

## EFFECT OF CORPORATE MANAGEMENT STRATEGIES ON THE DECLINE OF THE TEXTILE MANUFACTURING FIRMS IN NORTHERN NIGERIA

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### Abstract

In the last decade, textile industry was the next largest employer of labour after the civil service in Nigeria but recently the sector is facing several challenges ranging from technological innovative changes, inadequate skillful manpower, globalization effect, poor fabric quality to grossly inadequate socio-economic infrastructural deficiencies. According to the Manufacturers' Association of Nigeria (MAN, 2020), over 250 textile manufacturing firms in Northern Nigeria have folded up in the last few years with negative effects on unemployment and poverty in the zone. This ugly trend necessitated the study ~~is~~ to investigate the effects of corporate management strategies on the decline of textile industries in Northern Nigeria. Cross sectional survey research design was adopted in which relevant data was collected by means of questionnaire instrument. A sample of three hundred and nine (309) was drawn from a population of six thousand six hundred and thirty nine (6639) using Yaro Yamane formula for determining sample size and stratified random sampling with proportionate sample size allocation. Data collected was analyzed using Structural Equation Model (SEM) and Partial Least Square (PLS) respectively. Results show that change of top management, quality of made in Nigeria textile fabric and innovation, are found to be positively significant determinant as a turnaround strategy. Study concludes that inadequate investment in modern textile technology, absence of innovative approaches, use of deficient managerial skills and poor marketing often lead to low quality of textile products and declining trend which resulted in the collapse of textile manufacturing firms in Northern Nigeria. Study therefore recommends investment in state-of-the-art textile equipment, technology and innovation in textile industry; constant training for managerial executive in the industry, robust marketing effort and sale of qualitative textile products are necessary factors that will aid in rejuvenating and transforming the moribund industry.

**Keywords:** Fabric, technology, industry decline, textile industry and turnaround strategies.

## Introduction

Industrial development is an integral aspect of nation building. With growing globalization, industrialization and technological advancement, the incidence of industry decline has been on the rise in Nigeria. Thus, over the last five decades since independence, Nigeria faces crises of industrialization. The Nigerian National Bureau of Statistics (NNBS; 2015) shows that in the 1960s and 1970s, Nigeria Manufacturing Industry developed positively as a result of Foreign Direct Investment (FDI).

The manufacturing industry of any economy plays a critical function in the developmental process. The sector remains a source of high wage and low wage jobs for all types of workers. It previously accounted for majority of Nigeria foreign trade earnings and it remains essential if Nigeria is to make future major reduction in its trade deficits. However, the National Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA, 2015) classified over 70 percent of manufacturing industries as decline. The Industries are Textile firms, Iron ore, Plastic, Aluminium, Automobile, Food processing, Cement etc. Yet the government effort at reversing the decline trend has not yielded any modest success.

In Nigerian Manufacturing history, Textile industry occupies a unique position because of its capacity to generate employment and provide clothing. Though, traditional textile have been produced in Nigerian for many years, but modern textile production commenced in Nigeria in 1956 and 1962 with the establishment of Kaduna Textile Mill and United Nigeria Textile Mill limited. From the beginning, these companies were conceived as vertical integrated mills to process locally source raw materials (i.e. cotton) through spinning for the production of yarn, weaving for the production of grey cloth, dyeing, printing, and finishing for the production of finished textile products. The industry produced varied fabrics annually ranging from African prints, shirtings,

embroideries etc. to guinea brocade, wax prints, jute and other products. The Central Bank of Nigeria annual report of (2014) revealed that out of 13 subsectors in the manufacturing sector, textile and synthetic fabrics accounts for a significantly proportion of the overall growth in manufacturing industry. Textile industry represents the quintessential engine of industrial growth for Nigerian industries as rapid development has been associated with garment and textile exports.

### **Statement of the Research Problem**

Textile manufacturing industries is supposed to be operating in a clearly defined sequence along the production value chain. The idea of establishing large scale textile factories in Nigeria was not only to embark on massive textile production to meet the clothing needs of the country but to increase world production, to raise the standard of living of Nigerians and to improve the country's Gross Domestic Product.

