

UNIVERSITY OF EDUCATION, WINNEBA



**BUILDING THE CAPACITY OF INDIGENOUS TEXTILE COMPANIES FOR
COMPETITIVENESS IN A LIBERALIZED GHANAIAN MARKET**



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DECLARATION

Students' Declaration

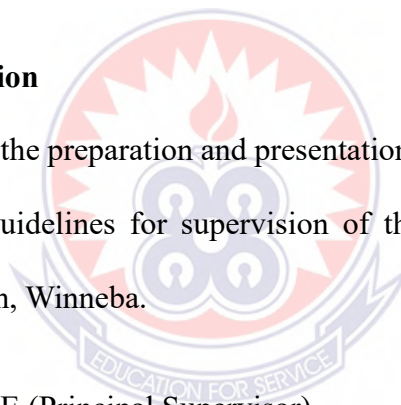
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We hereby declare that the preparation and presentation of this work was supervised in accordance with the guidelines for supervision of the Thesis as laid down by the University of Education, Winneba.



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DEDICATION

I dedicate this to my parents, Mr. and Mrs. Lartey, and my husband, Mr. Daniel Kwaku Asiedu.



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LIST OF ACRONYMS

CB – Capacity Building

BDS – Business Development Services

LDC – Least Developed Countries

MOTI - Ministry of Trade and Industries

OECD – Organization for Economic Cooperation and Development

SME – Small and Medium-Sized Enterprise

UN – United Nations

UNDP – United Nations Development Program

WTO – World Trade Organization



ABSTRACT

This study examines the competitiveness and performance of indigenous textile companies in Ghana, focusing on the challenges they face in a liberalized trade environment. Despite the textile industry's vital role in economic development, particularly in job creation and poverty reduction, Ghana's indigenous textile sector has experienced a sharp decline. Trade liberalization has exposed local firms to intense competition from low-cost imports, particularly from China, resulting in the closure of many local businesses and a loss of market share. The study examines the capacity-building needs of these firms, highlighting issues including outdated technology, limited access to raw materials, inadequate infrastructure, and workforce skill gaps. It also assesses how these challenges affect employee well-being. Using multiple case studies and descriptive observational methods, the research gathers data to draw conclusions and recommend strategies for industry recovery. The approach is based on a phenomenological perspective within qualitative research. The case study design is ideal because it enables an in-depth understanding of Ghana's indigenous textile industry, given the numerous historical, economic, and socio-political challenges it faces. Data collection involved face-to-face interviews, document reviews, and observations, providing comprehensive triangulation and verification of findings. This design supports multiple perspectives and explanations, highlighting how factors like human capital development, organizational culture, absorptive capacity, and external market forces influence competitiveness. A combination of purposive and stratified sampling techniques was used. Data were analysed descriptively and organized into themes, which helped identify, interpret, and understand patterns of meaning within the data. The thematic analysis offered rich insights into the performance, challenges, and capacity needs of Ghana's indigenous textile companies. The study examines trade liberalization, its impact on performance and competitiveness in Ghana's textile industry, its effects on employee well-being, and trade policies in developing countries. By reviewing the industry's strengths, weaknesses, and capacity gaps, the study proposes a capacity-building framework to enhance competitiveness and sustainability. Key recommendations include technological upgrades, workforce development, improved supply chain management, and policy reforms to provide targeted support. Lastly, the study highlights the importance of collaboration among industry stakeholders, policymakers, and international partners to revitalize Ghana's indigenous textile sector and ensure its long-term growth and contribution to the national economy.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The textile sector in Ghana has long played an important role in the country's development, but over the past couple of decades, it has been in steady decline (Ackah et al., 2014; Bruce-Amartey et al., 2025). This is thought to have been caused by a combination of external pressures from globalization and trade liberalization, as well as internal pressures from outdated technology, poor integration into global value chains, and a lack of substantive policy (Quartey, 2006). In the past, the textile sector was a major employer in the country, a source of foreign exchange, a sector that fully met the population's clothing requirements, and a peripheral sector that helped industrialize. Today, the textile sector signals to all of us that it has lost its competitive advantage in the domestic and international market (Ackah et al., 2014; Quartey & Jauch, 2006).

In many developing countries, including Ghana, the textile sector is widely regarded as a vital pillar of development. In fact, the textile sector employs significant numbers of people, pays higher wages, contributes directly to government revenue, and helps reduce poverty by improving standards of living (Quartey & Jauch, 2006). Many of the economic benefits of the textile sector can be traced to the abundance of clothing, a fundamental human need, which has driven industrialization and economic diversification (Keane et al., 2008).

The textile industry in Ghana was historically heavily reliant on and benefited from cotton production, as evidenced in the 1970s and early 1980s; increased local cotton production increased the likelihood of success in the textile industry. Asinyo et al.

(2015) also state that secure and inexpensive access to cotton is critical to reducing reliance on foreign currency for raw material imports, thereby enabling Ghanaian manufacturers to survive.

Since its independence in 1957 and under the presidency of Kwame Nkrumah, Ghana has consistently pursued industrialization despite limited financial and technological resources. Until the 1960s, the government received support from other countries through foreign aid, primarily from the UK and other European countries (Ackah et al., 2014). Eventually, the need for autonomy, Ghana developed into responsible economic development with greater incentives for import substitution and export-oriented industrialization policies which resulted in the development of state own textile manufacturing companies such as Ghana Textile Printing Company (GTP), Tema Textile Limited (TTL), Juapong Textile Limited (JTL), Akosombo Textile Limited (ATL) etc., (Howard, 2013).

Between 1965 and 1970, there were 10 large-scale, 40 medium-scale, and more than 200 small-scale enterprises in the textile industry, ranging from cotton processing to fabric dyeing. (Ministry of Trade and Industry, 2004). The industry employed around 25,000 people at its peak in 1977 (Quartey, 2006). By 2000, this number had declined to approximately 5,000. Some of the large companies, like GTP (now Tex Styles Ghana Limited), ATL (now Akosombo Industrial Company Limited), and GTMC, had to reduce operations and some lines were completely closed due to competition and inefficiency in their operations.

Quartey (2006) argues that liberalization of trade deals is one of the key factors to the decline of the industry, since it has greatly diminished the international competitiveness of Ghanaian textile products. Abdallah (2010) agrees and notes that Ghana is nearly

following the path of other West African countries that have experienced textile-industry collapses. There were more than 40 companies in the 1970s; now only about four remain (Howard et al., 2019).

Technological stagnation is often identified as a major issue. Klutse (2008) states that the technology used by Ghana's textile industry remains outdated, with some components over 40 years old, and thus lacks the capability to compete internationally. Furthermore, the industry's environmental issues and other internally motivated constraints could bring more attention to its challenges. In regard to the environment, indications are by Barclay and Buckley (2002) that water, treatment of effluent and compliance with new international regulations such as ISO 14001 and Eco-labeling standards are an added cost to companies who are already struggling.

Another concern is that local textile firms have not been able to integrate into Global Value Chains (GVCs) to the same extent as firms in India and China. Ghanaian textile firms do not possess the requisite technological expertise, scale and partnerships with industries that provide access to larger markets and new technologies. Firms remaining in the textile industry will have limited opportunities to pursue growth and to withstand the pressures of a competitive global market. Considering these factors as a whole, the ramifications on the economy of Ghana have been damaging and it is essential to consider approaches for repositioning and reinvigorating the indigenous textile industry for sustainability and global competitiveness.

Consequently, there is a need to examine potential models that demonstrate how strategies may revitalize the indigenous textile industry. Reinvigorating the indigenous textile industry requires strengthening the productive and competitive capabilities of local textile companies so that the market can regain the economic value actually

realized. Revitalizing the industrial textile sector could have a powerful impact beyond re-establishing economic value, including job creation, income generation, and sustainable development.

This study aims to revive Ghana's indigenous textile sector, with the expectation that it will become more competitive in a liberalized trading environment. Ultimately, the revitalization will increase productivity and profitability, contribute more meaningfully to the national economy, and improve the livelihoods of every Ghanaian.

1.2 Problem Statement

Ghana's indigenous textile industry, which contributed to the country's industrial growth, provided employment for thousands and generated foreign exchange, has gradually declined. It was originally established to boost the Ghanaian economy, improve living standards, and meet domestic demand for clothing (Osei-Bonsu, 2001). In 1977, this sector produced over 130 million yards of fabric, employed 25,000 people, and by 1994, the industry earned approximately \$180 million from textile exports (Howard, 2013; Quartey, 2006; MOTI, 2004). Today, fewer than five major textile factories remain operational, and textile production has decreased due to both external and internal factors.

A notable external influence on this decline is Ghana's trade liberalization, which has now enabled cheaper mass-produced textiles and second-hand (mostly from China, India and other countries) to penetrate the Ghanaian market, displacing local textile production (Abdallah, 2010; MOTI, 2004; Asare, 2012). Additional external pressures on demand and on the sale of products led to increased smuggling and an uncontrolled influx of cheap textile products into the local market through informal channels of

trade, which further exacerbated the situation, leaving local firms to compete on price rather than on scale and capacity.

Within the domestic environment, indigenous textile firms face operational challenges, including obsolete machinery and limited technological innovation, and they still lack adequate integration into global value chains (Klutse, 2008; Korley, 2011). For instance, the Akosombo Industrial Company Limited (AICL) has closed its spinning and weaving divisions due to shortages of raw materials, whereas Volta Star Textiles Limited (VSTL) now finds it necessary to import cotton to manufacture its grey cloth, highlighting domestic inefficiencies in the supply chain. Additionally, limited understanding of sustainable design and production methods means Ghanaian firms continue to be in a less advantageous position than global competitors, whose core focus on environmental and socio-economic sustainability are key determinant of growth and advancement (Hbek & Lavios Villahoz, 2018).

While prior research has explored implications of trade liberalization, industrial policy, and job creation in the textile space (Sasidaran & Shanmugan, 2008; Okeowo & Aregbeshola, 2018; Bruce-Amartey Jnr et al., 2014; Twintoh, 2012), critical knowledge gaps still exist to be addressed, particularly with respect to how indigenous textile companies can collaboratively build gaps for international competitiveness in a complexly liberalized market context. Despite numerous government trade initiatives and strategic policy efforts, the textile industry's contribution to socioeconomic development and job creation remains minimal (Bruce-Amartey Jnr et al., 2014).

Although previous research has examined the effects of trade liberalization, industrial policy, and job creation in Ghana's textile sector, there remain critical gaps: Existing studies emphasize macroeconomic policy and trade impacts but do not adequately

explore how indigenous textile companies can build collaborative strategies to compete in liberalized markets. Research has not sufficiently addressed inefficiencies in raw material supply, integration into global value chains, or sustainable production practices that are essential for long-term competitiveness. While government initiatives are documented, there is little systematic analysis of practical, evidence-based strategies that firms themselves can adopt to modernize operations, enhance productivity, and regain market share.

Consequently, there is an urgent need for a systematic, evidence-based pathway to revitalise the indigenous textile sector by building the industry's capacity, enhancing supply chain efficiency, facilitating modernisation of production, and increasing competitiveness in both local and international marketplaces. This research aims to present this pathway by examining viable opportunities to rebuild resilience and restore productivity levels in Ghana's indigenous textile sector.

1.3 Research Objectives

The objective(s) of the study is to

1. Assess the competitiveness of selected indigenous textile firms by measuring their domestic market share, export volume, production capacity utilization, and profitability.
2. Identify and analyse the key internal factors (technological capability, supply chain efficiency) and external factors (pressure from imported textiles) that have contributed to the current competitiveness status of the selected firms.
3. Ascertain the capacity needs of the local textile companies, focusing on technological, managerial, and innovation capabilities required to enhance their competitiveness.

4. Analyse the socio-economic impact of the industry's decline on employee well-being, focusing on job security, wages, and skills depreciation.
5. Synthesize the findings into a proposed capacity-building model designed to address the identified needs and challenges, aimed at enhancing the competitiveness of indigenous textile firms in Ghana.

1.4 Research Questions

1. What is the competitiveness status of the selected indigenous textile firms in Ghana?
2. What are the competitive challenges within the selected indigenous textile firms?
3. What capacity is needed to ensure successful performance within the indigenous textile firms?
4. What are the implications of the challenges to employees' well-being in the Indigenous textile companies?
5. What capacity-building model will be ideal for Indigenous textile companies to enhance their competitiveness?

1.5 Significance of the Study

By focusing on Ghana's textile industry and the effects of trade liberalization, students of fashion design and textile technology will gain a deeper understanding of how trade liberalization shapes the current state of the textile sector. This research will increase the global fashion and textile press and academia's understanding of how trade liberalization policies have affected various segments of the Ghanaian textile industry. By engaging with this research, these contributions will contribute to the intellectualization and academic promotion of trade liberalization policies.

