

Construct of social capital on perceived decision making effectiveness in strategic supply chain decisions: With special reference to selected apparel sector international entities in Sri Lanka

Wanodya, W.G.M.U.¹

Silva, G.R.P.²

Abstract

Strategic supply chain management is one of the key business functions in almost every manufacturing organization. The research expecting to explore the relationship between social capital and the perceived effectiveness of strategic supply chain decisions in Sri Lankan apparel sector organizations. With respect to the positivism paradox research has been organized in line with the deductive approach. Further survey strategy through a pre-tested questionnaire has been imbedded with the sample of 122 participants from the apparel sector supply chain professionals, which is regulated by Krejcie & Morgan. This study can be recognized as a validation of the past studies within the Sri Lankan context. The statistical analysis depicts an existence of a direct positive linkage between perceived effectiveness and individual decision maker's social capital which approves the existing literature in the Western context. The study has contributed to the knowledge domain of strategic management, supply chain management, and organizational behavior by identifying the factors and how they influence strategic decision making.

Keywords: *Supply chain management, Perceived effectiveness, Apparel sector*

¹ Institute of Supply & Materials Management, Colombo, Sri Lanka. Email: udariwanodya@gmail.com

² Department of Human Resource Management, University of Colombo, Sri Lanka.

Email: grpriyankara@hrm.cmb.ac.lk

1. Introduction

Background of the study

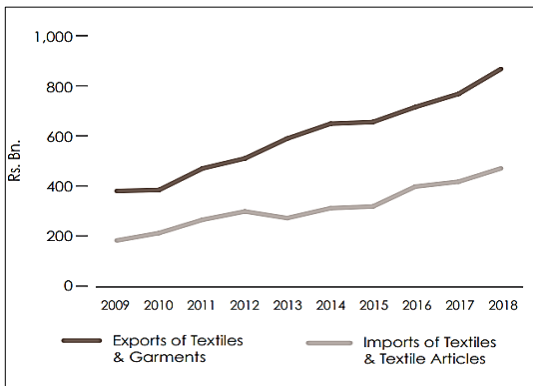
Strategic supply chain decisions refer to the strategic supply chain decisions taken by senior executives and their management teams of an organisation. These shape the firm's general direction (Mitchell, Shepherd, & Sharfman, 2011) because these decisions have cascading effects on the entire organisation through all hierarchical levels. The quality of strategic decision making by a company's leaders may have an enormous impact on its position relative to its rivals (Singleton, 2013). However, evidence suggests that senior executives and their management teams fail frequently and often remarkably when making strategic decisions (Carmeli, Tishler, & Edmondson, 2012). One such example was the Nigerian Textile industry, where most of the local textile firms were shut down due to poor make or buy decisions made by the management, which has caused the increased cost of production lead to financial losses and products being not competitive along with the international firms (Okpala, Mlanga, Nwajiuba, Osanebi, & Ezemoyih, 2019). To specify the scope of the study, the Textile and Apparel industry in Sri Lanka has been selected because it is one of the oldest (Bala, et al., 2019) export industries in the global economy (Seram, Nanayakkara, & Lanaroll, 2019; Bala, et al., 2019), which caters the basic human need of clothing.

The Apparel industry in Sri Lanka

Sri Lanka is a developing nation where the country's real GDP is not appealing in relation to other countries in the region. The economy and the growth rates were adversely affected due to various shocks and the April terrorist attacks intensified macroeconomic challenges (The World Bank, 2019). There is more impact of the apparel industry than other industries on the country's total export earnings considering its contribution to its gross domestic production (GDP) through export revenue generation. Therefore, the research has found that the Apparel industry can to make an impact on the economy of Sri Lanka (Embuldeniya, 2015). Apparel exports are the most significant and dynamic contributor for Sri Lanka's economy in the current context, contributing to 40% of the total exports and 52% of industrial products exports (Sri Lanka Export Development Board, 2019), serving many globally recognised brands such as Victoria's Secret, GAP, Liz Claiborne, Next, Jones New York, Nike, Tommy Hilfiger,

Pink, Triumph, Ann Taylor, Speedo, Abercrombie & Fitch, Land's End, Marks & Spencer, and Intimissimi (Sri Lanka Export Development Board, 2019). Therefore, the T&A sector could be a great help to enhance the economic situation of the country. According to the Central Bank Statistics, Sri Lankan apparel sector indicates an increasing trend in import and export growth (Figure 1), which highlights the importance of the Sri Lankan apparel sector towards the economy (the terms apparel sector includes textiles, garments and textile articles).

Figure 1: Trend in apparel sector imports and exports from 2010 – 2018



Source: Central Bank of Sri Lanka, 2019

As the apparel industry faces growing supply chain pressures, a combination of technological innovation and industry expertise is essential to achieve supply chain optimization (Slangerup, 2019), where a firm's sustainability largely depends on supply chains (Ulgen, Bjorklund, Simm, & Forslund, 2019). Efficient management of supply chains has become increasingly important in the apparel sector (The World Bank, 2012).

Textile and Apparel (T&A) supply chain & supply network

A supply chain is a complex system with many functions, activities and organizations (Allaoui, Guo, & Sarkis, 2019). Typical supply chains consist of all organisations and people who are involved in the process of converting the raw materials to finished goods and being delivered to the end consumers, including the related after-sales services. Apparel supply

chains are becoming increasingly global and involved a with large number of partners (Nath, Eweje, & Bathurs, 2019), which produce both physical products and also a combination of time, place, and form of function of a product or service. Therefore, it's become the key element of the overall strategy for the entire chain (Ozlen & Handukic, 2013). A typical fashion supply chain includes raw material farmers/producers, fibers and textile producers, apparel manufacturers, transporters, warehouses, and retailers (Shen & Mikschovsky, 2018). Apparel businesses report having about 1,000-2,000 suppliers on average, which could add up to a figure between 20,000-50,000 with sub-suppliers (Slangerup, 2019). Further, they consist of a wide variety of raw materials, facilities for ginning, spinning and extrusion processes, processing facilities, weaving and knitting sectors, and garment manufacturing for supplying products to a vast distribution channel, one of the most diversified regarding usage of raw materials, technologies/techniques employed and the production of final products (Raut, Gardas, & Narkhede, 2019). Further, Ivanov, Tsipoulanidis & Schonberger (2019) identified production planning, inventory control, materials control, work scheduling, quality control, and operations analysis as supply chain related decisions. Therefore, strategic supply chain decisions play a crucial role in organisational performance, especially, in turbulent times such as the current COVID-19 global pandemic situation.

