

## **PRODUCTION PLANNING AND ORGANISATIONAL PERFORMANCE OF FAST FOOD AND RESTUARANTS, PORT HARCOURT.**

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### **ABSTRACT**

*Production planning is gradually becoming one of the most vital activities of organisations operations. It is strategic for every establishment, no matter how large or how small to embrace production planning in a large form. The study investigated the effect of production planning on performance of Fast food Restaurants in Port Harcourt. The study adopted two (2) research questions and (2) hypotheses that guided the study. Cross sectional survey design was adopted. The population of this study consisted of 400 respondents from 15 registered fast food and restaurants which has been in operation for over 5 years and above. The instrument for data collection was a 10-item questionnaire .In measuring profitability (5) item instrument was used and in measuring innovativeness five (5) item instrument was also used. Cronbach Alpha was used to establish the reliability of the instrument and an overall coefficient of 0.76 was obtained. Data collected were all imputed into SPSS version22.0, Pearson’s product moment correlation was used to test the hypotheses at 0.05 level of significance. All hypotheses were rejected and alternative hypotheses stated as P-values were less than 0.05 level of significance. The findings revealed that production planning had an positive significant effect on two measures of organisational performance, profitability and innovativeness The study concluded that Production planning will affect profitability and innovativeness of performance of fast food Restaurants The study recommended that Fast food and Restaurants should adequately plan in ensuring that all materials required for a continuous production are available in order maximize profits for their organisation.*

***Keywords: Production Planning, Organisational Performance, Profitability, Innovativeness.***

### **INTRODUCTION**

Wining in this competitive era lies in the ability of a manufacturing firm to know what, how, when, where and how much to produce. Production planning is the act of developing a guide for the design and production of a given product or service. Production planning helps organizations to make the production as efficient as possible (Ben Lutkevich, 2020). Production planning also means foreseeing and preparing for bottlenecks and identifying the steps which need to be taken for a continuous and smooth production flow. Production planning is concerned with deciding in advance what is to be produced, when to be produced, where to be produced and how to be produced.(AI-shayea, 2012) Production planning is a strategic plan which manufacturers do whenever they want to produce goods. Production planning includes confirming product to be made, production volume, materials required, scheduling timelines etc. Jain and Aggarwal (2008) state that, every manufacturing activity requires resource input in terms of men, materials, money and machines. They went further to state that in any business that produces a product

or service production activity must be related to market demands as indicated by the continuous stream of customers' orders. It follows there for that for maximum effectiveness, this must be done in such a way that customers' demands are satisfied, but at the same time production activities are carried on in an economic manner. The production planning are of great importance to organizations by ensuring that there is coordination among departments in an organization. By working together, production obstacles can be removed in the production process. (Aluko, 2004) Production planning helps an organization in determining the requirements of men, materials, and equipment, arranging production schedules according to the needs of marketing demand, arranging various inputs at the right time and in the right quantity and making most economical use of various inputs.(Arca, 2000)The process of developing this kind of relationship between market demands and production capability is the function of production planning which has been described as the pre determination of manufacturing requirements of such things as available basic materials, detailed equipment's, production runs, order priority, money, man and production process within the scope of the enterprise for efficient production of goods to match its sale requirements. (Bharadwaj, 2000).

Organisations perform various activities to accomplish their Organisational objectives( Sernola, 2011). It is these repeatable activities that utilizes processes for the organization to be successful that must be quantified in order to ascertain the level of performance and for management to make informed decisions on where, if needed within the processes to initiate actions to improve performance .Organizational performance is defined as the actual output of a company measured against its intended output. It is a broad field that deals with what an organization does and can accomplish when it interacts with its various constituencies. Daniels, (2014) viewed Organizational performance as analyzing a company's performance against its objectives and goals. Organizational performance has always had significant influences on the actions of companies.

