

Final Project 1

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Project title

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Table of Contents

1. Chapter 1: Introduction	3
1.1. Research Background.....	4
1.2. Research Problem.....	5
1.2.1. Theoretical Gaps	5
1.2.2. Practical Gaps	5
1.3. Research Significance	5
1.3.1. At the theoretical level	5
1.3.2. At the practical level	5
1.4. Research Questions	6
1.5. Research Objectives	6
1.6. Research Hypotheses.....	6
1.7. Research Model.....	6
1.8. Research Methodology.....	7
1.9. Scope of The Study	7
1.10. The Suggested Project Structure.....	7
2. Chapter 2: Literature Review	8
2.1. Introduction	9
2.2. The independent variable	9
2.3. The dependent variable	9
2.4. The relationship between the independent and the dependent variables	9
2.5. Conclusion.....	10
References.....	10

Project management practices to improve operational efficiency within the production lines of the Saudi Plastic Products Company (SAPPCO).

1. Chapter 1: Introduction

1.1. Research Background

Over the last few decades, the field of project management has evolved from being a basic administrative function to one of the most important strategic components used by many successful organizations. Today, projects are the way businesses operate; as such, Project Management provides an important tool that helps organizations increase their operational effectiveness by helping them achieve their organizational objectives within their industry (Kerzner, 2017).

As a result of the growing demand for plastics, all companies included in the Manufacturing Industry—especially in the plastics sector – need to apply new Management Tools within their organization that allow them to reduce costs while obtaining the highest level of Production Efficiency (Project Management Institute, 2021).

The plastic products sector is one of the significant segments within the manufacturing industry in the Kingdom of Saudi Arabia, serving both domestic and regional needs for a wide variety of plastic products (Ghaithan et al., 2021).

The Saudi Plastic Products Company (SAPPCO) is a major manufacturer of plastic products in Saudi Arabia, with production facilities in key industrial cities located in Riyadh and Dammam.

By implementing Project Management methodologies into the SAPPCO production lines, the company expects to see significant improvements with regards to overall operational success in the areas of 1) rigorous process planning; 2) mitigating and managing risk; 3) ensuring high-quality production; and 4) strategically allocating and utilizing organizational resources (Heagney, 2016).

The continued body of research demonstrates that organizations which utilize structured methodologies achieve a high level of Productivity and Quality as well as a Reduction in both Waste and Overhead Costs (Meredith & Mantel, 2017).

In this context, this research study will examine how the use of project management practices can enhance the Productivity of the SAPPCO production line.

1.2. Research Problem

The Saudi plastic manufacturing sector continues to experience an overall lack of standardization, leading to inefficient production lines and inconsistent finished product quality (Ghaithan et al., 2021; Abdulghaffar & Baatiyah, 2018), despite the industry rapidly growing over the last decade or so. To effectively deal with these challenges, it is critical to use consistent philosophies and approaches grounded in systematic, evidence-based management frameworks developed using established scientific principles (Kerzner, 2017; Project Management Institute, 2021), as opposed to relying on random problem-solving attempts for guidance.

1.2.1. Theoretical Gaps

Although there is an extensive amount of literature on project management (PM) applicable to other industrial sectors (including construction (Larson & Gray, 2021), information technology (Schwalbe, 2019), defense (Kendrick, 2015) , there is a relative dearth of scholarly research focusing on the development of systematic adaptations of PM practices for use within continuous production environments, especially within the Saudi plastic industry. While most existing theoretical models related to PM have been developed to be applicable to temporary projects (e.g., those having a clearly defined start and end date) (Project Management Institute, 2021; Meredith & Shafer, 2020), continuous production operations are inherently repetitious and on-going in nature.

Additionally, there is also no coherent conceptual framework that links discrete PM domains (e.g. detailed upfront planning, risk management, resource allocation) with continuous production operational output measures for the Saudi plastic sector. This lack of established connection between these theories and their application to continuous production environments limits researchers' ability to determine the causal mechanisms

whereby PM methodologies result in significant improvements in operational performance (Chow et al., 2021), as well as under what contextual conditions.

