ABSTRACT

The discarded materials or materials which are not in use were there with Sri Lanka Army for a number of years and therefore the economic period is estimated as over now. Therefore, the question arises because of what factors directly the underestimation take place or because of what factor to be taken into consideration as negatives or else to identify the bottleneck factors or limiting factors which influence on the accurate estimation of these discarded materials. In order to understand these bottleneck factors; effect of documentation lapses, influence of lack of proper warehouse management system, effect of lack of better customer base and effect of lack of competence in the inventory and warehouse management systems are to be examined as the objectives of the study. 150 samples were recognized for the quantitative study and officers, Material Management Assistance (MMA), bidders and subject clerks were selected from regional centres where the unserviceable stock is accumulated. It was selected on convenience sampling method while 10 experts in the field of warehouse and stores were selected on judgmental sampling method. As the data collection method, the semi-structured questionnaire method is used for quantitative study while the unstructured questionnaire is used for qualitative study along with the interview and focus group discussion. As the dependent variable is measured by using an ordinal scale that includes 5 layers an empirical ordinal regression model is used. The analysis identified Ad-Hoc assessment and forced assessment has been contributing well over underestimation as per the perception of sample respondents. Further, as indicated by the respondents due to lengthy process, unconnected documentation, too much clerical work and idle documentation has become the key concerns to estimate stock below the minimum. Further, factors in the lapse of the proper warehouse such as house layout, small warehouses, and materials are in an open environment and lack of supervision on material has become the factors which were on underestimation. Even the factors that are influential from the competition also highlighted by the respondent as the need for differentiation, few number of customers and lesser bargaining power. Finally, as the knowledge related factors such as poor knowledge on inventory records, poor knowledge on inventoried products and poor skill labors, poor knowledge on inventor practices, poor knowledge on the inventor documentations, poor knowledge on inventory, and poor knowledge on assessment were recognized as a key consideration. Estimation of Reliability was done and found that all variables were having better estimations over 60% which indicate there is a better internal consistency of the indicators towards variables. Then the assessment of goodness of fitness was conducted and identified all Cox and Snail and McFadden has acquired very healthy goodness of fitness index or R-Square indicating that there is better goodness of fitness on the dependent variable. On the other hand, it indicates 86.9 % of changes of the dependent variable is observable from the independent variable. Then the model fit was estimated and identified with a 0% margin of error, is significantly observable that the dependent variable can be predicted properly by the selected independent variables. Finally, the estimation of an empirical model was conducted with the help of ordinal regression model as the layers in the dependent variables are related to each other. However according to the statistical estimation, it was found other than analogical assessment all other variables are significant and positively influence while the dominant factor is poor knowledge, while the second factor is lack of better competition thirdly, lack of proper

warehouse management system and fourthly lengthy documentation and finally lack of competition of bidders.

Keywords: **Non-Logical Assessments, Lack of customer base, Waste, Underestimation**