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STRATEGIC MANAGEMENT UNDERSTANDING IN THE TEXTILE SECTOR

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ABSTRACT

The aim of this research includes what are the views of textile firms operating in Denizli Province about strategic management problems, at what organizational level the strategic management decisions are made and what are the strategic objectives. In addition, this study is important in raising awareness by recalling the importance of strategic management in the textile sector. The textile sector which holds an important place in the economy of Denizli. Textile production and sales have always been put at the top for Denizli's economic structure and it will continue to be an economic requirement in the near future for Denizli. Within the scope of this study, a questionnaire on their perception of strategic management was applied to 320, 45 percent of about 700 all-size textile firms operating in Denizli. The study concluded that most of the companies are family owned, their strategic plans are set by senior managers and business owners, strategic plans are usually generated during the project, and the opinion "if the competitors change, one should change too" is widespread. And it was also seen that the majority of the managers involved in the study exhibited a positive participation in the statements on the strategic process..

1. Introduction

Companies have been becoming harder and harder to survive and thrive in the current economic world and changing environmental conditions. A need exists now to take advantage of the opportunities and compete with global competition to be able to gain a share of world trade in a global market in

addition to struggling with the impact of operations carried on either domestically or in a multi-boundary international environment. The strategies to be built by small businesses in today's global economy are highly critical for them to thrive and deliver competitive advantage. Strategic management, which is a must for business, is more of a must for companies to use the required methods to thrive and provide the most reliable service; balance supply and demand; increase their profits; have the competitive edge on the market; make long-term strategic decisions; make future decisions in line with their task, vision, strategy and goals [1], [2]. In the face of rapid change, it should first recognize the challenges for a company's success and create sustainable solutions to those issues through strategic approaches. The strategic management of which importance has grown especially since the 1980s has further necessitated inter-consistent strategic approaches for businesses to respond to recent changes and developments, becoming an important force.

The Customs Association Agreement, Turkey's entry into foreign markets and foreign capital, increasing domestic competition, market diversification and crises across the country have increased the importance of carefully and accurately selecting strategies for small or large business. Strategy is a strategic tool in an economic environment focused on competition that keeps the changes under control, mainly providing creativity, growth and continuous adaptation of the company to the environment or its reciprocal adaptation with the environment.

The most important source of income for Denizli, placed among the top ten in the list of developed provinces, is textile production [3]–[5]. The textile industry with a 2200-year background has an employment rate of about 30 per cent across all industries. Fifty per cent of Denizli's export revenues come from textile products. This suggests that, in the near future, textile will remain an economic necessity for Denizli. In this sense it is seen how important the concept of strategic management is to textile companies. This study was conducted to build awareness by highlighting the importance of strategic management and defining the strategic management approach of the textile firms operating in the province of Denizli in the presence of textile firms specialized in textile products and developed with their local dynamics and capacities.

2. Literature review

1. Strategic Management:

The term "strategy" derived from "strategy," meaning the art and science of war in Greek, was used in Ancient Greece for the meanings of president, ruler and general. Throughout the military literature, the word strategy has been described as achieving the victory by using the current resources in the most effective and economical manner with minimal loss, cost and harm. The word strategy was seen as a perspective for controlling and shaping the market forces in the 19th century; it began to be used frequently in the business area in the 20th century and has been considered to date within the scope of competitiveness. According to Drucker, the meaning of the strategy is to consider the mission of a job with all its aspects and to ensure that the decisions

previously taken give the future results in line with the specified goals, asking the question "What is our job and what should it be?" Chandler defined the strategy as identifying the long-term goals and objectives, achieving those goals and allocating the targets [6]–[8].

Kenneth Andrews et al. (1965) merged Drucker's and Chandler's views with theirs: Strategy is an example of both priorities and objectives, and the strategy and policies for achieving those goals. It determines what the work is and what it should be, what it is and how it should be. Strategy is the collection of rules and strategies according to another concept that will allow the company that has to work in a changing world to achieve its goals with minimal harm. Jeffs described strategic management as "the strategy mechanism for identifying and reviewing organizational objectives." At a time when the competitive advantage is at the forefront, strategy is defined as the means and main functions that a firm tries to achieve its strategic goals with its resources and skills with the intention of gaining the competitive advantage to guarantee the company's long-term development. An organization which gains and maintains competitive dominance will be possible with the creation and implementation of a strategy that distinguishes it from its competitors. Strategy should be tackled as a way to deliver both environmental and social performance and economic performance to the firm.