### **Statement of the Problem**

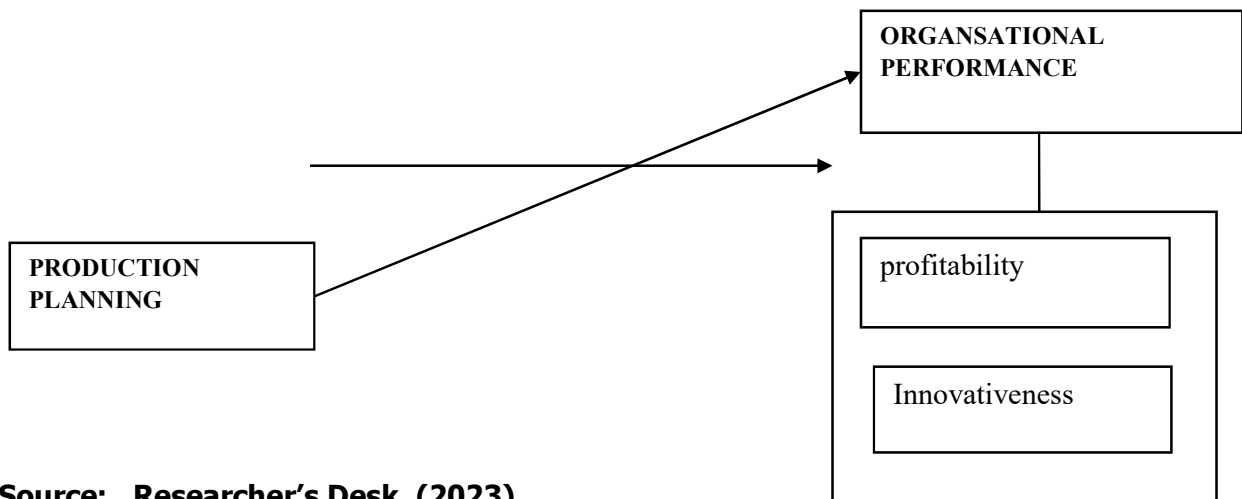
Planning the production process in the most efficient and profitable manner has been a major challenge to organizations. A study conducted by Obusi, (2007) revealed that firms are confronted with the challenges of sourcing for raw materials, getting the right employees and machineries for production. This challenge has crippled the operations of organizations as low profit, low return on investment, static Growth, lack of product innovation and low productivity has emerged from such activities. Improper planning affects development stages of production, without an analysis of how often resources need to be replenished, these necessities will not be found where and when needed which will affect the total quantity of goods produced. In availability of raw materials hampers and causes a bottleneck in the production process which affects the productivity of organizations. Fast food and restaurants have multiple challenges that they face every day when they run a business. From demand forecasting to inventory management, order management to customer management. Other than demand and inventory based challenges, owners need to go through the basic process of hiring the right people with the right skills. They also need to look into labour and time management. Sourcing for the right location that enables the skilled and right employees, that will work in fast food and restaurants has been challenging for organizations.

Nyekpunwo, and et al (2019), studied Assessment of the Impact of Production Planning and Operational. The objective of the study is to ascertain the degree of application and implementation of production planning and control by the beverage industries in Nigeria,

and how relevant it is to operational cost minimization and expenses of the companies. Although, only three beverage production companies were studied; this research will be relevant to the rest of the beverage production companies and other similar industries. The analysis carried out showed that the companies used production planning and control in the view of Umoh, et al (2013), studied the effect of Production Planning and Corporate Productivity Performance in the Nigerian Manufacturing Industry. These with the financial statements of the firms for a period of five years, were used for the analysis. From its findings, the study revealed that production planning has significant impacts on operational efficiency, enhanced equity capital and growth of Nigerian manufacturing industry I have looked at the books of Fast food and restaurants used in this study and have observed that their performance is below expectation. I have observed that their actual performance is below expectations.

Furthermore, it bothers me to find out why such positive performances has not been achieved in Fast food and restaurants. This gap is what the present study seeks to fill, by investigating the relationship between production planning and Organisational performance of Fast food and restaurants in Port Harcourt, Rivers State and the findings will enable me give recommendation to the problems.

### Conceptual Framework



Source: Researcher's Desk, (2023)

### Aim and Objectives of Study

The major aim of the study is to determine the extent of relationship between production planning and Organisational performance of fast food and restaurants in Port Harcourt.

The specific Objectives are:

1. To determine the extent to which production planning relate with the Profitability of fast food and restaurants in Port Harcourt.
2. To determine the extent to which production planning relate with the Innovativeness of fast food and restaurants in Port Harcourt.

### Hypotheses

**H<sub>01</sub>** There is no significant relationship between Production Planning and the Profitability of Fast food and restaurants in Port Harcourt.

**H<sub>02</sub>** There is no significant relationship between Production Planning and the Innovativeness of Fast food and restaurants in Port Harcourt.