1.2.2. Practical Gaps

SAPPCO (Saudi Plastic Products Company) has identified four significant operational bottlenecks that directly impact their ability to achieve optimal levels of efficiency:

(1) planning deficiencies – a lack of time-oriented, integrated operational schedules for many of the production lines has created difficulties in ensuring on-time delivery and excessive amounts of overhead costs (Kuzmych et al., 2024; Ongbali et al., 2023). (2) a reactive risk management approach – the inability to identify and create preventive plans for potential identified areas of risk has resulted in unexpected downtime due to equipment failures or interruptions in the supply chain (Allende et al., 2023; Kuzmych et al., 2024). (3) inconsistent and variable quality control procedures – the lack of consistent protocols for maintaining acceptable levels of quality has resulted in increased levels of production waste; this is significant for SAPPCO as the target industry has many stricter compliance requirements for meeting technical specifications (Nguyen & Nguyen, 2023; Marlianda & Rukmana, 2024). (4) improper allocation of resources – SAPPCO has imbalances in the alignment of its employees and the allocation of material, which creates bottlenecks in certain areas of production while some areas are significantly underutilized (Calderon Osco et al., 2023; Allende et al., 2023).

The intersection of this theoretical gap (i.e., a lack of sufficient applicable theoretical frameworks for continuous production) and the existing operational bottlenecks at SAPPCO will require the implementation of a descriptive research study to fill the gap between existing theory and the practices of SAPPCO. To conclude, the primary research question is the following: what influence does the use of project management practices have on the optimization of production line efficiency at SAPPCO? The research will address the theoretical gap through the development of a unique conceptual model, while also addressing the above-mentioned operational bottlenecks.

1.3. Research Significance

This research is motivated by its focus on filling a gap in both the academic and practical spheres: the lack of strategic PM adaptation in continuously producing highvolume production environments, specifically within Saudi plastics manufacturing processes (Ghaithan et al., 2021). This multi-layered research study can be applied to both academic and practical aspects of the industrial environment.

1.3.1. At the theoretical level

From a theoretical perspective, this research contributes to the existing PM literature by developing a multidimensional PM framework that bridges the gap between traditional PM categories—such as planning, risk management, and quality assurance (Kerzner, 2017; Project Management Institute, 2021) and PM outcomes within manufacturing environments. Traditional PM literature typically considers these PM functions to be project-specific and sequential in nature (Meredith & Shafer, 2020), while the findings of this research integrate these functions into a single PM model capable of producing specific productivity metrics, such as minimizing production waste and improving delivery accuracy (Chow et al., 2021; Ongbali et al., 2023).

In addition, this research will address the existing construction-based bias that presently dominates PM literature within the region. Previous research has primarily focused on either service or infrastructure-based projects within Saudi Arabia (Larson & Gray, 2021; Schwalbe, 2019) and has failed to provide any research-based evidence for non-terminal project delivery systems, such as those associated with repetitive and high-volume production processes (Abdulghaffar & Baatiyah, 2018). This research shifts the focus of PM research from construction to the plastics industry and provides scholars with an empirical foundation to create theory that supports the unique characteristics of high-volume/repetitive production operations.

1.3.2. At the practical level

The practical application of this research will support SAPPCO and the greater industrial community via a range of strategic dimensions: Evidence-Based Diagnosing (vs. anecdotal): The findings provide SAPPCO with a well-structured evidence-based diagnostic tool that enables leadership to make a systematic diagnosis of current production practices (Ongbali et al., 2023). This systematic diagnostic tool will enable the distinction between systemic production strengths and operational vulnerabilities by using a clinical approach. Operational Bottleneck Mitigation: The research has advanced beyond theory by producing actionable solutions for the four major bottlenecks identified during the production cycle (Allende et al., 2023; Calderon Osco et al., 2023). These recommended refinements for each bottleneck are critical in enabling SAPPCO to maintain a competitive position in both the domestic and regional marketplace. Regional Scalability and Benchmarking: The methodologies developed within this study exhibit a high degree of external validity (Ghaithan et al., 2021). The findings will be used by

manufacturers throughout the GCC as a blueprint for building their own competitiveness through sustainable means. Strategic Alignment with National Goals: This research will provide a functional contribution to Saudi Vision 2030 by providing a mechanism to increase industrial throughput and operations efficiency (Kingdom of Saudi Arabia, 2016). Furthermore, the implementation of this study will assist Saudi Arabia in achieving its national economic diversification objective and, therefore, increase the contribution of the non-oil sector to the national GDP. Sophisticated Decision Support System: This research will establish a scientific basis for management decisions that previously have been made on an ad hoc basis (Kuzmych et al., 2024), thereby allowing senior management to evaluate each initiative against a common set of evidence-based criteria. To further enhance the decisionmaking process, SAPPCO will develop a decision model that applies the findings of this research using operational definitions of detailed product lines and corresponding operational definitions of products against the improved production cycle measurement systems. The resulting database would provide robust empirical evidence that enables each product line and corresponding product to be systematically ranked based on improvement opportunity.

1.4. Research Questions

The research will be conducted from one primary question with supporting sub-questions; all of which will be used to study the effect / interaction between project management, and production efficiency for the Saudi Plastic Products Company (SAPPCO).

