

## ABSTRACT

This research study concentrated on evaluating the factors affecting inventory management practices in private business organization. Additionally it addresses the way to overcome those factors affecting inventory management practices in Banana Investment Limited (BIL) at Arusha region in Tanzania.

The study recognizes the importance of having a good and systematic ways of enhancing inventory management practices in private business organization and how they can be applied to improve effectiveness and efficiency. The objective of the study looked upon factors affecting inventory management practices in private business organization. In order to achieve the major objective of this study, two research questions were set and answered, where primary data was collected by using qualitative research method and analysis done using contextual analysis.

The findings of the study revealed that low qualification, lack of proper training, low uptake of technology, poor work ethics and poor stock documentation were among factors affecting inventory management practices in Banana Investment Limited. In addition lack of comprehensive policy within the organization has contributed to inefficiencies in inventory management practices.

Through this study, a number of recommendation were suggested to improve inventory management practices in Banana Investment Limited which include sponsoring employees with low qualifications to go back to school with purpose of upgrade their skills and qualification, enhancing security surveillance through installation CCTV cameras and electric fences around the premises, creation of clear policy on inventory management, computerizing documentation system and outsourcing recruitment activities .