## **REVIEW OF RELATED LITERATURE**

### **The Concepts of Production Planning**

Karlsson, and Norr (1994), defines production planning as the plans of routing, scheduling, dispatching, inspection, and coordination, control of materials, methods machines, tools and operating times. According to him, its ultimate objective is to plan and control the supply and movement of materials and labour, machine utilization and related activities, in order to bring about the desired manufacturing results in terms of quality, quantity, time and place. This provides a physical system together with a set of operating guidelines for efficient conversion of raw materials, human skills and other inputs to finished product. Production planning is a tool to coordinate all manufacturing activities in a production system. Iyer et al (2003), the main purpose of production planning and control (PPC) is to establish routes and schedules for the work that will ensure the optimum utilization of materials, workers, and machines and to provide the means for ensuring the operation of the plant in accordance with these plans. According to Bates and Parkinson (2016), defined production is the organized activity of transforming resource into finished products in the form of goods and services. The objectives of production are to satisfy the demand for such transformed services. Production is the process of combining various inputs in order to make something for consumption (output). It is the act of creating an output, a goods or services which has value and contributes to the utility of individual.

### **Concepts of Organisational Performance**

According to Chen (2002) Organization performance means the transformation of inputs into outputs for achieving certain outcomes with regard to its content. Organisational performance comprises the actual output or results of an organization as measured against its intended outputs. Organisational performance refers to an analysis of an organizations performance against its objectives and goal. According to Richard (2015), the Organisational performance includes three specific area of firm outcomes: Profitability which includes, profits, returns on assets, return on investment etc, Product market performance which includes; sales and market shares. And Shareholder returns (total shareholders, return, economic value added etc.

Organisational Performance is the ability of an organization to reach its goals and optimize results. Given the above, organizations performance is a process to enhance both the effectiveness of an organization and the wellbeing of its members through planned interventions. Organisational performance is the actual output or results of an organization as measured against its intended outputs, goal and objectives. There are four types of Organisational performance measures, first human resources outcome, secondly, Organisational outcomes, financial accounting outcome and capital market. Human resources outcomes relate to change in employee behavior which included employee satisfaction, turnover and absenteeism. Organisational outcomes contain labour productivity, customer satisfaction and quality of product services. Financial accounting outcomes included three measures such as returns on assets, return one quit and profitability. Capital market outcomes reflect show market evaluates an organization which consists of the three indicators which is stock price, growth rate of stock price and market returns Oyar Reeves, (1995).

## **Measures of Organisational Performance**

### **Profitability**

Elyse (2008), describes Profitability as how much money related objectives are proficient. Adepoji (2011) found that the organization's Profitability is the viable utilization of assets in an association in doing its everyday tasks and producing income. Profitability, is a critical target that organizations particularly the profit situated company's strives to accomplish, (Yahaya and Lamide, 2015). The measure of monetary performance is by return in assets on investments, and market value of a firm Dufera, (2010). Monetary performance is a proportion of the powerful utilization of advantages to create income inside an institution. Financial execution concentrates more on things that influence the money related articulations or reports of a firm specifically. The Profitability examination can manage things, for example, profit development, turnover, capital utilized, and resource base among others about the firm.

Profitability is an essential pointer or proportion of some monetary unit's prosperity. For instance, on accomplishment of set objectives and targets, shareholders of a firm are the most part keen on the association's performance in financial matters. The qualities of Profitability of an association incorporate, increasing upper hand, buildup the capability of a firm, the pioneers of an organization concentrating on the conservative parts of the establishment, and depend ability for future associations (Dufera, 2010).

### **Innovativeness**

Wang and Ahmed (2004) identify multiple aspects of innovations, they define innovativeness as "an organizations overall innovative capability of introducing new products to the minced or opening up mew mancets, through a combination of strategic orientation with innovative behavior and process. Innovativeness reflects a firm's tending to engage in and support new ideas, novelty, experimentation and creative process that may result in new products, serious or technological process. In his understanding of the term innovativeness foxall (1984) postulated that "innovativeness is the capacity and tendency to purchase new products and service and further describe innovativeness as a personality which can be linked with obtaining acceptance for new products. It is not only vital, but also an extremely risking process which stresses the importance of a good understanding and acceptance of consumers of a new product and service.

Lumpkin and Dess's (1996) perception of innovativeness incudes both behavior related and product related concepts. They imply that the firm's innovativeness starts with a desire to try something new to an actual commitment to master the latest in new products or technological advances. A firm's tendency to engage in an support that ideas, novelty, experimentation and creative processes that may result in new products, services or technological processes is explained by the firm's innovativeness. Innovativeness is considered to be either the ability of generating new ideas or the combination of existing elements for the creation of new sources of value or the receptivity to new ideas (Hurley and Hult, 1998). Innovativeness reflects the capacity of the company's inclination to buy new products and services (Foxall. 1984).

