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Critical Analysis on the Impact of Strategical Resources on the Operational Efficiency of an Organization: A Study on the Fast-Moving Consumer Goods Industry of Bangladesh

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Abstract:
The objective of this research paper is to help Fast-Moving Consumer Goods Companies (FMCG) of Bangladesh to distinguish various strategical resources and equip them with significant solutions on contemporary basis of gaining operational efficiency in the industry. The experimentation for this paper includes statistical data reasoning such as identifying correlation, regression and ANOVA analysis between the resources and operational efficiency which can eventually diagnose the FMCG Companies like Marico, Unilever, Nestle and Procter and Gamble who are operating in Bangladesh to classify handling of resources and capabilities on the other hand also strengthen and increase their operational podium to earn competitive advantage and increase market shares. The study involved of various problems regarding supplier, distributional and marketing strategies while gathering authentic data from stakeholders of the companies through interviews, surveys and questionnaire around Dhaka city. To accumulate useful information, corporate governance and strategic direction of the FMCG companies for the past 5 years has been taken into consideration, annual report of the companies also played a vital role in understanding of the current industry scenario and their positions in the market. Barriers to operational efficiency and suitable recommendations for the companies have also been highlighted throughout the investigation in contrast with the current phenomenon of the market and consumers.

Keywords: *Operational efficiency, strategy, resources, consumer goods, objectives.*

1. Introduction

Bangladesh with a population of approximately 170 million people is a developing country with annual GDP of 7.05% as of 2016, the country's 175 billion dollars economy is mostly dominated by large conglomerates which has grown by 6% in the last century [22]. Through this particular research paper, the author tends to highlight the current position of FMCG companies in the Bangladeshi market, their options or choices in terms of directing business activities in sophisticated environment and the actions it can administrate to raise sales and achieve growth through strategic modification in the market [4].The main challenges for fast-moving products from toothpaste, soap and shampoo to oil, cosmetics and foods lean to have less life span and require quick transmission from shelves to consumers therefore constant auditing, improved operations and proper allocation of resources is required to correspond according to the time frame [12]. Multinationals companies like Nestle, Procter and Gamble, Marico and Unilever were attracted towards the Bangladeshi market because of cheap skilled labor and generous potential customers buying fast-moving goods to fulfill their daily needs [2]. For allocation of proper substantial research work the author drew two research questions, (1) what are some effective strategies through which an organization can boost their operational efficiency? (2) How adaptation to new resources and capabilities can enhance the competing advantage of an organization? The author also drew two objectives for this particular research which includes, (1) to demonstrate statistical analysis of various strategical resources for benefits of the FMCG companies operating in Bangladesh. (2) To standoff useful recommendations which can be used by the companies for future growth and competences. This research paper will be beneficial for Managers of different consumer goods companies, Students and Scholars who are eager to boost their knowledge and solve problems related to Strategic Management and if entitled properly the work can prove to be thriving for the FMCG industry. The study was restrained to the subject Strategic Management to create more focal point and bounded to particular amount of respondents and place due to limitation in time and access to finance [15].

2. Statistical Analysis

For investigation purposes strategical resources was considered to be the independent variable whereas operational efficiency was favored to be dependent variable, the author allocated a total of 130 questionnaires highlighting 4 questions about the internal and external resources supervision of the companies [9]. 120 valid surveys were returned which give a feedback of about 95%, the participants were chosen from various credentials from University students to employees of the FMCG companies. Inquiry related to the module was constructed using Likert Scale (1=Strongly Agree, 2=Agree, 3=Neutral, 4=Disagree and 5= Strongly Disagree) through which the attendants were encouraged to share their own augment and experience between the factors. Regression and Correlation analysis forth with ANOVA Single Factor analysis was executed to calculate the variables [16].