Nigeria as one of the countries in the sub-Sahara West Africa with vibrant textile industry has joined the league of other manufacturing subsector in the world. But the well established textile industries have started undergoing considerable decline over the years due largely to the trade liberalization programme which made it difficult for Nigeria textile products to compete favourably with cheap imports and smuggled fabrics from Asian countries.

From over 175 textile firms in the mid 1990s to less than 13 in 2015, while employment dropped from 237,000 in the 1990s to 60,000 in 2015 and further to 6000 in 2016 (MAN; 2016). As a consequence, this led to the decline in cotton print production from 98,000 in 2006 to 25,000 tons in 2014 and export of cotton went down from \$144million to \$11million within the same period. MAN (2015) further indicated that

capacity utilization in the industry reduced to 20.14 percent in 2010 from 70.15 percent in 2003, while many surviving textile firms are close to extinction.

### **Objectives of the Study**

The overall objective of the study was to examine the effect of some corporate management strategies on the decline of textile manufacturing firms in Northern Nigeria. The specific objectives were to:

1. Examine the effect of change of top management and on the decline of textile manufacturing firms in Northern Nigeria.
2. Examine the relationship between quality of made-in-Nigeria textile product and decline of textile manufacturing firms in Northern Nigeria.
3. Examine the relationship between innovation and decline of textile manufacturing firms in Northern Nigeria.

### **Research Questions**

Based on the research problem, the following research questions guided the study:

1. What is the effect of change of top management on the decline of textile manufacturing firms in northern Nigeria?
2. To what extent does quality of made-in-Nigeria textile fabric affect the decline of textile manufacturing firms in Northern Nigeria?
3. What is the relationship between innovation and the decline of textile manufacturing firms in Northern Nigeria?

### **Research Hypotheses**

The following null hypotheses were formulated based on the research objectives to guide the study:

**H<sub>01</sub>:** There is no significant relationship between change of top management and decline of textile manufacturing firms in Northern Nigeria.

**H<sub>02</sub>:** There is no significant relationship between quality of made-in-Nigeria textile products and decline of textile manufacturing firms in Northern Nigeria.

**H<sub>03</sub>:** There is no significant relationship between innovation and decline textile manufacturing firms in Northern Nigeria.

## **Review of Literature**

### **Conceptual Clarification**

The strategy of an organisation according to Ghosh (2017), involves matching the enterprise resources to changing environment, determining the enterprise strength and opportunities, identifying business weaknesses and eliminating them, outlining the enterprise threats and minimizing them and positioning the enterprise for future challenges. Textile and garment industries represent the backbone of industrial development. For a developing country like Nigeria, rapid development has been associated with textile industry. Ogundipe (2008) opines that textile industries are group of firms that produce woven or knitted fabric made from natural or synthetic sources. Textile industry is also seen as a group of related industries which uses a variety of natural cotton wool or synthetic fibre to produce fabric (Yohanna, 2010).

The issue of industry decline has been on the increase necessitating turnaround actions needed to reverse the decline trend. Industries are operating in a dynamic environment and strategies evolve over time and these changes might lead to prosperity or growth and it can also lead to decline of a particular firm or industry if the right strategy is not adopted (Ghemawat and Nalebuff, 1990; Sihvonen; 2010). Declining firms or industries are important aspect of developing economy. A declining demand for a particular industry product is related to the decline of such enterprises. Industries transition evolves over time and this evolution might lead to growth and at the same

time decline (Gort and Klepper, 1982; Ghemawat and Nalebuff, 1985, 1990; Klepper 1996; and Sihvonen, 2010).

The extant literature has largely focused on growth of industries as normal strategy of organisation (Perrose 1959; Bedein, 1980 and Ford 1980); rather than decline (Whetten, 1980; Serra, Almeida and Ferreira, 2012). Though Whetten (2000) cited in Scott (2004) observed that organisational theories are based on an assumption of growth hence scholars are preoccupied with studying growth and its effects. However, population ecology cited by Robbins (2006) relies heavily on biological theory of survival of the fittest principle. The principle provided that there is a natural selection process that allows the strongest and the most adaptable species to survive over time. This means that industries must either fit their environmental niches or declined. Whetten (2000) mentioned three common assumptions reflecting a bias in favour of growth: (a) there is a positive correlation between size and age, thus, the greatest need of the industry asset growth is to manage expansion; (b) size is a good features of a firm characteristics e.g. the bigger the firm the better; (c) growth is synonymous with effectiveness.