The primary research question to what degree does the use of project management methods affect the production efficiencies of the Saudi Plastic Products Company (SAPPCO)?

Supporting research questions How does effective planning of projects contribute to production improvement for the Saudi Plastic Products Company (SAPPCO)?

How does the management of risk affect the reduction of wastage in production for the Saudi Plastic Products Company (SAPPCO)?

How does the control of quality contribute to product quality in the production of the Saudi Plastic Products Company (SAPPCO)?

How does the effective distribution of resources contribute to on-time delivery in the production of the Saudi Plastic Products Company (SAPPCO)?

What barriers are faced in the application of project management methods in the production of the Saudi Plastic Products Company (SAPPCO)?

What are the suggested recommendations for improving the application of project management methods in the production of the Saudi Plastic Products Company (SAPPCO)?

1.5. Research Objectives

The aim of this project is to set both scientific and real-life goals, based on research, that will allow for an improved understanding and use of Project Management as a means to improving production line efficiency in the SAPPCO Company.

Main Goal To assess the extent to which implementing project management principles within the Production Lines of SAPPCO will positively impact their operating efficiency.

Specific Goals To determine how effective planning of projects results in enhanced productivity (output quantity) for Production Lines at SAPPCO.

To evaluate whether the implementation of risk management practices leads to reduced waste (raw materials) within Production Lines at SAPPCO.

To analyze whether optimal allocation of resources (people and materials) results in a higher level of on-time delivery from the production lines at SAPPCO.

To develop practical recommendations for SAPPCO to increase the effectiveness of project management principles within their production lines.

To create a model which illustrates the relationship between the use of project management principles and production line efficiency indicators for the plastic products sector.

1.6. Research Hypotheses

- Drawing from established industry standards and academic research, this study is built on the belief that how we manage our projects directly dictates how well our production lines perform. Specifically, we are looking at how project management drives production efficiency (our result) at SAPPCO.
- Our Core Premise:
- We believe that by formalizing and improving our project management practices, we will see a measurable boost in SAPPCO's overall production efficiency.
- What We Are Testing:
- Planning & Productivity (H_1): We expect that better project planning will lead to a clear increase in total output. (Statistics tested at A smaller or equal 0.05).
- Risk & Waste (H_2): We are testing the idea that proactive risk management will significantly cut down on material waste. (Statistically tested at A smaller or equal 0.05).
- Quality Control (H_3): We believe that tighter quality oversight will directly result in a higher standard of finished products. (Statistically tested at A smaller or equal 0.05).
- Resources & Timing (H_4): We aim to prove that when we allocate our people and materials more effectively, we will hit our delivery deadlines more consistently. (Statistics tested at A smaller or equal 0.05).

1.7. Research Model

The relationship between the independent variables (Project Management Practices) and the dependent variables (Indicators of Production Efficiency) used in this research model, which uses the Saudi Plastic Company (SAPPCO) to study project management, will be represented by a conceptual framework for the purpose of explaining the various relationships between them. This model of research includes two fundamental parts:

Left-Hand Side: Independent Variables (Project Management Practices)

The independent variables are comprised of the following four dimensions of project management.

Planning: This dimension refers to the creation of operational plans, specifically clearly defining the project objectives and the timeframe for project completion as well as the types of resources that will require to complete the production of the product.

Risk Management: This dimension is the process of identifying potential risks associated with an activity or project, determining the likelihood that these risks will occur and their possible consequences if they do occur, and developing risk mitigation strategies, or plans, that will in the end reduce the adverse effects of the risk on the project's outcome.

Quality Control: This dimension includes defining the quality standards that must be met by each product, implementing rigorous inspection and testing procedures for each product, and monitoring the conformity of the manufactured product to the technical specification of the product.

Resource Allocation: This dimension encapsulates the optimal placement of human, material, and financial resources through various stages of production to optimize efficiency and effectiveness in the execution of those resources.

The Variables on the Right Side: Dependent Variables (Production Efficiency Metrics)

The dependent variables include four major metrics used to measure production efficiency:

Increasing Productivity: determined by the volume of output produced in relation to the time spent or resources expended.

Reduce Waste: minimize losses of raw materials due to scrap; reduce defective products and idle time.

Better Quality: determined by the percentage of products that meet standard specifications; decrease the number of customer complaints; increase customer satisfaction.

Timely Delivery: Determine the percentage of orders delivered on time; reduce delays in shipment.

