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

School Of Business and Economics

Submitted to

Dr. Tashfeen Azhar

By

Abdul Wahab Qadeer

14010087006

Master of Science: Supply Chain Management

University of Management and Technology (UMT)

Research Completion Certificate

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.

Signature _____

Date _____

Supervisor's Name _____

The Thesis Title

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

By

Mr. Abdul WahabQadeer

ID # 14010087006

has been examined by the undersigned panel of examiners and has received full approval for the acceptance in partial fulfillment for the degree of

MS Supply Chain Management

Dated this _____

School of Business and Economics

University of Management and Technology

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.

The Similarity Index is below permissibly limit.

Researcher Signature_____

Date_____

Researcher (Name)_____

Confirmed by

Supervisor's Signature_____

This Thesis is dedicated to “My Parents”

Acknowledgement

I would like to express my profound gratitude to Almighty Allah with Whose Blessing I am able to complete my thesis. I am honored and fortunate to be guided by an esteemed team of instructors. Their support, expertise, and guidance throughout the whole process of my research were a blessing. Their mentorship has helped me learn beyond conducting research and writing my thesis.

I thank my supervisor Dr. Tashfeen Mahmood Azhar and Professor: Ijazyousf for their confidence in my capacity as a researcher, and for supporting me especially during the times when I most needed it. My thesis would never have achieved current structure without their guidance.

Special thanks to Professor: Asher Ramesh and Professor: Haris Aslam for his invaluable, selfless and continue support during my stay in university. I am also grateful to operations and Supply Chain Department and Centre for Graduate Research (CGR) for their support.

I am grateful to my classmates for their support, Special thanks to Mr. Farad Ali and Adnan Afzal for his efforts in building liaison with the industry professionals who eventually became the respondents of this study.

Finally and the most importantly, I would like to thank my parents and brother without whom none of my successes would have been possible. I feel short of words with which to express my gratitude for their support.

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 resourcesinto 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 duringthe currentperiod 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 knowledgeaboutthese 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. Intheend, discussion based reasons are given which support the results presented in the research.

Table of Contents

List OF Tables

List OF Figures

1 Introduction

1.1 In the 21st century, when the textile industry touches its new heights, thedetermined managers accept the challenge of connecting it throughout the world. This initiative was not an easy task. It has new challenges; it wascleverlydone by finding new markets aroundthe globe and reaching them one after the other.Textile businesses mostlyrely 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)