Companies tend to have a strategic edge in meeting their goals. The way the competitive advantage can be gained and made constant is not to have a strategy but strategic management. Strategic management can be characterized as the decisions of management and a cluster of actions that decide long-term success of a firm. For long-term strategies and projects, administrators need to be able to predict the future and articulate their priorities transparently. From another point of view, strategic management is the body of decisions and activities for the development, application and control of effective strategies after evaluation of the results. In this context, the strategic management process may be thought of as a particular method of decision-making or problem-solving [3], [9]–[11]. Strategic management therefore exists in a systematic manner at the planning, implementation and assessment stages. The cycle starts by identifying the goals and establishing effective strategies. This is followed by applying these techniques and monitoring and evaluating the results.

3. Methodology

1. Research Goal:

The aim of this research includes what are the views of textile firms operating in Denizli Province about strategic management problems, at what organizational level the strategic management decisions are made and what are the strategic objectives. This study also aimed to remind textile firms of the value of generally unknown strategic management and building awareness.

2. Sample and Data Collection:

This study was carried out on the textile companies that operate in Denizli. The questionnaire method has been used to gather the data needed for the analysis. In the process of designing the questionnaire, Dinçer and Tatoğlu 's work on

"Strategy Developing Processes and Implementation in Enterprises Working in Turkey" and the sources entitled "Work on the Assessment of Strategic Management Activities in Enterprises" and "The Relationship between Strategic Management Extensiveness, Strategic Needs and Manager Characteristics" Questions are about research studies on companies and business executives, strategic strategy, strategic target and transition, management strategic management operation. Of the approximately 700 textile firms in Denizli, 320, 45 percent were reached and the questionnaire was used. For the study 320 questionnaires were analysed and the required analysis was carried out with the SPSS software package.

3. Analyses and Results:

In this section of the study, business findings, demographic findings on business managers, strategic plan, strategic goal, transformation, and strategic management process approaches and outcomes are investigated. This research is about understanding of strategic management and managers were thought to be able to provide answers about their approaches and strategic management.

4. Findings on the Businesses:

When the results on the businesses, 21 (6.6%) of them constitute the micro-business community employing 1-9 employees; 57 (17.8%) of them constitute the small business community employing 10-49 workers as can be inferred in Table 1, approximately half, 151 of the businesses are medium sized enterprises (47.2%) employing 50-249 employees. The number of major corporations with 250 and above employees is 91 (28.4 per cent). It is seen that most of the companies that took part in the research are medium-sized enterprises. While 213 (66.6%) are managed by family members, 84 (26.3%) are managed by non-family partners, and 23 (7.2%) are managed by the professional managers. And 222 enterprises (69.4 percent) export goods and 98 enterprises (30.6 percent) export goods not. It is shown that the bulk of the businesses are run by family members and export products.

Table 1. Demographic Findings on the Businesses

Number of Personnel	n%	Managerial Structure	n%	n%	Managerial Structure
1-9	21	6.6	Family members	21	6.6
10-49	57	17.8	Non-family partners	57	17.8
50-249	151	47.2	Professional manager	151	47.2
250 and above	91	28.4	Status of Exporting	91	28.4
			Exporting		
			Not Exporting		
Total	320	100	Total	320	100

When the demographic information about the managers took part in the research, it is seen that the majority is males with 227 (70.9 per cent), the number of females is 93 (29.1 per cent) and fewer females are employed in top management. It was found that 217 (67.8%) of the participants are married, of which 88 (27.5%) are single. It was also observed that 104 (32.5 percent) are in the 21-30 age group; 139 (43.4 percent) are in the 31-40 age group, and 76 percent of all participants are in that group. 26 (8.1%) are first-level managers, 116 (36.3%) are middle-level managers and 178 (55.6%) are high-level managers. When the educational background of the managers involved in the research is examined, 90 (28.1 percent) of them are high school graduates or equivalents, 136 (42.5 percent) are undergraduates, 51 (15.9 percent) are postgraduates, 7 (2.2 percent) are doctorates, and as a result about 60 percent are undergraduates and postgraduates. It is known that the managers who filled out the questionnaire have very high educational standards. For the participants' management experience, 82 (25.6 percent) of them have 1-3 years' experience; 96 (30 percent) 4-6 years' experience; 54 (16.9%) aged 7-9; and 71 (22.2%) aged 10 years and above.