Furthermore, this investigation will shed light on the textile industry's contributions worldwide and enhance historical knowledge of Ghana's trade liberalization policies.

Ghanaians will benefit greatly from this research by being better able to evaluate whether these policies have had positive or detrimental results on the industry. Textile industries, cloth sellers' associations, dressmakers' associations and end users of textile products around the globe could use it as a springboard towards building careers or restructuring industries globally. Furthermore, including trade liberalization policies, along with supporting documentation, could enable an evaluation of whether an equitable balance exists among participants in rights and obligations under trade liberalization agreements.

This study will serve as an invaluable reference in Ghanaian textile and fashion design education. By contributing scholarly documentation on the effects of trade liberalization in Ghana, this work addresses a gap in the literature regarding the Ghanaian textile industry. While publications exist on the effects of trade liberalization on economic growth and environmental protection, there is no specific literature on Ghana's textile industry, making this work an indispensable resource.

Additionally, this research seeks to develop a practical, structured guide for Ghana's textile industry on building capacity to enhance competitiveness. Although primarily targeting indigenous firms in Ghana's textile industry, the study's findings could also apply more broadly to other capacity-building initiatives aimed at adopting emerging technologies in this sector.

1.6 Delimitation of the Study

Geographically, the study focused on three regions of Ghana: Greater Accra, Eastern, and Volta, where textile companies are located. The textile companies include Tex Styles Ghana Limited (TSG) in Tema (Greater Accra), Akosombo Industrial Company Limited (AICL) in the Eastern region, and Volta Star Textile Limited (VSTL) in the Volta region. The study was limited to Plant Managers, Technical Training Managers, Human Resource Managers, Procurement Officers, and Technicians.

Consequently, the study focused on supply chain efficiency and production to enhance competitiveness in both local and international markets and restore productivity in Ghana's indigenous textile sector.

1.7 Definition of Terms

Indigenous textile companies: Indigenous textile companies are locally owned enterprises engaged in the production, design, and distribution of textiles, often rooted in the cultural traditions, heritage, and artisanal techniques of a specific community or region (Brown and Vacca, 2022).

Liberalized market: A liberalized market refers to an economic system where restrictions on trade, investment, and competition are reduced or eliminated, allowing for freer movement of goods, services, and capital (Sun et al, 2019)

Capacity building: The process of enhancing and bolstering the institutional, The knowledge, resources, and skills of people, groups, or communities to successfully tackle obstacles and

accomplish sustainable development objectives are known as capacity building (Eade, 2007).



CHAPTER TWO

LITERATURE REVIEW

2.0 Overview

This chapter elaborates on the study's theoretical foundation by critically reviewing the relevant literature. It seeks to establish the conceptual framework underpinning the research by identifying and examining the key dimensions of the phenomenon under investigation.

2.1 Conceptual Review

2.1.1 Definition and Concept of Trade Liberalisation

Since the 1950s, the liberalisation of world trade has been a central feature of the global economy. This process began under the General Agreement on Tariffs and Trade (GATT), established in 1947 to reduce tariffs and other trade barriers through successive rounds of negotiations. In 1995, the World Trade Organization (WTO) replaced GATT, expanding its scope and strengthening the institutional framework governing international trade (Thirlwall, 2000).

Trade liberalization entails deregulating a market or opening it to free trade by removing restrictive trade practices (Witzel, 1999). Sometimes called free trade or laissez-faire, it is the philosophy of further reducing barriers or limitations to trade. Trade can be made free of tariffs or made much easier; in some cases, though not always, this is achieved through deregulation (Sullivan & Sheffrin, 2002). Trade liberalization is a key part of the transition process for former centrally planned economies that began in the early 1990s (Bojana, 2008). It has led to a significant increase in global trade growth relative to world output (Thirlwall, 2000). The liberalization of trade is highly important for the global economy. The main argument

for trade liberalization is that exposing a country's economy to greater foreign competition will result in increased efficiency (Black J. et al., 2009). A clear benefit of free trade is greater access to markets among member countries (APEC 2001). Open trade and investment policies have been promoted as major drivers of economic growth; open economies grow three times faster than closed ones (OECD 2010). Free trade is also seen as a way to help prevent monopolies (Drozd & Miškinis, 2011).

Despite the well-documented benefits of free trade, there are also substantial and credible criticisms of free trade or trade liberalisation, particularly concerning its distributional effects, impacts on domestic industries and labour markets, and implications for national policy autonomy.

Despite the widely acknowledged efficiency gains associated with trade liberalisation, a substantial body of literature highlights important criticisms, particularly regarding distributional consequences, structural adjustment costs, and constraints on domestic policy autonomy. While free trade increases aggregate welfare, its gains are unevenly distributed. The Stolper–Samuelson theorem predicts that trade benefits a country's abundant factors while harming its scarce factors, implying that low-skilled workers in advanced economies may experience wage declines or job displacement following trade liberalisation (Autor, Dorn, & Hanson, 2016). Empirical evidence from the “China shock” literature shows that increased import competition from China led to significant and persistent job losses in U.S. manufacturing regions, with limited worker reallocation across sectors (Autor et al., 2016). These findings challenge the assumption that labour markets smoothly adjust and that displaced workers quickly transition to new industries. Critics also argue that trade liberalisation can undermine domestic industries, particularly in developing economies. The infant industry argument,

historically associated with Alexander Hamilton and later formalised by development economists, suggests that temporary protection may be necessary for emerging industries to achieve economies of scale and compete internationally. Rapid exposure to international competition may lead to deindustrialisation before domestic firms become globally competitive (Rodrik, 2018). In some cases, premature trade openness has been associated with reduced industrial diversification and greater vulnerability to external shocks.

Trade agreements may constrain national policy autonomy. Modern trade and investment agreements often include provisions on intellectual property rights, investor-state dispute settlement (ISDS), and regulatory harmonisation. Critics contend that these provisions can limit governments' ability to pursue public interest regulations in areas such as environmental protection, public health, and industrial policy (Stiglitz, 2017). For example, investor-state arbitration mechanisms allow foreign investors to challenge domestic regulations that allegedly harm their investments, raising concerns about regulatory chill. Trade liberalisation can exacerbate income inequality within countries. While trade raises national income on average, it may widen wage dispersion and reduce labour's share of income in certain contexts (Goldberg & Pavcnik, 2007). Without strong social safety nets, redistributive policies, and active labour market programs, the adjustment costs can be severe and long-lasting for specific communities. Although free trade generates aggregate efficiency gains and consumer benefits, credible criticisms focus on its uneven distributional effects, pressures on domestic industries, labour market disruptions, and potential erosion of national policy space. These concerns suggest that complementary domestic policies such as education, retraining, social protection, and strategic industrial policy are crucial to ensuring that the benefits of trade are more broadly shared.

Imports pose a challenge for domestic businesses seeking to expand, particularly in developing countries. When local or domestic businesses face intense import competition from foreign firms, they may either lower their prices to maintain market share or maintain their prices and rely on non-price measures to retain sales (Drozd & Miškinis, 2011). Free trade has also made the international trading system more complex, increasing transaction costs for businesses as a result; for example, there are complicated rules on where a product is obtained from (rules of origin) to make sure that products that originate from a third country are not allowed to enter via the other party (Drozd & Miškinis, 2011). With free trade, economic instability can be increased with a reliance on equally unstable global markets, which leaves businesses, workers, and consumers more exposed to downturns in a partner's economy (Drozd & Miškinis, 2011). The human capital loss associated with liberalisation policies can be substantial.

The working definition of trade liberalisation in this study aligns with the view that it represents a coordinated and binding commitment among participating and compliant nations to eliminate or substantially reduce trade barriers such as tariffs, quotas, import licensing requirements, and exchange controls that restrict the smooth cross-border movement of goods across borders (Okeowo & Aregbeshola, 2018). These commitments are typically embedded in multilateral and regional trade frameworks, such as the World Trade Organization, which promotes the progressive reduction of trade barriers among its members.

This definition also supports the argument that specific trade policy instruments can impede the free flow of goods across borders, particularly when applied in ways that disadvantage developing countries. For instance, tariff escalation, non-tariff barriers, and stringent standards in developed economies often limit market access for exports

from developing nations (Krugman, Obstfeld, & Melitz, 2018). Conversely, rapid liberalisation in developing economies can expose domestic industries to intense foreign competition before they are sufficiently competitive, potentially resulting in deindustrialisation and job losses (Rodrik, 2018). Thus, while trade liberalisation aims to enhance efficiency and economic integration, its implementation and the persistence of certain restrictive policies can significantly affect developing countries' economic performance, industrial capacity, and long-term development outcomes.

2.2 Performance and Competitiveness in Indigenous Textile Companies

Indigenous textile companies operate at the intersection of cultural heritage and modern market demands. Their performance, encompassing financial, operational, and innovation outcomes, depends on artisanal skills, access to resources, technology adoption, and managerial efficiency. Competitiveness is shaped by product differentiation, market reach, branding, and policy support, enabling firms to navigate both local and global markets. The collaboration between performance and competitiveness underpins sustainability, as operational excellence enhances market positioning, while competitive advantage drives growth. Balancing tradition with innovation remains critical to preserving cultural authenticity while ensuring economic viability.

2.2.1 Concept of Competitiveness in the Textile Industry

Competitiveness in the textile industry is defined as “the ability of firms to sustain market relevance by producing goods and services that meet international standards, achieve cost efficiency, and align with consumer preferences” (Porter, 1990). According to Michael Porter, national and firm-level competitiveness is shaped by factor conditions, demand conditions, related and supporting industries, and firm

strategy, structure, and rivalry elements captured in his “Diamond Model.” Within the textile and apparel sector, this implies that productivity, innovation, access to skilled labour, infrastructure quality, and the strength of domestic supply chains all determine long-term competitive performance.

The textile and apparel industry plays a particularly critical role in developing economies due to its labour-intensive character and relatively low capital requirements. As highlighted by Gary Gereffi and Karina Fernandez-Stark, the sector often serves as an entry point into global value chains (GVCs), enabling countries to integrate into international production networks and expand export earnings (Gereffi & Fernandez-Stark, 2016). Participation in GVCs enables firms to specialise in specific stages of production, such as assembly, finishing, or packaging, before gradually upgrading to higher-value-added activities, including design, branding, and logistics. Moreover, the textile and apparel sector has historically acted as a catalyst for structural transformation. The experiences of East Asian economies demonstrate that early success in garment exports can stimulate broader industrialisation through learning-by-doing, technology transfer, and the development of managerial capabilities (Gereffi, 1999). However, sustaining competitiveness requires continuous upgrading. As global competition intensifies, particularly from major exporters such as China, Bangladesh, and Vietnam, developing countries must move beyond reliance on low wages and focus on enhancing productivity, complying with international labour and environmental standards, and improving supply chain efficiency. Moreover, trade liberalisation and the dismantling of quota systems under the World Trade Organization Agreement on Textiles and Clothing intensified global competition after 2005, reshaping the distribution of textile production worldwide (Nordås, 2004). While this created opportunities for highly competitive producers, it also exposed less competitive

domestic industries in some developing countries to significant market pressures. Competitiveness in the textile and apparel industry encompasses cost efficiency, quality standards, technological upgrading, and strategic integration into global markets. For developing economies, strengthening institutional support, infrastructure, skills development, and innovation capacity is essential to sustaining long-term competitiveness and achieving meaningful industrial transformation.

However, competitiveness is inherently multidimensional and shaped by a wide range of interrelated factors, including technological innovation, workforce skills, managerial capacity, marketing strategies, infrastructure quality, and access to finance. According to Porter (1990), sustained competitive advantage depends not only on cost efficiency but also on productivity growth, innovation, and firms' ability to upgrade within their industries. In the textile and apparel sector, this implies continuous improvements in technology adoption, product quality, branding, and supply chain coordination. As global production becomes increasingly fragmented and organised through global value chains (GVCs), participation requires firms to meet strict standards related to quality, timeliness, compliance, and certification. As noted by Gary Gereffi (1999), GVCs are often governed by large multinational enterprises that coordinate production networks and set entry requirements. Consequently, technologically advanced and well-capitalized multinational firms tend to dominate these chains, while less competitive local firms are marginalised or excluded.