Problem statement and objectives of the study

Decision maker's experience, knowledge, availability to gather explicit details and support network will help the person to make a confident decision. A wrong strategic decision, which was made by the top management, could affect the entire organization because the strategic decisions have an impact on the whole organization, and may have long term impacts which could critically affect the organization and may have important consequences on organizational performance (Jansen, Curseu, Vermeulen & Geurts, 2011). Therefore, it is important that the decision makers have to be self-confident about their decisions where decision maker's perception about the effectiveness on their decision has a major impact on the success of that decision (Vuong, Do, & Vuong, 2016). Supply chain professionals work in a highly dynamic and complex environment with many different challenges. Ivanov, Tsipoulanidis & Schonberger

(2019), where there is no room for mistakes.

Aligning with the literature there were many situations which have led to poor decisions for examples, H&M, one of the world's largest clothing manufacturers in Sweden has reported \$4.3 billion of unsold garments in 2018 due to the decision taken to expand the number of stores worldwide (Paton, 2018). Similarly, Forever 21, also suffered financial losses due to rapid outlet expansions (Wharton University, 2019). This emphasize the importance of considering both the characteristics and the social ties of the individual decision-maker when understanding the effectiveness of the decisions taken (Jansen, Curseu, Vermeulen, Geurts, & Gibcus, 2013). Based on the above mentioned gap the research problem formulated as "The relationship between social capital and perceived effectiveness of strategic supply chain decisions in Sri Lankan apparel sector organizations". Such exploration is expected to determine the relationship of decision maker's social capital on the perceived effectiveness of strategic supply chain decision making and recognize the effect of individual decision maker's social capital on Perceived effectiveness of strategic supply chain decisions. Substantiation of the significance has been validated as this research expects to address both theoretical, practical, and empirical gap to generate further opportunities to extend this study into other industries.

2. Literature Review

Jansen, Curseu, Vermeulen, & Geurts (2011) also emphasised that strategic decisions have important consequences for organizational performance and are often the result of the involvement of actors both from inside as well as outside the organization. Furthermore, Shafie, Muhammad, & Ridzwan (2017) states strategic decisions are long-term, highly unstructured, complex, and inherently risky and have a great impact on the future of the organization. Ernst & Haar (2019) highlights a survey done by Deloitte in 2014 which states 79% of companies with high-performing supply chains have achieved a higher revenue growth than the average within their sectors and only 8% of businesses with less capable supply chains showed above-average growth. Ernst & Haar (2019) explains Zara fashions in Spain as one classic example who gained competitive advantage through strategic supply chain networks in the

fashion and apparel industry, who overcame the risk of higher uncertainty in rapidly changing fashion industry through effective supply chains. This elaborates that the firms need to understand the trends influencing the supply chain to make it efficient and effective.

Many supply chain decisions need to be made within a short period of time, without complete comprehension of the situation and also requires consistent decision making practices (Guerrouj & Nadia, 2019). Moreover, global recessions, globalisation, and entry of international firms cause pressure on apparel sector strategic supply chain decisions (Okpala, Mlanga, Nwajuba, Osanebi, & Ezemoyih, 2019). The role of senior supply chain managers play in information and decision making networks are the core of decision making in key processes such as strategic planning, resource allocation, conflict resolution activities (Cross, Thomas, & Light, 2009), capacity planning, global supply chain, supply chain redesign, supply chain configuration, facility location, supply chain restructuring, locating the point of differentiation and service facility location (Narasimhan & Mahapatra, 2004) that have a direct and indirect impact on organisations. Therefore, strategic management expertise is highly essential for supply chain managers (Sreekumar & Rajmohan, 2018) and for the effective strategic decisions. The presence of complexities and high levels of uncertainty in criteria are two important challenges seen during the process of making strategic supply chain decisions. Hence, decision-makers experience great difficulty in choosing the best strategies (Montibeller & Franco, 2010). Decision effectiveness is referred to as 'the extent to which a decision achieves the objectives established by management at the time it is made' (Jansen, Curseu, Vermeulen, Geurts, & Gibcus, 2013; Jansen, Curseu, Vermeulen, & Geurts, 2011).

Aligning with the anticipation all enterprises are strongly dependent on access to both material (e.g. equipment, finance) and non-material (e.g. knowledge, skills) resources where supportive social relations are a relatively inexpensive way to access valuable resources (Lee, Tuselmann, Jayawarna, & Rouse, 2019). To possess social capital, an individual must be related to others, who are the actual source of the person's advantage. In this context, determinants and sources of social capital are related to the motivation of those "others" to make their resources publicly available

(Kaasa & Parts, 2007). Nahapiet & Ghoshal (1998, p. 243) explained the sum of actual and potential resources embedded within, available through, and derived from the relationships possessed by an individual or social unit as “social capital” (Golgecia & Kuivalainen, 2019). Further, Colman (1988) has described social capital as the goodwill available to individuals or groups arising from the structure and content of social relations that generates enhanced information (enables access to more and different information sources and improves information quality, relevance, and timeliness), influence (actors build a cache of obligations that can be used to manage actions toward specific goals), and solidarity (encourages compliance with rules and customs while reducing the need for formal control). Social capital could be distinguished into two levels as team-level and individual-level social capital (Beilmann & Realo, 2012; Huang, Chen, Ou, Davison, & Hua, 2015; Yua, Hao, Dong, & Khalifa, 2013). Originally, both Pierre Bourdieu and James Coleman focused on individuals (or small groups) as the unit of analysis. The concept of social capital was later extended to the level of larger groups by Robert Putnam (Portes 2000) (Beilmann & Realo, 2012).

Social capital theory attracts the scholars' interest in various disciplines such as sociology, organisational behaviour, organisational theory, and strategy management. It can be applied for different levels of extent literature such as individual, team, organisation, inter-organisation, industry, country, or even inter-country levels. (Wang, Chen, & Wang, 2019). It is a powerful theory explaining how businesses and their members access resources through relationships (Adler & Kwon, 2002; Nahapiet & Ghoshal, 1998). Most of the work related to social influence on supply chains were studied from the perspective of social capital in operations management areas (Lee, Tuselmann, Jayawarna, & Rouse, 2019). Although social capital theory suggests that the purpose of building social relationships is to access resources embedded in those relationships, it may result in some amount of control over individuals' behaviours, because more network connections may lead to dependence on others and reduced autonomy (Wang, Chen, & Wang, 2019; Villena, Revilla, & Choi, 2011).