When analysing the period the participants served in the company, it was noticed in table 2 that 70 (21.9%) served there for 1-3 years; 83 (25.9%) for 4-6 years; 68 (21.3%) for 7-10 years; and 84 (26.3%) for 10 years and above. For the participants' overall job experience, 69 (21.6%) of them have 1-5 years' experience; 97 (30.3%) 6-10 years; 89 (27.8%) aged 11-20; and 65 (20.3%) aged 21 and above.

Table 2. Demographic Findings on the Business Managers

Gender	n%	Marital Status	n%	Gender	n%
Male	227	70.9	Married	Male	227
Female	93	29.1	Single	Female	93
Age	n%	Divorced	15	Age	n%
21-30	104	32.5	Administrative Level in the Business	21-30	104
31-40	139	43.4	Lower level manager	31-40	139
41-50	63	19.7	Medium level manager	41-50	63
51 and above	14	4.4	Top manager	51 and above	14

Educational Background	n%	Time Served in the Business	n%	Educational Background	n%
Primary	36	11.3	Less than 1 year	Primary	36
High School or equivalent	90	28.1	1-3 years	High School or equivalent	90
Undergraduate	136	42.5	4-6 years	Undergraduate	136
Postgraduate	51	15.9	7-10 years	Postgraduate	51
Doctorate	7	2.2	10 years and above	Doctorate	7

Management Experience	n%	Total Time Served	n%	Management Experience	n%
Less than 1 year	17	5.3	1-5 years	Less than 1 year	17
1-3	82	25.6	6-10 years	1-3	82
4-6	96	30.0	11-20 years	4-6	96
7-9	54	16.9	21 years and above	7-9	54
10 years and above	71	22.2		10 years and above	71
Total	320	100	Total	Total	320

It was found that 124 (38.8%) of the companies participating in the research do not have a strategic plan, 96 (30%) of them have one for 1 year or less; 70 (21.9%) for 2-4 years; 18 (5.6%) for 5 years and only 12 (3.8%) for 5 years or more. As for the respondents to the strategic business plan, 101 (31.6%) of them are top managers; 69 (21.6%) are board members; 93 (29.1%) are company owners; 12 (3.8%) are non-professionals; and 32 (10%) are from functional units. Company owners, board leaders and top executives (82 per cent) make the greatest contribution to the planning of strategic business strategies. 64 (20 percent) businesses reported that they fully applied the plan for the application of the strategic plans in the businesses; 60 (18.8 percent) of them reported that they revised it during the operation; 159 (49.7 percent) reported that they had prepared it during the operation; and 37 (11.6 percent) reported that the plan had not been implemented. Looking at the Top Management meeting frequency for the strategic decision, it was found that 52 (16.3%) of businesses meet every day; 73 (22.8%) meet once a week; 36 (11.3%) meet every two weeks; 104 (32.5%) meet once a month; and 55 (17.2%) meet once in three months or more. It is shown that 50 per cent of companies meet for strategic decisions once in more than a month.

Looking at the strategic goals of the companies, it is seen that 96 (30 per cent) of the businesses aimed at raising market share; 71 (22.2 per cent) aimed at creating new products; 106 (33.1 per cent) aimed at entering new markets; 35 (10.9 per cent) aimed at preserving the status quo; and 12 (3.8 per cent) aimed at minimizing and implementing economic strategies. When analysing the transition experiences of the executives, it is understood that about 72 percent of the companies consider that shifting before the rivals do is more beneficial. In terms of the managers' educational levels that make up this group and appear to be open to the transformation, it has been observed that they are undergraduates or postgraduates, and those managers are under 40 years old. With regard to the strategic target of growing market share, the most favoured strategy (45 per cent) is the differentiation strategy and the remainder are cost leadership and concentrating strategies. With regard to the strategic objective of producing new products and/or entering new markets, innovation was preferred at a rate of 50%, the associated diversification strategies were preferred at a rate of 10% and the unrelated diversification strategy remained at 10%. The slow growth strategy was favoured at a rate of 63 percent for the strategic goal of preserving the status quo and the benefit and mixing approach was favoured at a rate of 33 percent. It was also observed that the majority (77 percent) of the companies that answered the question preferred the withdrawal strategy for the strategic goal of downsizing and practicing economy or exiting the market, only the 23 percent adopted the liquidation strategy.

