



HAWASSA UNIVERSITY
COLLEGE OF BUSINESS ECONOMICS
DEPARTMENT OF MANAGEMENT

**THE EFFECT OF RESOURCE MANAGEMENT PRACTICES
ON ORGANIZATIONAL EFFECTIVENESS IN
MANUFACTURING COMPANIES: THE CASE OF ETAB SOAP
FACTORY HAWASSA**

BY: TARIKU ALEMU TEKA

MAY, 2025

HAWASSA, ETHIOPIA

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THESIS

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**THESIS SUBMITTED TO HAWASSA UNIVERSITY, SCHOOL OF
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MAY, 2025

HAWASSA, ETHIOPIA

DEDICATION

I dedicate this thesis to my mentors, whose guidance and encouragement have illuminated my path to academic achievement

HAWASSA UNIVERSITY
SCHOOL OF GRADUATE STUDIES
ADVISOR'S APPROVAL SHEET

This is to certify that the thesis entitled "THE EFFECT OF RESOURCE MANAGEMENT PRACTICES ON ORGANIZATIONAL EFFECTIVENESS IN MANUFACTURING COMPANIES: THE CASE OF ETAB SOAP FACTORY" submitted in partial fulfillment of the requirements for the degree of Master of Art (MBA) Degree in Marketing Management and has been carried out by: TARIKU ALEMU TEKA, ID No: GPMaMW/0033/15 under my supervision. Therefore, I recommend that the student has fulfilled the requirements and hence hereby can submit the thesis to the department.

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DECLARATION

I, TARIKU ALEMU TEKA, have carried out a research paper on “THE EFFECT OF RESOURCE MANAGEMENT PRACTICES ON ORGANIZATIONAL EFFECTIVENESS IN MANUFACTURING COMPANIES: THE CASE OF ETAB SOAP FACTORY” independently in partial fulfillment of the requirement of the Master of Science in Accounting & Finance with the guidance and support of the research advisor: SINTAYEHU ASSEFA (Ph.D.). I, also declared that this thesis is my original work and that all sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Declared by:

Name of the Designate

Signature

Date

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LIST OF ACRONYMS

HRM: Human Resource Management

ISM: Information Systems Management

MLR: Multiple Linear Regressions

RBV: Resource-Based View

SPSS: Statistical Package for the Social Sciences

TQM: Total Quality Management

VIF: Variance Inflation Factor

ABSTRACT

This study investigates the effect of resource management practices on organizational effectiveness at ETAB Soap Factory. A survey was conducted among 210 employees across key departments—Human Resources, Finance, Materials, and Information Systems Management—with a high response rate of 92.38%, ensuring data reliability and generalizability. These studies utilize mixed-methods approach. A cross-sectional survey of 194 respondents was conducted through structured questionnaires using census sampling. Descriptive and explanatory research designs were employed with the help of Multiple Linear Regression with SPSS 23, ensuring comprehensive and reliable findings. Demographic analysis revealed a predominantly male, mature, and moderately educated workforce, highlighting implications for diversity and workforce development strategies. Descriptive statistics indicated generally agreed perceptions of management practices, with particular strengths in human resource and information systems management. Inferential analyses, including Pearson correlation and multiple linear regressions, confirmed significant positive relationships between all resource management practices and organizational effectiveness, with financial management emerging as the most influential predictor. The model explained 69% of the variance in organizational effectiveness, affirming the critical role of integrated resource management frameworks in enhancing firm performance within a resource-constrained manufacturing context. The findings underscore the necessity for holistic capacity-building initiatives and strategic interventions to sustain competitive advantage and organizational resilience.

Keywords: Organizational Effectiveness, Human Resource Management, Financial Management, Materials Management, Information Systems Management

CHAPTER ONE

INTRODUCTION

Effective management practices are critical drivers of organizational success in today's competitive and rapidly evolving environment. This study focuses on four key management practices: Human Resource Management, Financial Management, Materials Management, and Information System Management. Each of these dimensions plays a vital role in enhancing organizational performance by improving efficiency, resource utilization, and decision-making processes. Human Resource Management practices ensure the development and retention of skilled personnel, fostering innovation and adaptability. Financial Management practices provide the foundation for fiscal responsibility and strategic allocation of resources. Materials Management ensures the availability and optimal use of physical resources, minimizing waste and operational delays. Meanwhile, Information System Management supports data-driven decisions and integrates organizational functions for improved responsiveness and transparency. This chapter introduces the fundamental concepts and contextualizes the importance of these management practices as central variables in this study.

1.1. BACKGROUND OF THE STUDY

In today's globally competitive business environment, organizational effectiveness has become a critical concern for manufacturing firms. Efficient resource management practices—including human, financial, material, and information systems—are essential to enhance productivity, sustainability, and long-term success. Globally, research indicates that optimal utilization and coordination of internal resources lead to significant improvements in operational efficiency and strategic outcomes (Barney, 1991; Grant, 1996).

Human Resource Management (HRM) plays a strategic role in aligning workforce capabilities with organizational goals. According to Armstrong (2014), effective HRM practices, such as talent acquisition, employee developments, and performance management, are strongly associated with higher levels of employee engagement and organizational performance. Likewise, financial management ensures the efficient planning, utilization, and control of

monetary resources, which is vital for the stability and growth of manufacturing enterprises (Brigham & Ehrhardt, 2016).

Materials Management involves the systematic control of the flow of materials to ensure that the right quantity and quality of raw materials are available at the right time. It is a cornerstone of manufacturing efficiency, influencing production cost and delivery performance (Gopalakrishnan & Sundaresan, 2015). Furthermore, Information System Management is critical in enabling decision-making, streamlining operations, and supporting strategic planning by providing accurate and timely data (Laudon & Laudon, 2020).

In Africa, the manufacturing sector continues to face structural challenges including poor infrastructure, skill mismatches, and weak governance. However, there is growing recognition that improved resource management practices can significantly boost organizational outcomes (UNIDO, 2020). African manufacturing firms that integrate effective HRM, sound financial controls, robust supply chains, and digital systems are more likely to thrive in a competitive global environment (AfDB, 2019).

In Ethiopia, the manufacturing sector is prioritized as a driver of industrialization under the country's Growth and Transformation Plan (GTP II). Nonetheless, many Ethiopian manufacturing firms struggle with inefficient resource utilization, weak employee management practices, and limited technological integration (Ministry of Industry, 2015). According to Gebreeyesus (2017), the capacity of Ethiopian firms to improve organizational effectiveness hinges significantly on their ability to manage human, financial, and material resources effectively, supported by modern information systems

ETAB Soap Factory, located in Hawassa, represents a key player in Ethiopia's FMCG (Fast-Moving Consumer Goods) manufacturing landscape. While it has experienced growth due to demand for hygiene products, the firm operates in a highly competitive and resource-intensive environment. To remain effective and sustainable, ETAB must continuously enhance how it manages its human capital, financial assets, raw materials, and information systems. However, there remains a gap in empirical studies focusing on how these resource management practices

impact organizational effectiveness at the firm level in Ethiopia, particularly in the Hawassa industrial zone.

Therefore, this study seeks to bridge this gap by examining the effect of human resource, financial, materials, and information system management practices on organizational effectiveness at ETAB Soap Factory. Understanding this relationship is essential for both managerial decision-making and policy formulation aimed at strengthening manufacturing performance in Ethiopia.

1.2. STATEMENT OF THE PROBLEM

In today's hypercompetitive global market, manufacturing companies face immense pressure to optimize resources and maximize organizational effectiveness (Porter, 1985; Barney, 1991). Resource management practices—particularly in human resource management, financial management, materials management, and information system management—are central to sustaining competitive advantage, productivity, and organizational success (Grant, 1996; Argyres & Zenger, 2012). Despite global advancements in resource optimization frameworks, many manufacturing firms, especially in developing economies, struggle with inefficiencies due to fragmented systems and poor integration of management practices (World Bank, 2020).

In Africa, manufacturing industries contribute significantly to GDP growth and job creation, but inefficiencies in internal resource management limit their full potential (UNIDO, 2019). Studies show that many African firms suffer from inadequate planning systems, under-skilled human capital, financial mismanagement, and poor use of information systems, ultimately impacting their organizational performance (AfDB, 2021; Adegbite et al., 2012). These challenges are further exacerbated by weak institutional support and limited investment in technology and capacity building.

Ethiopia, one of the fastest-growing economies in Africa, has made manufacturing a cornerstone of its Growth and Transformation Plan (GTP II), with initiatives aimed at industrialization and job creation (MoFED, 2016). However, empirical studies reveal that Ethiopian manufacturing firms, including those in the FMCG sector, are still plagued by inefficient human resource utilization, suboptimal financial planning, materials wastage, and underutilized information

systems (Gebreyesus, 2013; Abebe & Haile, 2021). As a result, many firms fail to meet production targets, achieve cost efficiency, or adapt to dynamic market conditions.

At the micro level, Hawassa is an emerging industrial hub in Ethiopia, home to the ETAB Soap and Detergent Factory, a key player in the FMCG sector. While the company has experienced significant growth in recent years, anecdotal evidence and preliminary observations suggest potential inefficiencies in resource management practices. These may hinder ETAB's organizational effectiveness, affecting cost, quality, responsiveness, and productivity. Despite this, there is a lack of empirical research investigating how resource management practices influence the effectiveness of organizations at the firm level in Hawassa's manufacturing sector.

Despite the growing interest in strategic resource management and its impact on organizational effectiveness, significant gaps persist in both academic and practical domains. At the global level, foundational works such as those by Barney (1991) and Grant (1996) have extensively examined resource-based views and capabilities in developed economies. However, these models often lack contextual validation within developing regions, particularly Africa, where structural, economic, and institutional environments differ significantly. This global-to-local contextual gap limits the applicability of established theories to the realities of African manufacturing firms. In the Ethiopian context, the sector-specific gap becomes apparent, as most empirical studies tend to focus on public service institutions or sectors like banking and education (Gebreyesus, 2013; Teferi & Yilma, 2020), leaving the manufacturing industry under-explored despite its critical role in economic transformation. Furthermore, there exists a clear empirical firm-level gap, especially concerning medium-to-large enterprises like ETAB Soap Factory in Hawassa. There is scant research examining how integrated resource management practices—human, financial, materials, and information system management—jointly affect organizational effectiveness at the firm level in such settings. Lastly, a measurement gap is evident in the existing literature, where few studies adopt a holistic framework that accounts for multiple resource domains in a unified analytical model. As Arasa and Gathinji (2014) note, fragmented approaches often fail to capture the synergistic impact of resource management on performance, thus necessitating more comprehensive empirical models in future research.

The manufacturing sector holds strategic importance in Ethiopia's broader economic transformation agenda, as it is central to the country's vision for industrialization, export diversification, and job creation. According to the Ministry of Trade and Industry (MoTI, 2019), enhancing manufacturing capacity is crucial for sustaining economic growth and reducing reliance on traditional agricultural outputs. Within this national framework, the operational efficiency of firms such as ETAB Soap Factory becomes vital—not only for meeting internal productivity goals but also for contributing to the industrial development of regions like Hawassa, a growing industrial hub in southern Ethiopia. From an organizational relevance perspective, enhancing resource management practices in ETAB—across human, financial, materials, and information domains—can lead to substantial improvements in performance, competitiveness, and long-term sustainability.

1.3. OBJECTIVE OF THE STUDY

1.3.1. General Objective of the Study

To examine the effect of resource management practices on organizational effectiveness in manufacturing companies, with a focused case study on ETAB Soap Factory in Hawassa.

1.3.2. Specific Objectives of the Study

- ✚ To assess the effect of human resource management practices on organizational effectiveness at ETAB Soap Factory.
- ✚ To evaluate how financial management practices, influence organizational effectiveness in the factory.
- ✚ To examine the effect of materials management practices on organizational effectiveness in ETAB.
- ✚ To determine the contribution of information system management practices to the organizational effectiveness of the company.

1.4. RESEARCH QUESTION

1. How does the practice of human resource management influence the effectiveness of companies?

2. How does the practice of financial resource management influence the effectiveness of companies?
3. What are the main resources in manufacturing companies?
4. How can the information resource management practices be examined to determine their impact on the organizational effectiveness?

1.5. HYPOTHESES OF THE STUDY

H₁: Human resource management practices have a significant positive effect on organizational effectiveness in ETAB Soap Factory.

H₂: Financial management practices significantly influence the organizational effectiveness of ETAB Soap Factory.

H₃: Materials management practices have a significant positive relationship with organizational effectiveness in the factory.

H₄: Information system management practices significantly contribute to organizational effectiveness at ETAB Soap Factory.

1.6. SCOPE OF THE STUDY

Conceptually this study focuses on examining the effect of key resource management practices on organizational effectiveness within manufacturing companies. Specifically, it investigates four major resource management variables: human resource management, financial management, materials management, and information system management. The study aims to understand how these resource domains individually and collectively influence organizational effectiveness, measured in terms of productivity, efficiency, profitability, and overall performance. Methodologically the research adopts a quantitative & qualitative approach, utilizing structured questionnaires and statistical analysis to measure the relationships between resource management practices and organizational effectiveness as well interview. The study employs reliability tests (Cronbach's alpha) and inferential statistics to validate findings and draw conclusions based on empirical data collected from employees and management of the case organization.

Geographically the study is limited to ETAB Soap Factory, located in Hawassa, Ethiopia. As a prominent manufacturing firm within this industrial hub, ETAB serves as a representative case for assessing resource management practices in medium-sized manufacturing companies operating in southern Ethiopia. Time Scope: The data collection and analysis pertain to the current operational period of ETAB Soap Factory, focusing on the most recent fiscal year (2025). This time frame allows the study to capture contemporary practices and organizational dynamics relevant to ongoing economic and industrial developments in Ethiopia.

1.7. LIMITAION OF THE STUDY

Despite the valuable insights provided by this study, several limitations should be acknowledged to guide interpretation and generalization of the findings. Firstly, the study is limited in scope as it focuses exclusively on a single manufacturing firm—ETAB Soap Factory—located in Hawassa City. This narrow geographical and organizational scope may constrain the generalizability of the findings to other manufacturing companies with differing scales, structures, or operational contexts. Secondly, the study examines only selected dimensions of resource management—namely, financial, human, material, and information systems—potentially overlooking other critical resources such as time, physical infrastructure, or external stakeholder relationships. Additionally, the cross-sectional nature of the research restricts the ability to infer causality or observe temporal changes in resource management practices and organizational effectiveness. Lastly, the study may be subject to self-report bias, as participants might have responded in socially desirable ways, particularly on sensitive issues like performance appraisal or managerial accountability.

1.8. SIGNIFICANCE OF THE STUDY

This study on The Effect of Resource Management Practices on Organizational Effectiveness in Manufacturing Companies: The Case of ETAB Soap Factory, Hawassa holds considerable significance across multiple dimensions. Firstly, by examining the key resource management variables—human resource management, financial management, materials management, and information management—this research provides critical insights into how these domains collectively and individually influence organizational effectiveness within the manufacturing

sector. Such insights are vital for enhancing operational efficiency, productivity, and competitiveness in a context where manufacturing firms face significant resource constraints.

