<b>100</b>	<b>330</b>

Source: Field Survey, 2019

$$df = (C - 1)(R - 1) = 5 - 1 \times 3 - 1 = 8$$

$$C_{11} = \frac{230 \times 101}{330} = 70.39$$

$$C_{12} = \frac{100 \times 101}{330} = 30.61$$

$$C_{21} = \frac{230 \times 158}{330} = 110.2$$

$$C_{22} = \frac{100 \times 158}{330} = 47.87$$

$$C_{31} = \frac{230 \times 17}{330} = 11.84$$

$$C_{32} = \frac{100 \times 17}{330} = 5.15$$

$$C_{41} = \frac{230 \times 26}{330} = 18.12$$

$$C_{42} = \frac{100 \times 26}{330} = 7.88$$

$$C_{51} = \frac{230 \times 28}{330} = 15.52$$

$$C_{52} = \frac{100 \times 28}{330} = 8.48$$

**Contingency table**

O <sub>i</sub>	E <sub>i</sub>	O <sub>i</sub> -E <sub>i</sub>	O <sub>i</sub> -E <sub>i</sub> <sup>2</sup>	O <sub>i</sub> -E <sub>i</sub> <sup>2</sup> /E <sub>i</sub>
70	70.39	-0.39	-0.39	-0.055
31	30.61	0.39	0.152	0.049
110	110.2	-0.2	0.04	0.036
48	47.87	0.13	0.0169	0.035
12	11.84	0.16	0.0256	0.021
5	5.15	-0.15	0.225	0.043
18	18.2	-0.12	0.0144	0.079
8	7.88	0.12	0.0144	0.018
20	15.52	4.48	20.074	1.293
8	8.48	-0.48	0.2304	0.029
				1.546

C-1 × R-1 = 5-1 × 3 = 4 × 2 = 8

df = 8

Level of significance = 0.05

X<sup>2</sup> calculated value = 1.546

X<sup>2</sup> table value = 7.06

**Contingency table**

O <sub>i</sub>	E <sub>i</sub>	O <sub>i</sub> -E <sub>i</sub>	O <sub>i</sub> -E <sub>i</sub> <sup>2</sup>	O <sub>i</sub> -E <sub>i</sub> <sup>2</sup> /E <sub>i</sub>
50	50.2	-0.2	0.04	50.16
22	21.18	0.19	0.036	605.8
126	126.2	-0.2	0.04	3155
55	55.84	0.16	0.026	2109.3

12	11.84	0.16	0.026	455.4
5	5.15	-0.15	0.023	223.9
24	23.7	0.3	0.09	114.4
10	10.30	-0.3	0.09	1294.3
18	18.12	-0.12	0.014	465.7
8	7.87	0.13	0.0169	8737.26

### Discussion of Results

1. The analyses in the testing of hypothesis one revealed that Inventory management had significant impact on organizational productivity. This led to the rejecting of null hypothesis since the calculated value of 15.507 was greater than the critical or table value of 7.06. That was determined at 5% level of significance and four degree freedom. This result is in agreement with the findings made earlier on the study carried out by Agbogu Edward on the inventory management in a selected manufacturing organization, in which it was found that safety of a staff personnel is effective, as it helps in inventory control in organization.
2. The analyses on hypotheses two indicate that First-in-first-out stock control method had significant impact on the product output of Risonpalm Company. This led to the decision of rejecting the null hypothesis since the calculated value of 38.78 was greater than the critical value of 7.06 which was ascertained at 5% level of significance and four degree freedom. This result is in line with the findings made on earlier study by Agbogu Edward on: 'The inventory management in a selected manufacturing organization', in which it was found that the purchasing control unit or materials department should be established to prevent wastage of raw materials.
3. The analyses in the testing of hypothesis three revealed that Last-in-first-out stock control method had significant effects on the market share of Risonpalm Company. This led to the decision of rejecting the null hypothesis since the calculated value of 21.4 was greater than the critical or table value of 7.06 which was ascertained at 5% level of significance and four degree freedom. This finding is in agreement with the findings made earlier in a study carried out by Agbogu Edward on the inventory management in a selected manufacturing organization, in which it was found that documents are updated immediately issues are made.
4. The analyses in the testing of hypothesis three revealed that weighted average stock control method does not have significant influence on the turnover of Risonpalm Company. This led to the decision of rejecting the alternate hypothesis since the calculated value of 1.546 was smaller than the critical or table value of 7.06 which was

ascertained at 5% level of significance and four degree freedom. This finding is not in agreement with the findings made earlier in a study carried out by Agbogu Edward on the inventory management in a selected manufacturing organization, in which it was found that the store keeper should inspect and record all purchased item accordingly and principles stipulated as a control measure by the company, should be put into practice.

5. The analyses in the testing of hypothesis three revealed that Re-order level inventory control method has significant effects on the demand for Risonpalm Company Ltd Rivers State. This led to the decision of rejecting the alternate hypothesis since the calculated value of 8737.7 was greater than the critical or table value of 7.06 which was ascertained at 5% level of significance and four degree freedom. This finding is in agreement with the findings made earlier in a study carried out by brandy, on the impact of inventory control on organizational productivity in which it was found that there's is a relationship between work-in-progress and sales revenue. The implication of this finding is that organization should always order for a new material before the old material for production will finish in order to maintaining work-in-progress and increase sales rate of products.

## **CONCLUSION**

From the findings of this study, the researcher therefore concludes that Inventory management has significant impact on organizational productivity. The study also concludes that First-in-first-out stock control method has significant impact on the product output of Risonpalm. In addition, the study concludes that Last-in-first-out stock control method has significant effects on the market share of Risonpalm Company Ltd. Furthermore, the study conclude weighted average stock control method has significant influence on the turnover of Risonpalm Company Ltd, Finally, the study conclude that reorder level inventory control method has significant effects on the demand for Risonpalm Company Ltd.

## **Recommendations**

From the above finding and conclusion, the researcher made the following recommendations.

1. The researcher recommends that Risonpalm Company Ltd should adequately use first-in-first-out stock control method in ensuring the good quality of the organizational outputs. Using this method the units of oldest batch of stock will continue to be issued until all the units of that batch have been exhausted, when the units of next oldest batch will start being in use.
2. The researcher also recommends that Risonpalm Company Ltd should consistently use Last-in-first-out stock control method while attending to their customers in order to increase their market share. Organization should adopt the use of Last-in-first- out stock control method in their operation in order to increase their market share.

3. The researcher also recommend that organization should adopt re-order level method in maintain work-in-progress by ordering for a new material before the old one will finish in order to be keeping steady production.
4. The researcher also recommends that organization should set up basic control measures once they start operations to ensure accurate recording of transactions and the store keeper must be security conscious against pilferages.

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