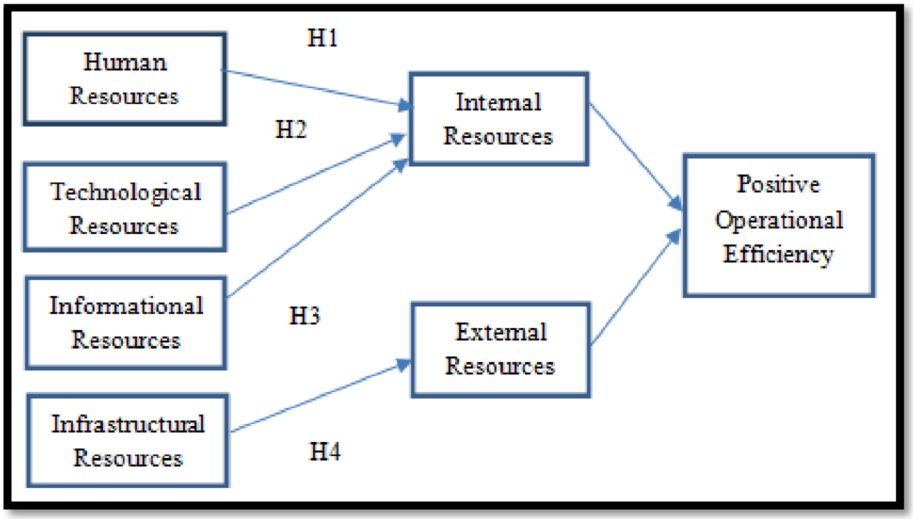

Figure 1: Conceptual Model of the Research

- H1: Predicts that Positive or Proper Management of Human Resources has Positive Impact on the Operational Efficiency of a Company.
- H2: Predicts that Positive usage of Technological Resources has Positive Impact on the Operational Efficiency of a Company.
- H3: Predicts that Positive allocation of Informational Resources has a Positive Impact on the Operational Efficiency of a Company.
- H4: Predicts that Positive Construction of Infrastructural Resources have Positive Impact on the Operational Efficiency of a Company.

2.1. H1: Human Resources

Table 1: Predictors (Constant), Human Resources.

2.2. H1: Human Resources

Regression Statistics	
Multiple R	0.987786456
R Square	0.975722083
Adjusted R Square	0.967629444
Standard Error	0.284475639
Observations	5

Table 1: Predictors (Constant), Human Resources

The statistics show that both Multiple R is about 0.98 and R Squareis 0.97 which justifies a positive position between the variables.

ANOVA					
	DF	SS	MS	F	Significance F
Regression	1	9.757220832	9.757220832	120.5690867	0.001617332
Residual	3	0.242779168	0.080926389		
Total	4	10			

Table 2: ANOVA Single Factor Analysis

The Significance F shows a measurement of 0.0016 which is favorable to 1% level of confidence.

	Coefficients	**Standard Error**	**t Stat**	**P-value**
Intercept	2002.81078	0.936626945	2138.32283	2.25554E-10
No. of Employees	0.074482602	0.006783235	10.98039556	0.001617332

Table 3: Correlation and P-Value Analysis

Hereafter, the null hypothesis (H0) is discarded and the alternative hypothesis (H1) is accepted.
The Coefficient of the variable Human Resources (H1) viewed to be 0.074 and the P-Value to be 0.00161 which gratifies the t > (-/+) 2 format. It is essential to determine the employees of an organization to be a resource instead of just workers as effective recruitment of potential employees holds the contingency of increase in sales, profits and operational speed of that company [13].

2.3. H2: Technological Resources

Regression Statistics	
Multiple R	0.978676946
R Square	0.957808564
Adjusted R Square	0.943744752
Standard Error	0.375017492
Observations	5

Table 4: Predictors (Constant), Technological Resources

A Positive Regression of 0.97 for Multiple R and 0.95 for R Square for Technological Resources has been identified by the author.

ANOVA					
	DF	SS	MS	F	Significance F
Regression	1	9.578085642	9.578085642	68.10447761	0.003725753
Residual	3	0.421914358	0.140638119		
Total	4	10			

Table 5: ANOVA Single Factor Analysis

The Significance F of 0.003 is agreeable to the 1% level of confidence.