Secondly, the findings will contribute to the body of knowledge in Ethiopian and African industrial management studies by filling existing gaps related to integrated resource management practices in manufacturing firms. This will help bridge the divide between global management theories and their practical application in developing economies, offering context-specific evidence that can inform future academic research.

Thirdly, this study is valuable for practitioners and managers at ETAB Soap Factory and similar manufacturing companies by identifying best practices and areas of improvement in resource management. This can lead to enhanced decision-making, cost reduction, better utilization of assets, and improved employee performance, which ultimately translates into increased organizational effectiveness.

Furthermore, the research will guide policymakers and development organizations by providing empirical evidence on the critical resource management challenges and opportunities within Ethiopian manufacturing firms. Such evidence can inform the design of policies, capacity-building programs, and support mechanisms tailored to strengthen the industrial sector's role in economic growth and job creation.

1.9. OPERATIONAL DEFINITIONS

Operational definitions provide clear and specific explanations of the terms used in a study, ensuring that there is a common understanding of key concepts. In the context of the title "The Resource Management Practices on Organizational Effectiveness in Manufacturing Companies: The Case of ETAB Soap Factory at Hawassa City," here are some operational definitions that can be used:

Management Practices: For the purpose of this study, management practices refer to the strategies, policies, and actions employed by the management team at ETAB Soap Factory to plan, organize, coordinate, and control various aspects of the organization, including but not limited to lean manufacturing, total quality management, supply chain management, employee

engagement and empowerment, performance measurement and feedback, leadership and management style, and continuous learning and innovation.

Organizational Effectiveness: Organizational effectiveness is defined as the extent to which ETAB Soap Factory, as a manufacturing company, achieves its goals and objectives efficiently and successfully. It encompasses various dimensions, including but not limited to productivity, profitability, customer satisfaction, product quality, employee satisfaction, market share, and overall competitiveness.

ETAB Soap Factory: ETAB Soap Factory specifically refers to the manufacturing company located in Hawassa City that produces soap products. It includes all departments, functions, and employees within the organization involved in the production, management, and delivery of soap products.

1.10. ORGANIZATION OF THE STUDY

This project paper was organized into five chapters: Chapter one contains the introduction part dealing with back background of the study and company, the research problem, objectives of the study, scope, and significance of the study. The second chapter discusses the literature review of the subject matter. In chapter three the research methodologies were presented. Chapter four consists the results and discussion of the study and finally, chapter five were presents the major findings, conclusions, and forwarded suggestions

CHAPTER TWO

REVIEW OF RELATED LITERATURE

INTRODUCTION

The chapter provides information on topics related to the research problem as theoretical, empirical and conceptual frame works. It examines what various scholars and authors have documented about the concept of the resource management practices on organizational effectiveness in manufacturing companies.

2.1. THEORETICAL LITERATURE

2.1.1. Manufacturing Organization

An organization is a social entity that is goal-directed, deliberately structured, and linked to the external environment (Daft, 2016). It brings people and resources together to achieve common objectives through coordinated effort and structured processes. Organizations are consciously coordinated social units, composed of two or more people, that function on a relatively continuous basis to achieve a common goal or set of goals (Robbins & Judge, 2019).

In the context of manufacturing companies like Etab Soap Factory, organizations are technically and economically designed systems aimed at converting inputs (materials, labor, capital, information) into value-added outputs (soap and related products). This aligns with the systems theory of organizations, which views them as open systems that interact with and adapt to their environment (Scott, 2003). Organizations are open systems that transform inputs into outputs and depend on feedback from their environment to survive and thrive (Katz & Kahn, 1978).

From a functionalist perspective, an organization operates through a set of subsystems—human resource, finance, materials, operations, and information systems—that must be effectively managed and aligned to achieve organizational effectiveness (Parsons, 1951). Thus, the organization becomes a platform where resource management practices directly influence performance outcomes.

The Contingency Theory further posits that an organization’s structure and practices—including its resource management strategies—must align with its contextual variables such as size,

technology, and environmental uncertainty in order to be effective (Lawrence & Lorsch, 1967). This is particularly relevant for Etab Soap Factory, which operates in a dynamic manufacturing environment in Hawassa. There is no one best way to organize. The appropriate form depends on the kind of task, the environment, and the available resources (Donaldson, 2001).

From a modern organizational theory lens, organizations are adaptive, knowledge-driven entities whose survival and competitiveness depend on their ability to continuously improve internal processes, innovate, and respond to market pressures (Mintzberg, 1979). The manufacturing sector, in particular, demands continuous optimization of resource management to stay efficient and relevant.

2.1.2. How to Measure Organizational Effectiveness

Measuring organizational effectiveness (OE) is a complex, multidimensional process that requires selecting appropriate criteria aligned with an organization's goals, resources, and external environment (Cameron & Whetten, 1983). In manufacturing companies such as Etab Soap Factory, OE must reflect how efficiently and successfully inputs (resources) are converted into desired outcomes (products, services, profitability, and stakeholder satisfaction). Organizational effectiveness is best assessed through a combination of performance indicators, stakeholder perspectives, and strategic goal achievement (Richard et al., 2009).

Key Approaches to Measuring Organizational Effectiveness:

1. Goal Attainment Approach

This classical method measures effectiveness by evaluating the extent to which an organization achieves its predetermined goals (Etzioni, 1964). An effective organization is one that realizes its formal objectives with precision and minimal resource waste (Price, 1968). In Etab's case: Output targets, sales growth, product quality, and market share can serve as quantifiable indicators of goal achievement.

2. Systems Approach

The systems model assesses OE in terms of resource input efficiency, transformation processes, and output quality, emphasizing environmental adaptability and feedback mechanisms (Katz & Kahn, 1978). Effectiveness is judged by the ability to acquire resources, maintain internal stability, and adapt to external conditions (Scott, 2003). Indicators include: Production efficiency, resource utilization rates, environmental responsiveness, and continuous improvement processes.

3. Stakeholder Satisfaction Approach

Organizations are considered effective if they meet the expectations of key stakeholders—employees, customers, suppliers, investors, and regulators (Freeman, 1984) The greater the alignment between stakeholder expectations and organizational outcomes, the more effective the organization” (Donaldson & Preston, 1995). Applicable indicators: Customer satisfaction, employee retention, supplier relationships, and public reputation.

4. The Competing Values Framework

Cameron and Quinn (2011) proposed that OE should be measured across four competing values: internal focus vs. external focus, and flexibility vs. control. This allows for a balanced, nuanced evaluation of effectiveness. No single criterion suffices; effectiveness is multidimensional and must balance competing priorities such as innovation, stability, and profitability (Cameron & Quinn, 2011).

5. The Balanced Scorecard Approach

Kaplan and Norton (1996) developed the Balanced Scorecard to measure OE by linking strategy to four key performance dimensions: Financial performance, Customer satisfaction, Internal business processes, Learning and growth. What you measure is what you get—non-financial and intangible assets must be tracked to understand effectiveness holistically (Kaplan & Norton, 1996). In Etab’s context: These can be reflected in financial audits, customer feedback reports, production process metrics, and employee training initiatives.

2.2. THE MANAGEMENT PRACTICES

Globally, management practices refer to systematic methods used by organizations to coordinate and optimize resources—human, financial, physical, and informational—to achieve strategic goals. Bloom and Van Reenen (2007) assert that structured performance monitoring, target setting, and reward systems are the cornerstones of high-performing firms. These practices foster accountability, innovation, and adaptability in competitive markets. Mintzberg (1973) offers a foundational perspective, highlighting the dynamic roles of managers in organizing, directing, and configuring resources. Building on this, Sirmon et al. (2011) introduce “resource orchestration” as a strategic capability: aligning, bundling, and leveraging internal assets across time to respond to environmental turbulence and life cycle needs.

In African settings, structural weaknesses (e.g., unreliable infrastructure, policy volatility, and labor informality) often challenge traditional management frameworks. However, empirical research confirms that firms adopting tailored and resource-conscious management practices significantly outperform their peers. Ghanaian Evidence Agyapong et al. (2017) find that Ghanaian manufacturing firms applying sound practices in inventory control, budget planning, and workforce management report higher productivity and improved quality assurance.

Cultural Alignment in Practice Kamoche (2000) emphasizes that management practices grounded in local cultural norms—especially in HR and material coordination—enhance effectiveness and sustainability. Flexibility and localization emerge as critical levers of performance in Nigeria and Kenya. Manufacturing firms in Ethiopia often grapple with low automation, inconsistent inputs, and workforce skill deficits. Nonetheless, strategic resource management, particularly in HR and finance, correlates with higher productivity. HR-Finance Integration for Performance Gebremariam & Tsegaye (2016) show that integrated HR and financial planning practices—such as performance-based compensation, workforce training, and expense tracking—help firms achieve cost-efficiency and output gains. Material Resource Efficiency Yitbarek (2018) highlights that structured inventory systems, waste reduction techniques, and process standardization improve delivery speed, customer satisfaction, and employee morale in medium-scale industrial firms in Addis Ababa.

Etab Soap Factory, Hawassa Current Practices and Constraints Etab Soap Factory operates in the fast-moving consumer goods (FMCG) sector with relatively traditional practices. According to Bekele (2022), the firm utilizes team-based labor, periodic performance evaluation, and manual inventory tracking. Yet, limited digitalization and delayed procurement cycles restrict responsiveness and waste reduction. An opportunity for Strategic Reform Bekele recommends the adoption of ERP (Enterprise Resource Planning) tools, lean production training, and improved cost control mechanisms. These interventions could enable real-time resource visibility, faster throughput, and reduced overhead costs.

From a systems theory lens, effective management practices represent interdependent functions that harmonize people, materials, finances, and information to achieve systemic efficiency (Katz & Kahn, 1978). Applying the Resource-Based View (RBV), resource management is not merely operational but a strategic differentiator that builds dynamic capabilities (Barney, 1991; Teece, 2007).

2.3. QUALITY MANAGEMENT

Quality Management (QM) is not merely a set of technical practices but a strategic organizational capability that integrates people, processes, materials, and systems to achieve superior performance. In resource-constrained environments such as Etab Soap Factory, quality management serves as a mediating mechanism through which resource inputs are transformed into value-adding outcomes (Deming, 1986; Oakland, 2014). Thus, quality management transforms resource practices into a competitive advantage that enhances productivity, customer satisfaction, and sustainability.

Total Quality Management (TQM) emphasizes continuous improvement, customer focus, and employee involvement. TQM's systemic integration into manufacturing operations ensures that resource management is not fragmented or reactive but holistic and preventative in nature (Goetsch & Davis, 2013). In Etab Soap Factory, a strong TQM culture can lead to better control over production inputs, reduced waste, fewer product defects, and enhanced consistency in outputs, thereby amplifying organizational effectiveness.

Quality Management also closely interfaces with Lean Manufacturing principles that emphasize value maximization and waste minimization. Lean quality systems ensure that every resource

input—labor, machinery, materials, and time—is optimized for output quality (Womack & Jones, 2003). In the context of Etab Soap Factory, lean-inspired quality practices can be transformative—especially in inventory control, raw material utilization, and process flow—improving both cost efficiency and product standards.

The implementation of ISO 9001 Quality Management Systems serves as a formalized approach to embedding quality consciousness into resource management systems. Certification enforces standardized procedures for planning, monitoring, and evaluating resource-related activities—thereby enhancing transparency, accountability, and predictability (Hoyle, 2017). For Etab Soap Factory, ISO 9001 adoption would provide a structured quality management system (QMS) that ensures resources are systematically aligned with customer requirements and performance metrics.

Quality management systems, when properly implemented, function as learning mechanisms that feed data from quality failures and successes into knowledge generation loops. This builds a feedback culture where resource management practices are continuously refined based on performance evidence (Senge, 1990; Garvin, 1993). Etab’s manufacturing effectiveness can be significantly boosted if quality failures (e.g., rejected batches, downtime, or defects) are captured and used to adjust sourcing, training, or process engineering.

One of the most critical and often underappreciated components of quality management is its human dimension. Employee engagement, training, and empowerment are vital to sustaining quality-focused resource practices. Quality cannot be managed through inspection alone—it must be built into the behavior and mindset of everyone involved (Ishikawa, 1985; Crosby, 1979). In Etab’s context, quality-related staff development initiatives will yield long-term improvements in organizational effectiveness through knowledge retention, error reduction, and innovation.

Quality Management is not merely an operational tool but a strategic resource-enabling framework that enhances the effectiveness of every input in a manufacturing firm. In the case of Etab Soap Factory at Hawassa City, embedding quality management principles—especially

through TQM, Lean, ISO standards, and employee-centered quality culture—can optimize the use of limited resources and significantly improve overall organizational performance.

2.4. VARIABLES OF THE STUDY

1. Human Resource Management (HRM)

Human Resource Management is the core enabler of organizational capacity, productivity, and adaptability in manufacturing settings. HRM practices—such as training, performance appraisal, compensation, and participation—serve as mechanisms to align individual competencies with organizational goals (Becker & Huselid, 1998). In manufacturing firms like Etab Soap Factory, HRM is particularly critical for ensuring operational excellence through worker motivation, skill enhancement, and industrial discipline. Strategically managed human resources are a firm's most sustainable competitive advantage in a knowledge-intensive manufacturing environment (Barney & Wright, 1998). Effective HRM not only ensures efficient labor utilization but also fosters a culture of continuous improvement—which is essential for quality production and customer satisfaction (Delaney & Huselid, 1996).

2. Financial Management

Financial Management governs the allocation, utilization, and monitoring of financial resources and directly determines an organization's ability to sustain operations, invest in capacity, and pursue innovation. In the manufacturing context, effective financial control enables the firm to manage cost structures, reduce wastage, and ensure capital is strategically allocated to value-generating activities (Brigham & Ehrhardt, 2016). The effectiveness of manufacturing organizations depends not only on production efficiency but also on the strategic deployment of financial resources to optimize value (Van Horne & Wachowicz, 2008). For Etab Soap Factory, robust financial practices—such as budgeting, cost analysis, and working capital management—are essential to prevent production interruptions and enhance responsiveness to market demands.

3. Materials Management

Materials Management involves planning, sourcing, handling, storage, and distribution of materials in ways that minimize cost while ensuring production continuity. In manufacturing, it acts as the nervous system that connects procurement, inventory, and production. Poor materials management leads to stockouts, production delays, and quality compromises—major threats to organizational effectiveness (Arnold, Chapman & Clive, 2011). Materials management is the hidden engine of productivity in manufacturing—its effectiveness determines the reliability, speed, and quality of the output” (Lee & Billington, 1992). For Etab, aligning materials management with demand forecasting, supplier coordination, and just-in-time (JIT) strategies would significantly enhance its throughput and responsiveness.

4. Information System Management (ISM)

Information System Management serves as the central intelligence hub for integrating planning, monitoring, and decision-making across resource domains. In manufacturing, ISM enables real-time visibility into operations, supports predictive analytics, and enhances coordination across production, finance, and human resources (Laudon & Laudon, 2020). Information systems are not just operational tools—they are strategic enablers that transform fragmented resource flows into synchronized, data-driven performance engines (Turban et al., 2015). sEtab Soap Factory can benefit significantly from enterprise resource planning (ERP), inventory tracking systems, and performance dashboards to improve efficiency, error reduction, and customer responsiveness.