In the Ghanaian context, indigenous textile firms face significant structural constraints. Empirical evidence suggests that local firms struggle to match the cost-efficiency and quality standards of foreign competitors, particularly those from China and India, which benefit from economies of scale, advanced production technologies, and strong

government support (Bruce-Amartey Jnr et al., 2014). These disadvantages are compounded by high production costs in Ghana, including unreliable energy supply, limited access to long-term financing, and outdated machinery. For many Ghanaian textile firms, exclusion from GVCs limits opportunities for technological learning, export expansion, and industrial upgrading. This creates a cycle in which limited competitiveness reduces integration into global markets, and limited integration further constrains opportunities for capability development. Addressing these challenges requires targeted industrial policies, investment in technology and skills development, improved infrastructure, and stronger institutional support to enable indigenous firms to upgrade and compete effectively in the global marketplace.

2.2.2 Impact of Trade Liberalization on Performance

Trade liberalization has produced complex and often uneven effects on the performance of indigenous textile firms in developing countries, particularly in Sub-Saharan Africa. While openness to trade can improve allocative efficiency, expand export markets, and enhance access to imported inputs and technology, it can also intensify competitive pressures in ways that domestic firms are not structurally prepared to withstand (Van Biesebroeck & Zaurino, 2019). The ultimate impact, therefore, depends largely on pre-existing industrial capacity, institutional support, and the sequencing of reforms.

In Ghana, liberalization reforms implemented under Structural Adjustment Programs (SAPs) during the 1980s and 1990s, supported by the International Monetary Fund and the World Bank, substantially reduced tariffs, removed quantitative restrictions, and deregulated imports (Allotey, 2010). Although these measures were intended to enhance efficiency and competitiveness, they also exposed Ghana's textile industry to a sudden influx of cheaper imports, particularly from China and other Asian economies

with lower production costs and more advanced manufacturing systems. The consequences for indigenous firms were significant. Many Ghanaian textile companies operated with outdated machinery, high utility costs, limited access to credit, and weak supply chain integration. Unable to match the low prices and consistent quality of imported textiles, domestic firms rapidly lost market share. As documented by Twintoh (2012), the number of active textile firms in Ghana declined sharply from about 20 in 1975 to only 4 by 2000. This contraction not only reduced industrial output but also led to widespread job losses, weakening the sector's contribution to employment generation and poverty reduction.

Beyond firm closures, trade liberalization also affected firm-level performance indicators, including capacity utilization, profitability, and investment. With declining revenues and heightened competition, many surviving firms struggled to reinvest in technology upgrading or product innovation. This limited their ability to move up the value chain or differentiate their products through branding and design. Consequently, Ghana's textile industry became increasingly marginalized in global production networks.

Moreover, the performance challenges faced by local firms were exacerbated by inconsistent industrial policies and limited institutional support. In contrast to countries such as Bangladesh, where targeted export incentives, infrastructure development, and preferential trade agreements strengthened the garment sector, Ghana's textile industry did not receive sustained strategic backing (Hoedoafia, 2019). The absence of coordinated policies to promote technological upgrading, protect against unfair trade practices (such as dumping), or improve infrastructure further weakened domestic competitiveness.

Another critical dimension of the impact of liberalization is the informalization of the textile market. The proliferation of second-hand clothing imports and smuggled textiles further intensified competition, often outside formal regulatory frameworks. This not only undermined formal-sector producers but also reduced government revenue from tariffs and corporate taxes, thereby limiting the state's capacity to reinvest in industrial development.

In sum, while trade liberalization theoretically offers opportunities for efficiency gains and export expansion, its impact on Ghana's textile sector has largely been characterized by declining firm performance, reduced employment, and weakened industrial capacity. The Ghanaian experience highlights that trade openness alone does not guarantee competitiveness. Without complementary policies—such as infrastructure investment, technological upgrading, access to finance, skills development, and strategic trade safeguards—liberalization can disproportionately benefit foreign producers while constraining the growth and sustainability of indigenous industries.

2.2.3 Performance Metrics in Indigenous Textile Companies

Evaluating the performance of indigenous textile firms requires a comprehensive analysis of both financial and operational indicators. Key performance metrics typically include productivity, efficiency, market share, profitability, export performance, and capacity utilization. In Ghana, indigenous textile companies have consistently underperformed across these indicators relative to global benchmarks and leading textile-exporting countries, including China, India, and Bangladesh. Productivity measures how effectively firms transform inputs of labour, capital, energy, and raw materials into output. According to Michael Porter (1990), productivity is the ultimate

determinant of competitiveness and long-term economic prosperity. In the Ghanaian textile sector, productivity challenges stem from outdated machinery, inadequate maintenance culture, unreliable power supply, and limited technological upgrading. Bruce-Amartey Jnr et al. (2014) observe that many indigenous textile firms operate below 50% of installed capacity, reflecting inefficiencies and weak demand for locally produced textiles. Low-capacity utilization raises unit costs because fixed costs are spread over a smaller output base. In contrast, globally competitive firms benefit from automation, vertical integration, and advanced logistics systems that significantly enhance efficiency and reduce per-unit production costs. Furthermore, participation in GVCs often requires strict adherence to quality, timeliness, and compliance standards. As noted by Gary Gereffi (1999), firms that fail to upgrade technologically or organizationally risk exclusion from these networks. Ghanaian firms' limited productivity growth therefore constrains their integration into international production systems, thereby affecting their market share.

Market share reflects a firm's relative position within the domestic and international marketplace. Ghana's textile industry has experienced a dramatic erosion of domestic market share following trade liberalization and increased import penetration. Van Biesebroeck and Zaurino (2019) estimate that imported textiles account for more than 90% of Ghana's textile consumption, indicating that indigenous firms control only a small share of the domestic market. This decline in market share reduces revenue streams and weakens firms' ability to benefit from economies of scale. It also limits brand development and consumer loyalty. In many cases, imported textiles, often produced at lower cost in Asia, are sold at prices that local producers cannot match, particularly when smuggling and counterfeit products further distort market competition. This affects profit and Financial Sustainability.

Profitability measures a firm's ability to generate returns above production and operational costs. Sustained profitability is essential for reinvestment, expansion, research and development, and technological upgrading.

However, indigenous textile firms in Ghana face rising production costs, especially in energy tariffs, imported raw materials, and financing costs. Hoedoafia (2019) highlights that many textile firms struggle to break even, making it difficult to modernize equipment or expand operations. Low profit margins discourage long-term investment and increase vulnerability to external shocks. In contrast, textile sectors in countries like Bangladesh have benefited from targeted state support, export incentives, and favourable trade agreements that enhance profitability and competitiveness (Rahman & Haque, 2020). This comparison highlights how government policies and strategic support can play a decisive role in strengthening domestic textile industries and enabling them to compete more effectively in global markets.

The firm's capacity utilization indicates the extent to which installed production facilities are actively used. Persistent underutilization, often below 50% in Ghana's case (Bruce-Amartey Jnr et al., 2014), signals structural inefficiencies and insufficient demand. Low utilization reduces operational efficiency, increases average costs, and discourages further capital investment. However, declining profitability and shrinking market share reduce firms' ability to secure financing for technological upgrades. Without modernization, firms remain locked into low-productivity production systems, reinforcing a cycle of weak competitiveness and marginalization in global markets. This leads to export performance and global integration.

Export performance is another critical indicator of competitiveness. Successful integration into global markets typically reflects strong productivity, quality

compliance, and cost competitiveness. However, Ghana's indigenous textile firms have limited export presence compared to major textile exporters. As global production networks become increasingly concentrated in technologically advanced and well-capitalized firms, local companies face barriers to entry related to scale, certification standards, and supply chain reliability (Gereffi, 1999). Together, performance metrics reveal structural weaknesses in productivity, market share, profitability, capacity utilization, and export competitiveness among Ghana's indigenous textile firms. While trade liberalization has increased consumer choice and reduced prices, it has also intensified competition in ways that domestic firms have struggled to manage. Without coordinated industrial policies, improved infrastructure, technological upgrading, and financial support mechanisms, indigenous textile firms may continue to underperform relative to global standards.

2.2.4 Comparative Analysis: Ghana and Other Emerging Economies

Ghana's textile industry provides an illustrative case of the challenges faced by indigenous firms in developing economies. Trade liberalization and globalization have exposed local firms to intense international competition, leading to reduced market share, declining profitability, and low-capacity utilization (Bruce-Amartey Jnr et al., 2014; Hoedoafia, 2019). Indigenous firms often operate below 50% of their production capacity and lack the technological, financial, and managerial resources to upgrade production or compete globally (Bruce-Amartey Jnr et al., 2014).

In contrast, other emerging economies, particularly in South and Southeast Asia, have leveraged policy support, industrial upgrading, and integration into global value chains to strengthen their textile sectors. For instance, Bangladesh has become one of the world's largest apparel exporters due to targeted government policies, favourable trade

agreements, investment incentives, and strong integration into global production networks (Rahman & Haque, 2020). Similarly, Vietnam's textile industry benefited from investment in modern technology, strategic trade agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and active workforce development programs, which enhanced productivity and export competitiveness (Nguyen & Tran, 2021).

China and India also provide contrasting examples of scale and efficiency. Chinese textile firms have leveraged economies of scale, technological innovation, and state-supported infrastructure to dominate global textile markets, while Indian textile firms have benefited from liberalization policies combined with selective government support, such as subsidies, export incentives, and access to affordable credit (Gereffi & Fernandez-Stark, 2016; Kapur & Sharma, 2018). These countries illustrate that policy frameworks, investment in technology, and workforce skills are critical determinants of competitiveness in the textile industry.

The comparative analysis highlights that, while trade liberalization offers potential benefits, such as access to imports and new markets, countries like Ghana have underperformed relative to peers due to weak industrial policies, limited technological capacity, and inadequate institutional support. Emerging economies that actively combine trade openness with strategic domestic interventions are more successful in enhancing firm-level performance, promoting employment, and sustaining industrial growth.

2.2.5 Role of Innovation and Branding in Competitiveness

Innovation and branding are essential strategies for enhancing the competitiveness of indigenous textile firms. According to Gary Gereffi and Karina Fernandez-Stark

(2016), firms that adopt modern production technologies, improve quality standards, and emphasize distinctive branding are better positioned to compete in both domestic and international markets. Modern technologies such as automated weaving, digital printing, and advanced dyeing techniques can increase efficiency, reduce production costs, and improve product consistency. Meanwhile, strong branding helps firms differentiate their products, build customer loyalty, and capture higher value in competitive markets.

However, Ghanaian textile firms face significant barriers to innovation. Most local firms lack the financial and technical resources required to invest in modern machinery, digital design tools, and sustainable production methods (Sarpong et al., 2024). This limits their ability to scale production and meet international quality standards. Furthermore, weak intellectual property rights enforcement in Ghana has made it difficult for firms to protect unique designs, discouraging innovation and reducing incentives for creative investment (Bruce-Amartey Jnr et al., 2014). For Ghanaian textile firms, innovation and branding provide a unique opportunity to leverage cultural heritage. Traditional textiles such as kente, batik, and adinkra carry cultural significance and have global appeal. By combining traditional designs with contemporary fashion trends, local firms can create niche products that stand out in international markets (Gereffi & Fernandez-Stark, 2016). For example, designers who incorporate Ghanaian motifs into ready-to-wear apparel or luxury home textiles can attract global consumers seeking authentic and culturally rich products.

Comparative studies show that countries such as Bangladesh and Vietnam have successfully integrated innovation and branding into their textile strategies, enabling them to dominate global apparel exports. Bangladesh leveraged low-cost labour with

strong branding of “Made in Bangladesh” apparel, while Vietnam emphasized sustainability and trade agreements to enhance competitiveness. Recent scholarship highlights that Ghana’s textile sector is undergoing a regenerative phase, with emerging designers blending cultural heritage with modern innovation to create entrepreneurial ventures (Kuupole & Agordah, 2025). Yet, these efforts remain fragmented and underfunded, requiring stronger institutional support, financing mechanisms, and branding strategies to scale globally. (Bosso, Senayah & Biney-Aidoo, 2025). Furthermore, innovation is not limited to production; it also includes process innovation, supply chain management, and marketing strategies. Firms that invest in digital marketing, e-commerce platforms, and direct-to-consumer sales channels can reach international markets more efficiently by bypassing intermediaries and thereby increase profitability. By integrating innovation with cultural branding, Ghanaian textile firms can not only preserve traditional craftsmanship but also enhance competitiveness, participate more effectively in global value chains, and create sustainable business growth. Ghana, by contrast, has not fully capitalized on its cultural heritage branding nor invested adequately in innovation ecosystems.

