

Final Project 2

PMG 497

The Effect of Excellent Management on Production Creativity and Sales Boosting: A Case Study of Kuwaiti Danish Dairy (KDD)

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Final Project - 2

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1. Chapter 1: Introduction

The purpose of this research is to investigate the relationship between excellent management practices and their impact on production creativity and sales performance within the context of the Kuwaiti Danish Dairy Company (KDD). In the modern business landscape, creativity and innovation have become pivotal drivers of competitive advantage, especially in the food and beverage industry (Amabile, 2018). With the increasing demand for efficiency, innovation, and consumer satisfaction, it is critical to understand how management excellence contributes to enhancing creative processes in production and subsequently boosting sales (Dess & Picken, 2000).

This study is particularly important in the context of Kuwait, where the food and beverage sector faces intense competition, both locally and regionally. Despite numerous advancements in operational efficiency, many companies still struggle to integrate creativity into their production processes while maintaining high sales growth. Previous research highlights the role of leadership and management in fostering innovation and creativity in organizations, noting that organizations with strong management practices tend to have higher levels of innovation (Mumford, Scott, Gaddis, & Strange, 2002).

Therefore, this research seeks to fill the gap by examining how management excellence can influence these two critical aspects — creativity in production and increased sales. The findings of this study are expected to provide valuable insights for companies looking to enhance their management strategies, creativity, and sales performance in highly competitive markets (Schein, 2017).

1.1. Research Background

In the current era of globalization and rapid technological advancements, businesses across all industries face immense pressure to innovate and remain competitive. This is particularly true for the food and beverage industry, where changing consumer preferences and emerging market trends continuously challenge companies to innovate not only in product development but also in production processes. The Kuwaiti Danish Dairy Company (KDD), a major player in Kuwait's food and beverage sector, has demonstrated significant resilience over the years, successfully navigating a dynamic marketplace. However, like many firms in the industry, KDD must consistently explore new strategies to maintain and enhance its competitive edge. This research explores the role of excellent management in fostering production creativity and boosting sales, with a specific focus on KDD.

Stage 1: General Introduction to the Topic

The need for creativity and innovation in production has gained widespread attention in recent years. Creativity in production is not limited to developing new products but extends to optimizing production processes, enhancing operational efficiency, and creating unique value propositions that resonate with customers (Amabile, 2018). In an environment where consumer preferences change rapidly, and competitors constantly introduce new offerings, businesses must innovate at every stage of their value chain. This requires strong management practices that not only encourage creative thinking but also create an organizational culture that supports innovation. As noted by Mumford et al. (2002), organizations that cultivate creativity through effective leadership and management are better equipped to respond to market shifts and outperform competitors.

Stage 2: Importance of the Topic

In the context of Kuwait's food and beverage industry, innovation has become an essential component of sustained business growth. Companies such as KDD operate in a highly competitive market, both locally and regionally, where consumer demand for quality, innovation, and affordability continues to grow. According to a report by Al-Mutawa and Alkandari (2021), the food and beverage sector in Kuwait is expected to

experience steady growth over the next decade, driven by population growth, rising incomes, and changing consumer preferences. However, despite the sector's potential, companies often face challenges related to operational inefficiencies and stagnant growth in creativity and innovation. This underscores the importance of studying how excellent management practices can enhance production creativity, leading to increased sales performance.

Stage 3: Statement of the Research Problem

While the connection between management and innovation has been widely acknowledged in the literature, there remains a gap in understanding how specific management practices influence production creativity within the food and beverage industry. KDD, being one of the leading dairy companies in the region, presents an interesting case study due to its strong market presence and history of innovation. However, despite its successes, the company, like many others, struggles to integrate creative strategies into its production processes while ensuring continuous sales growth. This study seeks to address the question: How do excellent management practices influence production creativity and, in turn, boost sales performance at KDD?

Stage 4: Rationale for the Study

The rationale for this study stems from the need to better understand the dynamics between management excellence and production creativity, especially in the context of the Kuwaiti food and beverage sector. As competition intensifies and market conditions become more volatile, companies must develop robust management frameworks that not only support day-to-day operations but also encourage creativity at all levels of production. By focusing on KDD, this research aims to provide actionable insights that can be applied to other companies in the region facing similar challenges. The study's findings are expected to contribute to both academic literature on management and innovation and practical management strategies within the food and beverage industry.

