



# “IMPACT OF SCM PRACTICES ON ORGANIZATIONAL PERFORMANCE OF TEXTILE INDUSTRY”

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## Abstract:

One of the most vibrant and ancient industries in the world economy, the textile sector faces many obstacles to expansion and competitiveness. Effective SCM procedures are now essential for maintaining competitive advantage and improving performance due to the dynamic nature of the global textile market and growing competition. Effective supply chain management (SCM) techniques have become increasingly important in determining how well an organization performs in a variety of industries, including the textiles sector. The purpose of this study is to look into how SCM methods affect the textile industry's organizational performance.

## Keywords:

Supply Chain Management Practices  
SCMP  
Textile Industry  
Organisational Performance.

## Introduction:

In order to investigate supply chain management (SCM) procedures in the textile industry, this study uses a mixed-methods approach. Structured surveys will be used to collect quantitative data on supply chain management (SCM) topics such as information exchange, inventory control, supplier relationship management, and logistics optimization. The purpose of these surveys is to evaluate the extent to which certain practices are implemented and adopted within the sampled organizations. In addition to the quantitative results, qualitative perspectives will be obtained to further explore the obstacles, prospects, and tactics related to supply chain management (SCM) integration in the textile industry. Furthermore, qualitative investigation will clarify perceived effects on the functioning of the organization. Through the integration of quantitative and qualitative methodologies, this research aims to offer a thorough comprehension of supply chain management dynamics within the textile sector, supplying significant insights.

**Literature review:**

**Thi Thu hien phan, Xuan Toan Doan, Thi Thanh Tam Nguyen | The impact of supply chain practices on performance through supply chain integration in textile and garment industry of Vietnam | Quarterly Publication Volume 8 Issue 1 pp. 175-186 , 2020 |** In the relationship between supply chain management practices (SCMP) and supply chain performance (SCP), this research aims to assess the intermediary role of SCI and, concurrently, investigate the regulatory role of firm size and transformational leadership. The study, which looked at 536 textile and apparel companies in Vietnam, revealed that SCI played the entire role of an intermediate in the interaction between SCMP and SCP. Furthermore, there is a statistically significant regulatory function for both size and transformational leadership in the links between SCMP and SCI and between SCMP and SCP. As a result, it is advised that businesses properly adopt SCMP to increase the efficacy of SCI and SCMP, supporting sustainable development and guaranteeing requirements of the global supply chain.

**Suhong li, Bhanu Ragu-Nathan, T.S. Ragu-Nathan, S. Subba Rao | The impact of supply chain management practices on competitive advantage and organizational performance | Omega Volume 34, Issue 2, April 2006 |** Since supply chains now compete with one another rather than with companies, effective supply chain management (SCM) has emerged as a potentially useful strategy for gaining a competitive edge and enhancing organizational performance. The relationships between SCM practices, competitive advantage, and organizational performance are tested in this study, which also conceptualizes and develops the five dimensions of SCM practice (strategic supplier partnership, customer relationship, level of information sharing, quality of information sharing, and postponement). Structural equation modeling was utilized to test the linkages provided in the framework based on data obtained from 196 companies. The findings suggest that increased organizational performance and a stronger competitive advantage can arise from higher SCM practice levels.

**Shrikant Gorane, Ravi Kant | Supply chain practices and organizational performance: An empirical investigation of Indian manufacturing organizations | The International Journal of Logistics Management ISSN: 0957-4093 Article publication date: 13 February 2017 |** In the context of Indian manufacturing organizations, the aim of this paper is to empirically test a framework that identifies the relationships between various supply chain practices (SCPs) and organizational performance (operational performance (OP), customer satisfaction, and financial performance).

**Debadyuti Das | The impact of Sustainable Supply Chain Management practices on firm performance: Lessons from Indian organizations | Journal of Cleaner Production Volume 203, 1 December 2018|** The goal of this work is to better understand how manufacturing and process-oriented companies in India are implementing sustainable supply chain management techniques, and how this is affecting business performance across the board in terms of sustainability. The present study encompasses Sustainable Supply Chain Management practices, which are classified as exogenous variables. These practices include Environmental Management Practices, Socially Inclusive Practices for Employees, Socially Inclusive Practices for Community, Operations Practices, and Supply Chain Integration. Five categories of firm performance—environmental performance, employee-centered social performance, community-centered social performance, operations performance, and competitiveness—were taken into consideration in this study and were thought to be endogenous variables. Using the natural logarithm of manpower as a control variable, structural equation modeling was used to conduct the analysis.