2.3 Challenges to Competitiveness in Indigenous Textile Companies

The competitiveness of indigenous textile firms in Ghana is influenced by a complex interplay of technological, raw material, financial, institutional, and human resource factors. These challenges are structural and systemic, collectively constraining productivity, profitability, and market relevance in both domestic and global contexts. A central determinant of competitiveness is the adoption and effective utilization of modern production technologies. Many Ghanaian textile firms continue to operate with outdated machinery and inefficient production processes, resulting in low-capacity utilization and high production costs. Bruce-Amartey Jnr et al. (2014) report that most

indigenous firms operate at less than 50% of their installed production capacity, reflecting significant underutilization of both physical and human resources. Low productivity not only increases unit costs but also limits firms' ability to meet the quality and delivery standards demanded by global value chains (Gereffi & Fernandez-Stark, 2016; Humphrey & Schmitz, 2002).

The technological gap between Ghanaian firms and international competitors is further compounded by limited access to capital for equipment upgrading, weak linkages to research and development institutions, and insufficient industrial support (Lall, 2001; OECD, 2017). Firms lacking modern machinery and process automation are unable to achieve economies of scale or maintain consistent product quality, which reduces their competitiveness in both local and export markets. Technological adoption is also intrinsically linked to workforce skills. Advanced machinery and production systems require technically proficient personnel capable of operating, maintaining, and implementing process innovations. In Ghana, shortages of skilled labour in textile engineering, production management, and quality assurance constrain productivity and limit the benefits of technological investments (Aryeetey & Kanbur, 2009; Bruce-Amartey Jnr et al., 2014). Without complementary training and capacity-building programs, even firms with modern equipment struggle to achieve operational efficiency and product differentiation.

Raw materials, particularly cotton, represent another critical constraint. Domestic cotton production has declined due to underinvestment, neglect of the agricultural sector, and weak institutional support (Allotey, 2010). Consequently, indigenous textile firms rely heavily on imported cotton, exposing them to volatility in global cotton prices and increasing production costs. The absence of a well-coordinated supply chain

exacerbates the problem. Unlike countries such as India, which maintain integrated supply chains linking cotton producers, ginners, and textile manufacturers efficiently, Ghana lacks a structured framework for the aggregation, processing, and distribution of raw materials (Okeowo & Aregbeshola, 2018). This fragmentation results in inconsistent fibre quality, procurement delays, and higher operational costs. Addressing these challenges requires a combination of agricultural revitalization, contract farming schemes, centralized aggregation and ginning facilities, and government incentives for local sourcing (Allotey, 2010; Okeowo & Aregbeshola, 2018).

Competition from low-cost imports further constrains competitiveness. Trade liberalization has exposed domestic firms to low-cost textiles from countries such as China and India, and Van Biesebroeck and Zaurino (2019) estimate that imports account for over 90% of Ghana's textile consumption. Many local firms are unable to match these low-cost products in terms of price, efficiency, or quality, resulting in declining market share, reduced revenues, and, in some cases, firm closures. The absence of robust industrial and trade policies compounds these pressures. Unlike Bangladesh and Vietnam, which leverage government-led industrial support, export incentives, and strategic trade agreements to strengthen textile sectors (Rahman & Haque, 2020; Nguyen & Tran, 2021), Ghanaian firms face limited institutional backing. Weak support for research and development, workforce training, and quality certification impedes technological upgrading and integration into global markets.

Branding and product differentiation remain underdeveloped among Ghanaian textile firms. Even culturally unique products, such as Kente, Batik, and Adinkra textiles, often compete primarily on price rather than on design, quality, or heritage value, reducing both domestic and global competitiveness (Gereffi & Fernandez-Stark, 2016;

Kaplinsky, 2005). Additionally, infrastructure deficiencies, including unreliable electricity supply and inadequate transport networks, increase production costs and delay deliveries, further diminishing the competitiveness of indigenous firms (Hoedoafia, 2019).

Overall, the challenges facing Ghanaian textile firms are multifaceted and interrelated. Technological gaps, workforce skill deficits, raw material shortages, import competition, weak institutional support, branding weaknesses, and infrastructural limitations collectively restrict firm-level competitiveness. Addressing these issues requires a coordinated strategy involving targeted investment in technology, workforce development, supply chain integration, and supportive industrial policies. Such measures are essential to enhance productivity, profitability, and sustainable participation in both domestic and global textile markets.

2.4 Impacts of the Issues on Employee Wellbeing in Indigenous Textile Companies

The issues faced by indigenous textile companies in Ghana have significant implications for employees' wellbeing. The issues are complex, covering economic, social, psychological and physical aspects, all of which are interconnected and affect the productivity and overall satisfaction of those who work in textile companies. It is important to analyse how to better address these issues for many reasons, but especially to sustain and improve the quality of life for those assisting in sustaining it.

2.4.1 Economic Consequences

The most significant and visible consequence of challenges in indigenous textile companies is the economic hardship faced by employees. The inability of textile firms to compete effectively in the open market, and consequently to earn lower returns, ultimately leads to layoffs and unpaid employees.

The economic consequences of the decline of Ghana's indigenous textile industry are most evident in the hardship experienced by its employees. When firms are unable to compete effectively in the open market, their reduced returns often translate into layoffs and wage insecurity. Workers live with constant uncertainty as factory closures and staff reductions become common, leaving many without stable employment (Quartey, 2006; Bruce-Amartey Jnr et al., 2014).

For those who remain employed, salaries are typically low, making it difficult to meet basic needs and maintain a decent standard of living. This situation is compounded by irregular wage payments, where employees may receive their earnings late or inconsistently. Such instability creates significant stress, forcing families into paycheck-to-paycheck living, debt cycles, and heightened vulnerability to economic shocks (Howard, 2013; Osei-Bonsu, 2001).

Ultimately, the decline of the textile sector has not only weakened Ghana's industrial base but also eroded the livelihoods of thousands of workers, underscoring the urgent need for revitalization strategies that prioritize both competitiveness and social welfare.

2.4.2 Social Implications

The financial difficulties experienced by workers in Ghana's textile industry extend beyond the workplace and are deeply felt within families and communities. Low pay and job insecurity often create stress in households, particularly when workers are unable to adequately provide for their dependants. This strain can lead to family tensions, as economic insecurity undermines the ability to meet basic needs and maintain household stability (Quartey, 2006; Bruce-Amartey Jnr et al., 2014).

In addition, limited opportunities for career advancement mean that many workers remain trapped in low-paying jobs with little chance of upward mobility. This perpetuates cycles of poverty, as families are unable to accumulate savings or invest in education and other pathways that could improve their long-term prospects (Howard, 2013).

The decline of textile companies also has broader implications for community development. Historically, these firms were central to local economies, providing employment and stimulating social and economic activities in surrounding areas. As factories close or scale back operations, communities lose not only jobs but also the social vibrancy that stems from economic participation. This erosion of local industry weakens community resilience and reduces opportunities for collective growth (Osei-Bonsu, 2001; MOTI, 2004). Ultimately, the social consequences of the textile sector's decline highlight the interconnectedness of economic and social wellbeing. The hardships faced by individual workers ripple outward, affecting families and entire communities, underscoring the urgent need for revitalization strategies that prioritize both economic competitiveness and social sustainability.

2.4.3 Psychological Implications

The decline of Ghana's textile industry has profound psychological consequences for its workforce. Job insecurity, low wages, and persistent financial distress have created an environment of chronic stress and anxiety among employees. Workers often live with the fear of layoffs or factory closures, which undermines their sense of stability and security (Quartey, 2006). This constant uncertainty erodes confidence and contributes to mental fatigue, leaving employees unable to plan for the future. In addition, restrictions on professional development opportunities and poor employment

conditions lower motivation, resulting in diminished morale across the sector (Bruce-Amartey Jnr et al., 2014).

For those employed in understaffed or under-resourced companies, the demands are even greater. Long working hours in high-pressure contexts often lead to burnout, manifesting in both physical exhaustion and emotional depletion. Burnout reduces resilience and weakens workers' ability to contribute productively, creating a cycle in which poor conditions feed into declining performance, which in turn exacerbates stress. Howard (2013) notes that these psychological strains are not confined to individuals but also affect families and communities as workers struggle to cope with the emotional toll of precarious employment.

2.4.4 Physical Implications

The physical wellbeing of employees in Ghana's textile industry is compromised by hazardous working conditions and outdated infrastructure. Workers are frequently exposed to chemicals used in dyeing and finishing processes, as well as noise pollution and poor ventilation, which contribute to respiratory problems, skin conditions, and hearing loss (MOTI, 2004). The absence of adequate occupational health and safety protocols exacerbates these risks, leaving employees vulnerable to accidents and long-term health complications.

Moreover, the reliance on obsolete machinery and the lack of modern safety equipment increase the likelihood of workplace accidents. Staff shortages often require employees to work long hours of strenuous labour, contributing to musculoskeletal injuries and chronic fatigue. Osei-Bonsu (2001) emphasizes that these physical strains not only reduce productivity but also shorten employees' working lives, further destabilizing the industry. The cumulative effects of poor workplace safety and health hazards

underscore the urgent need to invest in modern equipment and stronger regulatory enforcement to safeguard workers' physical wellbeing.

2.4.5 Effects on Productivity

The challenges to employee wellbeing have a direct and measurable impact on productivity within the textile industry. Dissatisfaction with wages, job security, and working conditions often leads to high turnover, which disrupts operations and increases recruitment and training costs (Bruce-Amartey Jnr et al., 2014). High turnover also erodes institutional knowledge, weakening firms' ability to maintain consistent quality.

Stress, low morale, and physical exhaustion limit efficiency, resulting in reduced output and compromised product standards. Howard (2013) observes that absenteeism, often driven by health concerns or dissatisfaction, further undermines productivity rates. The cumulative effect is a sector that struggles to remain competitive, as declining efficiency and rising costs weaken its position in both domestic and international markets. Without addressing the root causes of worker dissatisfaction and poor wellbeing, productivity will continue to decline, threatening the survival of indigenous textile firms

2.4.6 Gendered Considerations of Wellbeing

Again, the decline of the textile industry has disproportionately affected women, who constitute a significant portion of the workforce. Women often earn less than men for similar roles, reinforcing economic disparities and limiting their ability to achieve financial independence (Quartey, 2006). This gender pay gap perpetuates inequality and undermines the contribution of women to household income.

Female employees also face challenges in balancing work and family responsibilities. Many women, particularly those with caregiving roles, struggle with inflexible schedules and the absence of support structures, which heightens stress and reduces their ability to perform effectively at work (Howard, 2013). In addition, women are more vulnerable to harassment and exploitation in the workplace due to unequal power relations, which further undermines their wellbeing and sense of security (Bruce-Amartey Jnr et al., 2014). Addressing these gendered challenges is essential not only for equity but also for enhancing the industry's overall resilience and competitiveness.

2.4.7 Broader Implications for the Industry

The combined impacts of poor psychological, physical, and social wellbeing extend beyond individual workers to the sustainability of the textile industry itself. Companies struggling to retain talent face widening skills gaps, while poor working conditions and low pay tarnish the industry's image, discouraging new entrants (MOTI, 2004). A demotivated and stressed workforce is unlikely to engage in innovation, yet innovation is critical for growth and adaptation in a competitive global market.

Osei-Bonsu (2001) argues that the erosion of worker wellbeing undermines the sector's ability to modernize and integrate into global value chains. Without addressing these challenges, the industry risks further decline, losing its potential as a driver of economic development and social transformation. Revitalization strategies must therefore prioritize worker welfare alongside modernization and competitiveness, ensuring that the industry can attract and retain talent, foster innovation, and rebuild its reputation.

2.4.8 Strategies to Mitigate Wellbeing

Given the significant challenges to workers' wellbeing in Ghana's textile industry, firms must implement targeted interventions that directly address employees' psychological,

physical, and social needs. Providing fair and competitive wages, alongside ensuring timely salary payments, is fundamental to alleviating financial stress and restoring morale. Equally important is the implementation of robust occupational health and safety protocols, which can reduce workplace hazards and foster a healthier environment. Capacity-building initiatives, including skills training and professional development, would enhance workers' competencies and improve job satisfaction. Beyond technical training, workplace support systems, such as counselling services, grievance redressal mechanisms, and work-life balance programs, can help employees cope with psychological and social challenges. Gender equity initiatives are also critical, ensuring that women, who constitute a large proportion of the workforce, receive equal pay, flexible work arrangements, and protection against harassment. Finally, partnerships with international firms can facilitate knowledge transfer, exposing workers to advanced skills and global best practices, while talent retention strategies that combine competitive wages with ongoing professional development will help sustain a skilled workforce (Bruce-Amartey Jnr et al., 2014; Howard, 2013).