Rhodes, Cordie & Wooten (2019) explained social capital as the access

and proficiency individuals have to knowledge and networks that facilitate the acquisition of economic resources and social well-being. Further, Lee, Tuselmann, Jayawarna, & Rouse (2019) elaborated social capital is an inherently humanistic and intangible asset related to networks and as an indispensable source of informal support for the decision makers. Research on SCT broadly focuses on the benefits that accrue in a social network because of the interactions among people (Huang, Chen, Ou, Davison, & Hua, 2015). The positive effects of social capital have been demonstrated empirically in a broad range of management topics including employment, career success, reduced turnover rates, Given that the significant investments are required to build social capital and indiscriminate promotion of social capital may lead to wasted resources (Wang, McNally, & Lenihan, 2018).

Previous research has shown that social capital at the individual level is dependent on many socioeconomic factors, such as age (Beilmann & Realo, 2012; Kaasa & Parts, 2007), gender (Beilmann & Realo, 2012; Kaasa & Parts, 2007), marital status (Kaasa & Parts, 2007), religiosity (Kaasa & Parts, 2007), education (Beilmann & Realo, 2012; Kaasa & Parts, 2007), employment status (Kaasa & Parts, 2007) and income (Beilmann & Realo, 2012; Kaasa & Parts, 2007) indicating that many acquired as well as attributed properties of individuals may affect the quality of social capital at their disposal. Among the above factors, income and education have been identified as the most influential factors. Empirical evidence shows that higher levels of income and education coincide with a strong probability for interpersonal trust and group membership from the part of the individual (Kaasa & Parts, 2007).

Perceived effectiveness of the strategic supply chain decisions

Performance measurement can be defined as the process of quantifying the effectiveness and efficiency of action. Effectiveness refers to the extent to which the customer requirements are met, while efficiency measures how economically a company's resources are used to provide a specified level of customer satisfaction (Mani & Delgado, 2019). Business management today is in the era of inter-network competition and the success of a business depends on the management's ability to effectively integrate its network of business relationships (Jain, Dangayach, Agarwal,

& Banerjee, 2010). Top management is at the center of government, business, community, consumer and other stakeholders. Meeting the stakeholder requirements largely depends on the level of knowledge and values of senior managers (Liu, 2019).

Decision makers gather information through social ties in their direct environment, which constitutes their social capital. The relations that have been maintained by the managers and executives will affect their behaviour as well as the organisational processes (Kwon & Adler, 2014; Jansen, Curseu, Vermeulen, & Geurts, 2011). Therefore, the strategic decisions that have been taken could be affected by the situation as well as with whom they are connected with because the internal and external connections increase the availability of decision relevant information (Jansen, Curseu, Vermeulen, & Geurts, 2011). Therefore, it is found that higher the level of social relationships, it would cost less on supply chains (i.e. leads to better supply chains) (Wei, Mei, Yang, & Liu, 2019). Leaders are considered as influencing the decision-making process, be it through their values through their expertise or their responsibilities (Guerrouj & Nadia, 2019). Therefore, social capital could be considered as a decision aid that informs managers in their assessment of the decision situation, implying that the more social capital, the higher the decision effectiveness (Jansen, Curseu, Vermeulen, & Geurts, 2011). Strong supply chain relationships enable firms to react to changes in the market, create customer value and loyalty, which lead to improved profit margins (Cruz & Liu, 2011).

3. Research Methodology

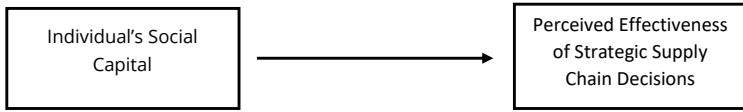
Along with the similar studies associated with social capital theory and strategic decision making conducted by Akdere (2011); Carmeli, Tishler & Edmondson (2012); Kaufmann, Carter & Buhrmann (2012) were also based on the positivistic research philosophy. Respecting to positivistic research philosophy, research has been organized along with the deductive approach by testing hypotheses based on the research questions that are to be answered by the study. This study expects to explore the epistemological questions regarding the relationship between the individual decision maker's social capital and perceived effectiveness of the strategic supply chain decisions. Previous similar studies conducted

by Aguinis, Ansari, Jayasingam, & Aafaq (2008); Beilmann & Realo (2012); Cruz & Liu (2011); Evans, Brown, & Killian (2002); Shafie, Muhammad & Ridzwan (2017) have used the deductive research approach. The design of the research could be classified as the blueprint, which comprises the framework of the study. Once the variables pertaining to the research question are identified and developed the conceptual framework of the study, the next step is to collect the relevant data and analysis of data to arrive at research findings (Saunders, Lewis, & Thornhill, 2009).

This is a descriptive study consists of survey and fact-finding investigation of different kinds (Mishra & Alok, 2017). The object of descriptive research is 'to portray an accurate profile of persons, events or situations' (Saunders, Lewis, & Thornhill, 2009). The main feature of this method is that the scientist does not have direct control over the variables; he can only report what is happening or what has happened. The techniques used in descriptive research are can be of all kinds like survey methods, comparative and correlational methods, etc. (Mishra & Alok, 2017). The prime objective of any descriptive study is to provide the researcher with a description pertaining to evident facts of interest and such studies would cover the basic statistical data required for such studies; Mean, standard deviation, frequency and mode are some of them (Sekaran & Bougie, 2018). An online questionnaire pilot survey with the representation of 35 respondents, and subsequently validates to mitigate the abnormality in the final questionnaire for the study. Individuals who are engaged with the top decision making responsibility of the supply chain positions in the Sri Lankan Apparel sector were recognised as the population which is amounted to 136 (Wijesinghe & Mallawarachchi, 2019). According to Krejcie & Morgan (1970), a minimum of 108 responded feedbacks was required to arrive at a 95% confidence level.

The conceptual framework (Figure 2) was developed based on the Social Capital Theory to identify the impact of an individual decision maker's social capital on his/her perception on the effectiveness of the decision taken, with reference to the strategic supply chain decisions. Individual decision makers' social capital is the independent variable and the perceived effectiveness of the strategic supply chain decisions is considered as the dependent variable.