### **Production Planning and profitability**

Profitability is a metric that qualifies how much money a company makes and how much money 'it spends. The ability of a corporation to produce a profit from sales, total assets and own capital are referred to as profitability. The profitability ratio depicts a company's ability to make a profit using all available capabilities and resources. Including sales

abilities, cash, capital, number of employees, number of branches and so on (Kieso, weyganat and warfield, 2018).

To compete, a company must create more revenue and maximize profits. Much research on profitability has shown that high rates of business performance do contribute efficiently to income production and overall economic development production planning enables organizations obtain profit because there is a careful lining up of production activities in a streamlined ensured which cutworm wastages and cost of final and error.

Planning the production process ensures the smooth flow of production activities, there is no material unavailability challenges which enables the manufacturing firm produce more products and attain high productivity which will boast the profit in the organization. Production planning encompasses planning and overseeing the manufacturing process of firms and organizations. When there are strategic plans in place, the end products is the manufacturing of goods which factor in standardized quality and quantity.

Firms boast their profits when they produce quality products which is as result of strategic plan outlined and implemented.

### **Production Planning and Innovativeness**

Shan et al (2016) defined innovativeness as a firm's tendency to engage in a support new ideas, experience mentation and creative processes that may result in new products, services or technological processes.

Chen et al (2020) examined the role of organizational innovation in predicting firm performance and the results found that innovation has an impact on organizational performance and technological innovation mediates the relation between innovation and firm performance.

Developing and promoting innovative products and services helps in enhancing the organizational performance. Baker and Sinkuld (2002) stated that, long term success of the organization depends on the innovativeness of the firm. Such innovative firms can easily take a lead to gap opportunities in the market which helps in improving innovation the organizational performance. Every innovation effort is a new adventure into the UN known. You are in pursuit of something unique that will create new customer value in the market place.

Production Planning are futuristic in nature. It plays a major role in determining where the manufacturing firm will be in the next 10-20 years. Production planning puts the manufacturing firms in a position that they have to invest in their technology department to create new method, new processes, new technology in handling the manufacturing processes. Production planning covers manufacturing firm to always embrace the right technology that will streamline their operations in a more efficient and effective manner which gives the organization competitive edge over contemporaries.

It is imperative that any organisation that desire to attain organizational growth and not diminishing will be innovative and creative in its manufacturing process to ensuring its continuity and survival in the business environment.

### **Theoretical Framework**

#### **Systems Theory**

The study is anchored on systems theory as proposed by Von Bertalanify and Godson Heam in 1959. System theory assumption rest on the belief that an institution has different components performing different functions in such a way that they interdependent and interacts with environment around it. Therefore, what affect one unit

also affects the other of the system and its environment. A system can be perceived as a whole with parts and their inter-dependent relationship. It has subsystem and are also part of a supra system. Systems theory is an interdisciplinary study of systems. The key concept of systems theory, regardless of which discipline it's being applied to, is that the whole is greater than the sum of its parts. What this means is that when holistically examining how smaller systems come together to affect the greater complex system, certain characteristics of the whole the complex system cannot be easily explained or rationalized when looking singularly at anyone of its systems its parts. Systems theory seeks to explain and develop hypotheses around characteristics that arise within complex systems that seemingly could not arise in any single system within the whole. This is referred to as emergent behavior. If a complex system expresses emergent behavior that means it has characteristics its properties do not display on their own.

A simple systems theory example is baking. Consider all the ingredients that make up a cake. If you were to lay them out on your counter and were not familiar with baked goods, it would be difficult to envision how the eggs, flour, sugar, etc., could be combined and heated to bakes cake. This is because no single ingredient or environmental factor in this case, heat would produce baked goods such as cake on its own. From the perspective of systems theory, the whole our dessert in this example is greater than the sum of its parts. A system, according to cover and Evans (2006) is a related group of components that work together to accomplish a task. (Stevenson, 2013), states that the systems approach's main theme is that the whole systems consists of different individual parts but the main emphasize is on the interrelationship among its subsystems. This same argument is supported by Bellgran and Safsten (2010) who argued that how different components relate and interplay in a system is what is referred to as system theory. According to Yourdon (2019) various system are distinguished from the environment through what the system is used for and what comes out fit. The argument for the theory is than an organizations is shaped by internal and external factors and to understand it, a holistic perspective of system theory has to be understood.