2.4.9 Financial Resources and Investment

The financial health of indigenous textile businesses is a key determinant of their competitiveness. Many firms currently operate under severe financial constraints, limiting their ability to invest in modern machinery, marketing, and worker development. Gereffi & Fernandez-Stark (2016) emphasize that without adequate financial resources, firms cannot integrate into global value chains or sustain innovation. To overcome these challenges, access to reasonably priced credit tailored to the textile sector is essential, enabling firms to finance operations without crippling interest rates. Government incentives such as tax breaks, subsidies, and development grants can further reduce production costs and encourage reinvestment. Public-private

partnerships (PPPs) offer another avenue, combining local firms with investors to generate sustainable funding and technical expertise. For smaller firms and individual artisans, microfinancing opportunities are vital, providing the capital needed to scale operations and participate more fully in the industry. Strengthening financial resources is therefore central to revitalizing Ghana's textile sector and ensuring long-term competitiveness.

2.4.10 Infrastructure Improvement

Infrastructure remains a critical barrier to productivity and competitiveness in Ghana's textile industry. Inadequate infrastructure raises production costs and limits access to markets, thereby undermining firms' ability to compete effectively (Allotey, 2010). Reliable power supply is particularly crucial, as frequent outages disrupt production and increase operational expenses. Improved transport systems, including road and rail networks, would facilitate the efficient movement of raw materials and finished products, reducing delays and costs. The development of textile-specific industrial parks could provide shared facilities, such as warehouses, processing units, and waste-management systems, thereby fostering collaboration and economies of scale. In addition, investment in digital infrastructure is increasingly important, enabling firms to adopt e-commerce platforms and supply chain management systems that expand market access and streamline operations. Addressing these infrastructural deficits is essential for building a competitive and resilient textile industry.

2.4.11 Access to market and Branding

Market access and branding are vital to the competitiveness of Ghanaian textile firms. Weak branding and limited visibility have hindered local companies' ability to compete with imported textiles. To overcome these challenges, firms must pursue strategies that

enhance both domestic and international market access. Export facilitation programs, including certification schemes and trade promotion initiatives, can help firms meet international standards and penetrate global markets. At the domestic level, creative marketing campaigns that highlight the cultural heritage of Ghanaian textiles, such as kente and batik, appeal to local consumers and strengthen demand. Brand development is equally important, requiring investment in intellectual property rights to protect unique designs and build consumer trust. With internet access expanding, e-commerce platforms offer new opportunities to reach wider audiences and reduce reliance on traditional sales channels. Strengthening branding and market access will not only improve competitiveness but also position Ghanaian textiles as distinctive products in global markets (Quartey, 2006).

2.4.12 Sustainability and Environmental Practices

The global textile industry is increasingly oriented towards sustainability, and Ghanaian firms must adapt to remain competitive. Eco-friendly production methods, such as technologies that minimize waste, reduce water use, and employ natural dyes, are essential to align with international standards. Sustainable sourcing practices, including the use of locally grown organic cotton, can strengthen supply chains and reduce dependence on imports. Compliance with environmental regulations, both domestic and international, enhances marketability and prevents regulatory penalties. By adopting sustainability practices, Ghanaian firms can not only improve their competitiveness but also contribute to broader environmental and socio-economic goals. This shift towards sustainability is critical for long-term resilience and integration into global value chains (Gereffi & Fernandez-Stark, 2016)

2.4.13 Policy Advocacy and Industry Collaboration

Finally, policy advocacy and industry collaboration are crucial for strengthening the textile sector. Many Ghanaian firms lack the capacity to influence policy or engage in collective bargaining, leaving them vulnerable to unfavourable trade and industrial policies. Building capacity in policy advocacy would enable firms to articulate their needs and push for supportive frameworks. Strengthening industry associations can foster collaboration, knowledge sharing, and collective bargaining power, while collaborative research involving firms, academics, and policymakers can generate innovative solutions to shared challenges. By working together, firms can avoid exclusionary practices and build a more inclusive and competitive industry. Policy advocacy and collaboration are therefore essential for creating an enabling environment that supports the revitalization of Ghana's textile sector (Bruce-Amartey Jnr et al., 2014; MOTI, 2004).

2.5 Trade liberalisation policies in developing countries

Trade liberalisation policies in developing nations are usually the result of requirements under the World Trade Organization (WTO) and the General Agreement on Tariffs and Trade (GATT). The agreement that established the World Trade Organisation (WTO), the ministerial declaration and decision, and the understanding of financial services decisions in Uganda annexed hereto are all considered essential components of the final Acts, as per the agreement of the trade negotiation committee members (NEGOTIATIONS, U. R. O. M. T. 1993). In this context, participants in the general parties to the negotiation must have completed accession to the general agreement and become contracting parties thereto prior to approving the WHO agreement. Most African countries, including Ghana, adopted trade liberalisation as a means of industrialisation, but there are concerns about whether this is the best development strategy for developing countries. However, development has progressed more slowly

in many other nations, particularly in Africa and the Middle East (IMF, 2001). Without removing their internal trade barriers, the poorest nations risk greater marginalisation, as their share of global trade has declined significantly. In recent decades, progress in integration has been inconsistent. They elaborate on how various developing countries in Asia and, to some extent, Latin America, with some exemplary cases, have prospered by pursuing international trade, and how the majority of foreign direct investment in developing countries has also been fixed within these countries. This is not only true of higher-income Asian countries such as Korea and Singapore, which were themselves very poor, but also of China and India, which have both adopted trade liberalisation and other market-oriented reforms.

The poorest countries have also seen their share of trade fall quite dramatically and unless they reduce their barriers to trade, they risk becoming even more marginalised. In contrast to the prosperous "integrators", these countries are much more dependent on the manufacture of, and exports of, traditional commodities. The reasons for their marginalisation are more complex than those for the government-imposed barriers faced by developing countries with higher average incomes, which include several interlinked issues: institutional and legislative weakness, long-standing structural issues, and protection imposed both domestically and internationally.

According to Underhill (2009), the elements that define a country's trade liberalisation policy incorporate measures to encourage domestic manufacturing, such as the removal of certain barriers to trade-related direct investment flows, and a systematic reduction (or elimination) of taxes on trade and any restrictions on imports across borders.

Other export-boosting policies, such as export subsidies and incentives, such as unique benefits for Export Processing Zones, may be implemented in addition to these trade

reform initiatives. Trade liberalization generally aims to boost the national economy and incomes, with positive effects on several areas, including employment growth, reduced wage disparities, and improved access to technology. Policies such as lowering tariffs directly affect government revenue, which in turn affects the nature and direction of government spending. They also affect the labour and trade market, the balance of payments, and the accessibility of specific public service programs for households. According to Frings (1987), trade liberalization has led to a substantial increase in the importation of clothing and textiles. Small emerging nations have not been spared from this; designated superpowers like America have also been impacted. America's manufacturing base has been eroded as a result. Importers and retailers who supported free trade (trade without restrictions) believed that, in the future, specialisation would be the primary basis for global trade, as initially planned.

Some scholars believe that trade liberalization might hurt developing countries. These grievances and concerns stem from doubts about the effectiveness of trade liberalization in developing countries, given the demise of domestic businesses, the loss of government revenue, and the astronomical costs of such interventions (particularly those related to market failures). Due to their inability to compete with their international competitors, local businesses are said to be forced out of business by excessive foreign competition (Gashgari, 2016). Industries are considered economic engines, and developing nations view a strong private sector as the key to accelerating the rapid industrialisation they require. But if a supportive and encouraging business climate exists, the industrial sector can fulfil its vital function as a growth engine. As a result, domestic businesses in developing nations cannot survive competition from their international counterparts without protection. As a result, the non-profitability and ultimate failure of such local companies result in the loss of millions of jobs (Gashgari,

2016). The primary goal of trade liberalisation policy was to support domestic production by eliminating or reducing tariffs and non-tariff barriers at the border. However, the researcher observes a different picture, particularly in small developing countries, where open trade has given highly developed countries with high production capacity an edge in competitiveness at the expense of vulnerable domestic manufacturing, which struggles to compete, leading to many of these businesses experiencing high redundancy rates.

The lifting of import limitations in Africa, according to Saha (1991), actually led to "massive redundancies in the formal manufacturing sector." Despite the above claims, the Asian tigers prospered by becoming more open. This renders discussions of the optimal approach to industrialization, particularly in the African context, inconclusive.

2.6 Trade liberalisation policies on Textiles

Many policies govern and shape the global textile trade. These rules can be created and enforced by the World Trade Organization (WTO), an international organization that governs international trade standards among nations (Redmond, 2008). The WTO Policies on Textiles and Clothing provide additional information on the Uruguay Round of multilateral trade negotiations, which were held under the aegis of the General Agreement on Tariffs and Trade (GATT), which was based on the 1947 treaty, and on the World Trade Organization's founding. After the Round's Final Act was ratified, the World Trade Organization (WTO) emerged as the leading international multilateral trade organization. Other GATT-related but legally separate agreements were also introduced into the WTO.

The WTO's primary goal is to ensure that trade flows as freely, reliably, and efficiently as possible by providing a forum for negotiations and dispute settlement (Walden &

Anuradha, 2001). Additionally, it oversees the management, operation, and execution of the covered agreements, evaluates national trade policies, and, by monitoring international economic policy-making, guarantees trade policy coherence and transparency. Finally, it provides technical cooperation and training to developing, least-developed, and low-income countries as they transition to the WTO's rules and processes. To function effectively, the WTO collaborates closely with the IMF and the World Bank.

Developing nations vehemently contend that the WTO does not sufficiently account for the challenges and asymmetries of economic development in liberalised environments. Developed nations have pressured poor countries to liberalise their trade policies (Saner & Guilherme, 2007), even in the face of long-term growth prospects, through the WTO and its affiliated international institutions, like the International Monetary Fund (IMF). The WTO's critics contend that, to advance the interests of large corporations, the organization harms poor nations and erodes environmental, health, and safety regulations.

Underhill (2009) contends that civil society organizations, such as non-governmental organizations, pose perhaps the WTO's greatest threat rather than its member nations. He goes on to say that many social activists in the anti-globalization movement highlight the challenges posed by liberalization in both developed and developing countries, particularly with respect to less market-competitive forms of economic organization and the less fortunate sections of society that may be essential to indigenous cultures. This has been a significant contributing factor to the collapse of the majority of local industry in WTO member countries such as Ghana. This is because excessively competitive commodities flood into weak developing countries as a result

of liberal trade, making it difficult for indigenous industries to compete and ultimately leading to their demise.

The only other industries with autonomous agreements, multilaterally negotiated under the WTO's auspices, are textiles and apparel (Verma, 2000). The study finds this unsurprising, given the substantial share that apparel and textiles account for in the global trade of many nations, particularly developing countries. This results from the phasing out of the Multifibre Agreement (MFA) period and the beginning of the quota-free trade era. After years of complacency, this has jolted the entire pattern of international trade in apparel and textiles, and as a result, every nation is now developing a national strategy to remain competitive in the global trading system. The fundamental cause of this economic crisis in the industry remains the Agreement on Textiles and Clothing (ATC). Ghana's textile industry's readiness for international competitiveness as a WTO member under the new ATC agreement is a concern.

Ghana's industrial plan was designed to create economic independence; as a result, manufacturing sectors were set up to create goods that were previously imported. Ghana embraced import substitution industrialisation ISI to promote greater and more sustainable rates of growth in the economy as well as to guarantee industrial development (Ackah et al, 2014). The goal was to move African nations from their agrarian states to modern, industrialized economies, much like those of East and Southeast Asia. Because initiatives to encourage import-substitution industrialization were pursued, light industries were established to produce goods locally and operate behind tariff barriers. As part of its industrial policy to foster economic dependence, Ghana, like many other African countries, established companies to produce commodities previously imported. Following the inception of ISI, the manufacturing

industry was dominated by the textile sub-sector, which made a substantial contribution to livelihood. It operated at approximately 60% of plant capacity and employed about 25,000 workers, representing 27% of all manufacturing employment.

