

STUDY ON STRATEGIC MANAGEMENT ANALYSIS TO TEXTILES WITH REFERENCE TO TIRUPPUR

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ABSTRACT

It is argued that Strategic Management is concerned with 'The any Organization'. The any organization includes four main functional areas, which are marketing, operations management, finance and human resource management. Each functional area requires strategic thinking, which is thinking for the future. What a whole organization manufacturing industries needs is to make strategic decisions and put the strategy into action. A strategy is 'the long-term direction of an organization'. This essay is concerned with the strategic management of a whole organization, the relationships of different functional areas and the implementation of the strategy in an organization.

Key words: "Technology growth in management power"

1. INTRODUCTION

Strategic Management is all about identification and description of the strategies that managers can carry so as to achieve better performance and a competitive advantage for their organization. An organization is said to have competitive advantage if its profitability is higher than the average profitability for all companies in its industry. Strategic management can also be defined as a bundle of decisions and acts which a manager undertakes and which decides the result of the firm's performance. The manager must have a thorough knowledge and analysis of the general and competitive organizational environment so as to take right decisions. They should conduct a SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats), i.e., they should make best possible utilization of strengths, minimize the organizational weaknesses, make use of arising opportunities from the business environment and shouldn't ignore the threats.

Strategy - Definition

Strategy is an action that managers take to attain one or more of the organization's goals. Strategy can also be defined as "A general direction set for the company and its various components to achieve a desired state in the future. Strategy results from the detailed strategic planning process". A strategy is all about integrating organizational activities and utilizing and allocating the scarce resources within the organizational environment so as to meet the present objectives. While planning a strategy it is essential to consider that decisions are not taken in a vacuum and that any act taken by a firm is likely to be met by a reaction from those affected, competitors, customers, employees or suppliers.

Strategy can also be defined as knowledge of the goals, the uncertainty of events and the need to take into consideration the likely or actual behavior of others. Strategy is the blueprint of decisions

in an organization that shows its objectives and goals, reduces the key policies, and plans for achieving these goals, and defines the business the company is to carry on, the type of economic and human organization it wants to be, and the contribution it plans to make to its shareholders, customers and society at large.

