

A Study on the Relationship between Company Performance and Production Management in Apparel Manufacture

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Uncertainty and complexity of market situation has forced manufacturer to develop productive strategy and system. This is a succession of which research classifies the scope of production management to be pressed by labor cost and various market demands.

The purpose of this study were 1) to investigate usage level of production strategies based on production environment, 2) to investigate usage level of production systems based on production strategy, and 3) to analyze each of company performance based on production strategy and system.

For this study, the questionnaires were administered to 215 apparel manufacturers in metropolitan area from Feb. to Mar. 1998. Employing a sample of 201, data were analyzed by factor analysis, descriptive statistics, cluster analysis, discriminant analysis, and multivariate analysis of variance.

The followings were the results of the previous study regarding to the scope of production management. 1) Production environment could be identified by complexity of product environment, uncertainty of demand/supply environment, uncertainty of worker environment. 2) Production strategy could be identified by flexibility centered strategy, delivery centered strategy, price/quality centered strategy. 3) Moreover, production system could be identified by Management centered system, Product centered system, Worker centered system.

As the results of identifying production environment, strategy and system. 1) The production environment could be classified into stable group, uncertain group, complicated group. 2) The strategy could be classified into delivery centered group, price/quality centered group, flexibility centered group, complex group. 3) The production system could be classified into managers centered group, workers centered

group.

The following are the results of study based on above effects.

1. Concerning production strategy due to environment, the stable group and the complicated group prefer to price/quality centered strategy but the level of usage for strategies is so pretty that it is not significant to carry them out. This means that manager is awakened to production environment in apparel manufacture comparing to others but don't make an appropriated production strategy depending on production environments.
2. Concerning production system due to production strategy, the workers centered group is occupied high in the price/quality centered group & the complex group. And also the product centered system is occupied high in the flexibility centered group.
3. Concerning company performance due to production strategy and system, the price/quality centered group holds low position of performance comparing to another groups. And the performance of the managers centered group is higher than that of the workers.

Based on the above research, in order to improve company performance it is profitable to hold the delivery centered group, the flexibility centered group and the complex group in production strategies, and also to hold the managers centered group in production system.

This means that in spite of difference according to each production system, environment and strategy, they have been selected by the subjective choice of managers. Therefore, in order to increase the production of high value-added products in apparel manufacture, he should have just the production strategy and system to be suitable for himself. That will make him the best performances.

In this research, Company performance was located with only production management scope(strategy, system, environment) without another activities such as marketing and so on. Therefore, hereafter, it could be required the research which defines the relative strategy between production scopes and others.