Stage 5: Objectives of the Study

This study aims to achieve several key objectives. First, it seeks to examine the relationship between excellent management practices and production creativity. Second, it aims to assess how this relationship impacts overall sales performance at KDD. By analyzing management strategies, creative processes in production, and sales data, the study will provide a

comprehensive understanding of how leadership can drive both innovation and financial success. The ultimate goal of this research is to offer recommendations for KDD and similar companies on how to better integrate creativity into their production strategies while maintaining or increasing sales performance.

Conclusion

In conclusion, this study addresses an important gap in the literature by examining the link between management excellence and production creativity in the context of the Kuwaiti food and beverage industry. As competition continues to grow, companies like KDD must adopt innovative management practices that not only improve operational efficiency but also foster a culture of creativity. The findings from this research will be valuable for both academia and industry practitioners, providing insights that can guide future management strategies and organizational development efforts.

1.2. Research Problem

The research problem is central to any academic inquiry, serving as the foundation for identifying the focus of the study. In this case, the research problem revolves around the lack of clear understanding of how excellent management practices influence production creativity and sales performance, particularly in the food and beverage industry. While there is considerable literature on the role of management in fostering innovation, gaps remain in both the theoretical and practical application of these concepts within specific industries, such as the dairy sector. This section aims to highlight these gaps and frame the core issue that this research seeks to address.

1.2.1. Theoretical Gaps

Theoretically, much has been written about the relationship between leadership and innovation, but there is limited research focusing on how management excellence directly affects creativity within the production process. While general management theories, such as transformational leadership, emphasize fostering

creativity, few studies explore how these theories are applied in real-world production environments, particularly in the context of food and beverage companies (Dess & Picken, 2000). The lack of industry-specific research creates a gap in understanding how management can cultivate innovation at the operational level, influencing not only the development of new products but also the improvement of production techniques.

1.2.2. Practical Gaps

On the practical side, companies often face challenges when trying to implement management strategies that foster creativity while ensuring operational efficiency. In the case of KDD, despite its strong market presence, there is a disconnect between management practices and the ability to continuously innovate in production. This practical gap is evident in the company's struggle to balance cost-effective production processes with the need for creativity to meet changing consumer demands. The existing management frameworks do not always translate into actionable strategies that support sustained creativity in production, which ultimately affects the company's sales growth and market competitiveness.

Main Research Question

Given these theoretical and practical gaps, the main research question guiding this study is:

How do excellent management practices influence production creativity and sales performance at the Kuwaiti Danish Dairy Company (KDD)?

1.3. Research Significance

The significance of this research lies in its potential to contribute both to the theoretical understanding of management practices and their practical application in the food and beverage industry, specifically within the context of the Kuwaiti Danish Dairy Company (KDD). The insights gained from this study can inform future academic studies and provide actionable strategies for businesses in similar sectors.

1.3.1. At the Theoretical Level

At the theoretical level, this research aims to fill a gap in existing literature by exploring how excellent management practices influence creativity in production. While there is ample literature on management styles and innovation in general, there is limited focus on how these concepts intersect specifically within the production processes of food and beverage companies. This study will expand upon existing theories of transformational leadership and innovation management by providing an industry-specific examination of how management can drive production creativity, a vital but underexplored area in academic literature.

1.3.2. At the Practical Level

At the practical level, this study holds significant value for companies like KDD, which operate in highly competitive and innovation-driven markets. By examining how management excellence contributes to production creativity and impacts sales performance, the study offers actionable insights that can be applied to improve business practices. The findings are expected to provide KDD with a roadmap for enhancing innovation within their production processes, ultimately helping the company to meet market demands and sustain competitive advantages. Moreover, the research can serve as a reference for other food and beverage companies looking to integrate creativity into their production systems while maintaining operational efficiency.

1.4. Research Questions

The research questions guide the investigation and focus on the key aspects of management practices, production creativity, and sales performance. This study aims to answer the following questions:

How do excellent management practices influence creativity in production processes at KDD?

What is the relationship between production creativity and sales performance in the food and beverage industry?

How can KDD's management strategies be optimized to foster innovation and boost sales?