Figure 2: Conceptual framework for the study



Source: Researcher's construction based on literature

Hypotheses of the study:

Ha1 – Individual decision maker's social capital has a direct effect on the perceived effectiveness of strategic supply chain decisions

Data Analysis and Presentation

The reliability of the scales was tested computing Cronbach's alpha values which are listed in Table 1. This demonstrates a satisfactory level of internal consistency, as it is higher than 0.7 which is the recommended level. Furthermore, the results indicate that the Likert scale items are following uni-direction. Accordingly, there is an internal consistency among the items used to operationalize corresponding variables.

Table 1: Reliability Statistics

Construct	No of items	Cronbach's alpha
Individual decision maker Social Capital	17	0.890
Perceived Effectiveness of Strategic Supply Chain Decisions	05	0.869

Source: Compiled by authors

Data collection and response rate

The total population of the study was 136 members, thus adopted a census sampling method. The data collection questionnaire for the study was administered electronically. The study expected to obtain filled questionnaires from 136 respondents. However, due to the time constraints and accessibility constraints due to the COVID-19 situation, constraints, and prevailing volatile political and economic situation of the country, 122 questionnaires were collected, which indicated a response rate of 89.71 percent. Data collection took approximately two months

due to the COVID-19 pandemic situation that occurred globally. All data collected was entered into the SPSS data sheet for analysis.

Respondents' Profile

The respondents' profile has been depicted using 06 demographic variables as table 2

Table 2: Respondents' Profile

Variable	Frequency	Percentage	Mean ±SD
Gender			
Male	85	69.7%	
Female	37	30.3%	
Designation			
Owner	6	4.9%	
Director	6	4.9%	
President	3	2.5%	
Senior GM	4	3.3%	
GM	12	9.8%	
Manager	40	32.8%	
Asst. Manager	23	18.9%	
Consultant	4	3.3%	
Executive	18	14.8%	
Other	6	4.9%	
Highest Education Qualification			
Diploma	22	18.0%	
Degree	40	32.8%	
Masters	49	40.2%	
Post Graduate	11	9.0%	
Working Experience in Supply Chain			
1-5 Years	48	39.4%	
5-10 Years	26	21.3%	
10-15 Years	22	18.0%	
Above 15 Years	26	21.3%	

Working Experience

1-5 Years	63	51.6%
5-10 Years	28	23.0%
10-15 Years	13	10.7%
Above 15 Years	18	14.7%

Age

41.7 ± 9.88

Source: Compiled by authors

The average age of the respondents of the sample of apparel sector strategic decision makers was 41.7 ± 9.88 years where the maximum age was 63 years and the minimum age was 25 years. From the sample of respondents, the majority were male which was 85 (69.67%). The female respondents were 37 (30.33%). Majority of the respondents have completed master's degrees in terms of education which added up to 40.16%. The next highest is bachelor's degree holders which was 32.79 %, followed by 18.03% of diploma holders and 9.02% Post Graduate qualified professionals. All the respondents have at least completed the minimum education level of a diploma in the selected sample. The majority of the respondents (32.79%) represented managers in the organisational hierarchy, followed by 18.85 % of assistant managers, 14.75% of executives, 9.84% of general managers, 4.92 % of owner managers, 4.92 % of directors, 3.28 % of senior general managers 3.3 % of president/vice presidents, and 4.92 % from other categories.

The respondents' total work experience, work experience related to supply chains, and their apparel sector work experiences were also measured to get a clear understanding of the respondents' competency in strategic supply chain decisions in apparel sector organisations. Furthermore, data about the respondent's engagement with their current workplace was also gathered. The summary of the figures was mentioned in Table 3 below.

Table 3 : Summary of the respondent’s work experiences

	Total years of work experience	Total years of work experience related to supply chains	Total years of work experience at a strategic management position in an apparel sector organisation	No of years worked in the current organisation
Average	17.56	14.89	9.84	7.82
Maximum	41	40	30	26
Minimum	2	1	1	1

Source: Survey findings (2020)

Preliminary analysis

Preliminary analysis is conducted to ensure the nature of responses in relation to perceived effectiveness and individual decision maker’s social capital. Furthermore, comparatively the deviation of the responses has been explained. Then the normality of the data has been estimated. Results are provided by Table 4 below.

Table 4: Descriptive statistics

Measures	PE	SC
Mean	1.5967	1.9364
Std. Deviation	.38137	.29061
Skewness	.264	.407
Std. Error of Skewness	.219	.219
Kurtosis	-.516	.105
Std. Error of Kurtosis	.435	.435
Minimum	1.00	1.24
Maximum	2.60	2.71

Source: Compiled by authors

According to the descriptive statistics, mean responses with regard to PE and SC are having agreed level responses as the mean values are around the likert scale 2. It represents agree level and there are positive responses among strategic decision makers to them. Highest standard deviation is

represented by PE that is 0.38 and it represents comparatively a higher deviation. The minimum standard deviation that is 0.29 belongs to SC and it comprises minimum variance comparatively. All the coefficients of skewness are between -0.5 and +0.5. Therefore, variables are normally distributed. The same results are indicated by the standard errors of skewness and kurtosis. Absolute value of skewness is less than 3 times of standard error of skewness. Similarly, absolute value of kurtosis is less than 3 times of standard error of kurtosis. Accordingly, all the measures indicate that data are normally distributed.

Effect of SC on PE

The second objective has been addressed by It is expected to analyze the effect of SC and CC on PE individually and jointly using multiple linear regression models. Results of the model summaries are provided by in table 5

Table 5: Model summary

Mode l	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.788 ^a	.621	.615	.23676	1.857

Source: Compiled by authors

According to the model summaries, coefficient of determination is 0.621. this indicates that 62.1% of PE has been explained by the linear model as the value is exceeding 60%, model is nicely fitted. Durbin-Watson test statistics is 1.857 which is between the expected standard values that is 1.5 and 2.5. Therefore, residuals of the linear model are independent and model is appropriate.

Table 6: Individual effect of SC

Model	Unstandardized		Standardized	t	Sig.	Collinearity Statistics	
	Coefficients		Coefficients			Tolerance	VIF
	B	Std. Error	Beta				
1 (Constant)	-.456	.160		-2.844	.005		
SC	1.013	.078	.772	12.961	.000	.898	1.114

Source: Compiled by authors

According to the individual beta values, the probability of SC is highly significant as the P-value is 0.000. Individual beta value is 1.013. This indicates that SC has a highly significant positive effect on PE. Accordingly, Ha2 is accepted.