According to Collerand Evans (2006) an entire system can fail should one processor component in a manufacturing firm for goods fail. This is because the manufactured goods consists of several components that are independent of one another and which are arranged incense but have to work together as a system. Stevenson (2013), notes that the impact of all parts of the system should be taken into account whenever a design, improvement or implementation is being considered. It is of important to achieved allover efficiency and this can only be realized by concentrating on the sub systems. An organization or firm being part of its industry and the society is considered as a system (Koontz and Weihrich, 2009).Systems theory is used as a tool for understanding the different aspects of an organization's department and how they relate to each other. The manufacturing department only makes enough products that the marketing section can handle and this confirms to all departments. All parts of the system must work together. Systems theory refers to this interaction between the subsystems in the manufacturing firm because each enable each other to perform effectively and this formed the relevance of this theory to this study.

### **Theory of Constraints**

This study uses the theory of constraints in explaining factors that might hinder the adequate flows of production and in turn affects Organisational performance. Theory of constraints is a set of principles that maximizes the use of activities that would causes a

bottle necks in the work stations by increasing total process through put (Coller and Evan, 2015). Theory of constraints is a scheduling approach that simply focuses on bottlenecks operations. (Stevenson, 2013), these bottlenecks operations are described by Jacobs, berry and Voleman (2011). As any resources which is the same as or lower as the required demand capacity. In his book operations management, theory and practice, Stevenson (2013), indicates that the theory of Constraints was developed by Eli Goldratt in 1984. Goldratt reasoned that the bottleneck operations limited the output of the systems and therefore organizing the non-bottlenecks operations were idle. (Stevenson 2013). According to Coller and Evans (2006) constraints limit the production output to their own capacity therefore determining the production output and causing a constraint in the value stream as described by Melton (2005). According to Chan and Lin (2008) firms using theory of constraints can achieve reduced led time, improved operations, fall in inventory and increased return on investment and this formed the relevance of this theory to this study.

### **Empirical Review**

The relevance of this study is based on the following empirical studies. Abdirahman et al, (2022), studied effects of Product layout on Performance of Commercial Banks in Port Harcourt, Nigeria The study employed a descriptive survey research design. The population for this study was four commercial banks namely: Kenya Commercial Bank, Equity Bank, Cooperative Bank and National Bank in Port Harcourt, Rivers State. The respondents were managers in top, middle and low level management employees. A census of 82 respondents was carried out. Primary data was collected using a structured questionnaire. Quantitative data was analyzed using descriptive statistics. The study further carried out multiple regressions to determine the effect between variables. The study found that Product layout had a positive and significant effect on the performance. The study concluded that the banks have a very effective product design implementation that has enhanced their performance by attracting more consumers, providing ease, and making services available to their customers. The study recommended that the commercial banks should create a solid understanding of their opportunities by looking at the entire market based on their customer to determine the actual potential.

Fong, Lo and Ramayah (2014) examined new product design and performance in the banking industry in Nigeria. Two hundred and fifty banks' customers were selected using simple random on sampling in this study. Partial Least Squares (PLS), was applied to test the hypotheses. The findings revealed that four types of new product development factors, namely, firm image, brand strength, product innovativeness and new product quality were found to be positively related to Organisational performance. However, the study used simple random sampling which is limited to accessing a sample that is representative of the whole population.

Icon and Nwankwo (2016) examined production planning and profitability of selected-manufacturing firms in Nigeria. The study used flour mill of Nigeria Plc, Dangote flour mill PLC and Honey well flour mile PLC as a case study. The study reviewed that production planning is essential in providing better and more economic goods to customers at a lower investment. According to the study, inventory shortage as a result of stock out, Leads to an unexpected increasing demand supply challenge associated within adequate capacity installation of machines, inferior technology, poor capacity utilization, inability to meet budgetary target as a result of change in demand and supply variable and poor demand forecasting are established as the problem of the study. Data collected for the study were

based on secondary information. Data obtained were analyzed using ordinary least square (OLS) techniques by the use of time series. The finding of the study shows the estimated coefficient of the constant term is statistically significant at better than 0.1 percent for Dangote flour mill of Nigeria Plc. This implies that an increase in turnover (sales) lead to a subsequent increase in inventory which in turn increases the level of production. The increase in turnover subsequently increases profitability in Dangote flour mill Plc. and honey well flourmill Plc. These works relates to my work because all the work talked about in the empirical review is focused on production planning in different organizations as their case study.