### **Empirical Review**

Recent researches in the strategic management literature have focused on turnaround strategy when firms are in declining stage or considered as ailing units (Schendel and Patton, 1976; Hofer, 1980; Hambrick and Schechter, 1993; Pant, 1991; Pearce and Robinson, 1992; Baker and Duhaine, 1997; Kazmi, 2004; Manimala, 2005; and Panicker, 2013). Turnaround strategies are effort embark upon by organisations to assist in reversing the declining conditions when the organisation is seen to possess future prosperity (Johnson and Scholes; 2008 cited in Abdulrahman; 2017). A common reason for industries to find themselves in a declining situation are poor management (Chan;

1993) unqualified strategic leader (Pandit; 2001) qualified autocratic strategic leader that takes costly strategic decisions (Gething; 2002) and lack of strong middle level management and failure of the board of directors to monitor management strategic decisions (Hills and Jones; 2005).

Cameron, Whetten (1989); and Rasheed (2012) described organizational decline as two stage phenomenon. The first stage of decline occurs when an organization's micro environmental factors becomes complex. The second stage occurs when an organization's capability and functional areas factors begins to shrink both stages of decline shows that the organization has become less significant in handling its internal factors and is less successful at exchanging its outputs for new inputs. Though Weitzel and Johnson (1989) characterized decline as the opposite of successful adaption to the environment. They suggested that organizations enter the state of decline when they did not examine adequately the external or internal environmental pressures that threaten the enterprise survival. This clearly shows that the plan for successful turnaround from industry decline is a function of different factors such as rate of tribulations or causes of decline. As noted by Abadleh (2018), different industry decline may refer to different factors which might be internal, external, both or otherwise. Thus, different emphasis on strategies required to rescue ailing or moribund industries is required. Slatter and Lovett (1999) highlighted that when firm's performance decline, recovery may or may not be viable. Though, Thompson (2001) cited in Abadleh (2018) argued that possible firm recovery might depend on external or internal factors.

Furrer, Pandian and Thomas (2012) examined corporate strategy and shareholder value during decline and turnaround, a sample of 45 turnaround firms was selected and matched against a control sample which did not face continues decline over the period of study. The impact of corporate strategy on shareholder value was tested during



decline and turnaround actions using cumulative beta excess return measures to capture the long term basis of corporate strategy. The results of hypotheses tested supported that value changes incrementally over the three years of decline under study. The result shown that shareholder adjusted the value of stocks as additional reformation reached them.

The empirical work of Vila and Kustner (2017) studied the significance of innovation in international textile firms. The study shows whether more innovative or less innovative enterprises correspond to high internationalized and less internationalized enterprise. A total of 154 managers were interviewed in Spanish textile sector. The results revealed that not all types of innovation dimension are required to find new clients in new countries for textile products. The empirical analysis of Edache (2004) aimed at investigating the attitude of consumers in Benue state towards locally manufactured textile fabrics. A total of 638 consumers were sample and stratified along ten (10) local governments areas in the three (3) senatorial zones in Benue state. A structured questionnaire was used for data collection. Mean and standard deviations were used to answer the research questions, while T-test statistic was used to test hypotheses. The result of the study reveal that affective attitudes of consumer towards local textile fabric was low representing 33% while cognitive and behavioral attitudes was high representing 67%. The study recommended that consumer's acceptability of fabrics should be the overriding factors in the production of any fabric. Thus, for samples of textile fabric should be subjected to acceptability test in market before mass production of such fabric and eventual sale in the market.

