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The Impact of Supply Chain Management Practices on Organisational Performance in Pakistan's Textile Industry

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	Abstract
Haider Gul Siddiqui Lecturer Management Sciences, PEF UNIVERSITY College, Peshawar Email: haidergul1996@gmail.com	Pakistan's textile industry operates within an increasingly competitive environment in which supply chain efficiency, supplier coordination, customer relationships, information exchange, and technological capability can influence organisational performance. This study examined the effects of supply chain management practices on organisational performance in Pakistan's textile industry, with particular attention to strategic supplier partnerships, customer relationships, level of information sharing, quality of information sharing, and advanced technology. A quantitative, cross-sectional research design based on a positivist philosophy and deductive approach was adopted. Primary data were collected through structured questionnaires from 211 managerial respondents working in textile firms. Purposive sampling was used to select participants with relevant knowledge of supply chain operations. Descriptive statistics, Cronbach's alpha, and multiple regression analysis were employed for data analysis. The regression model was statistically significant and explained 66.5% of the variation in organisational performance ($R^2 = .665$; adjusted $R^2 = .657$; $F = 81.539$, $p < .001$). Customer relationship management emerged as the strongest predictor of organisational performance ($\beta = .482$, $p < .001$), followed by strategic supplier partnership ($\beta = .305$, $p < .001$), quality of information sharing ($\beta = .230$, $p < .001$), and level of information sharing ($\beta = .183$, $p < .001$). Advanced technology showed a positive but statistically non-significant effect ($\beta = .052$, $p = .175$). The findings indicate that Pakistani textile firms can improve performance by developing stronger supplier partnerships, strengthening customer relationships, and establishing accurate and timely information-sharing mechanisms. The findings further suggest that technology investment alone may not improve performance unless it is accompanied by effective organisational processes, employee capabilities, and supply chain integration.
Keywords:	supply chain management, strategic supplier partnership, customer relationship management, information sharing, organisational performance, textile industry, Pakistan



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1.1 1. Introduction

Supply chain management (SCM) has become a major component of organisational competitiveness because firms increasingly operate through interconnected networks of suppliers, manufacturers, distributors, retailers, and customers. SCM involves coordinating the movement of materials, products, services, and information from suppliers to final customers while attempting to improve efficiency and create customer value. Contemporary supply chains therefore extend beyond traditional purchasing and logistics activities to encompass strategic collaboration, information integration, customer relationship management, technological capability, and coordinated decision-making.

Min *et al.* (2019) explained that modern SCM increasingly emphasises inter-organisational relationships and the configuration of supply networks in ways that create value for customers. Effective SCM enables firms to coordinate activities across organisational boundaries and respond more effectively to changing market requirements. In manufacturing industries, such coordination is particularly important because production performance depends upon reliable supplies of raw materials, effective inventory management, accurate market information, timely production, and efficient distribution.

These considerations are especially relevant to Pakistan's textile industry. The sector contains numerous interconnected activities, including cotton procurement, spinning, weaving, processing, finishing, garment manufacturing, and distribution. Consequently, weaknesses at one stage of the supply chain can affect production schedules, delivery performance, product quality, customer relationships, and ultimately organisational performance. Hussain *et al.* (2018), in a study of Pakistan's textile sector, found that supply chain management practices were associated with firm performance, demonstrating the relevance of supply chain capabilities within the Pakistani industrial environment.

Among the important dimensions of SCM is strategic supplier partnership. Long-term collaboration with suppliers can improve material availability, product quality, production planning, and responsiveness. Strategic partnerships can also allow organisations and suppliers to exchange knowledge, jointly resolve operational problems, and coordinate decisions. Day and Lichtenstein (2006) highlighted the strategic importance of aligning supply management practices with broader organisational objectives.