In Ghana, the textile subsector was a significant source of foreign exchange. However, by 1982, the subsector was operating at very low capacity due to a lack of foreign exchange for importing raw materials. The public's increased access to a wide variety of finished textiles, including readymade clothing, fancy prints, knit fabrics, African prints, suiting materials, towels, and baby wear, is one of the main benefits of trade liberalization, according to Taylor (1999). He argues that since the trade liberalisation policy was implemented, Ghana's market has become more dynamic and competitive, resulting in the demise of inefficient salespersons and companies. Imported textiles generated a substantial revenue for the government. The government was prompted to increase taxes on the industry due to the surge in the importation of foreign textiles and second-hand/used apparel. On the ticket of trade liberalization, the government also moved quickly to eliminate restrictions on several types of worn clothing, as first announced in the 1993 budget statement. This creates a pathway for the import of excessive quantities of various textiles into the nation. An efficient trade policy process is necessary for every economy to exploit international trade as a powerful tool for development. To achieve this, it is necessary to determine a nation's trade interests and confirm that they align with its main development aspirations (Dupasquier & Osakwe, 2007). Effective trade policies cannot be formed in various African countries due to the trade policy process. Important trade policy decisions are taken without thoroughly weighing the effects on the colony. Trade decision-making is made with careful consideration of the economy due to a culture where senior government officials do not

take economic research seriously and there is a dearth of officials with the necessary analytical skills.

2.7 Textile regulations in Ghana

While Ghana has established a relatively comprehensive legal and policy framework to support industrial development, the effectiveness of these instruments in strengthening the textile manufacturing sector remains uneven. The existence of investment promotion legislation, industrial policy guidelines, labour protections, and environmental regulations demonstrates a formal commitment to sustainable industrialisation. However, the extent to which these frameworks translate into improved firm-level competitiveness depends largely on implementation capacity, policy coherence, and institutional coordination.

The Ghana Investment Promotion Centre Act, 2013 (Act 865) provides fiscal incentives and investment guarantees intended to attract domestic and foreign capital into priority sectors, including manufacturing. In theory, such incentives reduce entry barriers, lower capital costs, and encourage technological upgrading. Empirical evidence suggests that foreign direct investment (FDI) can facilitate technology transfer, managerial expertise, and integration into global markets (Lall, 2001). However, in Ghana's textile industry, investment inflows have not consistently translated into sustained industrial deepening or technological transformation. Scholars argue that without complementary industrial policies such as targeted support for local suppliers, skills development, and export facilitation investment incentives alone are insufficient to generate structural competitiveness (Aryeetey & Kanbur, 2009). Thus, while Act 865 provides an enabling legal foundation, its developmental impact is constrained by broader structural challenges.

Similarly, the Ghana Industrial Policy (2003) articulates ambitious objectives, including value addition, technological upgrading, and enhanced competitiveness in priority sectors such as textiles. The policy aligns with structural transformation frameworks that emphasize manufacturing as a driver of employment and productivity growth (Lall, 2001). However, policy implementation has been constrained by limited funding, weak monitoring mechanisms, and inconsistent enforcement. Unlike countries such as Bangladesh and Vietnam, where industrial policies are closely aligned with export promotion strategies and supported by strong state–industry coordination, Ghana’s textile sector has experienced policy fragmentation and limited sustained support (Rahman & Haque, 2020; Nguyen & Tran, 2021). The result has been a gap between policy intent and measurable sectoral outcomes.

The Labour Act, 2003 (Act 651) plays an important role in ensuring compliance with labour standards, protecting workers’ rights, and promoting occupational health and safety. From a governance perspective, adherence to labour standards enhances legitimacy and supports integration into global value chains, where social compliance is increasingly required (Gereffi, Humphrey, & Sturgeon, 2005). However, labour compliance may also increase operational costs for firms already facing competitive pressure from low-cost imports. In highly liberalised trade environments, domestic firms must balance compliance with productivity improvements to remain competitive. Without parallel productivity-enhancing policies, strict labour standards can create cost pressures that disadvantage local firms relative to competitors operating in lower-cost jurisdictions.

Environmental regulation under the Environmental Protection Agency Act, 1994 (Act 490) similarly reflects a commitment to sustainable industrial development. Textile

manufacturing, particularly dyeing and finishing processes, poses environmental risks related to effluent discharge and chemical waste. Regulatory oversight encourages responsible production and enhances access to environmentally sensitive export markets (OECD, 2017). Nonetheless, compliance costs can be high, especially for small and medium-scale indigenous firms with limited capital for waste treatment infrastructure. Where enforcement capacity is uneven, regulatory compliance may also be inconsistently applied, creating distortions within the sector.

A critical issue emerging from this analysis is the coherence of policy. Although Ghana possesses multiple instruments aimed at promoting industrial growth, labour protection, environmental sustainability, and investment attraction, these frameworks are not always harmonised within a unified industrial strategy. Effective textile sector development requires coordinated interventions across upstream cotton production, technological upgrading, workforce training, infrastructure provision, and export promotion. Fragmentation among institutions and limited cross-sectoral integration reduce the overall effectiveness of the policy environment.

Ghana's textile manufacturing sector is further shaped by a range of trade, corporate governance, sector-specific, and sustainability-oriented policy instruments that collectively seek to strengthen industrial performance and enhance global competitiveness. These measures extend beyond general industrial and labour legislation to encompass trade facilitation, sector revitalisation, institutional coordination, and environmental responsibility.

The Customs Act, 2015 (Act 891) (formerly referred to as the Customs and Excise Act) governs the importation and exportation of goods, including textile raw materials, intermediate inputs, and finished products. The Act provides the legal basis for tariff

schedules, customs duties, valuation procedures, and trade facilitation mechanisms (Customs Act, 2015). For textile manufacturers, these provisions directly influence production costs and export competitiveness. Through tariff differentiation and exemptions on selected machinery and inputs, the customs regime can support import substitution and export promotion strategies. However, the effectiveness of such measures depends on policy consistency and enforcement capacity, particularly in addressing illicit imports and smuggling, which have historically undermined domestic textile producers.

Although not enacted as legislation, the National Textile Policy (2019) articulates a sector-specific strategic framework aimed at revitalising Ghana's textile and garment industry. The policy emphasises capacity building, technological upgrading, innovation, local value addition, and market development. It seeks to reduce import dependence by stimulating domestic fabric production and strengthening linkages across the value chain (MOTI, 2019). Sector-specific policy frameworks such as this are critical for addressing structural bottlenecks, particularly where generic industrial policies may lack targeted interventions. Nonetheless, as with earlier industrial strategies, implementation effectiveness remains central to achieving intended outcomes.

Corporate governance and regulatory compliance in the textile sector are further guided by the Companies Act, 1963 (Act 179), which has been substantially updated by the Companies Act, 2019 (Act 992). The Act regulates company formation, registration, governance structures, reporting obligations, and directors' responsibilities. By establishing clear legal standards for corporate accountability and transparency, the legislation strengthens investor confidence and formal sector compliance. Sound

corporate governance frameworks are widely recognised as foundational to sustainable industrial growth and investment attraction (Aryeetey & Kanbur, 2009).

The Minerals and Mining Act, 2006 (Act 703), while primarily oriented toward mineral resource governance, has indirect relevance to the textile industry through its regulation of mineral-derived inputs, including certain dyes, pigments, and chemical substances used in textile processing. Sustainable sourcing and environmental compliance within extractive industries influence downstream manufacturing sectors, including textiles. Integrated regulatory oversight across sectors supports responsible supply chain management and environmental sustainability (OECD, 2010).

Beyond legislative instruments, Ghana has introduced a series of sector-focused initiatives to accelerate the development of the textile industry. The Textile and Garment Manufacturing Development Policy provide a strategic platform for promoting domestic production, employment creation, and technological upgrading. Such policies are instrumental in aligning industrial growth with national development objectives and structural transformation strategies (Osei, 2018). By emphasising value addition and local production, the policy seeks to reposition textiles as a driver of industrialisation.

Upstream supply chain revitalisation is addressed through the Cotton Development Fund, which aims to enhance cotton productivity, improve fibre quality, and reduce reliance on imported raw materials. Strengthening domestic cotton production is critical for reinforcing backward linkages within the textile value chain and reducing exposure to global price volatility (Ackah & Osei, 2019). Effective integration between agricultural and industrial policy is essential for sustainable sectoral development.

Institutional coordination is supported through the establishment of a Textile and Garment Sector Development Unit, designed to streamline policy implementation, attract foreign direct investment, and provide a centralised administrative interface for stakeholders. Institutional arrangements of this nature enhance policy coherence, facilitate public–private partnerships, and improve responsiveness to industry needs (Smith, 2020). Strong institutional governance is particularly important in sectors that require coordination across trade, agriculture, the environment, and industrial development.

Technological modernisation efforts are further reinforced by the Ghana Textile Upgradation Fund (G-TUF), which provides financial assistance to replace obsolete machinery and upgrade production facilities. Access to finance for technological renewal is widely acknowledged as a prerequisite for productivity growth and export competitiveness (Mensah, 2021; Lall, 2001). Without such interventions, indigenous firms face structural disadvantages relative to technologically advanced international competitors.

Environmental sustainability has gained prominence through the adoption of the Extended Producer Responsibility (EPR) Policy, which requires manufacturers to assume responsibility for the lifecycle impacts of their products, including waste management and recycling. This approach aligns Ghana’s textile sector with emerging global sustainability norms and circular economy principles (Amoah, 2022). Compliance with environmental standards increasingly influences access to environmentally conscious export markets.

Fiscal incentives, including duty exemptions on machinery and technological upgrades as well as tax concessions in designated economic zones, further complement these

initiatives. Such incentives are commonly employed in developing economies to reduce capital costs, attract investment, and stimulate industrial capacity expansion (Boateng, 2017). However, their long-term effectiveness depends on integration with broader industrial upgrading strategies.

Ghana's textile sector also benefits from preferential trade arrangements. The African Growth and Opportunity Act (AGOA) provide duty-free access to the United States market for eligible textile and garment exports, while the Economic Partnership Agreement (EPA) with the European Union grants preferential access to European markets. These trade frameworks create opportunities for export-led growth and deeper integration into global value chains (Kwarteng, 2019; Gereffi, Humphrey, & Sturgeon, 2005). Nevertheless, market access advantages must be matched with improvements in productivity, quality standards, and compliance to translate trade preferences into sustained competitiveness.

Collectively, Ghana's policy architecture reflects a multidimensional approach to textile-sector development, combining legislative regulation, fiscal incentives, institutional coordination, sustainability initiatives, and integration into international trade. While the breadth of the framework demonstrates strategic intent, the central challenge remains effective implementation, policy coherence, and alignment with long-term industrial upgrading objectives. Strengthening coordination among upstream agriculture, manufacturing, trade, finance, and environmental governance will be essential to translating policy ambition into tangible improvements in sectoral competitiveness. Ghana's legislative and policy framework for textile manufacturing is structurally sound in design but constrained in execution. The challenge is not the absence of policies but rather the need for stronger mechanisms for implementation,

institutional coordination, and strategic alignment with long-term industrial upgrading objectives. Enhancing competitiveness in the textile sector, therefore, requires moving beyond formal policy existence toward integrated, performance-oriented industrial governance.

2.8 The concept of performance of firms

For emerging nations, having successful enterprises is crucial. Many economists liken them to an engine that drives their economic, social, and political progress. Every business should function under performance-based conditions to thrive in a competitive environment. The business environment of the twenty-first century has undergone several developments that have made it more complicated and unpredictable. In this dynamic climate that characterizes the current global economy, businesses are under tremendous pressure to complete things more quickly, more efficiently, and at a lower cost. They must enhance their capacity for adaptation and address an increasing number of environmental concerns (Taouab, 2019). Performance is viewed as a perceptible outcome of the business plan.

The concept of firm performance is a multidimensional notion that has evolved. Taouab & Issor (2019) claimed that in the 1950s, organizational efficiency, which is the degree to which an organization, as a social system with likewise limited resources and means, has pursued its goals and objectives without an excessive effort from its members, can be viewed as a synonym for firm performance. Productivity, adaptability, and interorganizational conflicts are used to evaluate performance (Taouab, 2019). Organizations then began to create new methods of performance evaluation in the 1960s and 1970s. Performance at this point was defined as an organization's ability to leverage its environment to extract and utilize scarce resources (Taouab, 2019). In the

first decade of the twenty-first century, organizational performance was defined principally in connection with the ability and capability of an organization to utilize the available resources in an effective way to achieve accomplishments congruent with the organizational objectives and also to consider their relevance to the users (Peterson, Gijsbers, & Wilks, 2003).

In recent years, Amoah et al (2011) have defined firms' performance as the behavioural competencies linked to the achievement of initiatives/programs objectives and aims of an organisation. Ambastha & Momaya (2004) define performance as a company's ability to design, produce, and/or market its products better than competitors, both in price and non-price quality. Performance is described as the capacity of an organization to take advantage of its surroundings to get and make use of its limited resources (Yuchtman & Seashore, 1967). It can then be concluded that an organisation that maintains a high level of performance and meets the needs of its stakeholders is effective.