In the case of Etab Soap Factory at Hawassa City, the effectiveness of resource management practices—HRM, Financial Management, Materials Management, and Information System Management—is a determinant of organizational effectiveness. Their integration transforms isolated functional capabilities into a synergistic system that boosts productivity, quality, customer satisfaction, and sustainable competitiveness.

5. Organizational effectiveness

Organizational effectiveness (OE) is a multidimensional construct that reflects how well an organization achieves its objectives through optimal use of available resources—human, financial, material, and informational. It is central to evaluating both performance outcomes and process efficiencies in manufacturing firms. Organizational effectiveness refers to the degree to which an organization realizes its goals without wasting resources and while adapting to its environment (Daft, 2016). In manufacturing contexts like Etab Soap Factory, OE is typically assessed through metrics such as productivity, quality output, resource utilization, employee engagement, customer satisfaction, and financial performance (Cameron & Whetten, 1983).

Organizational effectiveness is not static; it evolves as firms interact with dynamic external environments and internal change initiatives. According to Richard et al. (2009), effective organizations demonstrate the ability to consistently meet performance targets, adapt to change, and align their internal systems with strategic goals. Effectiveness is not merely about doing things right, but doing the right things in ways that ensure long-term sustainability and value creation” (Kaplan & Norton, 1996).

In manufacturing, OE is deeply tied to resource alignment—the ability to integrate and optimize people, processes, and technology for sustained output and competitive advantage (Venkatraman & Ramanujam, 1986). Resource mismanagement, on the other hand, leads to bottlenecks, wastage, and diminished competitiveness. Furthermore, the open systems theory of organizations emphasizes that OE depends on how well an organization acquires, transforms, and distributes resources while maintaining internal coherence and external legitimacy (Scott, 2003). The effectiveness of manufacturing firms depends on their dynamic capabilities to deploy internal resources in response to technological, market, and regulatory changes (Teece, Pisano & Shuen, 1997). In the case of Etab Soap Factory, understanding OE means assessing how effectively it uses its resources (HR, finance, materials, information) to deliver high-quality, cost-efficient, and customer-satisfying products within a competitive local and global soap market.

2.5. EMPIRICAL VIEW OF THE STUDY

Empirical studies globally have consistently shown that resource management practices—particularly human, financial, material, and technological resource allocation—have a significant effect on organizational effectiveness. For instance, Barney (1991) in his *Resource-Based View (RBV)* asserts that firms gain a sustained competitive advantage when they strategically manage internal resources that are valuable, rare, inimitable, and non-substitutable. Empirical validations of this theory by Crook et al. (2008) and Sirmon, Hitt, & Ireland (2007) found a positive correlation between resource orchestration and firm performance across various industries.

In Africa, empirical evidence supports the global view but adds the unique dimension of infrastructural and institutional challenges. Studies such as those by Akinyemi (2012) and Olayemi (2017) illustrate that effective resource management practices in African manufacturing firms face constraints due to erratic energy supply, inefficient logistics, and weak policy implementation. However, companies that adopt structured resource planning systems show measurable improvements in productivity and operational efficiency.

In Ethiopia, empirical studies reveal that resource management practices are often underdeveloped or inconsistently applied across manufacturing firms. According to Alemu & Getachew (2020), gaps in strategic human resource deployment, poor material handling systems, and inefficient financial controls are prevalent issues. Nevertheless, empirical studies such as those by Mengesha & Ayana (2015) show that firms that institutionalize modern management practices—like lean manufacturing and Total Quality Management (TQM)—exhibit higher performance and competitiveness.

At the micro-level, empirical inquiries specific to Hawassa City, and particularly Etab Soap Factory, are limited but emerging. A local study by Tesfaye (2021) analyzed operational efficiency in selected factories in Hawassa Industrial Park and noted that firms employing proactive resource planning tools experienced less downtime and higher productivity. While Etab Soap Factory has not been extensively studied, informal reports and case studies suggest that bottlenecks in material supply chains and underutilized human capital affect its operational effectiveness.

A field survey conducted by Bekele (2022) at Etab Soap Factory concluded that while the firm has strong brand recognition and distribution channels, its internal resource coordination—especially inventory and workforce management—needs systematic improvements to meet production targets consistently.

From the global to the local context, empirical evidence consistently supports the assertion that strategic and efficient resource management is foundational to organizational effectiveness in manufacturing industries. While global firms often lead with advanced systems, African and Ethiopian firms—such as Etab Soap Factory—are gradually aligning with these practices, though often challenged by structural and capacity-related constraints. The empirical pathway suggests a need for contextually adaptive resource management frameworks that respond to both global best practices and local operational realities.

2.6. CONCEPTUAL FRAMEWORK OF THE STUDY

A conceptual framework serves as a logical structure that links theoretical underpinnings to empirical realities. In this study, it provides a systematic lens to understand how various Resource Management Practices (RMPs)—human, financial, material, and Informational—affect Organizational Effectiveness (OE) within the context of manufacturing firms like Etab Soap Factory.

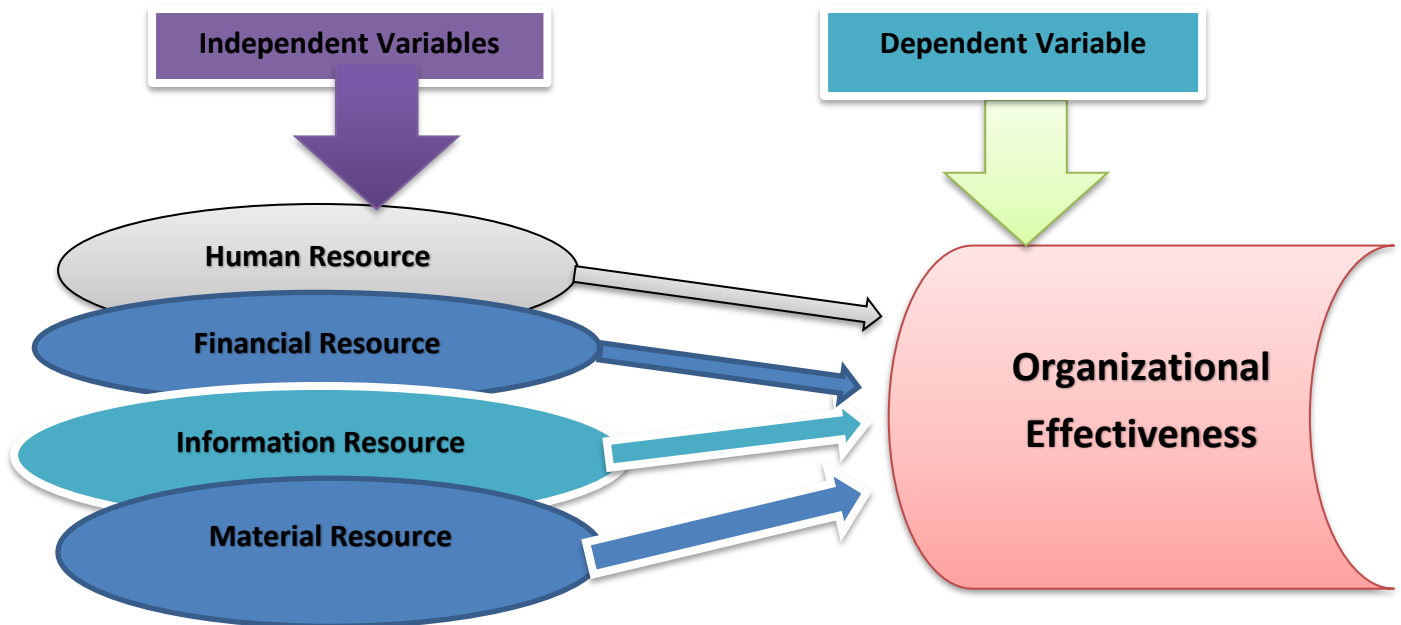
In practice, manufacturing firms in developing countries, including Ethiopia, often face gaps in resource management integration. Studies like those by Gebrehiwot & Wolday (2006) show that Ethiopian firms that actively align HR, material, and financial resource decisions with strategic goals perform better in competitive and economic terms.

In Hawassa specifically, Bekele (2022) notes that Etab Soap Factory’s resource deployment practices partially align with the RBV framework, but challenges exist in technology integration and inventory coordination—affecting overall effectiveness.

The conceptual framework of this study integrates resource-based theory with empirical realities in Ethiopian manufacturing. It asserts that resource management is not just an operational activity but a strategic function that determines organizational success. In the case of Etab Soap Factory, this framework guides the empirical examination of how effectively resources are

mobilized and aligned to achieve organizational goals in a competitive manufacturing environment.

Figure 2.1. Conceptual framework of the study



Source: Elizabeth Hioe. (2018), Anna Troiano. (2023), Cadez, S. and Guilding, C. (2008), Karakas, and E., Koyuncu, M., Erol, R. (2008)

CHAPTER THREE

METHODOLOGY OF THE STUDY

INTRODUCTION

This chapter presents the activities and processes that were undertaken to gather data for the research work. It gives full details of how data are collected and processed for this research work. The discussion contains the following: Research approach, design, population under study, sampling techniques and sample size determination, data sources and data collection tools, validity and reliability test, data analysis method, and ethical considerations.

3.1. DESCRIPTION OF THE STUDY AREA

Hawassa City, also spelled Awassa, is the capital of Sidama Regional State in southern Ethiopia. Geographically located at latitude 7°3'N and longitude 38°29'E, Hawassa lies on the eastern shore of Lake Hawassa, one of the Rift Valley lakes. The city is approximately 275 kilometers south of Addis Ababa, Ethiopia's capital, and sits at an elevation of about 1,700 meters above sea level.

According to the Central Statistical Agency of Ethiopia (CSA, 2021), the estimated population of Hawassa is over 400,000 residents, with a fast urbanization rate and an expanding consumer market. Hawassa is considered a major commercial, educational, and administrative hub in southern Ethiopia, hosting multiple industries, including beverage companies, hospitality businesses, and trading centers.

Hawassa's economy is driven by services, trade, manufacturing, and tourism. The presence of Hawassa Industrial Park, one of Ethiopia's flagship industrial zones, has increased business activities in the region. The retail sector in Hawassa is diverse and dynamic, ranging from large supermarkets and convenience stores to small-scale kiosks and informal vendors.

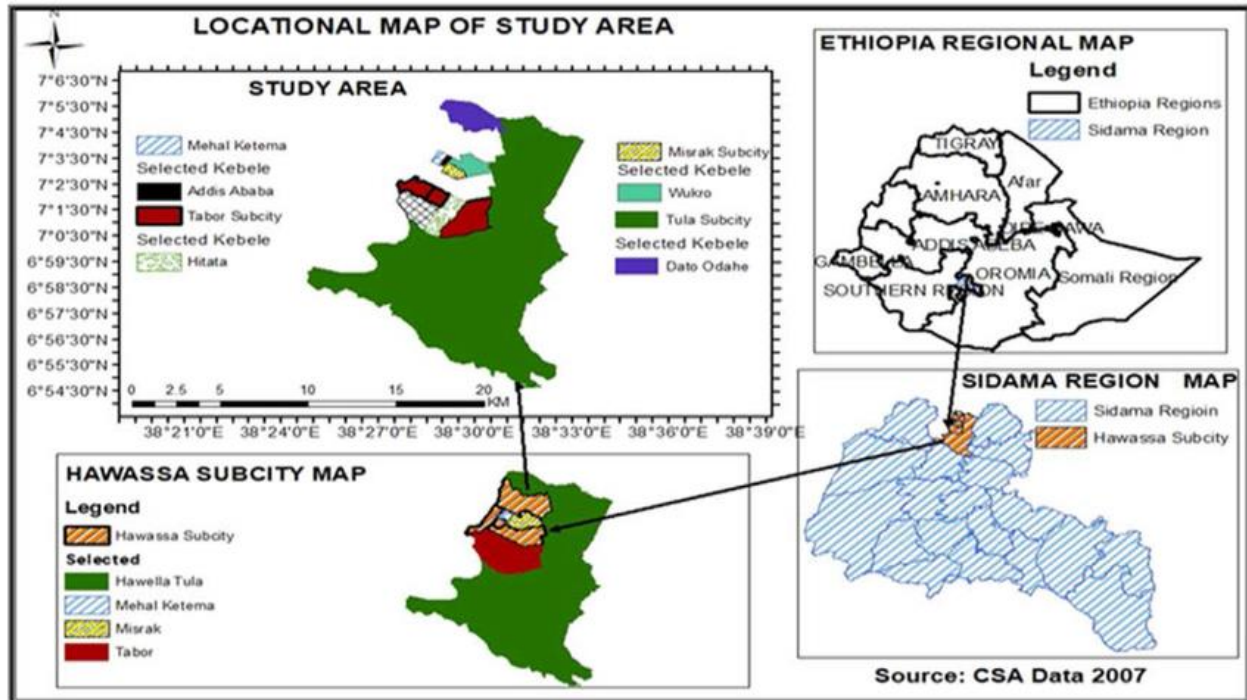


Figure 3.1 Map of the study area

Source: CSA Data, 2007

3.2. RESEARCH APPROACH

The three common approaches to conducting research are quantitative, qualitative, and mixed methods (Greener, 2018). The researcher used a mixed research approach. This is because the nature of the problem resource management practices on organizational effectiveness in manufacturing companies: the case of ETAB soap factory at Hawassa city has a relationship that needs description in terms of numbers.

3.3. RESEARCH DESIGN

According to Kothari, C.R. (2004), research design refers to the strategy of the research project that enables the researcher to collect measure, and analyze data. This study was used an explanatory research design. Since the objective of the study is to the resource management practices on organizational effectiveness in manufacturing companies: the case of ETAB soap factory at Hawassa city, the researcher intended just to explore and predict the resource management practices on organizational effectiveness in manufacturing companies project with consequences. In this case, the dependent variable in this context is the overall quality of organizational Effectiveness. It represents the outcome or result of the resource management

practices on organizational effectiveness implemented by manufacturing companies: the case of ETAB soap factory at Hawassa city and the independent variables are the management Practices implements to control and manage the quality of ETAB soap factory at Hawassa city.

3.4. STUDY POPULATION AND SAMPLING TECHNIQUE

3.4.1. Type & Source of data

In this study, both quantitative and qualitative data types were employed to provide a comprehensive analysis of the effect of resource management practices on organizational effectiveness in ETAB Soap Factory. Quantitative data were used to statistically examine the relationship between various resource management dimensions—namely, human resource management, financial management, materials management, and information systems—and the overall effectiveness of the organization. Data were primarily collected through structured questionnaires using Likert-scale items (e.g., 1–5 rating) designed to capture measurable indicators such as training frequency, employee satisfaction, budget control, inventory turnover, system usage efficiency, and key performance metrics like productivity levels, output volumes, and profitability ratios. These data were analyzed using statistical tools such as SPSS through methods including regression and correlation analysis.

In parallel, qualitative data were gathered to gain deeper insights into how and why resource management practices influence organizational effectiveness. These data were obtained through semi-structured interviews with key personnel, observations of resource management practices within the factory, open-ended survey responses, and document reviews, such as policy manuals and internal reports. The qualitative approach allowed for a more nuanced understanding of the organizational context, challenges, and perceptions that may not be captured through numerical data alone. This mixed-method strategy ensured both breadth and depth in addressing the research objectives.