Relationship between SC and PE

Pearson correlation analysis has been carried out and results are provided in table 7.

Table 7: Correlation analysis

Variables		PE
SC	Pearson	.787**
	Correlation	
	Sig. (2-tailed)	.000
	N	122

Source: Compiled by authors

According to the correlation analysis, the probability of the relationship between SC and PE is highly significant as the P value is 0.000. The coefficient of correlation is 0.787. This indicates that there is a highly significant positive relationship between SC and PE as the coefficient of correlation is higher than 0.7, there is a strong positive association between the variables.

Discussion and suggestions

Study Findings

According to the aims of the research, findings of this study concentrate on examining the relationship of individual decision maker's social capital on perceived effectiveness of strategic supply chain decision making, which can be referred to as a collective rather than an individual property (Yang, 2007). The study findings explain that the decision makers perceive the effectiveness of the strategic supply chain decisions depends on the individual decision maker social capital. This could be mainly because the individuals prefer referencing their actions with their support networks (Iederan, Curseu, & Vermeulen, 2009). Jansen R. J., Curseu, Vermeulen, & Geurts, (2011) explained that the effects of social capital are vague, but mostly negative. Furthermore, they argued that to develop an assessment of the decision situation, central decision makers gather most

of their information through social ties in their direct environment, which constitute their social capital. The main reason for this can be found in the way information processing differs between decision makers in different sectors. However, the study findings represented a positive relationship between the individual social capital and the perceived effectiveness of strategic supply chain decisions with reference to the Sri Lankan apparel sector. Statistical findings of the relationship between social capital and perceived effectiveness depicted that the $p < 0.05$, hence can be concluded that social capital has a positive impact on perceived effectiveness. The beta value is 1.033, stating that if statistically social capital raise by 1, the perceived effectiveness will go up by 1.033.

Therefore, according to the research finding it can be concluded that there is a positive relationship between social capital and perceived effectiveness of strategic supply chain decisions. It is also revealed that the study findings of the current research is complying with the the studies conducted by, Lederan, Curseu, & Vermeulen., (2009), and Jansen R. J., Curseu, Vermeulen, & Geurts., (2011).

Limitations of the study

This study was carried out in a context of strategic decision makers from a selected industry. Hence, the sample consisted of less diversity from a demographic viewpoint where predominately employees were males, which is currently being addressed by apparel organizations by consciously striving to strike a balance between male-female ratios. Further, there are a few factors affecting on perceived effectiveness of strategic decision making. The present study had only considered social capital as a factor affecting Perceived effectiveness on decision making.

The instrument used for data collection was a questionnaire which by nature has limitations as the employees were able to answer only the questions that were asked. Since intention to remain in an organization is more of a personal identity related question, they would feel less likely to respond with true answers and could end up providing a more neutral answer. Besides, using other methods such as interviews and observations would have given a rich contribution for future researchers. The current study is a cross-sectional study that provides only a snap

shot view of the problem at hand, through which the researcher cannot conclude causality. Therefore, conducting a longitudinal study would have given more depth to perceived effectiveness of strategic decision making in the light of social capital.

Suggestions, recommendations and directions for further studies.

The apparel sector is affected by the constant challenge of ensuring uninterrupted supply chain operations. Especially, with regards to top and critical strategic supply chain decisions, social capital of the individual decision makers and their ability to make effective strategic supply chain decisions confidently, are vital to gain competitive advantage. This makes the strategic decision makers of organizations to actively engage in building up fruitful social networks which will acts as a capital for them (individual decision maker social capital). Social networks of the individual decision makers create a competitive advantage especially in turbulent situations such as natural disasters and global crisis situations because such incidents disrupt the supply networks. Therefore, individual decision maker/makers with higher social capitals are likely to face the turbulent situations more effectively with the help of their support networks.

This study sheds light on many unexplored theoretical and empirical research avenues related to strategic management and individual decision maker's behaviour within organisational contexts. However, there are many areas for further knowledge improvement. It is important to validate the findings of the present study between different industries as the present study only focused on perceived effectiveness of strategic supply chain decisions in the textile and apparel sector in Sri Lanka. It could be interesting to see whether there are differences in the perceived effectiveness of strategic supply chain decisions for different industries. Further, a comparison can be done among the different supply chain decisions such as strategic level supply chain decisions and operational level supply chain decisions, which have not been covered from the scope of this study. Another important aspect to be considered for future studies would be the viewpoint from the subordinate's perspective regarding how they perceive the effectiveness of the strategic supply chain decisions taken by the top management and what are the factors affect the subordinate perception regarding the effectiveness of strategic

supply chain decisions. In addition, there could be further indicators identified for perceived effectiveness of strategic supply chain decisions and even other moderators and factors to be looked at to measure the impact of individual decision maker's social capital on the perceived effectiveness of strategic supply chain decisions. Past studies were mainly either qualitative or quantitative studies whereas the present study is quantitative. A mixed method adopted for future studies would be able to facilitate a deeper theoretical and empirical justification to the research arena.

References

- Aguinis, H., Ansari, M., Jayasingam, S., & Aafaq, R. (2008). Perceived entrepreneurial success and social power. *Management Research*, 6(2), 121.
- Akdere, M. (2011). An analysis of decision-making process in organizations: Implications for quality management and systematic practice. *Total Quality Management & Business Excellence*, 22(12), 1317-1330. doi:10.1080/14783363.2011.625180
- Aliyu, A. A., Bello, M. U., Kasim, R., & Martin, D. (2014). Positivist and Non-Positivist Paradigm in Social Science Research: Conflicting Paradigms or Perfect Partners? *Journal of Management and Sustainability*, 4(3), 79-95.
- Allaoui, H., Guo, Y., & Sarkis, J. (2019). Decision support for collaboration planning in sustainable supply chains. *Journal of Cleaner Production*, 229, 761-774.
- Arora, S., & Pargain, V. (2017). *Global textile apparel industry fortunes to depend on 5 major trends*. Textile Magazine. Retrieved from <http://www.indiantextilemagazine.in/industry-news/global-textile-apparel-industry-fortunes-to-depend-on-5-major-trends/>
- Ashby, A., Leat, M., & Hudson-Smith, M. (2012). Making connections: a review of supply chain management and sustainability literature. *Supply Chain Management: An International Journal*, 17(5), 497-516.