Tangen (2004) uses productivity as the primary example of performance, followed by profitability. According to Tangen (2004), performance is a general phrase for excellence that encompasses productivity, profitability, and other non-cost elements, including quality, speed, delivery, and adaptability. Based on stakeholder expectations, firm performance can be described and quantified in terms of profitability, growth, market value, total shareholder return, economic value added, and customer satisfaction (Mihaela & Performance, 2017).

According to Foley and Guillemette (2010), firm performance is influenced by both the firm and the marketplace in which it operates. Both nonfinancial and financial metrics can be used to assess a company's performance. Nonfinancial metrics include

management's perceived productivity, profitability, market share, and customer satisfaction relative to rivals, whereas financial metrics include return on assets, market share, return on investment, operating profit, and growth rates in domestic sales and exports (Ibrahim & Matari, 2014). If objective metrics are unavailable, nonfinancial performance measures may be employed, as noted by Dess and Robinson (1984). Operational performance, which is non-financial, was used in this study (Gunasekaran & Kabu, 2007). Operational performance is the organization's performance relative to its own criteria, such as desired levels of productivity, cycle time, environmental responsibility, waste reduction, and compliance (O'Brien, 2009). Businesses should operate with both efficiency and effectiveness. Efficiency is the measure of a company's use of financial resources, whereas effectiveness is the degree to which a company can meet its clients' needs (Hubbard, 2009). Examples of operational performance indicators include speed, flexibility, cost reduction, quality, market position, and dependability (Hwang et al., 2014). However, the "correct" measurement must be planned, developed, and implemented to increase accessibility and to "informally" assess operational effectiveness. The fundamental tenet of each definition is that performance is a measure of how successfully an activity's goals are met.

2.9 The Global Textile Industry

The textile industry expanded steadily in each nation and is currently regarded as one of the most thriving sectors worldwide. The results of extensive research and development on raw materials, such as fibre, yarn, and fabric, are remarkable (Tortora, 2010). According to Corbman (1983), the textile industry is broad and complex. His hypothesis starts with agriculture, which produces fibre from cotton, flax, and other fibrous plants.

Fiber comes from a variety of sources, including the husbandry of sheep, other animals, and silkworms; it also comes from the mining of metals and minerals, wood, and chemical research; it is then used to produce yarns and/or fabric. Yarns are transformed into fabrics for commercial and consumer use through a variety of techniques, including knitting and weaving. The fabrics are reverted to finished cloths, which allow for certain performances and appearances. Clothing, home furnishings, and a variety of industrial applications are among the end-use products manufactured from these textiles. After that, the products are merchandised and sold. Although these facets of the textile industry are distinct fields, they are interdependent and have multiplicative effects on other industries.

Sackey (2002) contends that the textile industry first transforms raw fibres into yarns, which are subsequently transformed into various types of fabrics that are suitably finished. He further explains that the textile sector is large and has a wide range of applications. Despite their historical fragmentation, its many sections are geared toward a common goal.

Whether it is classified as a labour-intensive, low-wage industry or a dynamic, innovative industry depends on the segment of the market under consideration. In the high-quality fashion market, the textile sector has modern technologies, relatively well-paid workers and designers and flexibility. When firms in this segment of the market compete, they do so by their ability to develop designs that reflect tastes and preferences, or even better, influence taste and preferences in addition to being efficient. The unique roles of companies serving the premium fashion industry are largely concentrated in developed countries and are frequently restricted to specific regions or groups within the nation (Nordas, 2004).

The textile segment can be viewed as a supply chain comprising several discrete functions. The supply chain is increasingly being integrated across raw material sourcing, design and production, marketing, and distribution as a network, by slicing production into specialised functions and locating each activity in the place that adds the most value to the finished product. Costs, quality, delivery dependability, access to high-quality inputs, and transaction and transportation expenses are crucial factors to consider when planning the locations of each function and activity (Nordas, 2004).

The global textile market was valued at USD 959.87 billion in 2022 and is projected to reach USD 1371.84 billion by 2030. The market is expected to grow during this period, driven by the trend toward smart textiles that employ optical fibres, metals, and various conductive polymers to respond to environmental stimuli. Emerging economies in developing countries are facilitating improvements in the textile industry through modern installations capable of highly efficient fabric manufacturing. This development is expected to drive growth in demand in our textile industry in the forecasted period (Geographic Scope & Forecast, 2022).

2.10 Textile Industries in Ghana

In the past, Ghana's textile sector employed over 25,000 people and was a very thriving business (Quartey, 2006). The majority of firms in the industry produced high-quality designs and textile brands that enjoyed strong patronage in local, West African, and international markets. Finished Textiles produced by these companies were in high demand in the Ghanaian market, as they were predominantly used in the design and production of traditional apparel, such as the Kaba and other exquisite garments (Quartey, 2006). The industry was not only a source of employment for many

Ghanaians but also accounted for about 10%-12% of the country's Gross Domestic Product (GDP) (MOTI, 2004).

The Ghanaian government proactively established academic institutions to train students in textiles, enabling them to assume various roles in the industry and to consolidate the nation's gains in this sector at the time. Notably, a large number of students were admitted to academic institutions in response to this plea. The industry has recently experienced challenging times, leading to the closure of most enterprises and the layoff of many workers (Bruce-Amartey Junior et al., 2014). The employment of textile graduates in these enterprises, whose establishments were designed to supply the textile industry with personnel, has been adversely affected, according to the researchers. Over the past few years, Ghana's textile industry has been progressively losing ground in terms of expansion and advancement. There are currently only four textile manufacturers in Ghana, employing less than 2,500 people, down from more than 20 large-scale plants that employed over 25,000 Ghanaians in the mid-1960s. According to available data, the nation's overall industrial production in 1977 was estimated at 129 million yards (Bruce-Amartey Junior et al., 2014). According to Bruce-Amartey Junior et al. (2014), the number regrettably decreased from 129 million to 44 million yards in 2009 and 42 million yards in 2011.

2.10.1 Profile of the Textile Industry in Ghana

The textile industry in Ghana has historically been a cornerstone of the country's industrialisation strategy, providing employment, industrial value addition, and opportunities for domestic and regional trade. As noted by Osei (2018), textiles and apparel played a critical role in post-independence industrial development, supported by import substitution policies, state-led investment, and protective tariffs. Over the

past few decades, however, structural adjustment programs, trade liberalisation, rising production costs, and competition from imported textiles have significantly reshaped the industry, leading to declines in employment, production volumes, and industrial capacity.

Employment trends illustrate this decline. Quartey (2006) reports that in 1977 the textile subsector employed approximately 25,000 workers, representing 27% of total manufacturing employment, reflecting the sector's central role in industrial job creation. By 1995, employment had declined to roughly 7,000, falling further to around 5,000 by 2000. By 2005, only 2,961 workers remained employed across the four major surviving textile companies. Ackah and Osei (2019) attribute these reductions to rising import competition, technological obsolescence, and insufficient government support for local firms.

The number and scale of firms in the sector have similarly contracted over time. In the mid-1970s, Ghana had sixteen medium- and large-scale textile enterprises and approximately 138 medium and large-scale garment firms, supporting both domestic and regional markets (Quartey, 2006). By 2002, only four major textile manufacturers remained operational: Ghana Textile Manufacturing Company (GTMC), Akosombo Textiles Limited (ATL), Ghana Textile Products (GTP), and Printex Ghana Limited, with GTP continuing as the largest producer. Small-scale apparel enterprises, primarily sole proprietorships, produced uniforms, hospital garments, custom-made clothing, and limited exports, and their performance was closely linked to the availability of domestic textiles (Ackah & Osei, 2019; Quartey, 2006).

Production volumes in the textile sector have declined alongside employment and firm activity. Twintoh (2012) reports that domestic fabric output fell by more than 60%

between the 1980s and early 2000s, largely due to increased competition from imported textiles, particularly from China and India. By the early 2000s, local production accounted for less than 10% of domestic consumption, forcing firms to rely heavily on imported fabrics, which increased costs and exposed them to global price fluctuations (Van Biesebroeck & Zaurino, 2019). Despite these challenges, niche markets for indigenous fabrics such as kente and batik continue to maintain cultural and economic relevance, and firms leveraging these designs have opportunities to access higher-value international markets (Gereffi & Fernandez-Stark, 2016).

The sector's contribution to economic growth has also shifted over time. In the 1970s, textiles accounted for an estimated 15–20% of manufacturing value added, demonstrating their importance to national industrialisation efforts (Aryeetey & Harrigan, 2000). By the early 2000s, however, the sector's contribution had fallen to less than 5% of manufacturing value added, reflecting declining production and import dependence (Osei, 2018). Nevertheless, textiles continue to generate employment, support small enterprise activity, and create backward and forward linkages with cotton farming, dyeing, and garment production, highlighting their continued relevance to structural transformation and economic development (Ackah & Osei, 2019; Okeowo & Aregbeshola, 2018).

Ownership patterns in the textile industry reveal a predominance of domestic investment. Quartey (2006) reports that in a 2005 survey of 40 textile and apparel firms in the Accra–Tema industrial area, 95% were wholly locally owned, 5% were joint ventures with foreign investors, and none were wholly foreign-owned. While this demonstrates strong local entrepreneurship, limited foreign direct investment has constrained access to advanced technologies, managerial expertise, and global

marketing networks (Okeowo & Aregbeshola, 2018). The Ghanaian textile industry has transformed from a robust, labour-intensive manufacturing sector in the 1970s into a downsized and structurally constrained industry by the early 2000s. Despite these challenges, the sector remains economically and culturally significant, offering employment, value addition, and niche market opportunities for indigenous fabrics. Strategic revitalisation through enhanced technology adoption, increased local production, and improved market access could strengthen the sector's contribution to Ghana's industrial development and broader economic growth (Osei, 2018; Ackah & Osei, 2019; Quartey, 2006).

2.10.2 Production and Textile Imports

The manufacture of textiles for the apparel industry and the export market is the primary focus of Ghana's textile sector. Although small-scale manufacture of synthetic fibres is also carried out, the subsector is mostly focused on cotton (Quartey, 2006). African prints (wax, Java, fancy, bed linens, and school uniforms) and domestic textiles (curtain materials, kitchen napkins, diapers, and towels) are the primary cotton-based textile items. These goods make up the subsector's core. According to Quartey (2006), the primary products of man-made fibres (synthetics) and their blends include knitted blouses, socks, and uniforms. These are primarily composed of synthetic materials such as polyester and acrylic.

Additionally, several small businesses hand-print their own designs onto bleached cotton fabrics, commonly referred to as batik or tie-and-dye cloth. Additionally, traditional or indigenous textiles are suggested, such as Adinkra cloth (traditional hand-printed fabric), Kente cloth (traditional woven fabric), and other woven fabrics used for various tasks, including sewing smocks (Quartey, 2006). With a capacity utilization

rate of roughly 60%, the industry's overall output peaked in 1977 at 129 million yards.

With an annual production of

30.7 million yards (including noteworthy production from the Juapong and Tema factories), GTP led the industry. With yearly manufacturing volumes of 15 million, 13 million, and 6 million yards, respectively, GTMC, ATL, and Printex trailed GTP by a narrow margin. Regrettably, overall industry production declined from 1970 to 1995, reaching approximately 46 million yards, but by 2000 it had risen to 65 million yards. Printex produced 9.84 million yards, GTMC 2.24 million yards, ATL 18 million yards, and GTP 9 million yards as of March 2005. As of

In March 2005, the industry's overall output was just over 39.04 million yards, or roughly 49.4% of the four firms' initial installed capacity. Consequently, productivity decreased from 2000 to 2005, from 65 million yards to 39 million yards (Quartey, 2006). The reasons for output declines vary across companies.

Both finished items and a significant portion of the raw materials used in Ghana's textile sector are imported. The Netherlands, China, India, the United States, the European Union, Nigeria, and Thailand are the main suppliers of the imported raw materials (Quartey, 2006).

2.10.3 Importance of Textile Exports to Ghana's Economy

For textile manufacturing companies, textile exports are a significant source of income and foreign exchange. The amount of money earned from textile exports was \$27.2 million in 1992 and \$179.7 million in 1994. However, export earnings declined steadily thereafter, reaching US\$3.173 million in 1998. It's important to note that Ghana

qualified for AGOA in 2000, and the country exported \$550,000 worth of textiles and clothing to the US market in 2002, \$4.5 million in 2003, and \$7.3 million in 2004.

In the same time frame, US textile and apparel imports totalled \$8.87 million, \$12.73 million, and \$11.48 million, respectively (<http://www.agoa.info>). Between 1992 and 1998, the decline in Ghanaian textile production was investigated (due to internal and external obstacles). Although Ghanaian textile producers generally believe there is a sizable export market, some are hesitant to operate in certain areas, particularly within the ECOWAS subregion, due to trade restrictions. These commercial hurdles include, but are not limited to, the following: Côte d'Ivoire's 20% tariff (contrary to ECOWAS standards); Benin's transit tax; mistreatment and harassment by Nigerian authorities; and currency devaluation.