The work of Agelebe (2017) elucidates on the effect of consumer attitude on "*made in Nigeria*" textile and is impact on job creation in Osun state, Nigeria. Primary data was used for the study within Osun State. 100 respondents were randomly selected from



the sample area. The data was analysed using both descriptive and inferential statistics. Findings revealed mixed attitude of consumers towards “*made in Nigeria*” textile fabric. The result further shows positive relationship between consumer attitude and the growth of textile manufacturing firms. The study concluded that patronage of goods was greatly dependent on the attitude of the consumers and this attitude can influence the economic growth and job creation in the country especially in the textile industry. The empirical review of Ladipo et al investigated attitude of Nigerians towards locally made textile in Nigeria, with special reference to Ankara wax. The study used descriptive research method in collecting information from Nigerians living in Lagos metropolis. Questionnaire was the major instrument for collecting data. The result of the study indicates that Nigerians prefers patronizing foreign wax. Nigerians are also concern about quality, washability, durability and texture as a determinant for their purchase intention. The study concluded that Nigerians have cognitive dissonance for buying made in Nigeria fabrics.

## RESEARCH METHODOLOGY

The research design of this study will be descriptive survey method. Descriptive method is where data are collected for the purpose of describing and interpreting existing conditions purposely to make discovery and explanation of events. Descriptive research is fitting for all types of research in assessing situations as a prerequisite to inference and generalizations (Osuala, 2015).

The population of this study, consists 6639 textile workers in the five (5) selected textile firms. Therefore, the population consists of the 6639 textile workers in the five (5) selected textile firms. The sampling design is stratified random sampling with proportional sample size allocation. In order to obtain the most efficient representative

sample for our population, we use the following formula for sample size determination as given by Yamane (1980)

$$n = \frac{N}{1 + N(\alpha)^2}$$

Where; n= sample size

N= total population

$\alpha$ = Level of significance (5%)

1= Constant

**Table 3.1: Stratified Random sampling with Proportional Sample Size Allocation**

Selected Textile Firm	Status	Population sample size <i>N</i>	Population sample size <i>n</i>	Sampling fraction	Proportion of sample size nh
United Nigeria Textile PLC	Functional	1200	300	0.18	54
Chellco I and II	Functional	1545	318	0.23	74
Funtua Textile Mill	Functional	820	269	0.12	33
Angel Spinning and Dyeing	Functional	1090	293	0.16	48
African Textile Manufac.	Functional	1984	333	0.30	100
Total		6639		1.00	309

Therefore, the total number of the questionnaire to be administered is 309, as the Table 3.1 presents the population of individual textile firms and the proportional distribution of the questionnaire to be distributed to each of the firm.

### Statistical tool for Data Analysis

Data analysis was performed using structural equation modeling (SEM) as provided.

### Validity and Reliability of the Instrument

The content of the questionnaire after scrutiny by relevant experts was validated. Cronbach's alpha is designed on scale that varies between 0 and 1. The findings of the Cronbach's Co-efficient for the instrument is given as:

**Table 3.2: Descriptive Statistics of Reliability Result**

Measurement	Number of items	Cronbach's Co-efficient alpha value
Decline	15	.828
Top management	15	.816
Quality of textile product	15	.900
Innovation	15	.886

**Field Survey, 2022**

### Test of Hypotheses

To test the hypotheses, structural equation model is used (SEM)

### Multicollinearity

Multicollinearity is a dilemma that happens when the independents variables are extremely interrelated to as high as 0.9 and above (Tabachnick and Fidell, 2007). If the multicollinearity problem is detected, it can be resolved by deleting the offending variables(s). To screen for multicollinearity, Variance Inflation Factor (VIF) was examined. The general rule of the cut-off points is that the VIF values should not exceed 5 (Hair *et al.*, 2016). From the Table 4.1 VIF ranges from 1.773 – 2.500, and, is

good enough and consequently, it is concluded that there is no multicollinearity problem among the exogenous variables.