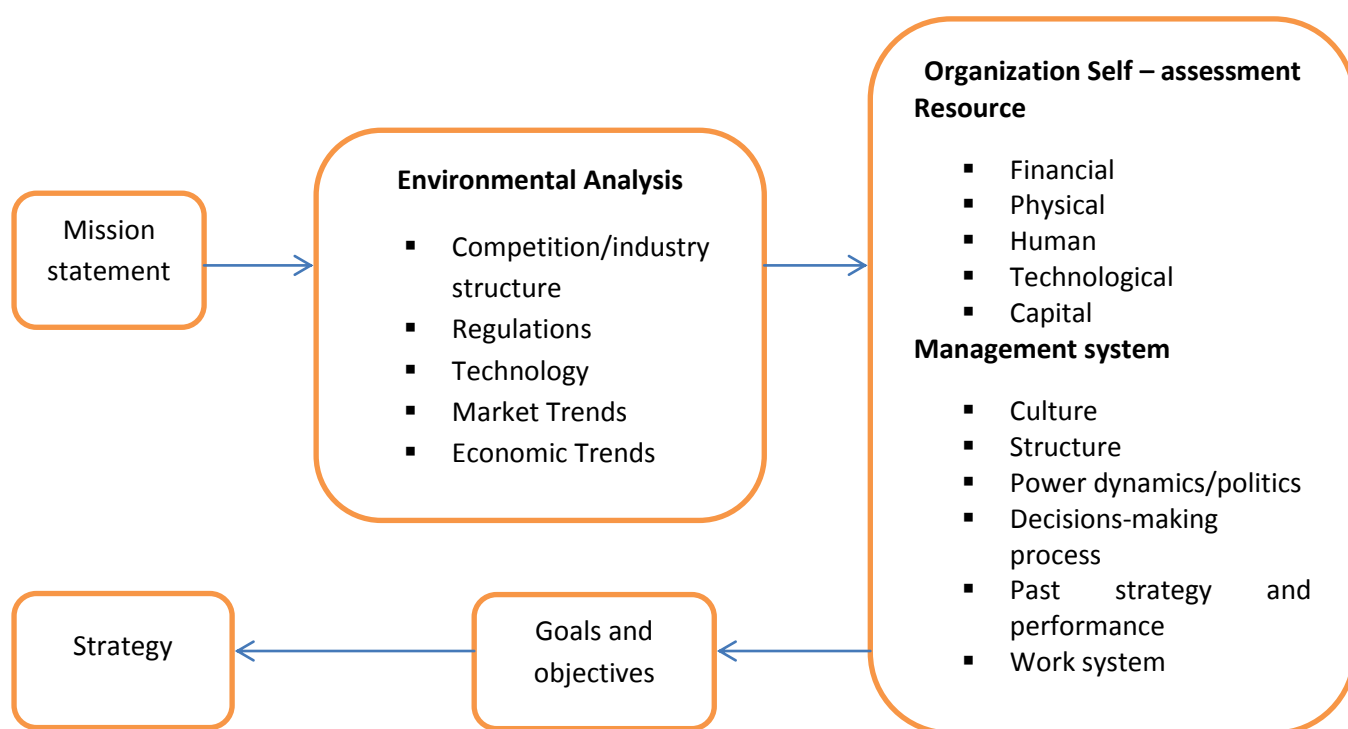
Features of Strategy

1. Strategy is Significant because it is not possible to foresee the future. Without a perfect foresight, the firms must be ready to deal with the uncertain events which constitute the business environment.
2. Strategy deals with long term developments rather than routine operations, i.e. it deals with probability of innovations or new products, new methods of productions, or new markets to be developed in future.
3. Strategy is created to take into account the probable behavior of customers and competitors. Strategies dealing with employees will predict the employee behaviour.

Strategic Management Process

Our examination os strategy, for the purpose of understanding the relationship between houman resouce and strategy, will cosider the promises of both the RBV models in line with this, the process of strategic managemet is presented as a series of five distinct steps.

2. PROCESS OF STRATEGIC MANAGEMENT



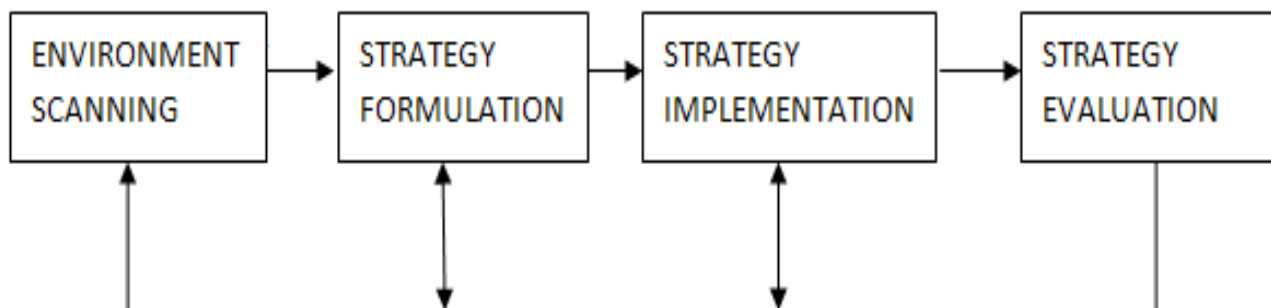
Implementing a strategy:

- ❖ Developing an organization having potential of carrying out strategy successfully.
- ❖ Disbursement of abundant resources to strategy-essential activities.
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- ❖ Creating strategy-encouraging policies.
- ❖ Employing best policies and programs for constant improvement.
- ❖ Linking reward structure to accomplishment of results.
- ❖ Making use of strategic leadership

Strategic management process has following four steps:

1. **Environmental Scanning-** Environmental scanning refers to a process of collecting, scrutinizing and providing information for strategic purposes. It helps in analyzing the internal and external factors influencing an organization. After executing the environmental analysis process, management should evaluate it on a continuous basis and strive to improve it.
2. **Strategy Formulation-** Strategy formulation is the process of deciding best course of action for accomplishing organizational objectives and hence achieving organizational purpose. After conducting environment scanning, managers formulate corporate, business and functional strategies.
3. **Strategy Implementation-** Strategy implementation implies making the strategy work as intended or putting the organization's chosen strategy into action. Strategy implementation includes designing the organization's structure, distributing resources, developing decision making process, and managing human resources.
4. **Strategy Evaluation-** Strategy evaluation is the final step of strategy management process. The key strategy evaluation activities are: appraising internal and external factors that are the root of present strategies, measuring performance, and taking remedial / corrective actions. Evaluation makes sure that the organizational strategy as well as it's implementation meets the organizational objectives.



Characteristics/Features of Strategic Decisions

- ✓ Strategic decisions have major resource propositions for an organization. These decisions may be concerned with possessing new resources, organizing others or reallocating others.
- ✓ Strategic decisions deal with harmonizing organizational resource capabilities with the threats and opportunities.
- ✓ Strategic decisions deal with the range of organizational activities. It is all about what they want the organization to be like and to be about.
- ✓ Strategic decisions involve a change of major kind since an organization operates in ever-changing environment.
- ✓ Strategic decisions are complex in nature.