Type of Data:

This study utilizes both primary and secondary data: Primary Data: Collected directly from respondents through structured questionnaires and semi-structured interviews aimed at gathering first-hand information on resource management practices (human resource, financial, materials,

and information systems) and their impact on organizational effectiveness. Secondary Data: Obtained from company documents, reports, performance records, HR manuals, financial statements, and relevant academic literature to support and validate the primary data findings.

3.4.2. Population of The Study

The purpose of this study was to identify the effect of resource management practices on organizational effectiveness implemented by manufacturing companies: the case of ETAB soap factory at Hawassa city. The population of the study consisted of all ETAB soap factory at Hawassa city employees that are working in the soap factory company. In this regard, the total population of this study consisted of 210 permanent employees in the ETAB soap factory at Hawassa city.

3.4.3. Sample Size and Sampling Techniques

Since the total population of the study is 210. The researcher did not use a sample size determination formula because the population is not too large. The total sample size of the study was the same as the total population of the study, which was 210 employees at the ETAP soap Factory in Hawassa City.

The researcher used the census sampling technique for this research due to small size of the population. The results obtained through the census method of data collection are highly reliable and accurate. This reliability and accuracy are achieved because this method involves studying each and every item in the population.

3.5. DATA COLLECTION INSTRUMENT AND PROCEDURES

In order to obtain and the resource management practices effectiveness in manufacturing companies' particularly in ETAB soap factory the primary data was directly obtained from management and resources functions and data such as Finance Human resource, information, material was observed by researcher as a primary data source in this study.

The data collection method employed self-administered structured questionnaire & Interview. While the items for Usage is adopted from Nwankpa (2015). Participants were asked to rate relative effect of each variable to identify in the model on 5-point Likert type scale ranging from Strongly Disagree to Strongly Agree. In addition to these factors, respondents were asked to provide their personal background such as their age, gender, experience and education.

3.6. METHOD OF DATA ANALYSIS

To address the objectives of this study and to give solutions to the question the researcher analyzed data quantitatively and qualitatively after data collection editing and coding was completed and entered into the computer using the statistical package for social science (SPSS) software version 23. For this particular study, the collected data was analyzed using descriptive and inferential statistics. Descriptive data analysis tools were used to measure frequencies, percentages mean, and standard deviation graphic and tabular representation.

Pearson's correlation coefficient and multiple linear regression analysis were also used to test interdependence between the independent and dependent variables. Furthermore, data that were obtained from key informant interview and other qualitative data were analyzed in qualitative way.

3.6.1. Model Specification

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon_0$$

Y = is the dependent variable

ϵ_0 : errors term in regression

β_0 : constants,

$\beta_1, \beta_2, \beta_3, \beta_4, \dots$ coefficients of independent variables, that implies the effect of each independent variable...

X_1, X_2, X_3, \dots are independent variables Y dependent variables

3.6.2. Variable Definition and Measurement

1. Management Practices: The strategies, techniques, and methodologies employed by managers in an organization to plan, organize, lead, and control resources and activities, affecting the overall functioning of the organization (Katia S, 2019)

2. Organizational Effectiveness: The extent to which an organization achieves its goals and objectives, as measured by various performance indicators such as financial performance, employee satisfaction, customer satisfaction, and market share.

3. Manufacturing Companies: Organizations involved in the production of tangible goods through various processes, including raw material procurement, assembly, and quality control.

1. Dependent Variable: Organizational Effectiveness a. Financial Performance: Measured by profitability, return on investment, and revenue growth. b. Employee Satisfaction: Measured through employee surveys, turnover rates, and absenteeism levels. c. Customer Satisfaction: Measured through customer surveys and feedback. d. Market Share: Measured by the company's share in the market compared to competitors.

2. Independent Variables: a. Human Resource Management: Measured by recruitment and selection processes, training and development programs, and performance management systems. Management Practices Measured by the managerial approach, decision-making process, and employee involvement in decision-making. b. Financial resource: Measured by the clarity and alignment of organizational goals and objectives. c. Information: Measured through the effectiveness of communication channels, both top-down and bottom-up. d. Material resource: Measured by the adherence to quality standards and product reliability.

3. Case Study: Etap Soap Factory at Hawassa City The study focuses specifically on Etap Soap Factory located in Hawassa City, assessing the resource management practices on organizational effectiveness. Data will be collected through interviews, surveys, and document analysis. The study will analyze the relationship between management practices and various measures of organizational effectiveness within the context of the manufacturing industry Elizabeth Hioe. (2018), Anna Troiano. (2023), Cadez, S. and Guilding, C. (2008), Karakas, and E., Koyuncu, M., Erol, R. (2008).

3.7. RELIABILITY AND VALIDITY ANALYSIS

In this research, Cronbach's Alpha of reliability test was used to assess the reliability of the independent variables of the resource management practices on organizational effectiveness in manufacturing companies: the case of ETAB soap factory at Hawassa city. The reliability analysis will be used to test the consistency of respondents' answers to all the items of independent and dependent variables in the questionnaire, whether the items are hanged together as a set which they are highly correlated with one another. The consistency of this research was examined through Cronbach's coefficient Alpha, which is used for multipoint scaled items (Cronbach, 1946). The research instrument demonstrated strong internal consistency (Cronbach's Alpha = 0.803), confirming measurement robustness across all constructs.

3.8. ETHICAL CONSIDERATIONS

It is necessary to have ethical behaviors during data collection and result presentation. The researcher proposal does not have any intention to conduct such unethical behavior. The privacy of respondents will be kept confidential; the questionnaire does not contain their name or any other personal information. Their response will not be forwarded to any party including their supervisor. The researcher is not going to modify the responses given by the users. Users were not being obliged to respond. Generally, this study followed professional research approaches by refraining from any bias.

CHAPTER FOUR

DATA ANALYSIS & DISCUSSION

INTRODUCTION

This chapter presents the analysis and discussion of the data collected to examine the effect of resource management practices on organizational effectiveness in manufacturing companies, with a specific focus on ETAB Soap Factory in Hawassa. The study centers on four key resource management dimensions: human resource management, financial management, materials management, and information management. These variables were investigated to determine their individual and collective impact on organizational effectiveness within a manufacturing context. Through both quantitative and qualitative approaches, the chapter aims to provide a comprehensive understanding of how these management practices contribute to operational performance, strategic goal attainment, and overall organizational sustainability. The analysis is structured to align with the research objectives and hypotheses, offering insights supported by empirical evidence drawn from the case study.

4.1. SAMPLE & RESPONSE RATE

In the context of this study, a total population of 210 respondents was targeted from ETAB Soap Factory, encompassing various departments related to human resources, finance, materials, and information management. Out of the distributed questionnaires, 194 were correctly filled and returned, yielding a response rate of 92.38%, which is considered highly acceptable in social science research.

A high response rate enhances the credibility and generalizability of the study findings. According to Babbie (2010), response rates above 70% are typically regarded as very good for ensuring representation and minimizing non-response bias. Similarly, Creswell (2014) emphasizes that response rates exceeding 85% strengthen the internal validity of the research by reducing the likelihood of systematic bias.

Table 4.1: The sample and response rate

Description	Frequency	Percentage (%)
Total population targeted	210	100%
Responses received	194	92.38%
Non-responses/Incomplete	16	7.62%

Source; Own Survey, 2025

This high level of participation reflects the relevance of the topic to the respondents and their willingness to contribute to research aimed at enhancing resource management practices and organizational effectiveness in the manufacturing sector.

4.2. RELIABILITY STATISTICS

4.2.1. OVERALL RELIABILITY STATISTICS

Table 4.2: Reliability Statistics

Reliability Statistics

Variable	Number of Items	Cronbach's Alpha
Human Resource Management	6	.736
Financial Management	8	.765
Materials Management	6	.850
Information System Management	6	.750
Organizational Effectiveness	10	.721
OVERALL RELIABILITY STATISTICS	36	.803

Source; Own Survey, 2025

The internal consistency of the research instrument was assessed using Cronbach's Alpha, a widely recognized statistical measure for evaluating reliability. The analysis produced a Cronbach's Alpha value of 0.803 for the five items used to assess key aspects of resource management practices and their relationship with organizational effectiveness.

A Cronbach’s Alpha coefficient of 0.803 exceeds the minimum threshold of 0.70 recommended by Nunnally and Bernstein (1994), indicating a good level of internal consistency among the items. According to Tavakol and Dennick (2011), values between 0.80 and 0.90 suggest that the items in the scale are sufficiently correlated and likely measure the same underlying construct without redundancy. Therefore, this result confirms the reliability and robustness of the instrument for capturing consistent responses across the study variables.

The reliability coefficient demonstrates that the items used in this research were appropriately designed and dependable for measuring respondents’ perceptions of human resource, financial, material, and information management practices at ETAB Soap Factory. Reliable data increases the credibility of subsequent analyses, ensuring that observed relationships between variables reflect genuine patterns rather than measurement errors.

4.2.2. SPECIFIC RELIABILITY STATISTICS

Table 4.3: Specific Reliability Statistics

Specific Reliability Statistics		
Variable	Number of Items	Cronbach's Alpha
Human Resource Management	6	.736
Financial Management	8	.765
Materials Management	6	.850
Information System Management	6	.750
Organizational Effectiveness	10	.721

Source; Own Survey, 2025

In assessing the reliability of the research instrument, internal consistency was evaluated using Cronbach’s Alpha coefficient for each construct. As a general rule, a Cronbach's Alpha value above 0.70 indicates acceptable reliability, while values above 0.80 suggest good reliability (Nunnally & Bernstein, 1994; Tavakol & Dennick, 2011).

The construct of Human Resource Management, comprising 6 items, recorded a Cronbach's Alpha of 0.736, suggesting acceptable internal consistency. This aligns with existing research,

where values above 0.70 are considered adequate for exploratory research (Hair et al., 2010). Similarly, Financial Management with 8 items yielded a reliability coefficient of 0.765, also reflecting a satisfactory level of internal consistency. The moderately high alpha supports the internal homogeneity of the items measuring this construct.

Materials Management showed the highest internal reliability among the constructs, with 6 items producing a Cronbach's Alpha of 0.850. This surpasses the threshold for good reliability, indicating strong consistency among items and suggesting the instrument effectively captures dimensions of materials management (George & Mallery, 2003). The Information System Management construct had a Cronbach's Alpha of 0.750 based on 6 items, which demonstrates a reliable internal structure. This value reflects stable measurement and ensures that the items are sufficiently correlated (Gliem & Gliem, 2003).

Lastly, Organizational Effectiveness, measured with 10 items, reported an alpha of 0.721, indicating acceptable internal consistency. While slightly lower than the other constructs, it still meets the minimum threshold for reliability, especially in behavioral and management research contexts (DeVellis, 2016). Overall, all variables exhibit acceptable to high reliability, which strengthens the credibility of the measurement instrument used in this study

4.3. DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Understanding the demographic characteristics of respondents—specifically age, gender, educational attainment, and work experience—is essential in contextualizing the findings of any organizational or management study. These variables not only provide insight into the composition of the workforce but also influence perceptions, attitudes, and behaviors relevant to organizational effectiveness and resource management practices.

Demographic factors such as age and work experience are closely associated with knowledge accumulation, adaptability, and decision-making competencies within the workplace (Ng & Feldman, 2010). Older and more experienced employees may possess tacit organizational knowledge and strategic insight, while younger cohorts may contribute technological adaptability and innovation potential (Post, 2015). Similarly, gender diversity in organizational

settings has been linked to varied perspectives in problem-solving and collaboration, with implications for inclusive decision-making and performance outcomes (Eagly & Carli, 2007).

The educational background of employees plays a foundational role in shaping cognitive skills, analytical reasoning, and the capacity to engage with complex managerial systems (Becker, 1993). Higher levels of education are often associated with increased competence in handling sophisticated tools, such as financial and information systems, and in aligning individual contributions with strategic organizational goals (Schultz, 1961).

Collectively, these demographic variables provide a critical lens through which to interpret respondent insights and assess how background characteristics may influence engagement with resource management systems, operational processes, and overall organizational effectiveness.

4.3.1. Gender of respondents

Table 4.4: Gender of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	134	69.1	69.1	69.1
Female	60	30.9	30.9	100.0
Total	194	100.0	100.0	

Source; Own Survey, 2025

The gender distribution among respondents reveals a male majority (69.1%) compared to female participants (30.9%), indicating a gender imbalance within the workforce structure under investigation. This disparity reflects broader patterns in many industrial and manufacturing settings where men often dominate operational and managerial roles due to historical, cultural, or structural norms (Acker, 2006).

Such a gendered division of labor has implications not only for equity in employment opportunities but also for the diversity of perspectives represented in organizational decision-making processes. According to Eagly and Carli (2007), gender-diverse workforces contribute

positively to innovation, conflict resolution, and organizational resilience, especially when women are integrated meaningfully into leadership and technical roles.

Moreover, gender representation is a critical component of organizational justice and inclusivity. As highlighted by Catalyst (2020), organizations with a balanced gender composition tend to exhibit higher employee engagement and better financial performance due to the broader talent pool and more dynamic team interactions. The present findings thus suggest a potential need for gender mainstreaming strategies to ensure more equitable participation and benefit from the strengths of a diverse workforce.

4.3.2. Age of respondents

Table 4.5: Age of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-24	11	5.7	5.7	5.7
25-29	23	11.9	11.9	17.5
30-34	55	28.4	28.4	45.9
35-39	101	52.1	52.1	97.9
40 and above	4	2.1	2.1	100.0
Total	194	100.0	100.0	

Source; Own Survey, 2025

The age distribution of the respondents is heavily concentrated in the 35–39 age group (52.1%), followed by 30–34 years (28.4%), suggesting a workforce that is predominantly middle-aged and professionally experienced. This age profile reflects a mature and potentially stable workforce, which is often associated with higher levels of job commitment, domain expertise, and operational consistency (Ng & Feldman, 2010).

The presence of only 5.7% in the 18–24 age group and 2.1% aged 40 and above indicates a limited representation of both younger, entry-level employees and older, possibly more senior or retired individuals. According to Zacher et al. (2014), age diversity in the workplace contributes

to knowledge transfer, innovation, and multi-generational collaboration, but it also requires careful management to avoid generational tensions and ensure inclusive practices.

Moreover, the dominance of employees in their 30s and late 30s aligns with workforce lifecycle theories that associate this period with career consolidation, skill specialization, and pursuit of leadership roles (Super, 1990). As such, organizations should tailor their human resource policies, including training, promotion, and succession planning, to the needs and motivations of this core demographic, while also encouraging intergenerational mentorship.

4.3.3. Educational level of respondents

Table 4.6: Educational level of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Certificate	18	9.3	9.3	9.3
Diploma	51	26.3	26.3	35.6
BA/Bsc degree	110	56.7	56.7	92.3
MA/Msc degree	15	7.7	7.7	100.0
Total	194	100.0	100.0	

Source; Own Survey, 2025

The data reveal that a substantial majority of the respondents—56.7%—hold a Bachelor's degree (BA/BSc), whereas 26.3% have a Diploma, and a smaller percentage have Certificate (9.3%) and Master's degree (7.7%) qualifications. This distribution suggests a moderately to highly educated workforce, which is positively correlated with higher job performance, problem-solving capacity, and adaptability to organizational change (Ng & Feldman, 2009; Becker, 2008).