**Muhammad Farhan Basheer, Mohammed R A Siam, Abdullah Mohammed Awn, Saira Ghulam Hassan | Exploring the role of TQM and supply chain practices for firm supply performance in the presence of information technology capabilities and supply chain technology adoption: A case of textile firms in Pakistan | Quarterly Publication Volume 7 Issue 2 pp.275-288, 2019 |** This paper's main goal is to look at the connections between firm supply performance, supply chain technology adoption, information technology capabilities, total quality management practices (TQMP), and supply chain management practices (SCMP). Furthermore, the study aims to explore the mediating function of supply chain technology adoption

and information technology capabilities in the interaction between TQMP, SCMP, and company supply performance. The study is conducted on a sample of Pakistani textile companies. Smart PLS-3 is utilized for the analysis of the data collected from Pakistani textile companies in order to meet the research purpose. There is a strong correlation between the study's findings and the predicted outcomes.

**Gill, Atif Ali and Shahzad, Arfan and Ramalu, Subramaniam Sri and Iqbal, Faisal and Ashraf, Iqra (2019) | Influence of Green Supply Chain Management Practices on Operational Performance: An Empirical Study amongst Pakistani Textile Manufacturers | Journal of Business Management and Accounting (JBMA), 9 (1). pp. 55-72. ISSN 2231-9298** | The current study aims to examine the impact of environmentally conscious supply chain management strategies on the operational efficiency of Pakistan's textile manufacturing sector. Three primary factors that influence green supply chain management practices were examined in the study: eco-design, green purchasing, and customer collaboration on environmental issues. A sample of 152 textile manufacturing companies was included in the study. With the use of a legitimate and trustworthy questionnaire, the data was gathered via survey methodology. With the help of Smart PLS software version 3.0, statistical analysis was carried out utilizing the partial least square structural equation modeling technique. Several regression analysis techniques were used to examine the hypotheses. Empirical results show that green practices—eco-design and environmental cooperation with clients—have a significant impact on the improved operational performance of textile manufacturing companies.

#### **Problem Statement:**

"Assessing how effective strategies integrated into Supply Chain Management practices influence key performance indicators such as cost efficiency, customer satisfaction, and sustainability within the textile industry, with the aim of optimizing operational processes and enhancing competitive advantage." This study aims to address research questions by identifying and analysing such key factors.

#### **Research methodology:**

The data is collected from two sources i.e. Primary and Secondary data source.

**Primary Data Source:** Primary data has collected from employees of the organization.

**Secondary Data Source:** Secondary data is collected from company documents, Company website, Journal's, publications and book, magazines.

#### **RESEARCH DESIGN:**

A descriptive research design is being employed to provide an in-depth overview and focus on delineating the features. The research design for this study is quantitative in nature, & is for to find and make analysis of technologies, sustainability and ethical practices to enhance supply chain management practices of the textile industry.

#### **Research Objective:**

- To Identify the Supply Chain Management practices followed by Textile industry.
- To explore relationship between Supply chain practices and Organisational Performance
- To identify any direct correlations between supply chain management efficiency and organizational performances metrics (cost efficiency, cost reduction etc.).

#### **DATA COLLECTION METHOD:**

Primary data is collected through a survey questionnaire. the question is asked relevantly and according to topic of research to collect qualitative as well as quantitative information a structured questionnaire is employed.

**POPULATION:**

This research aims to investigate the demographic of users who are within the industry or somehow know about the industry.

**SAMPLING METHOD:**

Simple random sampling methods will be used for this research.

**SAMPLING FRAME:**

The sampling frame for this research includes employees within the industry, and different textile industry, and some sourced from census data.

**DATA COLLECTION INSTRUMENT:**

A structured questionnaire is used as a data collection instrument for gathering qualitative and quantitative insights.