Customer relationship management represents another important component of supply chain performance. Organisations that understand customer needs and maintain regular interaction with customers are better positioned to forecast demand, improve service delivery, respond to complaints, and retain customers. Tzokas *et al.* (2015) demonstrated that customer relationship capabilities can contribute to firm performance when combined with other organisational capabilities. Within the textile industry, where product quality, delivery schedules, changing fashion preferences, and customer specifications can strongly influence purchasing behaviour, maintaining effective customer relationships is particularly important.

Information sharing also supports supply chain coordination. Accurate, timely, complete, and relevant information can improve production planning, inventory management, demand forecasting, and coordination between supply chain partners. Marinagi *et al.* (2015) found that information sharing played an important mediating role between information quality and supply chain performance. Similarly, Panahifar *et al.* (2018) demonstrated that information sharing and trust were critical components of successful supply chain collaboration and organisational performance.

Technology provides additional opportunities for improving supply chain visibility and coordination. Digital systems, enterprise resource planning platforms, automation, data analytics, and other technologies can improve access to operational information and support managerial decision-making. Nevertheless, technological investment may not automatically translate into better performance. Its effectiveness depends upon organisational readiness, employee capability, process integration, and the extent to which technological systems are integrated with supplier and customer activities.

Despite the importance of these supply chain dimensions, Pakistan's textile sector continues to experience operational and structural challenges. There is therefore a need for empirical evidence concerning which SCM practices have the strongest association with organisational performance in this specific industry. Against this background, the present study examines supply chain management practices and their influence on organisational performance among textile firms in Pakistan.

2. Literature Review and Hypotheses Development

1.1.1 2.1 Supply Chain Management and Organisational Performance

SCM is concerned with coordinating organisational and inter-organisational activities in order to improve the flow of products, information, and resources. The increasing complexity of manufacturing networks means that firms cannot achieve competitive performance solely through internal efficiency. Their performance also depends on the capabilities and decisions of suppliers, distributors, customers, and other supply chain partners.

Min *et al.* (2019) argued that contemporary SCM requires firms to consider the supply chain as an integrated system rather than a collection of independent organisations. This perspective means that organisational performance can be influenced by how effectively a company manages relationships and information throughout its network.

Evidence from Pakistan also supports this relationship. Hussain *et al.* (2018) investigated firms in Pakistan's textile sector and concluded that supply chain practices were important to organisational and financial performance. These findings suggest that textile firms can potentially improve their competitiveness by strengthening critical supply chain capabilities.

Accordingly, the study proposes that effective supply chain management practices positively influence performance and customer-related outcomes within the textile industry.

2.1 Strategic Supplier Partnerships

Strategic supplier partnerships refer to long-term collaborative relationships between firms and important suppliers. Rather than treating suppliers merely as transactional sources of materials, strategic partnerships involve joint planning, information exchange, mutual problem-solving, and alignment of objectives.

Effective supplier relationships can reduce uncertainty concerning the availability and quality of materials. In the textile sector, reliable supplier relationships are particularly important because delays in cotton, yarn, dyes, chemicals, fabrics, or other inputs can affect production schedules and delivery commitments.

Day and Lichtenstein (2006) linked strategic supply management with broader organisational strategy and performance. Through closer cooperation, suppliers and manufacturers can coordinate specifications, improve quality, reduce lead times, and respond more rapidly to operational problems.

The following hypothesis was therefore examined:

H1: Effective supply chain management practices positively influence customer satisfaction and organisational performance in the textile industry.

In addition, supplier collaboration was specifically assessed through the following hypothesis:

H2: Strong supplier collaboration positively influences customer preferences and organisational performance in the textile industry.



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2.3 Customer Relationships

Customer relationships provide organisations with information concerning market expectations, quality requirements, purchasing behaviour, and service performance. Strong customer relationships can also assist firms in responding to complaints, adjusting products, forecasting demand, and developing long-term customer loyalty.

Tzokas *et al.* (2015) found that customer relationship capability can strengthen organisational performance when firms effectively combine external knowledge with internal capabilities. In the textile industry, such relationships can be particularly valuable because buyers may have specific requirements concerning materials, design, quality, quantities, delivery schedules, and sustainability.