Madavi and Sangode (2019) studied Exploring the Influence of Facility Location on the Operations of Service Organizations. The study reviewed that Facility location selection decision is considered to be the most crucial decision for any organization. This decision not only defines the operating cost, production cost and the efficiency of the firm but also the benefits to the customers and the society in the long run. Numerous studies have been conducted to study the impact of location decision on the efficiency of the manufacturing firms. But the researches seem limited for the service organizations. The aim of this paper is to study the influence of facility location and facility layout on the operations of service organizations. Since the facility location both play a vital role in the smooth functioning of operations activities in service organization equally, this research work aims at studying its influence on the operations of the service organizations.

Kamaruddin, Khoo, Khan and Siddiquee (2011) investigated the effect of layout design on productivity: an empirical study in Nigeria, the study show that there are three types of layout designs being examined in the study such as flow line, job shop and cellular layout. These three layouts are evaluated based on three selected performance measures which are through put time, lateness and labour productivity. These three performance measures are selected because they relate with the overall layout productivity. The simulation model is built by using the WITNESS simulation package and the simulation results are tested in the F-test and Newman-Keuls test. In this study, the radio-cassette player production system has been used as an empirical study. The results show that the effect of headcount variability and model variability do create an impact towards the performance of flow line, job shop and cellular layout.

Mbithi, Muturi and Rambo (2015) study investigated the effect of product layout strategy on performance in Sugar Industry in Kenya. A cross-sectional survey research design was used in carrying out the study. The target population of the research entailed nine sugar companies in Nigeria. Purposive sampling method was used in selecting the respondents. Data was collected using questionnaires and analyzed using a combination of both descriptive and inferential statistics. The study established strong relationship between product layout strategy and all aspects of performance. However, the study context was Sugar Industry in Nigeria.

Musau, Namusonge, Makokha and Ngeno (2017) examined the impact of inventory management on supply chain performance of textile manufacturing firms in Kenya. The research had been inspired by the philosophy of resource management. The research followed the view of parallel convergent mixed approaches. 196 respondents from procurement department employees and department heads of 15 textile manufacturing industries operating in Rivers State were the study target. And the sample size was 139 respondents. Stratified, and from the corresponding clothing firms. Questionnaires and plans for interviews were used to gather the data from primary sources. Data was analyzed using a social sciences statistical package (SPSS version 22). The study revealed

that Nigerian garment manufacturing companies have embraced resource control as a performance- influencing element in the supply chain. It was concluded that inventory management has the ability to positively impact Textile firms' output in and therefore recognizes the value of inventory management and has developed specific structures and invested in current material flow systems to control smooth and consistent material movement that can be monitored along a supply chain.

Nyekpunwo, Elemchukwu and Vurasi (2019) studied assessment of the impact of production planning and operational. The objective of the study is to ascertain the degree of application and implementation of production planning and control by the beverage industries in Nigeria, and how relevant it is to operational cost minimization and expenses of the companies. Although, only three beverage production companies were studied; this research will be relevant to the rest of the beverage production companies and other similar industries. A total number of samples collected from the three organizations were 97. The descriptive and inferential statistics were applied in the analysis. The analysis carried out showed that the companies used production planning and control in taken decisions. This was evident by strong response to questions on the utilization of plans for material requirement, manufacturing resource and just in time. Thus, an overall mean of 4.077 and standard deviation of 0.0417 showed that application and implementation of production planning and control by the companies were high. Also, the results obtained on the relevance of production planning and control to operational cost and expenses revealed the usefulness of production planning and control to cost minimization. However, the mean responses obtained indicated that inventory control, budgeting and planning, timely delivery of material order, management decision, product quality and the right utilization of raw material and equipment, minimizes operational cost of material and equipment cost, which as a result, reduced the operational cost of the beverage manufacturing companies. Thus, overall mean of 3.964 and standard deviation of 0.040, affirmed that production planning and control minimizes operational cost and expenses. Furthermore, to actually account how much of the cost reduced, a cost model was proposed, which establishes a relationship between cost reduction and production planning components. The result analysis revealed that operational cost was reduced by 0.078unit, but when all the production components were fully utilized, operational cost increased to 0.1198 representing 4.18% increase in cost reduction. This implied hat, there was not just a relationship between production planning and operational cost, the effective implementation of production planning and control will improve the overall growth of the beverage production companies through increased profit.