- Bai, C., & Sarkis, J. (2018). Honoring complexity in sustainable supply chain research: a rough set theoretic approach (SI:ResMeth). *Production Planning & Control*, 29(16), 1367-1384. doi:10.1080/09537287.2018.1535133
- Baker, A. (2012, January 31). *Global Supply Chain Strategy: Decision Points*. Retrieved from Inbound Logistics: <https://www.inboundlogistics.com/cms/article/global-supply-chain-strategy-decision-points/>
- Bala, B., Islam, M., Ghosh, S., Hossain, M., Hoque, A., & Saha, S. (2019). Modelling of supply chain of ready-made garments in Bangladesh. *Systems Research and Behavioral Science*. 37(4) doi:10.1002/sres.2575
- Basel, J. S., & Bruhl, R. (2013). Rationality and dual process models of reasoning in managerial. *European Management Journal cognition and decision making*, 13, 745-754.
- Beilmann, M., & Realo, A. (2012). Individualism-collectivism and social capital at the individual level. *Trames: A Journal of the Humanities and Social Sciences*, 16(3), 205-217.
- Brusset, X., & Teller, C. (2016). Supply chain capabilities, risks, and resilience. *International Journal of Production Economics*, 184, 59-68. Retrieved from <http://dx.doi.org/10.1016/j.ijpe.2016.09.008>
- Carmeli, A., Tishler, A., & Edmondson, A. C. (2012). CEO relational leadership and strategic decision quality in top management teams: The role of team trust and learning from failure. *Strategic Organization*, 10(1), 31-54.
- Central Bank of Sri Lanka. (2019). *Economic and Social Statistics of Sri Lanka*. Rajagiriya: Central Bank Statistics Department.
- Chen, L., & Unsworth, K. (2019). Cognitive complexity increases climate change belief. *Journal of Environmental Psychology*. 65, 101316.
- Chernyshev, B. V., Lazarev, I. E., Ivanov, M. V., Osokina, E. S., & Vyazovtseva, A. A. (2013). Attentional lapses under decision-making: an event-related potential study. *Higher School of Economics Research*.

- Committee, J. E. (2019). *The economic impact of the fashion industry*. U.S. Congress Joint Economic Committee.
- Cross, R., Thomas, R. J., & Light, D. A. (2009). How 'who you know' affects 'what you decide'. *MIT Sloan Management Review*, 50(2), 35.
- Cruz, J. M., & Liu, Z. (2011). Modeling and analysis of the multiperiod effects of social relationship on supply chain networks. *European Journal of Operational Research*, 214, 39-52. doi:10.1016/j.ejor.2011.03.044
- Dika, S. L., & Singh, K. (2002). Applications of Social Capital in Educational Literature: A Critical Synthesis. *Review of Educational Research*, 72(1), 31-60. Retrieved from <http://rer.sagepub.com/content/72/1/31>
- Dinnen, J. (2014). *Phase #2: Clearly Define Your Research Strategy*. Retrieved from 5 Phases of an effective marketing research process: <https://www.mackenziecorp.com/phase-2-clearly-define-research-strategy/>
- Dong, C., Li, Q., Shen, B., & Tong, X. (2019). Sustainability in Supply Chains with Behavioral Concerns. *Sustainability*.
- Drew, D., & Reichart, E. (2019). *These are the economic, social and environmental impacts of fast fashion*. World Resource Institute.
- Dubey, R., Gunasekaran, A., Childe, S. J., & Papadopoulos, T. (2018). Skills needed in supply chain-human agency and social capital analysis in third party logistics. *Management Decision*. Retrieved from <https://doi.org/10.1108/MD-04-2017-0428>
- Dudovskiy, J. (2019). *Positivism Research Philosophy*. Retrieved from Research Methodology: <http://research-methodology.net/research-philosophy/positivism/>
- Embuldeniya, A. (2015). Impact of Apparel Industry on the Economy of Sri Lanka. *Journal of Social Statistics*. 02(01), 01-14.
- Ernst, R., & Haar, J. (2019). *Globalization, Competitiveness, and Governability: The Three Disruptive Forces of Business in the 21st Century*. Palgrave Macmillan.

- Evans, W. P., Brown, R., & Killian, E. (2002). Decision Making and Perceived Postdetention Success Among Incarcerated Youth. *Crime & Delinquency*, 48(4), 553-567.
- Forlani, D. (2002). Risk and Rationality: The Influence of Decision Domain and Perceived Outcome Control on Managers' High-risk Decisions. *Journal of Behavioral Decision Making*, 15, 125-140.
- Gill, J., & Johnson, P. (2010). *Research Methods for Managers*. SAGE Publications Ltd.
- Golgecia, I., & Kuivalainen, O. (2019). Does social capital matter for supply chain resilience? The role of absorptive capacity and marketing-supply chain management alignment. *Industrial Marketing Management*.
- Green, B. (2020). *Streaks, Stories, and Social Capital: A Bourdieusian Approach to Teenagers' Use of Snapchat*. PhD Dissertation.
- Green, K. W., Inman, R. A., Sowe, V. E., & Zelbst, P. J. (2019). Comprehensive supply chain management model. *Supply Chain Management: An International Journal*. Retrieved from <https://doi.org/10.1108/SCM-12-2018-0441>.
- Gröschl, S., Gabaldo, P., & Hahn, T. (2019). The Co-evolution of Leaders' Cognitive Complexity and Corporate Sustainability: The Case of the CEO of Puma. *Journal of Business Ethics*, 155 (3), 741-762. doi:10.1007/s10551-017-3508-4.
- Guerrouj, K., & Nadia, M. (2019). "The influence of collaboration and decision-making in sustainable supply chain management: a case study analysis on Skechers USA Inc. *Power*, 1(1).
- Ho, E. A., Sanbonmatsu, D. M., & Akimoto, S. A. (2002). The effects of comparative status on social stereotypes: how the perceived success of some persons affect the stereotypes of the others. *Social Cognition*, 20(1), 36-57.
- Huang, Q., Chen, X., Ou, C. X., Davison, R. M., & Hua, Z. (2015). Understanding buyers' loyalty to a C2C platform: the roles of social capital, satisfaction and perceived effectiveness of

e-commerce institutional mechanisms. *Information systems journal*, 27(1), 91-119.

Iederan, O. C., Curseu, P. L., & Vermeulen, P. (2009). Effective decision making: The role of cognitive complexity in strategic decisions.