**Table 4.1: *Collinearity (VIF)***

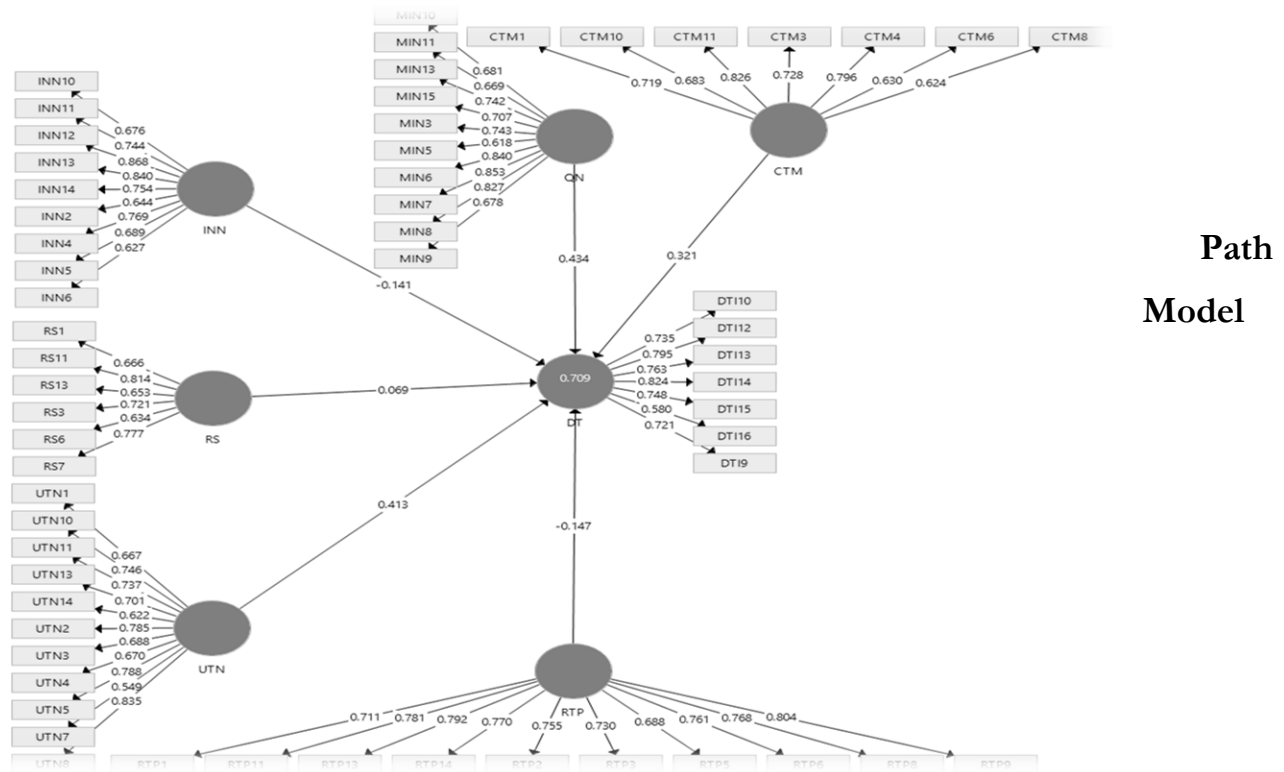
<u>Constructs</u>	<u>VIF</u>
CTM	2.500 Change of Top Management (CTM)
INN	1.773 Innovation (INN)
QN	1.913 Quality of Made in Nigeria Product (QN)

From the table 4.1, it is evident that none of the variables are extremely interrelated with any other variables. For instance, among the variables all the association values are fit below the yardstick of 0.5, therefore, the study conclude that there is no dilemma of multicollinearity among the variables under examination.

### **Assessment of the Measurement Model**

In order to understand the path model involving main effects concerning the present study. The proposed theoretical model has three exogenous construct and one endogenous construct and is presented in fig. 4.1

The dependent variable is the decline in textile industry and has a total of 7 indicators, while the independent variable are change of top management with 7 indicators, quality of made in Nigeria with 10 indicators. Again innovation has 9 indicators.