Ovunda, Isaac and Ndor(2019) ascertained the application of production planning and control and it important to operational cost minimization. The sample obtained from three organizations is 97. The descriptive and inferential statistics were included in the research. Thereseearchcarriedoutfoundthatthecorporationsusedproductionpreparationand monitoring in taken decisions. Furthermore, the findings showed that utility of production planning and control to expenditure minimization is important. Nevertheless, the mean responses obtained suggested that inventory monitoring, budgeting and preparation, prompt distribution of production order, management judgment, product consistency and the correct use of raw material and equipment, minimizes overhead cost of material and equipment usage, and as a result, decreased the operating expense of the firms. Therefore, to specifically calculate the expense decreased, an expense model was suggested. The outcome study showed that operating cost declined, but when the output components were completely used, operational cost rose to 0.1198 reflecting 4.18 percent

change in cost reduction. This meant that, there was not only a partnership between production planning and operating expenditure, the successful execution of production planning and control would boost the overall manufacturing firms' performance by improved income.

Owolabietall (2012) investigated the impact of Production control on corporate performance. It further investigated how this has affected the effectiveness of management as control of production in corporate organizations is essential. The analysis used primary and secondary data. The research used the questionnaire to get information from Babcock University employees. Data analysis was by concise and inferential measures. The theories were evaluated using the Pearson's Product Moment Correlation Coefficient to assess the relationship between the various variables used in performance measurement. The results of the hypotheses showed a significant positive correlation between controls of production and the performance of companies. It concluded that manufacturing control assists company's in achieving defined targets and advises that universities and other organizations should participate in manufacturing control to enhance corporate performance.

Ikorot all (2017) examined, production scheduling impact on Organisational performance. The survey design was used and the sample size of 124 was calculated using the model of Taro Yamen. Findings showed is a link between effective production scheduling and Organisational performance and also that lack of transparency, lack of dedication and lack of awareness of the role in the execution cycle are challenges in the implementation of the production schedule and therefore propose, among others, that Nigerian businesses give more serious consideration to this.

Umoh, Harcourt and Amah (2013) that investigated the relationship between production planning and corporate productivity performance of the Nigerian industry. The study measured corporate productivity performances in the areas of cost minimization, enhanced equity capital and growth three hypotheses were formulated and questionnaire was distributed to eighty respondents in the eighty sampled manufacturing firms from the one hundred in the industry, quoted in the stock exchange. Sixty two copies of the questionnaire were retrieved. These with the financial accounts of the organization for 5years were taken for the analysis testing. From its results, these reflected that production planning positively affects the corporate productivity performance of organizations. Based on the result, the study recommended among others that the Nigerian manufacturing industry should review the production planning concepts and implementation, in order to restore the industry as the base of all development.

Umoh, et all(2013), studied the effect of Production Planning and Corporate Productivity Performance in the Nigerian Manufacturing Industry. The objective of the study is to determine the relationship between Production Planning and Corporate Productivity Performance of the Nigerian manufacturing industry .Three hypotheses were formulated and questionnaire were distributed to eighty respondents in the eighty sampled manufacturing firms from the one hundred in the industry, quoted in the Stock Exchange (Fact Book 2009).Sixty two copies of the questionnaire were retrieved. These with the financial statements of the firms for a period of five years, were used for the analysis. From its findings, the study revealed that production planning has significant impacts on operational efficiency, enhanced equity capital and growth of Nigerian manufacturing industry. This finding implies that production planning significantly affects the Corporate Productivity Performance of firms. Based on these, the study recommends among others, that the Nigerian manufacturing industry should review their production planning

concepts and implementation, in order to restore the industry as the base of all development.

### METHODOLOGY

The study utilized a cross sectional survey design. The study population included management employees of Fast food and restaurants in Port Harcourt. The population were retrieved from the respondents of 15 fast food and restaurants in Port Harcourt. The instrument for data collection was a 10-item questionnaire. In measuring profitability (5) item instrument and innovativeness on a five (5) item instrument was used, The reliability of the instrument was ascertained using Cronbach Alpha and SPSS version 22.0 which yielded an overall coefficient of 0.76. Pearson Product Moment Correlation was used to analyze the relationship between the variables of the study at a 0.05 level of significance (2-tailed)

### Data Presentation and Analysis

Results of the analysis on the relationship between the dimensions of Production Planning and Organizational Performance

**Decision Rule:** The basis for acceptance or rejection of null hypotheses statements is premise on the corresponding probability value(P-value) for each of the test.

Where  $P \leq 0.05$ , null hypothesis is rejected as it suggests a significant relationship between the variables, where as a  $P > 0.05$  suggests insignificant relationship between the variables and as such the null hypothesis is not rejected.