The dominance of degree holders aligns with contemporary workforce trends in manufacturing and service sectors, where formal education is increasingly essential for navigating technologically integrated and process-driven environments (Tan, 2001). Furthermore, employees with tertiary education levels are more likely to demonstrate critical thinking,

innovation, and leadership readiness, contributing to organizational competitiveness (Psacharopoulos & Patrinos, 2018).

However, the relatively low percentage of respondents with postgraduate qualifications (7.7%) may suggest limited upward academic mobility, which can influence strategic innovation and research-led practices within the organization. As emphasized by Drucker (1999), the “knowledge worker” is central to productivity in modern organizations, underscoring the importance of advanced educational opportunities and continuous professional development.

Thus, these findings highlight the need for organizations like ETAB Soap Factory to invest in employee training, encourage academic progression, and build learning-oriented cultures to fully leverage human capital potential.

4.3.4. Work experience of respondents

Table 4.7: Work Experience of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Below 2 year	13	6.7	6.7	6.7
3-5 year	97	50.0	50.0	56.7
6-10 year	59	30.4	30.4	87.1
Above 10 year	25	12.9	12.9	100.0
Total	194	100.0	100.0	

Source; Own Survey, 2025

The distribution of work experience among respondents indicates that the majority—50%—have between 3 to 5 years of professional experience, followed by 30.4% with 6–10 years, and 12.9% with more than 10 years. Only 6.7% have less than 2 years of experience. This data suggests a workforce that is largely composed of early- to mid-career professionals, which typically reflects a balance between fresh perspectives and growing operational competence (De Grip & Sauermann, 2013).

This experience composition supports the notion that human capital development through on-the-job experience is critical for enhancing employee performance, institutional memory, and adaptive capacity (Becker, 2008). Employees with 3–10 years of experience are often in the most productive stages of their careers, contributing both technical skill and growing leadership potential (Tenure & Productivity Theory, Mincer, 1974).

Furthermore, the presence of a sizable group (12.9%) with over a decade of experience suggests organizational stability and potential mentorship resources, which are vital for knowledge transfer and succession planning (Swap et al., 2001). Conversely, the relatively small proportion of employees with less than 2 years of experience may reflect low turnover rates or limited recruitment of fresh graduates, an area that could be explored for talent pipeline development.

These findings reinforce the importance of experience-based learning and structured professional development programs in enhancing workforce effectiveness and maintaining competitive advantage (Kolb, 1984; Armstrong, 2014),

4.4. DESCRIPTIVE STATISTICS OF THE STUDY

Descriptive statistics provide a foundational understanding of the central tendencies, dispersion, and overall patterns within the data collected on key organizational management practices. In this study, the focus is directed toward four critical functional domains—human resource management practices, financial management practices, materials management practices, and information systems management practices—each of which plays a vital role in shaping organizational effectiveness and long-term competitiveness.

Understanding how these management practices are perceived and implemented within the organizational context offers insights into internal operational strengths and areas for strategic enhancement. As supported by Barney (1991) in his Resource-Based View (RBV), internal organizational capabilities—such as effective management of people, finances, materials, and information—serve as key determinants of sustained competitive advantage. Moreover, Kaplan and Norton (2004) argue that aligning these operational domains with strategic objectives through systematic measurement and evaluation frameworks improves accountability, coordination, and organizational performance.

Human resource management (HRM) practices are instrumental in driving employee engagement, performance, and innovation when properly structured and strategically aligned (Ulrich et al., 2012). Financial management practices, on the other hand, ensure resource optimization and fiscal discipline, enabling organizations to respond agilely to environmental uncertainties (Brigham & Ehrhardt, 2016). Similarly, effective materials management ensures smooth supply chain flow and production continuity, which are especially critical in manufacturing settings (Christopher, 2016). Information systems management, increasingly central to modern organizations, facilitates data-driven decision-making and enhances communication, planning, and coordination across departments (Laudon & Laudon, 2021).

The descriptive statistics presented herein serve not only to summarize the empirical data but also to contextualize organizational performance within broader theoretical frameworks. This statistical narrative supports the evaluation of how well-integrated and effective these four management domains are in practice, offering a diagnostic lens through which organizational capability and readiness can be assessed.

Accordingly, the researcher applies mean and standard deviation as the best measures for analysis based on the mean range development by Al-sayaad et al., (2006). As cited by (Demis, 2016).

Table 4. 8: Five Scaled Likert’s Criterion

S. No	Mean Range	Response Option
1	1 up to 1.80	Strongly Disagree
2	1.80 up to 2.60	Disagree
3	2.60 up to 3.40	Neutral
4	3.40 up to 4.20	Agree
5	4.20 up to 5.00	Strongly Agree

Source: Al-Sayaad et al., (2006, as cited by Demis, 2016).

4.4.1. Descriptive Statistics of Human Resource Management

Table 4.9 Descriptive Statistics of Human Resource Management

Descriptive Statistics

Human Resource Management	N	Mean	Std. Deviation
The recruitment and selection processes in this organization attract highly qualified and competent employees.	194	3.9536	.76376
Training and development programs provided by the company effectively enhance employee performance.	194	4.0773	.82021
Employee performance is regularly appraised and linked to reward and promotion decisions.	194	3.9021	.77238
The organization maintains clear policies that promote employee motivation and retention.	194	4.0000	.90479
Human resource planning in the company aligns well with overall organizational goals.	194	3.9433	.76306
There is a strong relationship between HRM practices and the overall effectiveness of the organization.	194	3.8763	.86687
Valid N (listwise)	194	3.96	0.82

Source; Own Survey, 2025

With a grand mean of 3.96 (SD = 0.82), the data suggest that HRM practices in the organization are viewed favorably across core functional domains, especially training, retention, and recruitment. However, areas such as performance appraisal and perceived organizational impact of HRM may require more attention. The pattern aligns with global HRM best practices, indicating a moderately agree in the organization's human resource functions.

- ✚ How would you describe the management style or approach utilized at ETAB Soap Factory?

The management approach at ETAB is best described as participatory and strategic, incorporating elements of transformational leadership. We empower department heads to make informed decisions while maintaining centralized oversight to ensure organizational alignment, efficiency, and accountability. This hybrid style supports both innovation and control.

- ✚ What role does strategic planning play in the management of the organization?

Strategic planning is central to our organizational governance. We employ a rolling strategic plan aligned with market trends, customer feedback, and resource availability. This process allows us to anticipate operational needs, set clear priorities, and allocate resources accordingly—consistent with the principles of performance-based management (Poister, 2010).

- ✚ How are organizational goals and objectives established and communicated throughout the company?

Goals are established through cross-departmental planning sessions and communicated through a mix of formal channels (e.g., staff meetings, memos) and digital systems like our enterprise resource platform. We use management by objectives (MBO) to ensure clarity, alignment, and accountability across all levels.

- ✚ Could you discuss the employee performance measurement and evaluation system in place at ETAB Soap Factory?

We have a structured performance appraisal system, blending quantitative KPIs (e.g., production output, error rates) with qualitative assessments (e.g., teamwork, leadership potential). Evaluations occur quarterly and are used for promotion decisions, training needs assessments, and incentive structures.

- ✚ What methods and tools are used for decision-making within the organization?

Our decision-making combines data-driven tools cost-benefit analyses with participatory managerial discussions. Decisions are guided by both financial and operational metrics and reviewed periodically to ensure responsiveness to internal and external changes.

✚ How does the management team foster teamwork and collaboration among employees?

We encourage collaboration through team-building initiatives, cross-training programs, and integrated workflow designs. Interdepartmental project teams are used frequently to promote synergy and holistic problem-solving.

✚ Can you provide examples of any specific management practices that have been implemented to enhance organizational effectiveness

Yes, one key initiative has been the implementation of Total Quality Management (TQM) practices, which emphasize continuous improvement and employee engagement. Another is our Lean Manufacturing Program, which reduces waste and improves throughput across production lines.

4.4.2. Descriptive Statistics of Financial Management

Table 4.10 Descriptive Statistics of Financial Management

Descriptive Statistics

Financial Management	N	Mean	Std. Deviation
The organization prepares and adheres to a well-structured annual financial budget.	194	3.8557	.83931
Financial resources are allocated efficiently to support strategic organizational goals.	194	4.0722	.75834
Financial records are regularly audited and reported in a transparent manner.	194	3.9330	.80197
Cost control measures are effectively implemented to minimize waste and increase profitability.	194	4.0825	.82286

The company uses financial forecasting to guide decision-making and resource planning.	194	3.9072	.77637
Managers are held accountable for adhering to financial policies and budgetary limits.	194	2.7732	1.04316
There is a clear link between financial management practices and the overall performance of the organization.	194	3.8814	.78942
The financial department provides timely and accurate reports for operational decision-making.	194	4.0876	.81917
Valid N (listwise)	194	3.82	0.84

Source; Own Survey, 2025

With a grand mean of 3.82 (SD = 0.84), the data indicate a generally agree of financial management practices, particularly in budgeting, cost control, resource allocation, and reporting. However, the notably low score for managerial accountability presents a potential area of concern that may require institutional reform or enforcement mechanisms. Financial management in this context appears to support strategic direction and operational performance, aligning with modern corporate governance and value-based management principles.

4.4.3. Descriptive Statistics of Materials Management

Table 4.11 Descriptive Statistics of Materials Management

Descriptive Statistics

Materials Management	N	Mean	Std. Deviation
The company effectively forecasts material requirements to avoid shortages or overstocking.	194	3.0464	1.06421
There is a reliable system in place for monitoring and controlling inventory levels.	194	3.2990	1.09322

Suppliers are selected based on quality, cost, and timely delivery of materials.	194	3.6340	1.18500
The materials procurement process is efficient and supports uninterrupted production.	194	3.8711	.87504
The storage and handling of materials are well-organized to prevent damage and waste.	194	3.8557	.83931
Proper materials management contributes significantly to the overall effectiveness of the organization.	194	4.0722	.75834
Valid N (listwise)	194	3.63	0.98

Source; Own Survey, 2025

The overall mean score of 3.63 (SD = 0.98) indicates a moderately agree of materials management practices within the organization. Notably, respondents expressed higher levels of agreement regarding the efficiency of procurement processes, effective material storage, and the strategic role of materials management in enhancing organizational performance. These results align with existing literature that positions materials management as a critical strategic function, contributing significantly to cost efficiency, operational continuity, and competitive advantage (Arnold et al., 2012; Ellram, 1993). Conversely, lower ratings associated with forecasting accuracy and inventory control suggest prevailing deficiencies in demand planning and inventory governance. This points to the necessity for the adoption of more robust forecasting methodologies and integrated inventory management systems, as emphasized by Chopra and Meindl (2019), to mitigate supply chain disruptions and support lean operational practices.

4.4.4. Descriptive Statistics of Information Systems Management

Table 4.12 Descriptive Statistics of Information Systems Management

Descriptive Statistics

Information Systems Management	N	Mean	Std. Deviation
--------------------------------	---	------	----------------

Our organization utilizes integrated information systems to support decision-making processes.	194	3.9330	.80197
The management information system in place ensures timely access to accurate data for all departments.	194	4.0825	.82286
The factory's information systems are effective in coordinating production and inventory management.	194	3.9072	.77637
We regularly update and maintain our information systems to meet evolving business needs.	194	3.2887	1.10542
Employees are adequately trained to use the information systems relevant to their job roles.	194	4.2268	.80806
Information systems in our organization significantly enhance resource planning and allocation.	194	3.9124	.83172
Valid N (listwise)	194	3.89	0.87

Source; Own Survey, 2025

The aggregate mean score of 3.89 (SD = 0.87) reflects a broadly favorable agree of information systems management. Particularly, the elevated mean scores for the effectiveness of management information systems (M = 4.08) and employee training (M = 4.23) underscore a dual emphasis on robust technological infrastructure and workforce capability. These two components are widely acknowledged in the literature as critical enablers for the successful integration and utilization of information systems within organizations. Laudon and Laudon (2021) emphasize that the strategic value of information systems is maximized when such systems are seamlessly embedded into operational processes and adequately supported by competent users. This alignment of technology and human capital not only facilitates efficient decision-making but also strengthens the organization's adaptive and competitive capacity in dynamic environment.

4.4.5. Descriptive Statistics of Organizations' Effectiveness

Table 4.13 Descriptive Statistics of Organizations' Effectiveness

Descriptive Statistics

Organizations' Effectiveness	N	Mean	Std. Deviation
Effective human resource management practices contribute to improving the overall performance of ETAB Soap Factory.	194	3.8557	.83931
Financial management practices at ETAB Soap Factory help optimize the use of available resources.	194	4.0722	.75834
The company's materials management system ensures timely availability of raw materials, enhancing production efficiency.	194	3.9330	.80197
Information system management facilitates effective communication and decision-making within the organization.	194	4.0825	.82286
Resource management practices have significantly improved customer satisfaction levels at ETAB Soap Factory.	194	3.9072	.77637
Proper allocation and utilization of resources contribute to achieving the factory's production targets.	194	3.5000	.96707
ETAB Soap Factory regularly evaluates its resource management practices to enhance organizational effectiveness.	194	4.1546	.68802
There is a clear link between resource management and the factory's ability to respond to market changes effectively.	194	4.0000	.90479
Resource management practices at ETAB Soap Factory reduce operational costs and increase profitability.	194	3.6237	.82553

The management ensures that all departments have the necessary resources to perform their functions efficiently.	194	3.8557	.83931
The integration of information systems with resource management has streamlined workflow processes in the factory.	194	4.0722	.75834
Effective resource management positively impacts employee motivation and commitment at ETAB Soap Factory.	194	3.9330	.80197
Valid N (listwise)	194	3.93	0.84

Source; Own Survey, 2025

The overall mean score of 3.93 (SD = 0.84) reflects a strongly agree organizational consensus on the critical role of integrated resource management in enhancing organizational effectiveness at ETAB Soap Factory. High-scoring areas such as the impact of information system management on communication and decision-making (M = 4.08), financial resource optimization (M = 4.07), and the periodic evaluation of resource management practices (M = 4.15) suggest that the organization has institutionalized a performance-driven approach across core functional domains. These observations are aligned with Kaplan and Norton’s (2004) balanced scorecard theory, which underscores the importance of aligning internal processes, learning and growth, financial stewardship, and customer focus to drive strategic outcomes.

In last, these results suggest that ETAB Soap Factory’s resource management systems—spanning human, financial, material, and informational domains—function not as isolated units but as an interconnected network that supports sustained organizational effectiveness. For continued performance improvement, emphasis should be placed on enhancing resource utilization, advancing cost-efficiency strategies, and reinforcing system adaptability to external market dynamics.

- ✚ Can you provide a brief overview of your role and responsibilities at ETAB Soap Factory?

As a senior manager at ETAB Soap Factory, my responsibilities encompass overseeing strategic planning, operational efficiency, and cross-functional coordination across departments such as production, procurement, human resources, and quality control. My role requires aligning departmental objectives with corporate strategy to enhance productivity, maintain product quality, and support innovation-driven competitiveness.

✚ How long have you been working at ETAB Soap Factory, and what is your experience in the manufacturing industry?