Field Survey, 2022

**Table 4.2: Measurement Model: Reliability and Convergent Validity**

	Constructs	Indicators	Items	Loadings	CR	AVE
<b>CTM</b>	CTM1	0.719		0.881	0.516	
	CTM10	0.683				
	CTM11	0.826				
	CTM3	0.728				
	CTM4	0.796				
	CTM6	0.630				
	CTM8	0.624				
<b>INN</b>	INN10	0.676		0.894	0.550	
	INN11	0.744				

	INN12	0.868		
	INN13	0.840		
	INN14	0.754		
	INN2	0.644		
	INN4	0.769		
	INN5	0.689		
	INN6	0.627		
<b>QMN</b>	MIN10	0.669	<b>0.923</b>	<b>0.547</b>
	MIN11	0.742		
	MIN13	0.707		
	MIN15	0.743		
	MIN3	0.618		
	MIN5	0.840		
	MIN6	0.853		
	MIN7	0.689		
	MIN8	0.627		
	MIN9	0.678		
<b>DTI</b>	DTI10	0.735	<b>0.894</b>	<b>0.550</b>
	DTI12	0.795		
	DTI13	0.763		
	DTI14	0.824		
	DTI15	0.748		
	DTI16	0.580		
	DTI9	0.721		

Source: Field Survey, 2022

**Note: 45 items were deleted due to measurement issue ( $n=309$ )**

As can be seen from the Table 4.2, the indicators have loadings of 0.50 and above. Even though this items has a loading below 0.70, it was maintained because it is already above the critical level of 0.40, and its removal would not bring about any significant change to either AVE or CR. Therefore, based on the criterion given by (Hair *et al.* 2014; Ab

Hamid *et al.* 2017), all the remaining items are reliable to measure their respective reflective latent constructs.

#### Figure 4.2: Discriminants Validity Using HTMT Criterion

Source: Field Survey, 2022

Form figure 4.2: it show that using the HTMT as a criterion involves comparing it to a predefined threshold. If the value of the HTMT is higher than this threshold, one can conclude that there is a lack of discriminant validity. Some authors suggest a threshold of 0.85 (Kline, 2011), in addition, (Gold *et al.*2001; Henseler *et al.* 2015) argued with it and proposed a value of 0.90. Based on this criterion, all the reflective latent constructs of this study have achieved discriminant validity (see Figure 4.2).

#### Testing for Direct Relationships

As can be seen, the model specifically analyzed direct relationships represented by hypotheses H<sub>01</sub>: There is no significant relationship between change of management and the decline of textile industry; H<sub>02</sub>: There is no significant relationship between innovation and the decline of textile industry; H<sub>03</sub>: There is no significant relationship between quality of made in Nigeria and the decline of textile industry.