Results for the bivariate analysis are presented below

**Table 1.1: Correlations on production planning and profitability**

		Production planning		Profitability
Spearman's rho	<b>Production planning</b>	Correlation Coefficient	1.000	.329**
		Sig. (2-tailed)	.	.000
		N	320	320
	<b>Profitability</b>	Correlation Coefficient	.329**	1.000
		Sig. (2-tailed)	.000	.
		N	320	320

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

**H<sub>01</sub>:** There is no significant relationship between Production planning and Profitability of Fast food Restaurants in Port Harcourt.

The result of the study reveals that there is a weak relationship between Production planning and Profitability of Fast food Restaurants in Port Harcourt (where  $\rho = .329$  and  $p = 0.000$ ) and based on the decision rule of  $p < 0.05$  for null rejection; we reject the null hypothesis and accept the alternative hypothesis: *Production planning and Profitability of Fast food Restaurants in Port Harcourt.*

**Table 1.2 Correlations on Production planning and innovativeness**

		Production planning		Innovativeness
Spearman's rho	Production planning	Correlation Coefficient	1.000	.564**
		Sig. (2-tailed)	.	.000
		N	320	320
	Innovativeness	Correlation Coefficient	.564**	1.000

Sig. (2-tailed)	.000	.
N	320	320

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

**H<sub>02</sub>:** There is no significant relationship between Production planning and innovativeness of Fast food Restaurants in Port Harcourt

The result on table 1.2 reveals that there is a weak relationship between Production planning and innovativeness of Fast food Restaurants in Port Harcourt (where  $\rho = .564$  and  $p = 0.000$ ) and based on the decision rule of  $p < 0.05$  for null rejection; we reject the null hypothesis and accept the alternative hypothesis: *There is a significant relationship between Production planning and innovativeness of Fast food Restaurants in Port Harcourt.*

### Discussion of Findings

The study found out firstly that Production planning has significant impact on the level Profitability of Fast food Restaurants in Port Harcourt. Icon and Nwankwo (2016) examined production planning and profitability of selected-manufacturing firms in Nigeria. The study used flour mill of Nigeria Plc, Dangote flour Mill PLC and Honey well flour mile PLC as a case study. The study reviewed that production planning is essential in providing better and more economic goods to customers at a. According to the study, inventory shortage as a result of stock out, leads to an unexpected increasing demand supply challenge associated within adequate capacity installation of machines, inferior technology, poor capacity utilization, inability to meet budgetary target as a result of change in demand and supply variable and poor demand forecasting are established as the problem of the study.

Secondly, the study from data in table 1.2 discovered that Production planning has significant impact on innovation of Fast food Restaurants in Port Harcourt. This is in agreement with Nyekpunwo, Elemchukwu and Vurasi (2019) studied assessment of the impact of production planning and operational. The objective of the study is to ascertain the degree of application and implementation of production planning and control by the beverage industries in Nigeria, and how relevant it is to operational cost minimization and expenses of the companies. Although, only three beverage production companies were studied; this research will be relevant to the rest of the beverage production companies and other similar industries. A total number of samples collected from the three organizations were 97. The descriptive and inferential statistics were applied in the analysis.

### CONCLUSION

From the findings, the study concludes that there is a significant relationship between Production planning and organizational performance. The implication of the aforementioned is that effective Production planning will perhaps result to improved Profitability that help to attain innovativeness. The imperativeness of the foregoing suggests that organizations that wish to thrive in the changing business environment should pay adequate attention to issues relating to Production planning. Therefore, the significant relationship between Production planning and performance is derived from having proper understanding of the prevailing elements of the environment. This understanding perhaps would enable organization re-design their business process in line with the changing business environment. The result shows a significant relationship between Production planning and Profitability. Production planning creates an efficient

process for production according to customer and organizational needs. It ensures the smooth creation of goods and products according to customer's needs which boasts sales and in return lead to the increase in profits to organisations that incorporate it to their operation. In the same vein, there exists a significant relationship between Production planning and innovativeness. It means that when firm redesign their core business processes in responding to the changes to the environment makes the firm proactive which would result to better product discovery, process improvement as well new market. It is imperative that any organisation that desire to attain organisational growth and not diminishing will be innovative and creative in its manufacturing process to ensuring its continuity and survival in the business environment.

### RECOMMENDATIONS

From the findings of this study, conclusion arrived at; the following are recommendations arising therefrom:

1. Fast food and Restaurants should adequately plan in ensuring that all materials required for a continuous production are available in order maximize profits for their organization
2. Fast food Restaurants should cite their businesses at a strategic place to enable them have massive sales of their products which will lead to the attainment of profits for their organization.
3. Fast food and Restaurants should be creative and innovative in setting up their layouts.

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