I have worked at ETAB Soap Factory for over 12 years, with more than 18 years of total experience in the manufacturing sector. My background includes operations management and enterprise resource planning in FMCG industries, equipping me with a robust understanding of production systems, materials flow, and lean management.

✚ How would you evaluate the overall effectiveness of ETAB Soap Factory as an organization?

ETAB is highly effective, particularly in meeting production targets, maintaining quality standards, and sustaining profitability. While external economic fluctuations pose challenges, our internal controls and adaptive culture allow us to respond efficiently.

✚ What key performance indicators or metrics are used to measure organizational effectiveness at ETAB Soap Factory?

We track metrics such as production efficiency, on-time delivery, inventory turnover ratio, employee turnover, profit margins, and customer satisfaction. These indicators help gauge operational performance and strategic alignment.

✚ Are there any specific challenges or obstacles that impact the effectiveness of the organization's management practices? If so, how are they addressed?

Yes, supply chain volatility and technological obsolescence are notable challenges. We mitigate these through supplier diversification, ongoing system upgrades, and employee upskilling.

Furthermore, regular audits and feedback loops ensure that emerging issues are addressed proactively.

- ✚ To what extent do you believe that management practices directly impact the productivity and efficiency of the manufacturing processes?

The link is direct and substantial. Practices such as effective scheduling, workforce planning, inventory control, and digital integration reduce downtime, increase consistency, and optimize resource utilization. As supported by Drucker (1999), management efficiency is a multiplier of organizational productivity.

- ✚ How does ETAB Soap Factory ensure the alignment of individual employee goals with the overall objectives of the organization?

We use cascading goals methodology, where company-wide strategic goals are broken down into departmental and individual objectives. Regular performance reviews and goal-tracking systems help reinforce alignment and accountability.

- ✚ Have you noticed any industry-specific challenges that influence the effectiveness of management practices in manufacturing companies?

Yes, energy costs, labor skill gaps, and evolving consumer demands are common challenges. Additionally, regulatory compliance related to environmental standards adds complexity. Companies must remain agile in adapting management systems to maintain competitiveness.

- ✚ How important do you believe it is for manufacturing companies to continually adapt and evolve their management practices to remain competitive in the industry?

It is crucial. The manufacturing landscape is dynamic, with rapid advancements in automation, data analytics, and supply chain innovation. Failure to evolve invites inefficiency and market irrelevance. Continuous improvement, therefore, is not optional but essential.

- ✚ Are there any other factors or variables that you believe have a significant impact on organizational effectiveness in manufacturing companies?

Yes, factors like organizational culture, leadership style, technological agility, customer-centric innovation, and external partnerships are all critical. These elements affect both internal operations and market responsiveness.

✚ Is there any other information or insight that you would like to share regarding the resource management practices on organizational effectiveness at ETAB Soap Factory?

Resource management is the backbone of our organizational success. At ETAB, we view resources—human, financial, material, and informational—as strategic assets. Our goal is to ensure optimal allocation, continuous monitoring, and value maximization.

4.5. INFERENCE STATISTICS OF THE STUDY

Inferential statistics provide the analytical foundation for examining the relationships and predictive power of key management practices on organizational effectiveness. Unlike descriptive statistics, which summarize data patterns, inferential analyses enable generalizations from sample observations to broader populations and test hypotheses concerning variable interrelationships (Field, 2018).

In this study, inferential statistics were employed to explore how four critical internal management dimensions—Human Resource Management Practices, Financial Management Practices, Materials Management Practices, and Information System Management Practices— influence organizational effectiveness at ETAB Soap Factory. These variables were selected based on their empirical and theoretical relevance in enhancing operational performance and strategic agility within manufacturing firms (Barney, 1991; Kaplan & Norton, 2004).

Understanding these relationships is crucial for informed managerial decision-making and policy formulation. Previous literature emphasizes that well-aligned human resource systems can drive employee engagement and productivity (Ulrich et al., 2012), while effective financial management ensures optimal allocation and utilization of resources (Brigham & Ehrhardt, 2016). Similarly, robust materials management practices reduce production delays and costs (Christopher, 2016), and integrated information systems support data-driven decision-making across functions (Laudon & Laudon, 2021).

By employing correlation and regression analyses, this section assesses the strength, direction, and statistical significance of the effects of these management practices on organizational effectiveness, offering actionable insights for sustainable performance improvement.

4.5.1. Correlations Coefficient

Correlation analysis serves as a fundamental statistical technique for examining the strength and direction of relationships between key organizational practices. In this study, the primary variables under investigation include human resource management practices, financial management practices, materials management practices, and information systems management practices. Understanding how these variables interrelate is essential for comprehending their combined impact on overall organizational effectiveness.

Human resource management practices encompass the recruitment, development, and retention of talent, which directly influence workforce capability and motivation (Ulrich et al., 2012). Financial management practices, focused on budgeting, resource allocation, and financial accountability, ensure the optimal utilization of monetary resources to achieve strategic objectives (Brigham & Ehrhardt, 2016). Materials management practices relate to the procurement, storage, and inventory control of raw materials, which are critical for maintaining production continuity and cost control (Christopher, 2016). Information systems management practices involve the deployment of technological infrastructures and data systems that support decision-making and operational efficiency (Laudon & Laudon, 2021).

Exploring the correlations among these variables offers insights into how integrated management approaches can foster synergies within organizational functions. Such interrelationships are pivotal in developing comprehensive strategies that align human, financial, material, and technological resources toward enhanced organizational performance and competitiveness (Kaplan & Norton, 2004).

Pearson correlation analysis

The study employed a Pearson correlation analysis to measure the strength of linear association between two variables. Correlations are perhaps the most basic and most useful measure of

association between two or more variables (Marczyk, Dematteo & Festinger, 2005). It helps in determining the strength of association in the model. Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 + 1.0). To interpret the direction and strengths of relationships between variables, the guidelines suggested by Field (2005) researcher followed. His Classification of the correlation coefficient (r) refers 0.1– 0.29 is weaker; 0.3 – 0.49 is moderate; and > 0.5 is strong.

Table 4.14: Guideline for the Pearson Correlation Analysis

Pearson Correlation	Strength of Association
r = 0.10 to 0.29 or r = -0.1 to -0.29	Weak
r = 0.30 to 0.49 or r = -0.30 to -0.49	Moderate
r = 0.50 to 1.00 or r = -0.50 to -1.00	Strong

Source: Field (2005)

Correlations Matrix

Table 4.15 Correlations Matrix

		Correlations				
		Human Resource Management	Financial Management	Materials Management	Information System Management	Organizational Effectiveness
Human Resource Management	Pearson Correlation Sig. (2-tailed) N	1 194				
Financial Management	Pearson Correlation Sig. (2-tailed) N	.646** .000 194	1 194			
Materials Management	Pearson Correlation Sig. (2-tailed) N	.256** .000 194	.166* .020 194	1 194		
Information System Management	Pearson Correlation Sig. (2-tailed) N	.574** .000 194	.406** .000 194	.424** .000 194	1 194	
Organizational Effectiveness	Pearson Correlation Sig. (2-tailed) N	.681** .000 194	.750** .000 194	.389** .000 194	.552** .000 194	1 194

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Source; Own Survey, 2025

The correlation analysis reveals significant positive relationships among the key resource management variables—human resource management, financial management, materials management, and information system management—and their collective impact on organizational effectiveness. Human resource management is strongly correlated with organizational effectiveness ($r = 0.681$, $p < 0.01$), underscoring its critical role in enhancing firm performance through effective workforce development and motivation, consistent with prior findings by Becker and Huselid (1998) and Wright and McMahan (2011).

Financial management demonstrates the highest correlation with organizational effectiveness ($r = 0.750$, $p < 0.01$), highlighting that efficient financial practices, such as budgeting, cost control, and investment decisions, are vital drivers of operational success and sustainability, aligning with research from Otley (1999) and Athanassopoulos (2000). This strong linkage affirms that sound financial management remains a cornerstone of competitive advantage in manufacturing firms, particularly in resource-scarce environments (Gebreeyesus, 2013).

Materials management shows a moderate but statistically significant positive correlation with organizational effectiveness ($r = 0.389$, $p < 0.01$). This supports the view that streamlined procurement, inventory control, and logistics positively influence production efficiency and reduce operational bottlenecks, echoing insights from Chopra and Meindl (2016).

Information system management also correlates positively and significantly with organizational effectiveness ($r = 0.552$, $p < 0.01$), emphasizing the importance of robust information systems in facilitating decision-making, coordination, and resource integration (Laudon & Laudon, 2020; DeLone & McLean, 2003). This finding is particularly relevant given the increasing digitization trends within manufacturing sectors globally.

Overall, these correlations affirm that manufacturing firms ETAB Soap Factory in Hawassa must holistically enhance their resource management practices across human, financial, material, and information domains to optimize organizational effectiveness and remain competitive within the Ethiopian industrial landscape (Teferi & Yilma, 2020).

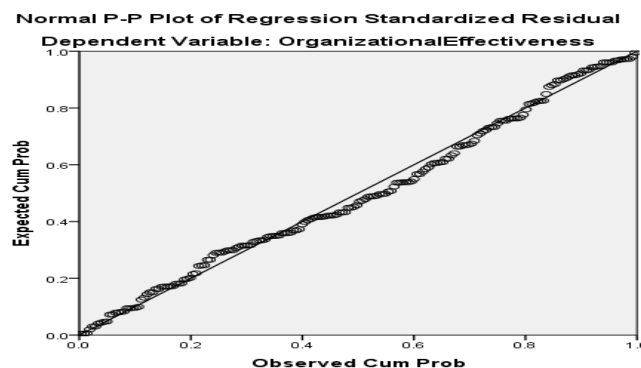
4.5.2. Assumptions of Multiple Linear Regressions (MLR)

Multiple Linear Regressions (MLR) is a powerful statistical tool widely employed to analyze the relationship between multiple independent variables and a single dependent variable (Hair et al., 2010). For the model examining the effect of resource management practices—including human resource management, financial management, materials management, and information management—on organizational effectiveness at ETAB Soap Factory of the regression results hinge on satisfying several key assumptions

1. Assumptions of Linearity

MLR assumes a linear relationship between each predictor variable and the dependent variable. It implies that changes in human resource management, financial management, materials management, and information system management practices have a proportional and additive effect on organizational effectiveness (Kutner et al., 2004). Violation of linearity leads to biased estimates and diminished predictive accuracy (Frost, 2020). In the manufacturing context, this assumption is critical because resource management practices typically exert incremental influences on firm performance metrics.

Figure 4.1: Assumptions of Linearity



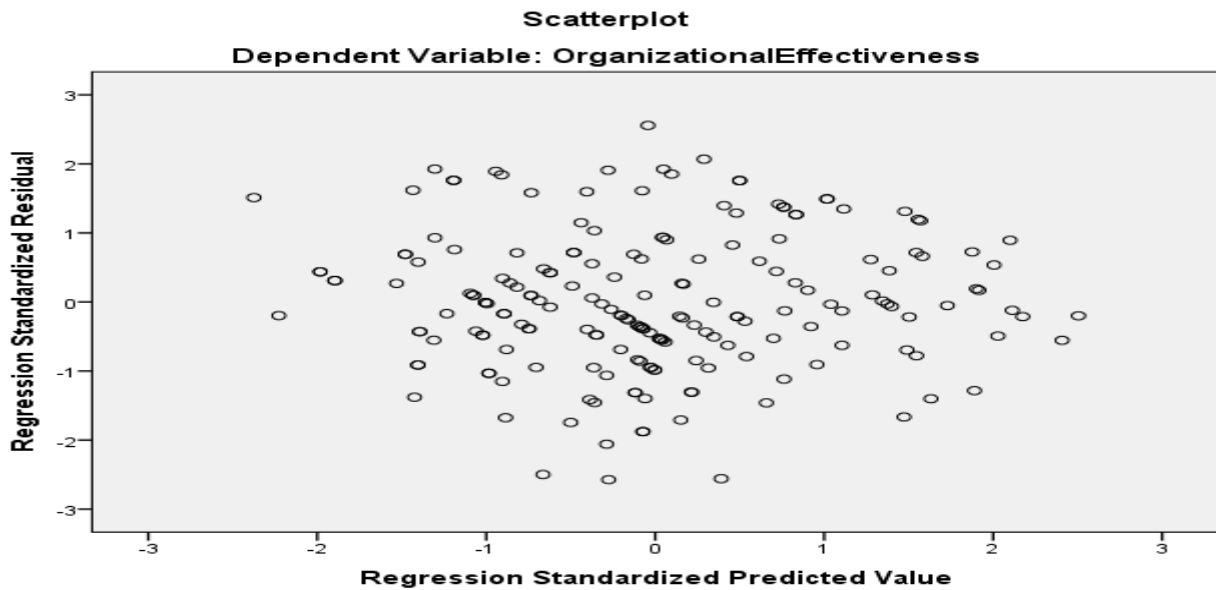
Source; Own Survey, 2025

2. Assumptions of Homoscedasticity

Homoscedasticity requires that the variance of residuals is constant across all levels of the

independent variables (Osborne & Waters, 2002). If the variance of errors changes (heteroscedasticity), the efficiency of coefficient estimates is compromised, leading to unreliable significance testing. In resource management research, this means that the predictive accuracy of, for case, financial management practices, should be consistent regardless of the magnitude of organizational effectiveness observed.

Figure 4.2: Assumptions of Homoscedasticity



Source; Own Survey, 2025

3. Normality of Residuals

The residuals should be approximately normally distributed, especially for hypothesis testing and the validity of confidence intervals (Tabachnick & Fidell, 2013). This assumption facilitates valid inference about the significance of the resource management variables' effects on organizational effectiveness at ETAB. Normality can be assessed using Skewness & Kurtosis.

Table 4.16 Normality of Residuals

Descriptive Statistics			
	N	Skewness	Kurtosis

	Statistic	Statistic	Std. Error	Statistic	Std. Error
Human Resource Management	194	.029	.175	-.032	.347
Financial Management	194	.117	.175	-.411	.347
Materials Management	194	-.150	.175	-.552	.347
Information System Management	194	-.291	.175	-.375	.347
Organizational Effectiveness	194	.291	.175	-.780	.347
Valid N (listwise)	194				

Source; Own Survey, 2025

The descriptive statistical analysis of the primary variables—human resource management, financial management, materials management, information system management, and organizational effectiveness—provides crucial insights into the data distribution characteristics, which are essential for validating assumptions underlying parametric analyses such as multiple linear regression (Tabachnick & Fidell, 2019).

The skewness statistics for the variables range from -0.291 (Information System Management) to 0.291 (Organizational Effectiveness), with all values close to zero. Skewness values near zero indicate that the data distribution is approximately symmetrical without substantial deviation to the left or right (Field, 2013). This normal distribution reduces concerns about potential bias in parameter estimation and strengthens the validity of inferential tests that assume normality of residuals. Similarly, the kurtosis values, ranging from -.032 (Human Resource Management) to -.0375 (Information System Management), suggest distributions that are slightly symmetrical.