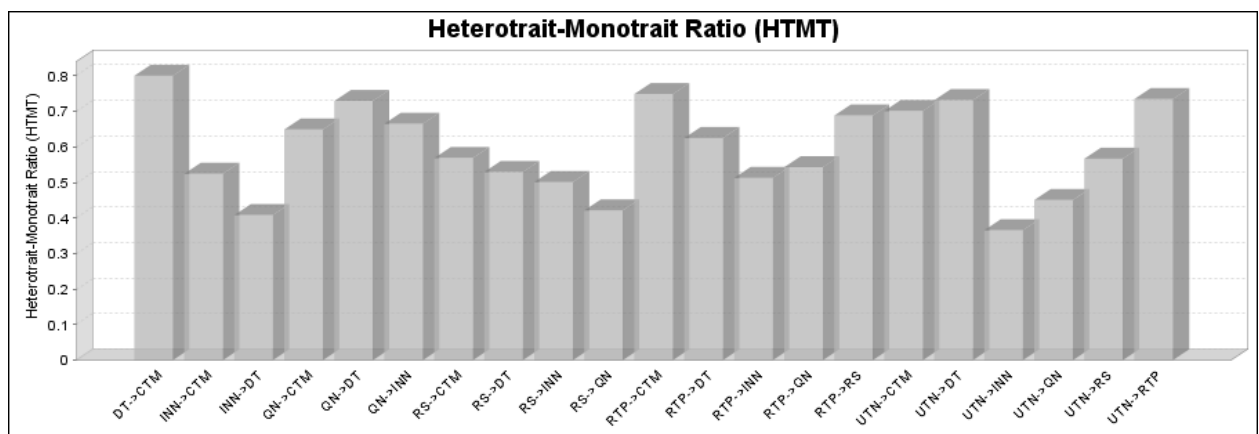


Table 4.3: Test of hypotheses – Path coefficient



Hypthoesis	Beta Value	Standard Dev	T Statistics	P Values	Decision
H <sub>01</sub>	0.321	0.057	5.638	0.000	Not Supported
H <sub>02</sub>	0.434	0.044	9.823	0.000	Not Supported
H <sub>03</sub>	-0.141	0.039	3.626	0.000	Not Supported

$$R^2 = 0.709$$

### Field Survey, 2022

Table 4.3 presented the results of the test of hypotheses. Change of top management was found to be positive (Beta value = 0.321 t-value = 5.638 and p value = 0.000) and significantly related with decline of textile industry, while quality of made in Nigeria has significant positive effect on decline of textile industry (Beta value = 0.434 t-value = 9.823 and p value = 0.000), the table further disclosed that innovation was negatively related with decline of textile industry and having an inverse relation (Beta value = -0.141 t-value = 3.626 and p value = 0.000).

In summary, from all the direct relationships between the latent exogenous and endogenous constructs are all three hypotheses was not supported empirically.

**Table 4.4: Coefficient of Determination for Direct Relationship: R-Squared**

Construct	R-Squared
Decline of Textile Industry (DT)	0.709

The R square stood at 0.709 which implies that about 71% variation in decline of textile industry in Northern Nigeria is explained by exogenous variable of the study, while the remaining 29% is explained by the others constructs that this study do not covered.

Furthermore,  $R^2$  is an accurate term that can presume values between 0 and 1, Backhaus *et al.*, (2003) state that no generalizable report can be made about adequate yardstick value of  $R^2$ , conversely, the better  $R^2$  is, the bigger the percentages of variance explained. In addition, According to by Cohen (1988),  $R^2$  values for dependent latent variables are evaluated as follows: (0.26 substantial, 0.13 moderate, and 0.02 weak). Based on the assessment criterion suggested by Cohen (1988), the study  $R^2$  here is considered substantial representing the influence of independent variable (change of management, innovation, quality of made in Nigeria) in explaining the decline of textile industry as the dependent variable respectively.

### Effect size of the model

Having tested the hypotheses, it is of equally important to assess the effect size of each endogenous variable on the exogenous constructs. F square  $f^2$  value is used to determine the effect size, as a rule of thumb  $f^2$  values of 0.35, 0.15, and 0.02 are considered large, medium, and small, respectively. Therefore, effect size of this study was presented in the table 4.5 below.

From the table 4.5 the effect size of CTM and INN is 0.14 and 0.04 signifying the small effect size of the  $R^2$  value excluded. and the QN is 0.34 signify large effect size,

**Table 4.5: Effect Size for Direct Relationships: F-Square**

	R2	Square	R2	Square	
Constructs	included		excluded	$f^2$ DT	Effect Size
CTM	0.71		0.57	0.14	Small
QMN	0.71		0.37	0.34	Large
INN	0.71		0.67	0.04	Small

### **Findings of the Study**

In summary, from all the direct relationships between the latent exogenous and endogenous The constructs of all three the hypotheses was not supported empirically. The findings of this study were discussed based on the research objectives, which were hypotheses in accordance with the research questions that were earlier developed from the problem statement. This study aims to provide an insight into the decline of textile industry in the Nigerian context. The decline of textile industry scenario in Nigerian continuous to be a great concern to the researchers and the practitioners in the organized private sector. Moreover, as presumed, this decline affects the economic development of Nigeria, forming the poor and weak linkage among the various segments of the operations in the sector, as well as low operating capacities.

Therefore the study would look at the independents variable and it relationship with the dependent variable to discuss the result findings.