	Coefficients	**Standard Error**	**t Stat**	**P-value**
Intercept	2008.874055	0.527340468	3809.444143	3.9892E-11
Technological Resources	0.24559194	0.029759544	8.252543706	0.003725753

Table 6: Correlation and P-Value Analysis

Hereafter, the null hypothesis (H0) is discarded and the alternative hypothesis (H1) is accepted.
The Coefficient of Technological Resources verified to be 0.24 and the P-Value be 0.003 which indulge the setup of the equation t > (-/+) 2. Although adaptation to the latest technologies require huge amount of investment it gradually pays off as the companies are able to create new innovative products and achieve competitive advantage in the market [10].

2.4. H3: Informational Resources

Regression Statistics	
Multiple R	1
R Square	1
Adjusted R Square	1
Standard Error	3.68219E-16
Observations	5

Table 7: Predictors (Constant), Informational Resources

Regression analysis between the variable of Informational Resources shows positive position of 1%.

ANOVA					
	DF	SS	MS	F	Significance F
Regression	1	10	10	7.37542E+31	3.48169E-48
Residual	3	4.06756E-31	1.35585E-31		
Total	4	10			

Table 8: ANOVA Single Factor Analysis

Significance F of 3.48 illustrates an agreeable result to the 1% level of confidence.

	Coefficients	Standard Error	t Stat	P-value
Intercept	2009	4.94018E-16	4.06665E+18	3.27914E-56
Informational Resources	0.1	1.16441E-17	8.58803E+15	3.48169E-48

Table 9: Correlation and P-Value Analysis

Hereafter, the null hypothesis (H0) is discarded and the alternative hypothesis (H1) is accepted.
Coefficient 0.1 and P-Value of 3.48 is compatible with the equation t > (-/+) 2, Information Resources is one of the most important factor to conduct businesses as without proper knowledge about the market, customers and competitors an organization can never achieve profit or success, some famous market research companies include Nielsen, IRI and GFK [18].

2.5. H4: Infrastructural Resources

Regression Statistics	
Multiple R	0.931724335
R Square	0.868110236
Adjusted R Square	0.824146982
Standard Error	0.663047921
Observations	5

Table 10: Predictors (Constant), Infrastructural Resources

Regression analysis shows a positive variation among the variables of 0.93 Multiple R and 0.86 R Square.

ANOVA					
	DF	SS	MS	F	Significance F
Regression	1	8.681102362	8.681102362	19.74626866	0.021195043
Residual	3	1.318897638	0.439632546		
Total	4	10			

Table 11: ANOVA Single Factor Analysis

0.021 of Significance F shows to be very low compared to 1% level of confidence.

	Coefficients	Standard Error	t Stat	P-value
Intercept	2008.535433	1.047545	1917.373891	3.1286E-10
Infrastructural Resources	*0.041338583*	*0.009302787*	*4.44367738*	*0.021195043*

Table 12: Correlation and P-Value Analysis

Hereafter, the null hypothesis (H0) is discarded and the alternative hypothesis (H1) is accepted.
Coefficient of 0.041 and P-Value of 0.021 clarifies a drastic amount of gap among the variables to justify the format t > (-/+) 2. This problem in analysis occurred due to the fact that Infrastructure of Bangladesh is not well developed and the country still falls under least developed nations, although the capital city is well connected, transportation of goods to other cities and rural areas is still a challenge in terms of businesses [21].

3. Conclusion & Recommendations

Throughout the analysis the author depicted various positive proportions to achieve operational efficiency by the FMCG companies of Bangladesh. The main problem with these companies is that they lack utilizing of resources to expand their product lines such as broadening into food and beverage sectors [17]. The author believes that the statistical data shows the evidence of different opportunities and gap related to the resources which can enhance the operational or manufacturing competences. Few recommendations identified by the author are:Set goals to capture wider market share such as 3%-5% targeted market for upcoming year of 2018 [7].Expand the product line through major innovations to strengthen sales of consumer commodities [17].Apprehend into European markets such as Switzerland and Norway to become benefited from strong foreign currency exchange rate [4].Establish new distribution channels in Bangladesh to become closer to rural area customers of Bangladesh [6].Use bio-degradable material and add new colors to the automated packaging system and increase the quantity of the products [3].Plant trees and donate money for the education of homeless children around Dhaka city to create sustainable brand image and bolster public relation with the patrons [20].

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