- ✓ Strategic decisions are at the top most level, are uncertain as they deal with the future, and involve a lot of risk.
- ✓ Strategic decisions are different from administrative and operational decisions. Administrative decisions are routine decisions which help or rather facilitate strategic decisions or operational decisions. Operational decisions are technical decisions which help execution of strategic decisions. To reduce cost is a strategic decision which is achieved through operational decision of reducing the number of employees and how we carry out these reductions will be administrative decision.

Benefits of Strategic Management

Studies have revealed that organizations following strategic management have outperformed those that do not¹³. Strategic planning ensures a rational allocation of resources and improves co-ordination between various divisions of the organization. It helps managers to think ahead and anticipate problems before they occur. The main benefit of the planning process is a continuous dialogue about the organisation's future between the hierarchical levels in the organization. In short, the most highly rated benefits of strategic management.

Importance of Strategic Planning:

Strategic planning offers the following benefits:

1. Financial benefits:

Firms that make strategic plans have good sales, low costs, high EPS (earnings per share) and high profits. Firms have financial benefits if they make strategic plans. Companies like Reliance, Infosys, Tata, Wipro, Deloitte, etc. are the giants who report good financial results as a result of sound strategic planning.

2. Guide to organisational activities:

Strategic planning guides members towards organisational goals. It unifies organisational activities and efforts towards the long-term goals. It guides members to become what they want to become and do what they want to do. It focuses on specific goals making it clear for members to know the direction towards which they have to move. Earning profits is less meaningful than earning a growth rate of 10% per year.

3. Competitive advantage:

In the world of globalisation, firms which have competitive advantage (capacity to deal with competitive forces) have better sales and financial performance. This is possible if they foresee the future. Future can be predicted through strategic planning. It enables managers to anticipate problems before they arise and solve them before they become worse.

4. Minimise risk:

Strategic planning provides information to assess risk and frame strategies to minimise risk and invest in safe business opportunities. Chances of making mistakes and choosing wrong objectives and strategies, thus, get reduced.

5. Beneficial for companies with long gestation gap:

The time gap between investment decisions and income generation from those investments is called gestation period. During this period, changes in technological or political forces can affect implementation of decisions and plans may, therefore, fail. Strategic planning discounts future and enables managers to face the threats and opportunities. Huge capital investments in projects is followed by expected financial returns.

6. Promotes motivation and innovation:

Strategic planning involves managers at top levels. They are not only committed to objectives and strategies but also think of new ideas for implementation of strategies. This promotes motivation and innovation. It also provides motivation to people at lower levels when they know their efforts are contributing towards organisational goals.

7. Optimum utilisation of resources:

Strategic planning makes best use of resources to achieve maximum output. Resources are scarce and strategic planning helps in their use in the areas where they are required most.

General Robert E. Wood remarks, "Business is like war in one respect. If its grand strategy is correct, any number of tactical errors can be made and yet the enterprise proves successful." Effective allocation of resources, scientific thinking, effective organisation structure, coordination and integration of functional activities and effective system of control, all contribute to successful strategic planning.

3. NEED OF THE STUDY

1. First, there are a large number of external variables whose values do not remain constant, but which can have a profound impact on the organisation operate if the organisation is a large one.
2. What is our business? What business should we be in.
3. What are our customers and what do they want.
4. Who are our main competitors and what are their strengths and limitations.
5. What is our competitive strength? How should we use our resource to gain a competitive edge.
6. What major changes are occurring in our environment? How will changes affect our business?

OBJECTIVE OF THE STUDY

Primary objective:

The study appraisal on strategic management in HRM activates to textiles with reference to Tiruppur.

Secondary objectives:

1. To identify the understand the nature, need, benefits and terminology of the processes for producing and implementing major plans directing organisation activity.
2. You will come to know about the nature and value of strategic management, emphasizes the practical value of a strategic management approach for a business organization.
3. To identify the level of strategic management activities are undertaken at three levels: corporate, business and functional.
4. To identify the business strategy is a set of decisions and actions resulting in the formulation and implementation of strategies designed to achieve the objectives of an organization.
5. To identify the how to assess the company's external environment, in terms of both competitive and contextual factors.
6. Find out the how to choose the strategy which is needed to achieve the desired options.
7. To find out the how strategic choice decisions are implemented based on budgeted resource allocation.

SCOPE OF THE STUDY

1. To fix mission of the textiles in the area of Tiruppur.
2. To make favourable internal environment
3. Analysis & evaluation of external environment
4. SWOT analysis to be made.
5. Selection of new alternatives to achieve mission
6. To develop grand strategy
7. To fix short – term annual targets
8. To raise resources & facilities
9. Evaluation & control on activities

LIMITATION OF THE STUDY

- Strategic Management is based on certain principles and if the properties do not hold suitable the strategy or plans based on them would not be sensible or effectual.
- SWOT analysis is an important exercise in Strategic Management which requires lot of action and information.
- When these two are lacking the usefulness of the SWOT analysis is questionable and it could even lead to formulation of wrong or effective strategies.
- In Strategic Management, effective implementation is essential that demands many factors such as resource allocation, leadership implementation, right structure and effective evaluation and control.
- The cause for the failure of many strategies is the implementation failure.
- Company may face serious issues if there is lack of involvement of the internal people in the strategy formulation and when they are not equally taken into confidence.