Iederan, O., Curşeu , P., & Vermeulen, P. (2009). Effective decision-making: The role of cognitive complexity in strategic decisions.

ISMM - Sri Lanka. (n.d.). *About Us - A Brief Outline*. Retrieved December 26, 2019, from Institute of Supply and Materials Management, Sri Lanka: <https://www.ismmsrilanka.com/about.html>

Ivanov, D., Tsipoulanidis, A., & Schonberger, J. (2019). *Global Supply Chain and Operations Management*. Switzerland: Springer Nature Switzerland AG.

Jain, J., Dangayach, G. S., Agarwal, G., & Banerjee, S. (2010). Supply chain management: literature review and some issues. *Journal of Studies on Management*, 2(0), 11-25.

Jansen, R. J., Curseu, P. L., Vermeulen, P. A., & Geurts, J. L. (2011). Social capital as a decision aid in strategic decision-making in service organizations. *Management Decision*, 49(5), 734-747. doi:10.1108/00251741111130823.

Jansen, R. J., Curseu, P. L., Vermeulen, P. A., Geurts, J. L., & Gibcus, P. (2013). Information processing and strategic decision-making in small and medium-sized enterprises: The role of human and social capital in attaining decision effectiveness. *International Small Business Journal*, 31(2), 192-216. doi:10.1177/0266242611406762.

Kaasa, A., & Parts, E. (2007). Individual level determinants of social capital in Europe: Differences between country groups. *European Economics: Labor & Social Conditions eJournal*. doi:ISBN 978-9949-11-715-4.

Kaufmann, L., Carter, C. R., & Buhrmann, C. (2012). The impact of individual debiasing efforts on financial decision effectiveness in the supplier selection process. *International Journal of Physical Distribution & Logistics Management*, 42(5), 411-433. doi:http://

[dx.doi.org/10.1108/09600031211246492](https://doi.org/10.1108/09600031211246492)

- Kivunja, C., & Kuyini, A. B. (2017). Understanding and Applying Research Paradigms in Educational Context. *International Journal of Higher Education*, 6(5), 26-41.
- Kline, R. B. (2011). *Principles and practice of structural equation modeling*. Newyork: The Guilford Press.
- Kovarova, M., & Filip, M. (2015). Integrating the differentiated: A review of the personal construct approach to cognitive complexity. *Journal of Constructivist Psychology*, 28(4), 342-366.
- Kwon, S.-W., & Adler, P. S. (2014). Social Capital: Maturation of a field of Research. *Academy of Management Review*, 39(4), 412-422. Retrieved from <http://dx.doi.org/10.5465/amr.2014.0210>
- Lee, J. H., & Ostwald, M. J. (2018). Measuring cognitive complexity in parametric design. *International Journal of Design Creativity and Innovation*.
- Lee, R., Tuselmann, H., Jayawarna, D., & Rouse, J. (2019). Effects of structural, relational and cognitive social capital on resource acquisition: a study of entrepreneurs residing in multiply deprived areas. *Entrepreneurship & Regional Development*, 31(5-6), 534-554.
- Lincoln, Y. S., & Guba, E. G. (2000). The only generalization is: There is no generalization. 27-44.
- Liu, L. (2019). Top Management Characteristics, Green Supply Chain Management and Corporate Performance - Moderating Effects of Competition Intensity. *Journal of Human Resource and Sustainability Studies*, 7, 55-71.
- Lu, S. (2017). *Market size of the global textile and apparel industry: 2016 to 2020/2021*. Retrieved from <https://shenglufashion.com/tag/textile-industry/>
- Mani, V., & Delgado, C. (2019). Review of Literature. In *Supply Chain Social Sustainability for Manufacturing* (pp. 11-80). Singapore: Springer.

- McKenzie, J., Woolf, N., van Winkel, C., & Morgan, C. (2009). Cognition in strategic decision making. *Management Decision*, 47(2), 209-232.
- Mishra, S. B., & Alok, S. (2017). *Handbook of Research Methodology*. Education Publishing.
- Mitchell, J. R., Shepherd, D. A., & Sharfman, M. P. (2011). Erratic strategic decisions: When and why managers are inconsistent in strategic decision making. *Strategic Management Journal*, 32(7), 683-704.
- Molleman, L., & Gachter, S. (2018). Societal Background Influences Social Learning in Cooperative Decision Making. doi:10.1016/j.evolhumbehav.2018.05.007
- Nahapiet, J., & Ghoshal, S. (1998). Social capital, intellectual capital, and the organizational advantage. *Academy of management review*, 23(2), 242-266.
- Narasimhan, R., & Mahapatra, S. (2004). Decision models in global supply chain management. *Industrial Marketing Management*, 33(1), 21-27. doi:10.1016/j.indmarman.2003.08.006
- Nath, S. D., Eweje, G., & Bathurs, R. (2019). Why Supply Chain Sustainability Matters for Developing Countries' Apparel Suppliers? An Integrated Framework. *Responsible Business in Uncertain Times and for a Sustainable Future*, 187-206. Retrieved from https://doi.org/10.1007/978-3-030-11217-2_9
- Okpala, K. E., Mlanga, S., Nwajiuba, A. O., Osanebi, C., & Ezemoyih, C. M. (2019). Producers' make or buy decision and business shutdown: An evaluation of choice in textile industry. *Cogent Business & Management*, 6(1).
- Ozlen, M. K., & Handukic, I. (2013). Fashion Industry Supply Chain Issues: Zara (Azé France). *European Researcher*, 47, 999-1008.
- Patel, A. B., & Desai, T. N. (2018). A systematic review and meta-analysis of recent developments in sustainable supply chain management. *International Journal of Logistics: Research and Applications*. doi:10.1080/13675567.2018.1534946

