

A COMPARATIVE STUDY ON THE EFFECTIVENESS OF INVENTORY MANAGEMENT SYSTEM PRACTICED BY THE MANUFACTURERS OF ELECTRICAL AND ELECTRONIC INDUSTRY IN SELANGOR

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ABSTRACT

Nowadays, many organizations began more concerned on inventory management. Inventory management is the process of planning, organizing and monitoring of activities that are emphasized on the flow of the inventory in the daily operations. It is very important to any organization, especially to manufacturing companies. So, the researcher would like to examine the effectiveness of the inventory management system used by the manufacturers of electrical and electronic industry in Selangor. Other than this, this researcher also wants to identify the problems faced by them and give some recommendations to improve their current system.

Different methodology has been used in order to obtain the relevant data for this study, for example, interview, distribute questionnaire, observation and etc. such methods have its advantages and its limitations as well. Thus, the researcher had to use different method with the aim to get a more accurate and reliable findings.

From the findings, the researcher would like to conclude that most of the manufactures in research industry in Selangor could be categorized as effective as a whole. This is due to most of them were realized the importance to establish a standardized inventory management system that would place their company in a more competitive position. However, the result shows that approximately 9.09% of companies that are ineffective and 2.42 % are categorized as strongly ineffective. Besides, most of the manufacturers cannot fully apply the inventory management system mentioned, such as JIT, MRP and etc due to the inflexibility of the system, high capital resources is required, time consuming and lack of skills and expertise to implement the system.

Lastly, the researcher has listed a few recommendations after analyzing and identifying the issues above, which may be applicable to the respondents.