

The impact of different dimensions of risk on supply chain performance in textile industry of Pakistan

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It is certified that the research work contained in the thesis “THE IMPACT OF DIFFERENT DIMENSIONS OF RISK ON SUPPLY CHAIN PERFORMANCE IN TEXTILE INDUSTRY OF PAKISTAN” has been conducted under my supervision to my satisfaction by Mr. Abdul WahabQadeer ID # 14010087006, of Master of Science in Supply Chain Management program.

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**“THE IMPACT OF DIFFERENT DIMENSIONS OF RISK ON SUPPLY
CHAIN PERFORMANCE IN TEXTILE INDUSTRY OF PAKISTAN”**

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Declaration

I Abdul WahabQadeer ID #. 14010087006 Session 2014-2016 hereby certify that this thesis is being submitted in partial fulfillment of the requirements for the Master of Science degree in Supply Chain Management.

This thesis is my original work, and the data/material presented herein has not been used for the acquisition of any other degree from any institution.

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This Thesis is dedicated to “My Parents”

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ABSTRACT

Textile Industries around the world are progressing by leap and bound. For the progress of any country's economy it is very important to have such types of industries in the country to process its resources into the finished product. Pakistan is agricultural economy and cotton is one of its major crops and there are over 6000 textile industries currently working in Pakistan. This research highlights some of the critical risks which can affect any company in Pakistan. By ignoring these risks during the current period of time, a company can incur huge losses which cannot be recovered even after decades, since the global competition is at its peak and every country is striving to get more global market share. It is important to have the knowledge about these risk when developing business strategy.

A model is developed of different dimensions of risks and the supply chain performance. The risks involved in the model are demand side risks, supply side risks, infrastructural risks and macro risks. To measure the impact of these risks on Supply Chain Performance, one controllable variable was included i.e. risk management. Based on this model which is adopted from the literature, four hypotheses were developed. Quantitative research strategies were followed along with cross sectional data. One hundred and fifty four responses were collected from the textile industry of Pakistan, out of which only one hundred and thirty five are selected. OLS is used to measure their impact on Supply Chain Performance. After the analysis of the data, only one hypothesis was supported. In the end, discussion based reasons are given which support the results presented in the research.

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1 Introduction

- 1.1 In the 21st century, when the textile industry touches its new heights, the determined managers accept the challenge of connecting it throughout the world. This initiative was not an easy task. It has new challenges; it was cleverly done by finding new markets around the globe and reaching them one after the other. Textile businesses mostly rely on exports and are less interested to get involved in the national market. In case some crises hit the global market, they will be greatly affected and suffer great loss. After studying the textile business, it was found that textile faces various risks e.g. economic, reputation, resources, operations, environmental, market, policy, managerial and financial risks: These risks can be turned into opportunities if the firms are well prepared (Bates, Filippini, Lai, & Lau, 2012)**