**HYPOTHESIS****Null Hypothesis H0:**

There is a significant positive relationship between SCM practices and organizational performance in the textile industry.

**Alternative Hypothesis H1:**

There is no significant relationship between SCM practices and organizational performance in the textile industry.

**Null Hypothesis H0:**

SCM practices positively impact customer satisfaction in the textile industry.

**Alternative Hypothesis H1:**

There is no association between SCM practices and customer satisfaction in the textile industry.

**Primary Data Source:** Primary data has collected from employees of the organization.

1. Interviews: By interviewing the manager and the employees, essential data should be collected and the function of their system is easily understood.
2. Observation: By observing the working of manager as well as employees of the company.
3. Questionnaire: A questionnaire was prepared and fills up form employees.

**Secondary Data Source:** Secondary data is collected from company documents, Company website, Journal's, publications and book, magazines.

Random sample

- The samples included 100 respondents
- The data collected in form of questionnaire

**DATA ANALYSIS:****Just-in-time inventory:**

**H0:** just-in-time inventory employs in the textile industry.

**H1:** just-in-time inventory do not employ in textile industry

Here among the various practices like lean manufacturing, just-in-time inventory, outsourcing, the percentage of just-in-time inventory have employed 41.7%. Therefore, null hypothesis is accepted, hence just-in-time inventory employs in the textile industry.

**Correlation between SCM and organizational performance:**

**H0:** there is direct correlation between supply chain management efficiency and organizational performance.

**H1:** there is no direct correlation between supply chain management efficiency and organizational performance.

Here, 50% respondent believe that there is direct correlations. Therefore, null hypothesis is accepted, hence there is direct correlation between supply chain management efficiency and organizational performance.

## Warehouse Management System(WMS)

**H0:** WMS technologies used to enhance supply chain management practices in the textile industry.

**H1:** WMS technologies is not used to enhance supply chain management practices in the textile industry.

Here, 75% of the respondent believes that WMS technologies is essential. Therefore, null hypothesis is accepted, hence WMS technologies is used to enhance supply chain management practices in the textile industry.

**H0:** There is significant relationship between Supply chain practices and Organisational Performance

**H1:** There is no significant relationship between Supply chain practices and Organisational Performance.

Here, 61.3% of the respondent believes there is significant relationship. Therefore, null hypothesis is accepted, hence there is significant relationship between Supply chain practices and Organisational Performance.

### Findings:

Further advancement Production network Perceivability: Expanded production network perceivability might be prompted by conducting SCM rehearsals in the material industry. This enables businesses to track their products from raw materials to finished goods, improving inventory control and reducing lead times.

Cost Reduction: SCM techniques like lean manufacturing and effective inventory control can help material companies reduce their operating costs. Through process optimization and asset modernization, firms can achieve cost containment and improve overall performance.

Manageable Works on: There is a discernible impact on hierarchical execution from conducting appropriate SCM drills in the relevant company. Through reducing waste, promoting ethical procurement, and using green assembly practices, companies can enhance their reputation and attract environmentally conscious customers.

Enhanced customer loyalty: SCM best practices that are successful may help material firms better meet the demands of their clients. Businesses may increase customer loyalty and devotion by enhancing request fulfillment, cutting lead times, and ensuring item quality.

### Conclusion:

The results indicate that supply chain practices of strategic supplier partnership, customer relationships, Information sharing among partners, as well as Outsourcing activities are significantly influencing Organisational performance. Outsourcing activities are highly influencing on financial performance because they help to organisation for reducing cost either by outsourcing some activities or by keeping partnership with raw material suppliers and availing immediate services as and when required so reduce inventory cost as well as getting benefit of discount in price.

In short, major supply chain practices are highly as well as positively influencing the organisational Performance. Majority of the respondents believe that they are managing their supply chain successfully; however they are facing some serious problems regarding the late delivery by the suppliers, missing of the goods in the warehouse, loading goods in the wrong truck, receiving in correct goods. Hence they need to adopt the better Supply Chain Management practices to overcome the frequently problems faced by them and improve organisational performance as well.

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