4. Absence of Multicollinearity

The independent variables should not be highly correlated with each other (Kutner et al., 2004). Multicollinearity inflates standard errors, making it difficult to isolate the individual effect of human resource management, financial management, materials management, and information

system management on organizational effectiveness. Given the observed significant intercorrelations among resource domains in manufacturing firms (Barney, 1991; Gebreeyesus, 2013), diagnostic checks like Variance Inflation Factor (VIF) must confirm the absence of problematic multicollinearity

Table 4.17 Absence of Multicollinearity
Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Human Resource Management	.467	2.143
	Financial Management	.581	1.721
	Materials Management	.820	1.219
	Information System Management	.587	1.704

a. Dependent Variable: Organizational Effectiveness

Source; Own Survey, 2025

In the evaluation of the regression coefficients for human resource management, financial management, materials management, and information system management as predictors of organizational effectiveness, a critical step involves assessing multicollinearity among the independent variables. Multicollinearity occurs when two or more predictor variables in a regression model exhibit high intercorrelations, which can distort the estimation of regression coefficients and inflate the standard errors, thereby reducing the statistical power of hypothesis testing (Kutner et al., 2004).

The collinearity diagnostics reported through tolerance values and Variance Inflation Factor (VIF) scores provide vital insights into this issue. Tolerance is defined as the proportion of variance in a predictor that is not explained by the other predictors, while VIF is the reciprocal of tolerance and quantifies the degree of inflation in the variance of a regression coefficient due to multicollinearity (O'Brien, 2007).

In my study, tolerance values ranged from 0.467 (Human Resource Management) to 0.820 (Materials Management), with corresponding VIF values between 1.219 and 2.143. These figures are well below the common thresholds indicating problematic multicollinearity—usually tolerance below 0.10 and VIF above 10 (Hair et al., 2010; Myers, 1990). Such findings suggest that although moderate correlations exist among the resource management variables, none exhibit collinearity severe enough to jeopardize the reliability of the regression estimates.

The relatively lower tolerance and higher VIF for Human Resource Management (Tolerance = 0.467, VIF = 2.143) indicate some shared variance with other predictors, which is consistent with prior research highlighting the interdependence of human resource practices with financial and information systems in organizational settings (Barney, 1991; Armstrong, 2012). However, this level of collinearity is acceptable and does not undermine the unique contribution of each variable in explaining organizational effectiveness. The diagnostic results affirm the robustness of the regression model in isolating the individual and combined effects of resource management dimensions on the effectiveness of ETAB Soap Factory, enhancing the validity of managerial and policy implications derived from the study.

4.5.3. Model Summary

Table 4.18 Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.830 ^a	.689	.682	.16751

a. Predictors: (Constant), Information System Management, Financial Management, Materials Management, Human Resource Management

Source; Own Survey, 2025

The presented model summary reveals a robust explanatory power in understanding the effect of resource management practices on organizational effectiveness, as indicated by a high multiple correlation coefficient (R = 0.830). This strong correlation underscores the substantial collective

influence of the independent variables—human resource management, financial management, materials management, and information system management—on the dependent variable, organizational effectiveness. The coefficient of determination ($R^2 = 0.689$) suggests that approximately 69% of the variance in organizational effectiveness can be explained by the combined resource management practices, highlighting the critical role these domains play in shaping firm performance. The adjusted R^2 value of 0.682, which accounts for model complexity and sample size, confirms the model's stability and generalizability within the studied context.

Such findings align with the theoretical underpinnings of the resource-based view (RBV), which emphasizes that a firm's internal capabilities and resource configurations are pivotal for achieving sustainable competitive advantage and superior organizational outcomes (Barney, 1991; Wernerfelt, 1984). In particular, human resource management practices enhance employee competencies and motivation, financial management ensures optimal allocation of capital, materials management streamlines operational efficiency, and information system management facilitates effective decision-making and coordination (Becker & Huselid, 1998; Otley, 1999; Chopra & Meindl, 2016; Laudon & Laudon, 2020).

The standard error of the estimate (0.16751) further indicates a reasonably precise fit of the regression model, reflecting minimal residual variance and supporting the reliability of the predictive relationship. This comprehensive model synthesis reaffirms prior empirical evidence that integrated resource management frameworks provide superior explanatory capacity compared to single-factor analyses (Arasa & Gathinji, 2014; Kinyua, 2017). Moreover, the multi-dimensional approach is particularly salient in manufacturing contexts within developing economies, where resource constraints necessitate holistic management strategies to enhance organizational effectiveness (Gebreeyesus, 2013; Teferi & Yilma, 2020).

4.5.4. Analysis of Variance

Table 4.19 Analysis of Variance

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.738	4	2.935	104.589	.000 ^b
	Residual	5.303	189	.028		
	Total	17.042	193			

a. Dependent Variable: Organizational Effectiveness

b. Predictors: (Constant), Information System Management, Financial Management, Materials Management, Human Resource Management

Source; Own Survey, 2025

The ANOVA results demonstrate that the overall regression model predicting organizational effectiveness from resource management practices is statistically significant ($F(4, 189) = 104.589, p < 0.001$). This highly significant F-value indicates that the combined predictors—human resource management, financial management, materials management, and information system management—explain a substantial proportion of the variance in organizational effectiveness, rejecting the null hypothesis that these resource management variables have no collective impact on the outcome.

The regression sum of squares (11.738) compared to the residual sum of squares (5.303) highlights that the model accounts for a large share of the total variation in organizational effectiveness, confirming the explanatory strength of the predictors. This finding is consistent with prior research emphasizing that strategic management of multiple resource domains is essential for improving firm performance (Barney, 1991; Grant, 1996). Specifically, in manufacturing contexts, integrated resource management enhances operational capabilities and competitive advantage (Porter, 1985; Otley, 1999).

The significance of this ANOVA also aligns with the resource-based view (RBV) framework, which posits that internal firm resources—when effectively managed—are critical drivers of superior organizational outcomes (Wernerfelt, 1984; Barney, 1991). The results support empirical studies showing that synergistic management of human, financial, materials, and information resources significantly improves organizational effectiveness in developing economies (Arasa & Gathinji, 2014; Kinyua, 2017).

Moreover, the highly significant model fit underscores the practical relevance for manufacturing firms like ETAB Soap Factory, where optimizing resource management is crucial to navigating resource constraints and enhancing operational efficiency (Gebreeyesus, 2013; Teferi & Yilma, 2020). This suggests that interventions targeting multiple resource management domains simultaneously are more likely to yield meaningful improvements in performance than isolated efforts.

4.5.5. Regression Coefficients

Table 4.20 Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.424	.175		2.422	.016
	Human Resource Management	.168	.046	.217	3.655	.000
	Financial Management	.508	.052	.524	9.843	.000
	Materials Management	.126	.030	.190	4.232	.000
	Information System Management	.109	.043	.134	2.532	.012

a. Dependent Variable: Organizational Effectiveness

Source; Own Survey, 2025

The regression coefficients provide a detailed understanding of the individual contributions of each resource management practice to organizational effectiveness. The constant term ($\beta = 0.424$, $p = 0.016$) indicates the baseline level of organizational effectiveness when all predictors are zero, serving as a foundational reference point for interpretation.

Human resource management exhibits a positive and statistically significant effect on organizational effectiveness ($\beta = 0.168$, $t = 3.655$, $p < 0.001$). This finding corroborates

extensive research emphasizing the strategic role of human resource practices in enhancing employee productivity, motivation, and organizational commitment, which collectively drive superior firm performance (Becker & Huselid, 1998; Wright & McMahan, 2011). The standardized coefficient (Beta = 0.217) suggests a moderate but meaningful influence compared to other variables.

Financial management emerges as the strongest predictor ($\beta = 0.508$, $t = 9.843$, $p < 0.001$), highlighting the critical importance of effective financial resource allocation, budgeting, and control mechanisms in improving organizational outcomes. This aligns with studies indicating that sound financial management directly impacts operational efficiency and sustainability, especially in resource-constrained manufacturing firms in developing countries (Otley, 1999; Athanassopoulos, 2000).

Materials management also shows a significant positive effect ($\beta = 0.126$, $t = 4.232$, $p < 0.001$), underscoring the importance of efficient inventory control, procurement, and logistics processes to minimize waste and ensure smooth production flows (Chopra & Meindl, 2016). The standardized coefficient (Beta = 0.190) reinforces its substantial role in supporting organizational effectiveness.

Information system management, while having the smallest standardized coefficient (Beta = 0.134), still significantly contributes to organizational effectiveness ($\beta = 0.109$, $t = 2.532$, $p = 0.012$). This supports the growing recognition that robust information systems enable timely decision-making, enhance coordination, and facilitate resource optimization (Laudon & Laudon, 2020; DeLone & McLean, 2003).

Collectively, these findings affirm the resource-based view's assertion that multifaceted resource management practices synergistically enhance organizational effectiveness (Barney, 1991; Wernerfelt, 1984). For manufacturing companies such as ETAB Soap Factory in Ethiopia, prioritizing improvements across these four domains can yield significant gains in performance and competitive advantage (Gebreeyesus, 2013; Teferi & Yilma, 2020).

4.6. HYPOTHESIS TESTING

The multiple linear regression analysis examining the effect of resource management practices on organizational effectiveness reveals statistically significant contributions from all four predictor variables: human resource management, financial management, materials management, and information system management. The significance levels (p-values) for each variable are well below the conventional threshold of 0.05, leading to the rejection of the null hypotheses that these variables have no effect on organizational effectiveness (Cohen, Cohen, West, & Aiken, 2013).

Financial Management exhibits the strongest standardized influence on organizational effectiveness ($\beta = 0.524$, $p < 0.001$), indicating that effective financial resource allocation, budgeting, and control are critical drivers of firm performance in manufacturing settings (Arasa & Gathinji, 2014; Brigham & Ehrhardt, 2013). The substantial unstandardized coefficient ($B = 0.508$) suggests that for every one-unit improvement in financial management practices, organizational effectiveness increases by approximately 0.51 units, holding other factors constant. Human Resource Management also shows a significant positive impact ($\beta = 0.217$, $p < 0.001$), supporting extensive literature on the role of workforce planning, training, and motivation in enhancing operational outcomes (Armstrong, 2012; Barney, 1991). This reinforces the strategic importance of managing human capital within Ethiopian manufacturing firms like ETAB Soap Factory.

Similarly, Materials Management ($\beta = 0.190$, $p < 0.001$) contributes positively, highlighting the necessity of efficient inventory control, procurement, and logistics in improving organizational performance (Krajewski, Ritzman, & Malhotra, 2013). Information System Management, while showing the smallest standardized coefficient ($\beta = 0.134$, $p = 0.012$), remains a significant predictor, underscoring the growing importance of IT infrastructure and data management systems in supporting decision-making and operational efficiency (Laudon & Laudon, 2016). The constant term is statistically significant ($B = 0.424$, $p = 0.016$), implying that when all predictors are zero, organizational effectiveness still maintains a baseline level, possibly reflecting other external or unmeasured factors.

Table 4.21: Hypothesis Testing

Predictor Variable	Unstandardized Coefficient (B)	Standard Error	Standardized Coefficient (β)	t-value	p-value	Decision
Constant	0.424	0.175	—	2.422	0.016	Significant
Human Resource Management	0.168	0.046	0.217	3.655	0.000	Reject H0
Financial Management	0.508	0.052	0.524	9.843	0.000	Reject H0
Materials Management	0.126	0.030	0.190	4.232	0.000	Reject H0
Information System Management	0.109	0.043	0.134	2.532	0.012	Reject H0

Source; Own Survey, 2025

Note: H0 = Null hypothesis (no effect); Reject H0 indicates a statistically significant effect on organizational effectiveness.

CHAPTER FIVE

SUMMARY OF FINDING, CONCLUSIONS & RECOMMENDATIONS

INTRODUCTION

This chapter presents a comprehensive synthesis of the study's key findings related to Human Resource Management Practices, Financial Management Practices, Materials Management Practices, and Information System Management Practices. These variables are critical determinants of organizational performance and operational efficiency across diverse sectors. The chapter further draws conclusions based on the empirical data, highlighting the implications of these management practices. Finally, it offers well-founded recommendations aimed at enhancing organizational effectiveness and sustainability, thereby providing practical insights for policymakers, managers, and stakeholders.

5.1. SUMMARY OF MAJOR FINDING

The present study conducted at ETAB Soap Factory achieved a high response rate of 92.38%, with 194 out of 210 distributed questionnaires returned, surpassing established benchmarks for validity and reliability (Babbie, 2010; Creswell, 2014). This robust participation underscores the relevance of resource management and organizational effectiveness to the respondents and bolsters the generalizability of the findings. Reliability analysis using Cronbach's Alpha yielded a coefficient of 0.803 for the overall instrument, confirming strong internal consistency across all measured constructs—Human Resource Management, Financial Management, Materials Management, Information System Management, and Organizational Effectiveness—with individual alphas ranging from 0.721 to 0.850. Such reliability affirms that the survey effectively captured the underlying dimensions of resource management.

Demographic profiling revealed a male-dominated workforce (69.1%) primarily aged between 35 and 39 years (52.1%), reflecting a mature and experienced employee base with significant tacit knowledge (Ng & Feldman, 2010). The predominance of bachelor's degree holders (56.7%) highlights a moderately educated workforce capable of engaging with complex organizational processes, though the limited representation of postgraduate qualifications signals opportunities for enhancing professional development and fostering innovation through continuous learning (Becker, 1993; Drucker, 1999). Gender imbalance and limited age diversity suggest potential

areas for strategic human capital interventions aimed at inclusivity and intergenerational knowledge transfer (Eagly & Carli, 2007).

Human Resource Management scored highest ($M = 3.96$), indicating strengths in training and retention but identifying performance appraisal as an area for strategic alignment (Barney, 1991; Ulrich et al., 2012). Financial Management, while positively agreed overall ($M = 3.82$), revealed significant concerns over managerial accountability ($M = 2.77$), underscoring the need for enhanced financial governance to sustain organizational sustainability (Brigham & Ehrhardt, 2016). Materials Management showed moderate effectiveness ($M = 3.63$), with weaknesses in forecasting and inventory control pointing to gaps in supply chain precision (Chopra & Meindl, 2019). Information System Management scored well ($M = 3.89$), especially in data accessibility and employee training, though system updating processes require improvement to maintain adaptability in a dynamic business environment (Laudon & Laudon, 2021).

Inferential analysis employing Pearson correlation and multiple regression revealed that all four management practices significantly and positively influence organizational effectiveness. Financial management emerged as the strongest predictor ($r = 0.750$), followed by human resource management, information systems, and materials management, supporting existing theoretical frameworks that emphasize integrated resource stewardship as key to firm performance (Brigham & Ehrhardt, 2016; Ulrich et al., 2012). The regression model demonstrated strong explanatory power ($R = 0.830$; $R^2 = 0.689$), with diagnostics confirming the appropriateness of linear modeling assumptions and the absence of multicollinearity, thereby ensuring robust and reliable inference.

The regression coefficients further delineated the relative contributions of each factor, with financial management exerting the greatest impact on organizational outcomes ($\beta = 0.524$, $p < 0.001$), highlighting its critical role in financial discipline and strategic resource allocation. Human resource management also contributed significantly ($\beta = 0.217$), reflecting the importance of workforce capacity building, while materials management ($\beta = 0.190$) and information system management ($\beta = 0.134$) provided meaningful, albeit smaller, effects consistent with their operational and technological roles. These findings reinforce the Resource-

Based View's proposition that sustained competitive advantage arises from coordinated and effective management of internal resources (Barney, 1991; Wernerfelt, 1984).