Attia (2023) similarly reported a positive relationship between customer relationship management and organisational performance within the Egyptian textile industry. This evidence suggests that customer-focused supply chain practices can contribute directly to organisational outcomes.

2.4 Information Sharing

Information sharing allows supply chain partners to coordinate decisions concerning orders, inventory, production, demand, delivery, and customer requirements. However, the quantity of information alone is insufficient. Information must also be timely, accurate, reliable, complete, and relevant.

Marinagi *et al.* (2015) found that information sharing mediated the relationship between information quality and supply chain performance. Their findings demonstrated that firms can benefit when high-quality information is effectively exchanged among supply chain partners.

Panahifar *et al.* (2018) further established that information readiness, accuracy, security, and trust contribute to effective supply chain collaboration. Their findings indicate that transparent information exchange can improve operational performance by enabling firms to respond more effectively to supply chain requirements.

Based on this evidence, the study proposed:

H3: The degree of information sharing within the supply chain positively affects customer and organisational performance in the textile industry.

2.5 Advanced Technology

Technological capabilities are increasingly important in contemporary supply chains. Enterprise resource planning systems, automation, digital inventory systems, analytics platforms, and tracking technologies can increase visibility and improve coordination.

However, technology generates value only when organisations possess the human, managerial, and operational capabilities required to use it effectively. Tzokas *et al.* (2015) indicated that technological capability contributed to performance through its interaction with broader organisational capabilities. Therefore, technological adoption should not be viewed independently from organisational integration and managerial competence.

The study examined the following hypothesis:

H4: The adoption of advanced technologies positively improves customer and organisational performance in the textile industry.

3. Research Methodology

3.1 Research Philosophy and Approach

The study adopted a positivist research philosophy because the relationships between the study variables were examined using measurable data and statistical hypothesis testing. A deductive approach was adopted because the research tested relationships derived from established SCM literature rather than developing theory solely from qualitative observations.

3.2 Research Design

A quantitative cross-sectional design was employed. Data were collected at one point in time from individuals with managerial knowledge of supply chain operations in Pakistan's textile sector.

The research was primarily descriptive and explanatory. The descriptive component was used to identify respondent characteristics and examine the reliability of measurement constructs, whereas the explanatory component assessed the effects of SCM practices on organisational performance.

3.3 Population, Sample and Sampling

The final sample consisted of **211 respondents** drawn from textile firms. Respondents occupied managerial and senior managerial positions and therefore possessed relevant knowledge concerning supply chain and organisational activities.

Purposive sampling was employed to select respondents with appropriate knowledge and experience.

Of the respondents, 128 (60.7%) were male and 83 (39.3%) were female. Managers represented 54.5% of the sample, while senior managers accounted for 45.5%. Regarding organisational tenure, 30.3% had worked for their organisation for less than two years, 39.3% for two to five years, and 30.3% for six to ten years.

3.4 Data Collection Instrument

Primary data were obtained through a structured questionnaire. The questionnaire measured:

- ✓ organizational performance
- ✓ strategic supplier partnership
- ✓ customer relationship
- ✓ level of information sharing
- ✓ quality of information sharing
- ✓ advanced technology.

3.5 Data Analysis

The data were analysed using descriptive statistics, Cronbach's alpha reliability analysis, and multiple regression analysis.

Multiple regression was used to determine the independent contribution of the SCM variables to organisational performance. Statistical significance was evaluated at the 0.05 level.



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4. Results

4.1 Reliability Analysis

Table 1 Reliability of Study Constructs

Construct	Number of Items	Cronbach's Alpha
Organisational Performance	7	.532
Strategic Supplier Partnership	6	.560
Customer Relationship	5	.867
Level of Information Sharing	6	.691
Quality of Information Sharing	5	.682
Advanced Technology	3	.727

Customer relationship demonstrated the highest internal consistency ($\alpha = .867$), followed by advanced technology ($\alpha = .727$). Level of information sharing and quality of information sharing produced alpha coefficients of .691 and .682 respectively. Strategic supplier partnership ($\alpha = .560$) and organisational performance ($\alpha = .532$) produced comparatively lower reliability coefficients. Consequently, findings involving these two constructs should be interpreted with appropriate caution.