- Paton, E. (2018, March 27). *H&M, a Fashion Giant, Has a Problem: \$4.3 Billion in Unsold Clothes*. Retrieved from The New York Times: <https://www.nytimes.com/2018/03/27/business/hm-clothes-stock-sales.html>
- Perera, S. (2018, August 02). *Research Paradigms*. Colombo, Western, Sri Lanka.
- Polyviou, M., Croxton, K. L., & Knemeyer, A. M. (2019). Resilience of medium-sized firms to supply chain disruptions: the role of internal social capital. *International Journal of Operations & Production Management*. Retrieved from <https://doi.org/10.1108/IJOPM-09-2017-0530>
- Raut, R., Gardas, B. B., & Narkhede, B. (2019). Ranking the barriers of sustainable textile and apparel supply chains: An interpretive structural modelling methodology. *Benchmarking: An International Journal*, 26(2), 371-394. doi:10.1108/BIJ-12-2017-0340
- Rhodes, C. M., Cordie, L., & Wooten, M. (2019). An examination of social capital among US Adults: Patterns that facilitate social well-being as measured by PIAAC. *International Journal of Learning, Teaching and Educational Research*, 18(2), 1-12.
- Roch, S., & Ayman, R. (2005). Group decision making and perceived decision success: The role of communication medium. *Group dynamics: theory, research, and practice*, 9(1), 15.
- Ryu, S. (2014). Networking Partner Selection and Its Impact on the Perceived Success of Collaboration. *Public Performance & Management Review*, 37(4), 632-657. doi:10.2753/PMR1530-9576370405
- Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research Methods for Business Students*. Essex CM20 2JE, England: Pearson Education Limited.
- Sekaran, U., & Bougie, R. (2018). *Research Methods for Business*. New Delhi: Wiley India Pvt. Ltd.

- Seram, N., Nanayakkara, J., & Lanaroll, G. (2019). Decision-Making in the Front-End of Apparel Innovation: A Study from Sri Lanka. *Fashion Practice*, 11(2), 151-174. doi:10.1080/17569370.2019.1607225
- Shafie, A. S., Muhammad, N. M., & Ridzwan, R. (2017). Decision characteristics and strategic decision process for strategic decision output: A conceptual model. *Journal of Advanced Research in Business and Management Studies*, 6(1), 1-11.
- Shen , B., & Mikschovsky, M. (2018). Introduction to Fashion Supply Chain Management in Asia. In *Fashion Supply Chain Management in Asia: Concepts, Models, and Cases* (pp. 1-17). Singapore: Springer.
- Singleton, J. (2013). *World Textile Industry*.
- Slangerup, J. (2019). 2019 Supply Chain Outlook for the Apparel Industry. *Apparel Magazine*, 5(8).
- Smith, W. K. (2014). Dynamic decision making: A model of senior leaders managing strategic paradoxes. *Academy of Management Journal*, 57(6), 1592-1623. Retrieved from <http://dx.doi.org/10.5465/amj.2011.0932>
- Smith, W. K., & Lewis, M. W. (2011). *Academy of Management Review*, 36(2), 381-403.
- Sreekumar, V., & Rajmohan, M. (2018). Supply chain strategy decisions for sustainable development using an integrated multi-criteria decision-making approach. *Sustainable Development*, 27(1), 50-60.
- Sri Lanka Export Development Board. (2019). *Sri Lanka Export Development Board*. Retrieved December 2016, from Apparel: <http://www.srilankabusiness.com/apparel/>
- Stotz, L., & Kane, G. (2015). *Global Garment Industry Factsheet*.
- The World Bank. (2012). *Sewing Success? Employment, Wages, and Poverty following the End of the Multi-fibre Arrangement*. Washington, DC: The World Bank. doi:10.1596/978-0-8213-8778-8
- Ulgen, V. S., Bjorklund, M., Simm, N., & Forslund, H. (2019). Inter-organizational supply chain interaction for sustainability: A

- systematic literature review. *Sustainability*, 11(9), 5488.
- Uman, R., & Sommanawat, K. (2019). Strategic flexibility, manufacturing flexibility, and firm performance under the presence of an agile supply chain: a case of strategic management in fashion industry. *Polish Journal of Management Studies*, 19.
- Villena, V. H., Revilla, E., & Choi, T. Y. (2011). The dark side of buyer-supplier relationships: A social capital perspective. *Journal of Operations Management*, 29(6), 561-576.
- Violetta, B. (2020). Sustainability in the fashion industry: strategy and practice.
- Vuong, Q. H., Do, T. H., & Vuong, T. T. (2016). Resources, experience, and perseverance in entrepreneurs' perceived likelihood of success in an emerging economy. *Journal of Innovation and Entrepreneurship*, 5(18).
- Wang, L., Chen, J., & Wang, P. (2019). Relationship of Internal Social Capital and Organization Performance. *4th International Conference on Modern Management, Education Technology and Social Science (MMETSS 2019)*. Atlantis Press.
- Wang, Z., McNally, R., & Lenihan, H. (2018). The role of social capital and culture on social decision-making constraints: A multilevel investigation. *European Management Journal*.
- Web-based surveys in logistics research: an empirical application. (2005). In D. Grant, C. Teller, & W. Teller, *Research Methodologies in Supply Chain Management* (pp. 139-154). Physica-Verlag HD.
- Wei, W., Mei, S., Yang, J., & Liu, Z. (2019). The impact of social ties between firms and customers on dual-channel supply chains. *Marketing Intelligence and Planning, Forthcoming*.
- Wen, X., Choi, T.-M., & Chung, S.-H. (2019). Fashion retail supply chain management: A review of operational models. *International Journal of Production Economics*, 207, 34-55.
- Wharton University. (2019). *Fashion Fail: Where Did Forever 21 Go Wrong?* Retrieved from Knowledge@Wharton: <https://knowledge.>

wharton.upenn.edu/article/where-did-forever-21-go-wrong/

- Wijesinghe, D., & Mallawarachchi, H. (2019). A systematic approach for maintenance performance measurement: Apparel Industry in Sri Lanka. *Journal of Quality in Maintenance*, 25(1), 41-53. doi:<https://doi.org/10.1108/JQME-03-2017-0022>
- Woznyj, H. M., Banks, G. C., Dun, A. M., Berka, G., & Woehr, D. (2019). *Human Performance*, 1-33. doi:10.1080/08959285.2019.1689396
- Woznyj, H. M., Banks, G. C., Dun, A. M., Berka, G., & Woehr, D. (2019). Re-introducing Cognitive Complexity: A Meta-analysis and Agenda for Future Research. *Human Performance*, 1-33. doi:10.1080/08959285.2019.1689396
- Yang, K. (2007). Individual Social Capital and Its Measurement in Social Surveys. *Survey Research Methods*, 1(1), 19-27.
- Yua, Y., Hao, J.-X., Dong, X.-Y., & Khalifa, M. (2013). A multilevel model for effects of social capital and knowledge sharing in knowledge-intensive work teams. *International Journal of Information Management*, 33(5), 780-790. Retrieved from <http://dx.doi.org/10.1016/j.ijinfomgt.2013.05.005>