

Abstract

Lean manufacturing is the study of identifying waste and reduce those waste using lean tool and techniques in order to improve the quality of working life. The basic goal of almost every organization is to achieve maximum output from minimum resources. However, organizations faces the issues related to wastes that create hindrance in achieving the organizational effectiveness and efficiency and those waste need to be highlighted and assessed properly. This research therefore, aims to analyse the effect of lean manufacturing technique, KANBAN TOOL, on improving the warehouse management system as a case study of the FMCG sector's warehouse management. For this purpose this study conducted a comprehensive secondary literature review based research and developed a conceptual context that showed the warehouse management indicators such as elimination of over production, optimum level of inventory, and reduction of waste and scrap can be used to explain change in firm performance of manufacturing firms. In order to test the impact of these indicators the study developed tentative hypotheses and conducted a survey questionnaire with 100 managers and employees in FMCG sector as sample. The results of the study showed that there is significant positive relationship between firm performance and elimination of over production ($r=0.948$, $p< 0.01$), optimum level of inventory($r=.921$, $p<0.01$), and reduction of waste and scrap($r= 0.960$, $p<0.01$).

Keywords: Lean, Inventory, Warehouse management system, KANBAN, FMCG.