1.1.2 4.2 Multiple Regression Analysis

The combined SCM variables significantly explained organisational performance. The regression model produced an R^2 of .665 and an adjusted R^2 of .657, demonstrating that approximately 66.5% of the observed variation in organisational performance was associated with the predictors included in the model. The overall model was statistically significant ($F = 81.539$, $p < .001$).

Table 2 Multiple Regression Results Predicting Organisational Performance

Predictor	β	Std. Error	t	p	VIF
Constant	-1.076	.333	-3.233	.001	—
Strategic Supplier Partnership	.305	.048	6.320	<.001	2.517
Customer Relationship	.482	.046	10.436	<.001	1.613
Level of Information Sharing	.183	.037	4.953	<.001	1.743
Quality of Information Sharing	.230	.045	5.111	<.001	1.982
Advanced Technology	.052	.038	1.361	.175	1.874

$R^2 = .665$; Adjusted $R^2 = .657$; $F = 81.539$, $p < .001$

Customer relationship was the strongest positive predictor of organisational performance ($\beta = .482$, $p < .001$). This finding indicates that stronger relationships with customers were associated with higher organisational performance.

Strategic supplier partnership was also statistically significant ($\beta = .305$, $p < .001$), demonstrating that closer collaboration with suppliers contributed positively to performance. Quality of information sharing had a significant positive effect ($\beta = .230$, $p < .001$), while level of information sharing was also significant ($\beta = .183$, $p < .001$). These findings indicate that both the amount of information exchanged and the quality of that information are important.

Advanced technology produced a positive coefficient, but its effect was not statistically significant ($\beta = .052$, $p = .175$). Therefore, the analysis does not provide sufficient evidence to conclude that advanced technology independently improves organisational performance within the sampled textile firms.

All VIF values were below 3, indicating that severe multicollinearity was not evident among the predictors.

4.3 Hypothesis Decisions

Table 3 Summary of Hypothesis Testing

Hypothesis	Decision
H1: Effective SCM practices positively influence customer satisfaction and organisational performance.	Supported at the overall model level
H2: Strong supplier collaboration positively influences customer preferences and organisational performance.	Supported
H3: Information sharing positively affects customer and organisational performance.	Supported
H4: Advanced technology positively improves customer and organisational performance.	Not supported

The first three hypotheses were supported by the regression findings. However, H4 was not supported because advanced technology did not achieve statistical significance at the 0.05 level.

5. Discussion

The results demonstrate that supply chain management practices are strongly associated with organisational performance in Pakistan's textile industry. With an R^2 of .665, the model indicates that the set of SCM practices examined in this research accounted for a substantial proportion of the variation in organisational performance.

Customer relationship emerged as the strongest predictor. This suggests that supply chain performance within textile firms is not limited to the movement of materials and products. Firms that understand customer needs, communicate effectively, respond to complaints, and incorporate customer feedback may be better positioned to improve their overall performance. This result is consistent with Attia (2023), who identified customer relationship management as an important contributor to organisational performance within the textile industry. It also corresponds with Tzokas *et al.* (2015), who demonstrated that customer relationship capabilities can contribute to business performance.



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Strategic supplier partnership was the second strongest predictor. Textile production depends heavily upon continuous access to materials and reliable supplier performance. Collaborative supplier relationships can therefore reduce uncertainty, improve planning, and support consistent production. The present findings support Hussain *et al.* (2018), who reported an association between SCM practices and firm performance within Pakistan's textile sector.

The significant effect of the level of information sharing shows that supply chain partners benefit when relevant information is exchanged across organisational boundaries. Access to information concerning orders, inventory, production requirements, supply conditions, and customer demand enables supply chain members to coordinate their activities more effectively.