1.8. Research Methodology

Research Approach - This study uses a quantitative and descriptive-analytical methodology, with the aim of describing and analysing the current practices of managing projects within SAPPCO's manning lines, as well as determining the statistical relationships between the independent and dependent variables.

Population and Sample - The entire population consists of all individuals with any Administrative, Supervisory, or Technical capacities at SAPPCO's four plants located in Riyadh and Dammam.

Sample – A stratified, random sampling of the entire survey population, representative of various levels of employment (i.e. management, supervisory, technical, clerical) across the different production sites, will used to select between (150 – 200) individuals, providing a population large enough to yield statistically valid and reliable information.

Data Collection Tools

Questionnaire (Primary Tool) – This tool will provide quantitative data collection through a 5-point Likert scale used to measure demographics, project management practices, and efficiency indicators.

Interviews – This tool will provide qualitative data collection through semi-structured interviews with managers and supervisors to gain detailed insight regarding the challenges and opportunities facing the organization.

Documentation - This tool will provide objective data to supplement the other data by reviewing official records (production reports, quality logs, and project plans).

Validity/Reliability

Validity – The Validity of the tools used in this study (Questionnaires, Interviews, and Documentation) are established by both Face Validity (expert validation) and Construct Validity (using Factor Analysis).

Reliability – To establish Reliability of the tools used in this study, Cronbach's Alpha Coefficient (with a minimum acceptable value of .70) is used to measure Reliability.

9.5 Data Analysis Techniques The data collected will be analyzed using SPSS (Statistical Package for the Social Sciences) as follows:

Descriptive Statistics: This will include the means, standard deviations, and percentages of characteristics of the sample.

Inferential Statistics: This includes the use of Pearson's correlation to identify strengths of relationships between variables, multiple regression analysis to measure effects of one variable on another and t-tests/ANOVA to compare groups.

9.7 Ethical Considerations The research will be carried out according to current established scientific ethical principles and will include informed consent of participants, ensuring participant anonymity and confidentiality, and that the data will not be used for any purpose other than academic purposes (no commercial uses).

1.9. Scope of The Study

General Information About Saudi Plastic Products Company (SAPPCO)
Saudi Plastic Products Company (SAPPCO) is the world's first manufacturer of plastic products in the Kingdom of Saudi Arabia and Arabian Gulf. SAPPCO has over 50 years' experience in plastic manufacturing.

Manufacturing Facilities SAPPCO operates a total of four strategically located production plants (Riyadh and Dammam) that provide a comprehensive distribution network for the surrounding local and regional market. Each production facility contains state-of-the-art production facilities using the latest technology for plastic manufacturing.

Primary Products Produced SAPPCO currently manufactures a wide variety of high-quality plastic pipe systems including;

uPVC (Unplasticized Polyvinyl Chloride) – Rigid plastic piping primarily used in plumbing and drain/ waste/ vent applications.

PE (Polyethylene) – Flexible piping that is extensively used for water distribution networks and irrigation systems.

CPVC (Chlorinated Polyvinyl Chloride) – Specially formulated to withstand elevated temperatures is used for the distribution of hot water.

Criteria for choosing SAPPCO as a case study:

- SAPPCO represents a benchmark or model of a major industrial company for the Kingdom; consequently, the findings of the research are likely applicable to other companies in the sector.

- The multiple and diverse nature of production line offerings provide a broad scope for the research project to explore how project management practices are implemented in different contexts within the company.

- The sheer size of the company has allowed it to benefit from the accumulation of knowledge and experience over its long time in business; therefore, studying the evolution of management and production practices is particularly beneficial.

- Because SAPPCO is a large contributor to the national economy, enhancing SAPPCO's efficiency can be strategically beneficial to the industrial development of Saudi Arabia.

1.10. The Suggested Project Structure

PHASE	KEY ACTIVITIES	DURATION
Phase I: Preparation and Planning	• Literature review and previous studies • Development of the theoretical framework • Design of research tools (Questionnaire and Interviews) • Obtaining official approvals from the company	2 Months
Phase II: Data Collection	• Distribution of questionnaires to the target sample • Conducting personal interviews • Collection of official documents and records • Data review and verification of completeness	2 Months
Phase III: Data Analysis	• Data entry into SPSS software • Conducting descriptive and inferential statistical analyses • Hypothesis testing • Interpretation of results	2 Months
Phase IV: Final Report Writing	• Writing theoretical chapters • Presentation of results and discussion • Formulation of recommendations and suggestions • Final review and proofreading	2 Months

2.Chapter 2: Literature Review

2.1. Introduction

Brief introduction for the chapter

2.2. The independent variable

2.3. The dependent variable

2.4. The relationship between the independent and the dependent variables

2.5. Conclusion

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