4. RESEARCH METHODOLOGY

INTRODUCTION

Research methodology is away to systematically solve research problem. In it we study the various steps that are generally adopted by researcher in studying his research problem along with logic behind them. It is necessary for a researcher to know not only the research method/ techniques but also the methodology. It may be noted, in the context of planning & development that the significance of research lines in its quality and not in quantity.

Meaning of research

“Research is common parlance refers to a search for knowledge. In fact research is an act of scientific investigation.”

Research Design

The problem that follows the task of defining the research problem is the preparation of the design of the research, popularly known as the “research design”. A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. As such the design includes an outline of what the researcher will do from writing the hypothesis and its operational implications to the final analysis of data.

Period of study

This study has been conducted Feb 2017 to April 2017 for a month to know the mind of the employees for the entire period.

Data collected

The data collected for the study includes both primary and secondary data.

Primary Data

Primary data is the original data collected specifically for the problem.

Secondary Data

Secondary data are those that have already been collected by others. These are usually available in journals, periodicals, dailies, research publication official records etc., they may either be available in published form or in an unpublished form. When it is not possible to collect the data by primary method, the investigator may make use of this method.

SAMPLING AND SAMPLE SIZE

1. Population

The population is all the 353 workers are in strategic management in Tiruppur.

2. Sample

Sample is the true representation of the population by studying of the sample we can predict the behavior of the population.

3. Sample Size

The sample size is 120 employees in strategic management in Tiruppur.

4. Sampling Method

In this project, the survey was done within the company it means simple random sampling was carried out.

5. REVIEW OF LITERATURE

Dr. Shu-hsien Liao (2003)¹ Technology management is a process, which includes planning, directing, control and coordination of the development and implementation of technological capabilities to shape and accomplish the strategic and operational objectives of an organization. This paper surveys technology management (TM) development using a literature review and classification of articles from 1995 to 2003 with keyword index in order to explore how TM methodologies and applications have developed in this period.

LeCornu and al., 2007² A large number of studies were interested on the explanatory factors of the growth of SMEs related to the characteristics of the leader, but few of these studies have considered the influence of the personnel value of the leader on the growth of SMEs. This research seeks to fill this gap by focusing only on personnel value of the leader in a Cameroonian context where the failure rate of SMEs is very high. Our results show that the desire for autonomy, the self-esteem and the ethics of the leader exert a positive and considerable influence on the growth of this kind of enterprise.

J. Gattorna (2006)³ This paper is cognizant of the fact that literature on supply chain strategies is limited and still evolving; and literature on supply chain technology mainly focused on the adoptions,

¹**Dr. Shu-hsien Liao (2003)** is a professor in the Department of Management Sciences and Decision Making, Tamkang University, Taiwan.

²**LeCornu and al., 2007** Under these conditions, it is essential to consider the influence of the personality of the leader and, more specifically, his personal values

³**J. Gattorna (2006)** Living supply chains: how to mobilize the enterprise around delivering what your customers want, 1st ed. Prentice Hall, 2006.

but not on the moderating effect on the relationship between supply chain strategies and firm performance. The purpose of this study is to determine the extent to which supply chain technology moderates the relationship between supply chain strategies and performance of large-scale manufacturing firms in Kenya. Proportionate sampling was used to obtain a sample of one hundred and thirty-eight (138) from a population of six hundred and twenty-seven (627) large scale manufacturing firms. The descriptive statistics, reliability and validity tests of the constructs, correlation analysis, regression analysis and factor analysis models were used to test the hypotheses.

SUGGESTION

1. It allows for identification, prioritization and exploitation of opportunities.
2. It provides an objectives view of management problems.
3. It minimizes effects of adverse conditions and change.
4. It create a frame work for effective communication within the organisation.
5. It encourages forward thinking.
6. It provides a basis for clarifying individual responsibilities.
7. It encourages favourable attitude to change.
8. It allows for re-prioritization, resulting in allocation of time and other resource to more favourable opportunities rather than under-performing ones.

CONCLUSION

Developing an effective strategy to manage an organisation's human asstes requires considering employees as investment. Such an approach helps to ensure that HR practices and principals are clearly in the organisation overall strategy, forces the organisation's to invest in its best opportunities, and ensures that performance standards are met. As an example, employee stock – ownership programs attempt to strategically invest in the organisation and its people by making employees owners of the company. Instead of having a conflict as to how profits should be allocated (bonuses to employees or reinvested in the business), both can be achieved simultaneously.

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