

The purpose of this study was to determine the underlying dimensions of Supply Chain Management (SCM) practices and to test empirically, a framework that identify the significant relationship among SCM practices, operational performance and overall organizational performance with special emphasis on textile sector of Pakistan. The undercut research conceptualized already developed five dimensions of SCM practice (strategic supplier partnership, customer relationship, level of information sharing, quality of information sharing, and postponement) and tested its association between operational performance which have four dimensions production cost, product delivery, product quality, and production flexibility and in last over all organizational performance embraces on two dimensions financial performance and marketing performance.

Data for the study were collected by a sample of 210 Textile firms of Pakistan by using cluster sampling method from overall population of 376 textile firms registered with APTMA. Data collection methodology was email, online and personal administrated questionnaire. The research framework was first tested by using correlation analysis through SPSS 20th version. Based on literature, it was assumed that all constructs are multidimensional so 2nd order confirmatory factor analysis and structural equational path analysis by using maximum-likelihood method through AMOS 20th version.

Analysis of data indicated that there was no reliability or normality issues in all constructs. All item were significantly correlated. Correlation and path analysis confirms the relationship between SCM practice OP and ORP. Moreover, based on 2nd order confirmatory factor analysis, it was concluded that all dimensions have significant loadings with their relative constructs and relationships is also confirmed through path analysis. Perhaps, the most serious limitation of this study was its narrow focus on Pakistani textiles, thus precluding the generalization of findings to other emerging countries as well as other sectors such as service and government sectors that may benefit from a sound SCM strategy. By developing and validating a multi-dimensional construct of SCM practices and by exhibiting its value in improving operational performance of textiles it provides SCM managers with useful tool for evaluating the efficiency of their current SCM practices. Second, the analysis of the relationship between SCM practices and operational performance indicates that SCM practices might directly influence operational performance of textiles and SMEs. Moreover it was also noted that the operational performance significantly mediate between SCM practices and organizational performance.

This paper adds to the body of knowledge by providing new data and empirical insights into the relationship between SCM practices and performance of textiles in Pakistan.