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## Perception of Strategical Management in Textile Sector

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### Abstract

The aim of this research includes what the perception of textile firms operating in Denizli province about strategic management issues are, at what organizational level the strategic management decisions are taken and what the strategic goals are. Moreover, this study is important in terms of creating awareness by reminding the importance of strategic management in textile sector. The textile sector which has an important place within Denizli's economy. The textile production and sales have always been placed on the top for the economic structure in Denizli and it will continue to be an economic necessity for Denizli in the near future. Within the scope of this study, 320, 45%, of about 700 all size textile firms operating in Denizli were applied with a questionnaire about their perception of strategic management. It was concluded as a result of the study that most of the firms are family-owned, their strategic plans are set by senior managers and business owners, strategic plans are generally created during the operation and the opinion "if the competitors are changing, one should change too" is common. And it was also seen that most of the managers participated in the study exhibited a positive participation about the statements on strategic management process.

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### 1. Introduction

It has been getting harder and harder for firms to survive and succeed in the new competitive environment and changing environmental circumstances. A necessity arises now to benefit from the opportunities and struggle with global competitors to be able to get a share from the world trade in a global market besides struggling with the effect of operations carried on just domestically or in a multi-boundary international environment. In today's global environment, the strategies to be developed by small business are highly important for them to survive and provide competitive advantages.

The strategic management, a must for business, becomes more of a necessity for businesses to utilize the necessary methods to survive and render the most accurate service; balance the supply and demand; maximize their profits;

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provide the competitive advantage in the market; make effective decisions in the long term; make decisions for the future in accordance with their mission, vision, goal and targets. For the success of a business, it should first identify the problems and produce permanent solutions for those problems with strategic approaches in the face of rapid changes. The strategic management of which importance has been increasing especially since 1980s has further necessitated the inter-consistent strategic approaches for business to respond to recent changes and developments, becoming an important strength.

The Customs Association Agreement, entrance of Turkey into foreign markets and foreign capital, the increasing domestic competition, the diversification of markets and crises occurred across the country have increased the importance of strategies to be chosen carefully and accurately for small or big business. In an economic environment based on competition, strategy is a managerial tool that brings the changes under control, primarily providing innovation, development and constant adaptation of the business to the environment or its mutual adaptation with the environment (Cormican and O'sullgvan, 2004: 819).

Ranked among the top ten in the list of developed provinces, the most important income source of Denizli is textile production. The textile sector which has a history of 2200 years has an employment rate of about 30% among all sectors. 50% of Denizli's export income comes from textile products. This indicates that textile will continue to be an economic necessity for Denizli in the near future. It is seen in this sense how important the strategic management concept is for textile firms (Turhan et al. 2012: 1).

This study was carried out to create awareness by highlighting the importance of strategic management and identify the strategic management approach of the textile firms operating in Denizli province in the presence of the textile firms specialized in textile products and established with their local dynamics and capacities.

## **2. Literature Review**

### *2.1. Strategic Management*

The word "strategy" derived from "strategia" which means art and science of war in Greek (Witzel, 2004: 14) was used for the meanings of president, ruler and general in the Ancient Greece (Ghemawat, 2002: 37). The word strategy has been defined in the military literature as achieving the victory by utilizing the current resources in the most efficient and economical way with minimum loss, cost and damage (Ülgen and Mirze, 2004: 33). The word strategy was considered to be a perspective to control and shape the market forces in 19th century; it started to be frequently used in the business area in 20th century and has been considered within the scope of competitiveness to date (Ghemawat, 2002: 37).

According to Drucker (1954), the meaning of strategy is to consider the mission of a job with its all aspects and ensure that the decisions previously made will give the future results in accordance with the specified goals, asking the question "What is our job, and what should it be?" Chandler (1962: 5), defined the strategy as identifying the long-term aims and targets, achieving these targets and allocating the necessary resources in the business. Kenneth Andrews et al. (1965) combined the opinions of Drucker and Chandler with theirs: Strategy is an example of both aims and targets and the plan and policies to achieve these aims. It defines what the job is and what it should be; what kind of a business it is and how it should be (Hofer and Schendel, 1978: 16). According to another definition, strategy is the body of rules and approaches that will enable the organization which has to operate in a changing environment to achieve their targets with minimum damage (Thompson, Strickland, 2001: 18-19). Jeffs (2008: 13) explained the strategic management as "the process of applying strategies to define and evaluate the organizational targets".

In a period in which the competitive advantage comes into prominence, strategy is defined as the means and main functions that a firm tries in order to achieve their strategic goals with their resources and skills with the intention of gaining the competitive advantage to guarantee the long-term development of the firm (Nothnagel, 2008: 14). An organization gaining and maintaining the competitive superiority will be possible with a strategy development and application that will distinguish it from its competitors (Hurst, 2000: 50). Strategy should be addressed as a way to provide firm's environmental and social performances as well as economic ones (Galdwin and Kennely, 1995: 874). Firms need to have a very long-term perspective and start to invest in the process of moving themselves into the future today (Dyllick and Hockerts, 2002: 130).

Firms wish to have a competitive advantage to realize their goals. The way of acquiring the competitive advantage and making it continuous is not to have strategy but a strategic management (Barca, 2002: 18). The strategic management can be defined as the management decisions and a cluster of actions that determine a firm's long-term performances (Hunger, Wheelen, 2007: 2). Managers need to be able to foresee the future with long-term plans and

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