5.2. CONCLUSIONS

The present study provides a comprehensive examination of resource management practices and their impact on organizational effectiveness at ETAB Soap Factory. The robust methodological approach, evidenced by a high response rate (92.38%) and strong instrument reliability (Cronbach's Alpha overall = 0.803), underscores the validity and reliability of the data collected. These methodological strengths ensure that the findings are both credible and generalizable within the organizational context, reflecting genuine perceptions of employees across diverse departments.

Demographically, the workforce profile reveals a predominance of middle-aged, male employees with moderate to high educational attainment. This demographic composition highlights both strengths—such as experience and a competent knowledge base—and potential areas for strategic development, including gender inclusivity and intergenerational workforce diversity. The relatively low representation of postgraduate qualifications suggests opportunities for enhanced professional development to foster innovation and strategic thinking, vital for sustained organizational competitiveness.

Descriptive analyses indicate that human resource management and information system management are perceived positively, with clear strengths in employee training and digital data accessibility. Conversely, areas such as financial managerial accountability and materials forecasting require targeted improvement. These domain-specific insights align with established theoretical frameworks, such as the Resource-Based View, and emphasize the critical role of aligning operational processes with strategic organizational goals to achieve superior performance.

Inferential statistics reinforce these findings by demonstrating statistically significant positive relationships between all four resource management dimensions and organizational effectiveness. Financial management emerged as the most influential predictor, underscoring its centrality in ensuring resource optimization and fiscal sustainability. Human resource, materials,

and information system management also contribute significantly, supporting the view that integrated resource management systems foster synergistic effects on performance outcomes.

The regression model's explanatory power is notably strong, with approximately 69% of organizational effectiveness variance explained by the combined management practices. This robust predictive capacity affirms the strategic importance of holistic resource management approaches in manufacturing settings, particularly within resource-constrained environments such as Ethiopia's industrial sector. The study's results advocate for concerted managerial focus on strengthening financial controls, enhancing workforce capabilities, improving operational logistics, and upgrading information systems to sustain competitive advantage and resilience

In sum, the findings of this study provide empirical evidence that effective resource management is a critical determinant of organizational effectiveness at ETAB Soap Factory. The interdependent nature of human, financial, material, and informational resources necessitates integrated management strategies that promote accountability, inclusivity, innovation, and continuous learning. These conclusions offer valuable guidance for both practitioners and policymakers seeking to optimize organizational performance in similar manufacturing contexts.

5.3. RECOMMENDATIONS

The study provides a comprehensive examination of the effect of resource management practices on organizational effectiveness in manufacturing companies, with a specific focus on ETAB Soap Factory in Hawassa City, integrating both descriptive and inferential statistical analyses. Below are practical recommendations for managers, policymakers, and stakeholders.

The senior leadership of ETAB Soap Factory should prioritize strengthening financial accountability and governance mechanisms in response to the study's indication of relatively weak managerial accountability in financial management. Establishing stringent oversight frameworks and transparent reporting structures is essential to enhance fiscal discipline and resource optimization, which are critical for ensuring organizational sustainability and competitiveness (Brigham & Ehrhardt, 2016). Furthermore, leadership should adopt an integrated approach to resource management by fostering interdepartmental collaboration. This enables the organization to leverage synergies among human resources, materials, and

information systems. Strategic performance management tools such as the Balanced Scorecard (Kaplan & Norton, 2004) can facilitate the alignment of operational activities with long-term organizational goals, reinforcing sustained performance and strategic coherence.

The Human Resource Department should implement robust capacity-building programs that emphasize both technical skill development and leadership enhancement. While findings suggest that training and recruitment efforts are viewed positively, the modest performance appraisal ratings underscore the need for more transparent and strategically aligned evaluation systems. These systems should aim to incentivize innovation and foster a culture of continuous improvement (Ulrich et al., 2012). Moreover, the notable gender imbalance within the workforce necessitates the enforcement of gender mainstreaming policies that promote inclusivity and equitable representation, both of which are empirically linked to improved decision-making and organizational outcomes (Eagly & Carli, 2007). Intergenerational knowledge transfer initiatives should also be prioritized to mitigate risks related to limited workforce diversity, while simultaneously cultivating a culture of learning and innovation (Ng & Feldman, 2010).

Given that financial management emerged as the most significant predictor of organizational effectiveness, the Finance Department must reinforce managerial accountability frameworks and internal control systems. Key measures include conducting regular financial audits, instituting transparent budgeting processes, and implementing rigorous cost-control mechanisms aligned with the factory's strategic objectives (Brigham & Ehrhardt, 2016). Cross-departmental financial literacy training for managers should be introduced to facilitate sound resource allocation and risk mitigation. Additionally, integrating financial management information systems can significantly enhance real-time financial monitoring, reporting accuracy, and overall fiscal transparency (Laudon & Laudon, 2021). These interventions collectively support the development of an agile, accountable financial management structure.

To address deficiencies in demand planning and inventory accuracy, the Materials Management team should adopt advanced forecasting tools and inventory control technologies (Chopra & Meindl, 2019). The adoption or upgrading of Enterprise Resource Planning (ERP) systems would reduce inefficiencies such as stockouts and inventory surpluses, thereby improving

operational efficiency. Enhancing supplier relationship management and diversifying procurement sources would further bolster resilience against supply chain disruptions, ensuring production continuity and reliability (Christopher, 2016). Moreover, strategic sourcing and contract negotiation training for procurement personnel will generate additional value by improving cost efficiency and supplier quality.

The Information Systems Management unit must prioritize the regular upgrading and scalability of IT infrastructure to keep pace with the factory's evolving operational needs. Investing in cloud-based systems and cyber security solutions is critical to protecting data integrity and fostering interdepartmental collaboration (Laudon & Laudon, 2021). Continuous professional development in digital competencies should be institutionalized to ensure that employees can fully leverage the capabilities of modern information systems, ultimately enhancing decision-making and operational transparency (DeLone & McLean, 2003). Incorporating real-time analytics and reporting dashboards would further elevate the strategic contribution of information systems in driving performance and responsiveness.

Policy makers and industry regulators should support firms such as ETAB Soap Factory through initiatives that promote the adoption of best practices in resource management. This could include subsidized training programs, access to technology grants, and the establishment of regulatory frameworks promoting gender equity and workforce diversification, which are key drivers of innovation and organizational excellence (Eagly & Carli, 2007). Additionally, industry-wide standards for financial transparency and internal controls would increase accountability, trust, and competitiveness across Ethiopia's manufacturing sector (Gebreyesus, 2013). Collaboration with academic and research institutions is also essential for fostering innovation diffusion and building sectoral resilience through ongoing knowledge transfer.

Academic institutions should deepen their engagement with industry stakeholders by offering tailored executive education and consultancy services focused on integrated resource management. Research should aim to develop context-specific models that enhance forecasting accuracy, financial accountability, and human capital development in resource-constrained manufacturing environments. Encouraging interdisciplinary research that merges management

science, information technology, and gender studies can yield innovative and pragmatic solutions to organizational challenges (Barney, 1991; Becker & Huselid, 1998). Furthermore, promoting collaboration through internships, applied research, and joint projects would facilitate knowledge transfer, enhance graduate employability, and support innovation in industrial practices.

The aforementioned recommendations, grounded in empirical evidence and scholarly insights, present a holistic strategy for improving ETAB Soap Factory's resource management and overall organizational effectiveness. Addressing systemic weaknesses in accountability, inclusivity, and technological integration while capitalizing on strategic opportunities for collaboration and innovation will position the organization for sustainable growth and competitive advantage in the evolving manufacturing landscape.

Several action are recommended to enhance resource management practices and improve organizational performance at ETAB Soap Factory

- ✓ Strengthen HRM: to maximize staff efficiency, implement thorough training programs, improve employee engagement, and set up transparent performance appraisal methods.
- ✓ Enhance financial management practice: to guarantee efficient use of resources and reduce waste, implement strong financial planning budgeting, and monitoring systems.
- ✓ Optimize Materials Management: To guarantee that materials are used efficiently and expenses are kept to a minimum, implement effective inventory control, cut down on waste, and enhance procurement processes.
- ✓ Improve ISM: To improve decision making, automate processes, and track data in real time, invest in cutting edge IT system.
- ✓ Encourage integrated resource management: To maximize the synergistic impacts of all resource domains and increase overall organizational effectiveness, encourage collaboration between them.
- ✓ Training and capacity building: Regularly implement training programs to help staff members develop their operational efficiency and resource management abilities.
- ✓ Frequent performance monitoring: To pinpoint areas in need of ongoing development, use performance indicators and feedback systems like staff assessments and customer feedback.

- ✓ Adopt continuous improvement methods: To optimize processes, promote a culture of continuous improvement by implementing techniques like Total Quality Management (TQM) and lean methods.
- ✓ Strengthen institutional support: Participate in government initiatives and industry associations to gain access to tools, instruction, and technical support for better resource management.

By putting these techniques in to practice, the factory's overall effectiveness can be improved, existing inefficiencies can be addressed, and resources can be better aligned with corporate objectives.

5.4. SUGGESTION FOR FUTURE STUDIES

Suggestions for Future Research

Building on the limitations identified, future studies should consider adopting a comparative or multi-case study approach involving multiple manufacturing firms across diverse geographic and industrial contexts. Such an approach would enhance the external validity and allow for cross-sectoral insights into the effects of resource management practices.

Longitudinal studies are also recommended to assess the evolution and long-term impact of resource management strategies on organizational performance. This would enable a more dynamic understanding of cause-and-effect relationships over time. Additionally, future research could expand the resource management framework to include emerging dimensions such as environmental sustainability practices, technological innovation adoption, and stakeholder engagement, which are increasingly relevant in today's competitive industrial environment.

Finally, future research should explore the mediating or moderating roles of organizational culture, leadership style, or technological infrastructure in the relationship between resource management practices and effectiveness.

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**HAWASSA UNIVERSITY
SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF MANAGEMENT**

APPENDIX A: Questionnaire

Dear Respondents,

This questionnaire is prepared to collect data for the research entitled “The Effect of Resource Management Practices on Organizational Effectiveness In Manufacturing Companies: The Case of ETAB SOAP FACTORY HAWASSA”. This study is conducted for the partial fulfillment of the MBA in Marketing Management. You are invited to participate in this research by filling out the attached questionnaire honestly. All the information you provide will be used for the study's purpose only and will be kept confidential. This questionnaire consists of 2 parts and should take about 15 to 20 minutes to complete. Your responses are significantly important for the completion of this study.

I would like to thank you in advance for the time you are willing to devote to fill out this questionnaire. It will make the paper interesting & its results will be good.

Feel free to contact the researcher if you have any questions by the following address,

Researcher: Tariku Alemu Teka

Phone Number. +251 924040657

Thank you very much!

INSTRUCTIONS:

- ✚ You are not expected to write your name and address.
- ✚ The reliability of your answer will determine the reliability of the research.
- ✚ Kindly select the appropriate answer.

Section A: Personal Profile of Respondents

	organizational goals.					
2.3	Financial records are regularly audited and reported in a transparent manner.					
2.4	Cost control measures are effectively implemented to minimize waste and increase profitability.					
2.5	The company uses financial forecasting to guide decision-making and resource planning.					
2.6	Managers are held accountable for adhering to financial policies and budgetary limits.					
2.7	There is a clear link between financial management practices and the overall performance of the organization.					
2.8	The financial department provides timely and accurate reports for operational decision-making					
3.	Materials Management					
3.1	The company effectively forecasts material requirements to avoid shortages or overstocking.					
3.2	There is a reliable system in place for monitoring and controlling inventory levels.					
3.3	Suppliers are selected based on quality, cost, and timely delivery of materials.					
3.4	The materials procurement process is efficient and supports uninterrupted production.					
3.5	The storage and handling of materials are well-organized to prevent damage and waste.					
3.6	Proper materials management contributes significantly to the overall effectiveness of the organization.					
4.	Information System Management					
4.1	Our organization utilizes integrated information systems to support decision-making processes.					
4.2	The management information system in place ensures timely access to accurate data for all departments.					
4.3	The factory's information systems are effective in coordinating production and inventory management.					
4.4	We regularly update and maintain our information systems to meet evolving business needs.					
4.5	Employees are adequately trained to use the information systems relevant to their job roles.					
4.6	Information systems in our organization significantly enhance resource planning and allocation.					
5.	Organizational Effectiveness					
5.1	Effective human resource management practices contribute to improving the overall performance of ETAB Soap Factory.					
5.2	Financial management practices at ETAB Soap Factory help optimize the use of available resources.					
5.3	The company's materials management system ensures timely availability of raw materials, enhancing production efficiency.					

5.4	Information system management facilitates effective communication and decision-making within the organization.					
5.5	Resource management practices have significantly improved customer satisfaction levels at ETAB Soap Factory.					
5.6	Proper allocation and utilization of resources contribute to achieving the factory's production targets.					
5.7	ETAB Soap Factory regularly evaluates its resource management practices to enhance organizational effectiveness.					
5.8	There is a clear link between resource management and the factory's ability to respond to market changes effectively.					
5.9	Resource management practices at ETAB Soap Factory reduce operational costs and increase profitability.					
5.10	The management ensures that all departments have the necessary resources to perform their functions efficiently.					
5.11	The integration of information systems with resource management has streamlined workflow processes in the factory.					
5.12	Effective resource management positively impacts employee motivation and commitment at ETAB Soap Factory.					



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APPENDIX B: THE INTERVIEW QUESTIONS

Section 1: Background Information

1. Can you provide a brief overview of your role and responsibilities at Etab Soap Factory?
2. How long have you been working at Etab Soap Factory, and what is your experience in the manufacturing industry?

Section 2: Management Practices

3. How would you describe the management style or approach utilized at Etab Soap Factory?
4. What role does strategic planning play in the management of the organization?
5. How are organizational goals and objectives established and communicated throughout the company?
6. Could you discuss the employee performance measurement and evaluation system in place at Etab Soap Factory?
7. What methods and tools are used for decision-making within the organization?
8. How does the management team foster teamwork and collaboration among employees?
9. Can you provide examples of any specific management practices that have been implemented to enhance organizational effectiveness?

Section 3: Organizational Effectiveness

10. How would you evaluate the overall effectiveness of Etab Soap Factory as an organization?

11. What key performance indicators or metrics are used to measure organizational effectiveness at Etab Soap Factory?

12. Are there any specific challenges or obstacles that impact the effectiveness of the organization's management practices? If so, how are they addressed?

13. To what extent do you believe that management practices directly impact the productivity and efficiency of the manufacturing processes?

14. How does Etab Soap Factory ensure the alignment of individual employee goals with the overall objectives of the organization?

Section 4: Manufacturing Industry Insights

15. Have you noticed any industry-specific challenges that influence the effectiveness of management practices in manufacturing companies?

16. How important do you believe it is for manufacturing companies to continually adapt and evolve their management practices to remain competitive in the industry?

Section 5: Additional Insights

17. Are there any other factors or variables that you believe have a significant impact on organizational effectiveness in manufacturing companies?

18. Is there any other information or insight that you would like to share regarding the resource management practices on organizational effectiveness at Etab Soap Factory?