### **Relationship between change of top management and the decline of textile industry**

Hypothesis one addressed the extent to which change of top management affect the decline of textile industry. The Null hypothesis states that “There is no significant effect between change of top management and decline of textile industry”. The result of the study show that Change of top management was found to be positive (Beta value = 0.321 t-value = 5.638 and p value = 0.000) and significantly related with decline of textile industry. The study reveals that change of top management is a necessary prerequisite during declining trend as new managers have greater capacity in the reorganization. The descriptive statistics results equally supported the position that strategies adopted by new top managers to enhance the firm’s market ranking and profitability. This

hypothesis expressed that there is no significant relationship between change of top management and the decline of textile manufacturing firms in Northern Nigeria. The study of Hofer (1980); Beerli (2009); Robert (2015); Boyne (2016) found that replacement of Chief Executive Officer (CEO) and other top management staff is considered as a precondition to successful recovery from decline. The study Beerli and Boyne equally found that new managers bring different backgrounds, new experiences, new understanding and practices which allow productive change in the firm.

### **Relationship between Quality of made in Nigeria and the Decline of Textile**

#### **Industry**

The study findings further disclosed that quality of made in Nigeria has significant positive effect on decline of textile industry (Beta value = 0.434 t-value = 9.823 and p value = 0.000). The work of Ogunnaike (2010); Makinde, Fajayigbe and Ajiboye (2015); Yusuf (2015); Yusuf (2016); Uzoma *et al.*, (2017); and Ogbu (2018) revealed that 70% of the consumer and customers of Nigerian textile fabrics prefers imported textile fabrics and this is consistent with the findings of the current study.

### **Relationship between innovation and the decline of textile industry**

Innovation was negatively related with decline of textile industry and having an inverse relation (Beta value = -0.141 t-value = 3.626 and p value = 0.000). The findings show that there is an inverse relationship between innovation and decline of textile manufacturing firms in Northern Nigeria. This means that when innovation increased, the decline of textile industry will be reduced while when innovation reduces, the decline of textile manufacturing firms will increase. The study of Yamdavi, Prabhu and Chandy (2007) affirms that innovation is critical to the success and longevity of industries.

## **Conclusion**

Rapid changes in the world trading system have endangered the stability of textile industry and created an atmosphere of uncertainty and turbulence in the industry. The study examined the turnaround strategies for reviving the declining textile manufacturing industry in Northern Nigeria. Based on the results of the PLS-Structural Equation Model, textile industry decline is attributed to inefficient use of top management changes, poor product quality, and inability to embrace innovation. The awareness of the significance of textile industry is very high but little or no effort has been put in place to revamp the moribund sector. However, the findings reveal that textile firms that managed to survive in Nigeria are operating at 5% installed capacity.

In view of the current crisis faced by the industry, its outlook remains gloomy and therefore calls for pragmatic policies that will lead to both local and global restructuring of the industry. In general, the study established that corporate management strategies can lead to improved efficiency of the firms and extension of firms' longevity. Based on the findings and conclusion drawn from the study, effort should be made to facilitate revamping of textile manufacturing firms in the zone which will reduce the level of unemployment and poverty in the region.

## **Recommendations**

- (i) The need to employ competent and highly skillful top managers to occupy executive positions in the industry and removal of ineffective and redundant managers to enhance sustainability and longevity of the sector. The top management is involved in the long range decision of the firm and a lot of competence is required to survive in dynamic business environment.

- (ii) The pride in using locally made Nigeria textile fabric should be done by the government Department like National Orientation Agency in conjunction with Federal Ministry of Information. This should be carried out at the three tiers of government. Further, Textile manufacturing firms in conjunction with Standard Organization of Nigeria (SON), Consumer Protection Council, Manufacturers Association of Nigeria, Textile and Garment Workers Association should ensure that textile fabric/wax production is in conformity with prescribed and acceptable quality standard.
- (iii) The owners of textile firms and their managers need to embrace innovation, as the life blood of every firm. Competitors will like to erode market position on the basis of price, product and intangibles such as brands. Thus, growth requires constant innovation. In order ensure the firm success of product innovation the execution of an idea needs to be properly planned and controlled in terms of cost and quality. The textile manufacturing firms should establish functional research and development to ensure competitive product design, production process and development of good raw materials for production.

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