Importantly, quality of information sharing had a stronger effect than the level of information sharing. This finding suggests that simply increasing the quantity of exchanged information may not be sufficient. Information should also be accurate, timely, relevant, and dependable. Marinagi *et al.* (2015) similarly showed that information quality and information sharing are closely connected to supply chain performance. Panahifar *et al.* (2018) also demonstrated the importance of accurate and secure information exchange within supply chain collaboration.

In contrast, advanced technology did not have a statistically significant independent effect on organisational performance. This result requires careful interpretation. It does not indicate that technology is unimportant. Rather, the findings suggest that technological adoption by itself may be insufficient to improve performance. Firms may purchase software, automated equipment, or digital systems without achieving substantial benefits if these technologies are not integrated into organisational processes or supported by employee skills, reliable information, and collaborative supply chain relationships.

This explanation is consistent with the broader capability perspective reported by Tzokas *et al.* (2015), where technological capability generated greater value when combined with other organisational capabilities. Pakistani textile firms should therefore approach digitalisation as an organisational transformation process rather than simply as the acquisition of new technology.

6. Managerial Implications

The findings provide several implications for managers in Pakistan's textile sector.

First, textile firms should prioritise long-term supplier partnerships. Relationships should move beyond transactional purchasing towards joint planning, regular communication, shared objectives, and collaborative problem-solving.

Second, customer relationship management should be incorporated into supply chain decision-making. Customer feedback concerning product quality, delivery reliability, product availability, and service should be systematically collected and communicated to production and supply chain teams.

Third, firms should establish effective information-sharing mechanisms. Enterprise systems and shared digital platforms can support real-time communication, but organisations should focus equally on the accuracy, timeliness, security, and relevance of the information exchanged.

Fourth, investments in advanced technology should be accompanied by employee training, process redesign, organisational readiness, and integration with suppliers and customers. Technology should support an established supply chain strategy rather than operate as an isolated solution.

Finally, management should monitor supply chain performance through measurable indicators such as delivery time, inventory availability, fulfilment rates, product quality, supplier reliability, customer complaints, and customer satisfaction.

7. Conclusion

This study examined the influence of supply chain management practices on organisational performance within Pakistan's textile industry using data obtained from 211 managerial respondents. The findings demonstrate that strategic supplier partnerships, customer relationships, level of information sharing, and quality of information sharing have significant positive relationships with organisational performance.

Among the predictors, customer relationship produced the strongest effect, followed by strategic supplier partnership and quality of information sharing. These findings emphasise that supply chain performance depends substantially upon relationships and information rather than solely upon physical logistics activities.

Advanced technology, although positively associated with organisational performance, was not statistically significant. This suggests that technological investment must be complemented by organisational capabilities, skilled employees, effective implementation, reliable data, and stronger integration between supply chain partners.

Overall, the research demonstrates that Pakistani textile firms can strengthen organisational performance by developing collaborative supplier networks, improving customer engagement, and establishing high-quality information-sharing practices. These actions can enable firms to respond more effectively to changing demand, improve operational coordination, and strengthen competitiveness within domestic and international textile markets.

8. Limitations and Future Research

The study has several limitations. First, the cross-sectional design restricts the ability to establish long-term causal relationships. Future studies could employ longitudinal designs to determine how changes in SCM practices influence organisational performance over time.

Second, purposive sampling limits the extent to which the findings can be generalised to the entire textile industry. Future research could use probability sampling and include firms from different textile clusters and geographical locations across Pakistan.

Third, some measurement constructs, particularly organisational performance and strategic supplier partnership, produced relatively low internal consistency coefficients. Future research should refine and validate these measurement scales before conducting larger-scale analyses.

Fourth, the present study focused on managerial perceptions. Future studies could integrate objective indicators such as lead time, inventory turnover, delivery performance, production cost, export performance, and customer retention.

Finally, future research should examine whether organisational readiness, workforce skills, digital maturity, or supply chain integration mediate or moderate the relationship between advanced technology and organisational performance.



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