5. Strategic Management Processes of Businesses:

When one looks at the responses related to corporate strategic management processes, 86 percent of business managers indicated that they provided missions and visions. Although 82 percent of managers thought their companies had shared priorities and objectives, and the strategic priorities were written down with the top managers' agreement, 20 percent disagreed or remained reluctant about that. Furthermore, the rate of those who thought their strategic objectives were numerical and measurable is 88%. Although 70% of managers thought the opportunities and risks are studied when deciding business plans, 30% disagreed or remained uncertain about it. Moreover, the percentage of those who thought competitors' activities were examined when deciding market strategies was 67 percent, about 33 percent disagreed or remained reluctant about this 78 percent of managers reported that business weaknesses and strengths were identified in determining business strategies, 22 percent of them disagreed or hesitated.

The percentage of managers who reported selecting the correct among the alternative strategies is 87 percent, which is significant. While 83 percent of managers believed that related plans and budgets were established after the business strategies were determined, 85 percent of those who thought the results and effectiveness of the strategies were applied.

4. Conclusion

The textile sector that has an important place within Denizli's economy and the firms operating in this area were examined within the scope of the study. Textile production and sales for the economic structure in Denizli and the

vicinity have always been placed on top. With its 30 percent employment share and 50 percent export share across all sectors, this importance will clearly continue in the future. In this sense, it is obvious that strategic management is crucial to textile firms. This study is critical because the value of generating widely unknown strategic management and knowledge is being recalled to textile firms. Throughout the analysis it was found that the strategic management and related principles were not well understood and the questions were answered accordingly. As a result, 30 per cent of managers stated their strategic plans to be 1-year long

It was observed that 69 per cent of business managers and managers who reported that they did not have strategic plans were unaware of the strategic plan and/or less than 1 year confused with the strategic plan. Furthermore, it is understood that at the management level the textile firms in Denizli hire less women than in general employment, and the number of female entrepreneurs is small. In terms of strategic plans being prepared by top managers and business owners, the fact that during the implementation of strategic plans professionals are not consulted enough and the functional units are not requested for advice poses the risk of disadvantages in the application of strategies.

Parallel to business managers' high educational level and young ages, it was observed they are open to change and rivalry. In accordance with these characteristics, as expected in the literature, it was shown that Denizli's textile firms generally favour growth strategies. It can be inferred from the fact that, as previously perceived in the literature, few companies favour downsizing strategies that prejudice textile firms in Denizli against downsizing strategies. Based on the distribution of growth strategies, it was seen that the enterprises had the strategic goals of entering new markets, growing the existing market shares and developing new goods, respectively. The entrance into new markets is correlated with believing in the necessity of renewing marketing strategies and the need for recognition as well as the motivation for achievement and the priority given to incentives, as the most favoured strategic goal.

It was found that companies with the strategic goal of increasing market share tend to prefer the differentiation strategy; those with the strategic goal of entering new markets tend to prefer innovativeness and related diversification strategies; and those with the goal of maintaining the status quo tend to prefer slow growth strategies. It is also shown that the businesses appear to formulate business plans without evaluating the opportunities and risks around the competitors and their activities when deciding their strategies. It is a contradiction to other statements that the majority agree with the statements presented to the managers about the strategic management process, thinking that the fact that statements relating to strategic management are not available in the business will create a perception of deficiency. The fact that business managers made conflicting preferences with each other, provoked the impression that they did not deliberately make those preferences. It can be concluded from the study that companies should include functional units in the preparation of strategic plans and receive the support of professionals, that reduction strategies can yield positive results in order to eliminate negative

prejudices against downsizing strategies, opportunities and threats around them and the operations of the competitors

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