What are the challenges faced by KDD in integrating creative strategies into its production process, and how can these challenges be addressed?

1.5. Research Objectives

The primary objective of this research is to explore the impact of excellent management practices on production creativity and sales performance within KDD. The specific objectives are:

1. To examine the relationship between management excellence and creativity in production at KDD.
2. To assess how production creativity contributes to improving sales performance in the food and beverage industry.
3. To identify the key management practices that foster innovation in production processes.
4. To provide recommendations for improving KDD's management strategies to enhance both production creativity and sales growth.
5. To address the challenges of implementing creative management strategies in production and propose solutions to overcome them.

1.6. Research Hypotheses

The research model provides a visual representation of the relationships between the key variables in this study: management practices, production creativity, and sales performance. The model posits that excellent management practices lead to enhanced production creativity, which in turn boosts sales performance. The relationship between management practices and sales performance is both direct and indirect, mediated by production creativity.

1.7. Research Model

Proposed Research Model:

Management Excellence → Production Creativity → Sales Performance

The research model illustrates that management practices not only have a direct effect on sales performance but also foster a creative production environment, which subsequently contributes to improved sales.

1.8. Scope of The Study

The scope of this study is defined by its focus on the Kuwaiti Danish Dairy Company (KDD) within the broader context of the food and beverage industry in Kuwait. The study will examine the role of management practices in fostering production creativity and the impact of this creativity on sales performance. This research will be limited to KDD's operations in Kuwait, covering a specific period of analysis from 2021 to 2023, to assess recent trends and management strategies.

Key Aspects of the Study Scope:

- **Geographical Scope:** The research focuses on KDD's operations within Kuwait.
- **Industry Scope:** The study is limited to the food and beverage sector, with specific emphasis on dairy production.
- **Time Frame:** The analysis covers management and production activities from 2021 to 2023.
- **Participants:** The study will involve management staff, production teams, and sales personnel at KDD.
- **Variables:** The study focuses on three key variables: management excellence, production creativity, and sales performance.

By narrowing the study to KDD and its operations in Kuwait, the research will provide an in-depth understanding of how management practices in this specific context affect production creativity and sales outcomes.

1.9. The Project Structure

The project is organized into five main chapters, each addressing a specific aspect of the research:

Chapter 1: Introduction

This chapter introduces the research topic, outlining the research problem, significance, objectives, and hypotheses. It also defines the research model and the scope of the study.

Chapter 2: Literature Review

This chapter provides an in-depth review of existing literature on management practices, production creativity, and sales performance. It identifies key theoretical frameworks and gaps in the literature that the research aims to address.

Chapter 3: Research Methodology

This chapter describes the research design, including data collection methods, sampling techniques, and the statistical tools used for analysis. It also discusses the operational definitions of the research variables.

Chapter 4: Statistical Analysis and Findings Discussion

This chapter presents the results of the empirical data analysis, testing the research hypotheses and discussing the findings in relation to the literature review.

Chapter 5: Research Limitations, Recommendations, and Conclusion

This chapter outlines the limitations of the study, offers recommendations for KDD and similar companies, and concludes the research with key takeaways.

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Appendix

The following questionnaire will be used to assess the perceptions of management practices, production creativity, and sales performance among employees at KDD.

Sample Questions:

- **Management Practices:**

1. On a scale of 1 to 5, how effective is your current management in promoting innovative ideas within production processes?
2. How often does the management encourage team collaboration for creative solutions in production?

- **Production Creativity:**

1. How frequently does your team implement new methods or tools to improve production efficiency?
 2. Rate the level of creativity involved in the production processes on a scale of 1 to 5.
- **Sales Performance:**
 1. Over the last two years, how would you rate the correlation between innovative production techniques and sales growth?
 2. To what extent do you believe production creativity directly affects product sales at KDD?

• Table of Research Instruments

Variable	Research Instrument	Measurement Scale
Management Practices	Structured Questionnaire (Likert Scale 1-5)	Frequency of management encouragement for creativity
Production Creativity	Survey Questions (Likert Scale 1-5)	Frequency of creative solutions in production
Sales Performance	Company Sales Data & Employee Feedback	Year-over-year sales growth, perception of creativity's impact on sales