Unfortunately, some manufacturers' and exporters' substandard packaging also acts as a deterrent to exports to countries such as the US and the EU. Other obstacles include low product quality or non-compliance with standards, technical difficulties, some manufacturers' inability to fulfil export orders on schedule, and excessive tariffs in some Ghanaian textile export markets, among others. According to 2004 data, the United States (25%) and ECOWAS (15%) are the top export markets for textiles produced in Ghana, followed by the European Union (55%). The remaining 5% goes to other nations, primarily in East and Southern Africa (Ethiopia, Namibia, Zimbabwe, and South Africa). Ghana exports a variety of textiles and clothing items, including women's clothing, men's clothing, calico smocks, wax prints, Java prints, and fancy prints. Additionally exported are indigenous textile products such as the Adinkra (hand-printed) smock, also known as Fugu in Ghana, and Kente, a unique hand-woven cloth

from a traditional loom. Ghanaian textile producers create a wide range of goods for the export market, in addition to hand-dyed fabrics and batik. These include a unique line of handcrafted handbags, casual clothing for men and women, shirts, dresses, napkins, pillow covers, bed gowns, chair backs, curtains, toys, and more.

2.11 Cotton fibre as a raw material for the textile industry

Cotton (*Gossypium* spp.) is the primary textile fibre plant in the world, contributing significantly to global agriculture and serving as a pillar of the US economy. Khadi, Venoor, & Yadav (1970), ascertain that Cotton, a key cash crop and a leading natural fibre, is grown commercially in over 50 nations worldwide. The five major cotton-growing countries are China, India, the USA, Pakistan, and Uzbekistan, where climatic conditions suit the natural growth requirements. China has the highest productivity at 1,265 kg/ha, followed by the USA (985 kg/ha), Uzbekistan (831 kg/ha), Pakistan (599 kg/ha), and India (560 kg/ha) (Khadi et al., 1970). With an annual global economic impact, cotton is the most important natural crop and the best fibre. Cotton plants need a lot of sunlight with 60-120 degrees of rain, as stated by (Usman et al., 2009; Rahman et al., 2018). Cotton is the main crop grown in 24 of China's 35 provinces, and occupies 99.5% of the country's total cultivated land.

A significant source of foreign exchange gains in several nations worldwide, including America, India, Pakistan, Indonesia, and more than 15 Sub-Saharan African nations, is cotton. In these nations, cotton currently provides millions of rural residents with substantial cash incomes. Thus, the crop plays a crucial role in reducing and combating rural poverty. In light of this, the World Bank, the International Monetary Fund (IMF), and other organizations have been, and continue to be, at the forefront of supporting numerous Sub-Saharan African nations that export cotton. Through projects that

promote investments, these institutional reforms and policy measures have improved the performance of the cotton sector. Among these nations are Ghana, Mali, Niger, and Burkina Faso. Ghana is not an exception to the fact that cotton has been the foundation of significant textile businesses worldwide. The

The Ghanaian textile sector benefited from the rise in cotton production volumes in the 1970s and 1980s. When Ghanaian cotton output was at its peak, the country's textile firms were extremely successful. As a result, the textile and apparel sector was, at the time, the largest employer. More than 25,000 workers were employed in the sector, accounting for 27% of all manufacturing employment. Ghana produces cotton in three northern regions: the Upper East, Upper West, and Northern, as well as a portion of the Brong Ahafo region, notably the Kintampo and Attebubu districts. Small-scale farmers (peasants) and an out-grower system, usually consisting of a farmer and his family. As the only corporation in existence, GCCL's operations encompassed the entire northern region, as well as a few cotton basins in the Brong Ahafo region (Asinyo et al. Include year).

There were challenges posed by new businesses entering the market in the 1980s. The primary reason for conflicts was that each company competed for space, causing others in their field of operation to cross paths (Asinyo et al., 2013). This contributed to the nation's declining cotton production, as most African-grown cotton ended up on the coasts of Asia and Europe. This leaves very little for the continent to process into fabric. Only 5% of Francophone countries and 43% of Anglophone countries have fibre transformation rates that are extremely low (Asinyo et al., 2015). Ghana employs a similar approach to cotton marketing. In exchange for farm inputs, farmers sell their cotton to the companies that support them. The cotton yields comparatively long fibres since it is hand-picked with care. It is therefore a premium raw material. The gathered

cotton is weighed in kilograms and multiplied by the commodity's unit price. It is important to remember that the commodity's global market price determines the unit price. Over the years, this has been used to market raw cotton straight from the field.

Cotton production in Ghana faced several challenges, including those of cotton companies and farmers. The farmer's perspective on cotton is the most prominent limitation. Cotton is farmed by smallholder farmers utilising crop rotation because it is not a food crop; however, farmers are hesitant to cultivate it. Ghana's declining cotton production has also been caused by successive administrations' failure to implement strategic policies to regulate the industry (Philippe, Mpoko, & Kjell, 2011). Following the arrival of the three cotton companies, Armajaro, WIENCO, and OLAM, the government established the Cotton Development Authority and enacted a legislative framework to support the new cotton policy, which regulated the industry. One cannot undervalue the significance of this initiative. Today, there is no cotton cultivation in Ghana. This has had a detrimental effect on productivity, particularly at VSCL and the Ginnery in Tamale.

2.12 Status of performance of the Ghanaian Textile Industries

Low-cost textile prints from the developed world have hampered the promotion of Ghanaian prints, putting the country's textile industry at risk of extinction. International competition and environmental regulations are just two of the numerous challenges facing the textile sector in emerging economies such as Ghana (Barclay & Buckley, 2002). Some issues pertaining to the environment include rising water prices, rising costs for treating and/or disposing of effluents, the implementation of more stringent regulations (particularly with regard to colour, toxicity, and salinity), the introduction of ISO (International Organization for Standardization), Eco labels, and new laws (Barclay & Buckley, 2002). For instance, certain municipal wastewater treatment

operations have been reported to be impacted by textile effluents (Ramakrishna & Viraraghavan, 1997). Africa's production capacity and output have been significantly impacted by the influx of very inexpensive Chinese textiles and clothing, making it extremely difficult for merchants and manufacturers to compete with low-cost options that appeal to many low-income workers. As a result, local manufacturers are compelled to shut down. The Public Procurement Authority's (PPA) chief executive attributed the predicament of Ghana's textile industry to its antiquated technologies (Klutse, 2008). According to Klutse, the CEO stated that Ghana's textile industry is not doing well because it is still using machinery that is more than 40 years old and does not face unfair competition because it has not adopted new technology that would enable it to compete in global markets. As a result, participants in the textile sector must implement or modify their production technologies and subsequently retrain their workforce. Additionally, when participants in the textile industry purchase new machinery, they should consider sustainability issues, as sustainability is the only way to achieve true value for money in the long run.

2.13 Competitiveness in textile companies

A company that is competing with another for money, workers, permits, suppliers, and sales is called a competitor. In this way, earning consumer loyalty and generating revenue through customer satisfaction constitute the most fundamental objectives of operations management. Schonberger & Knod (1997) claim this might force rival companies out of business or off the market. Naturally, these situations assume that other departments, such as marketing and sales, also contribute. Competitiveness is measured by the rate at which productivity increases and is enhanced by consumer satisfaction. Customers are the engine of productivity, as they drive higher demand and production rates when satisfied, thereby helping the business remain competitive or

surpass competitors. Productivity is the value of output divided by total hours worked. This shows that a company's production rate is determined by the rate at which its product is patronized during particular working hours. The value chain, an intricate combination of low-cost production and product quality, is another element that helps businesses remain competitive (Pall, 1987; Porter, 2001). This is viewed from a customer's perspective, accounting for value addition in situations where a product undergoes numerous transformations and waste removal.

Productivity, which leads to competitiveness, is determined by elements such as the cost of goods, non-price factors such as delivery schedules and producer reliability, and intangibles such as brand equity and the nation's or business's image (Porter, Delgado, Ketels & Stern, 2008). The notions of efficiency and productivity are closely related. Growing efficiency implies growing productivity. An efficient business is considered to be working on the production frontier, or achieving best practice (Rogers & Rogers, 1998). Rutkauskas & Paulavičienė (2005) argue that efficiency and effectiveness are imperative for productivity because an activity cannot be considered productive if it is simply efficient but not effective or effective but not efficient. In terms of economic position, productivity is the relationship between input and output. They further explain productivity in economic position as a resource, such as labour, materials, and energy (input), used in the process of creating a product (output), which are elements used in an organisation. Manufacturing output is measured in quantity units and can be increased by raising production levels. A specific product, its corresponding service, and their respective quantities constitute the output. Hence, a country's ability to produce goods and services efficiently and at a price that can be competitively commanded in open markets determines both the value of its products and services and productivity. However, in addition to productivity, a larger export share in the global

market must be considered to translate industry competitiveness into sales. These are connected to the terms of market access. Productivity is therefore an indicator of competitiveness.

Traditionally, "competitiveness" has mostly been used to highlight how expensive companies or countries are. It is frequently employed when new, low-cost competitors pose a threat to an economy, business, or industry. Global economics is not a zero-sum endeavour. Enhancing productivity can lead to increased prosperity for numerous nations. Increasing productivity will increase local earnings and the value of the items produced, thereby increasing the amount of global demand that can be satisfied. Because it has given competitive nations access to vast new markets (Porter, Delgado, Ketels & Stern, 2008), globalisation has increased the returns to productivity. The inability to sustain low-productivity businesses or to offer highly paid positions to less-skilled workers is another way in which globalisation has increased the costs associated with poor productivity.

Aiginger, Bärenthaler-Sieber & Vogel (2013) define competitiveness as the "ability of a country (region, location) to deliver the beyond-GDP goals for its citizens". Additionally, a shift outside of a production frontier denotes an increase in productivity. This implies that no country can produce all products and services at competitive prices. Therefore, a country's overall industrial competitiveness is not particularly significant. Instead, firms compete in global markets (Porter, 1998). In this instance, one element affecting a company's position and its ability to compete in the market is its level of competitiveness. A competitive business can promote goods and services efficiently while offering consumers reasonable prices and high-quality products (Siudek & Zawojnska, 2014). To outperform its competitors in terms of long-term

profitability, a company is considered competitive at the firm level if it can maintain its position against the forces of competition within a particular industry (Schwab & Sala-i-Martin, 2016). Thus, the benefit of anticipating market trends ahead of competitors and adjusting supply accordingly, based on this perception, is considered a source of competitiveness from the perspective of competitive advantage (Siudek & Zawojka, 2014). The ability to manage shorter product-delivery cycles, deliver dependable, high-quality products, honour delivery commitments, quickly develop new products, and be sufficiently adaptable to adjust volume and reduce costs are examples of how various departments within the company can create competitive advantages. Despite their apparent simplicity, these techniques require considerable dedication and skill.

In the same way that productivity affects a nation's or industry's level of competitiveness, it is also a key factor in enhancing business competitiveness (Hu & Wall, 2005). In general, competition shapes the organizational environment by defining strategies, objectives, and goals, as well as how resources are organized to execute internal activities in a dynamic and effective manner. The ability to supply goods and services efficiently at costs and quality levels suitable for the target customer base makes a company competitive. As a result, businesses are always looking for new ways to adapt to environmental changes, namely those related to the economy, society, politics, technology, and structure (Buckley, Pass & Prescott, 1988). Organizations now face uncertain scenarios and a range of risks and opportunities due to these changes, which affect how they define their goals, select their strategies, and make decisions.

The company's competitiveness is determined by the relationships among national and sector-level competitiveness and its own level of competitiveness. National competitiveness is determined by factors like macroeconomic stability, access to

foreign markets, and the complexity of business sector regulations; sectoral competitiveness is determined by factors like regional infrastructure; and the third level defines the company's competitiveness in terms of what needs to be turned to the internal analysis of the organization (Buckley, Pass & Prescott, 1988). A business that can turn a profit and hold a sizable portion of the market is considered competitive (Krugman & Obstfeld, 2009). However, to be deemed competitive, the business must make the most of its resources and its ability to generate the appropriate products and services in the appropriate quantities, at the appropriate price, and with the appropriate quality (Wysokińska, 2003). to successfully promote its products to the consumer market (Porter, 1990). Any business must provide goods and services that consumers are willing to pay for (Rojas et al., 2013). to be competitive. In a free trade system, a company's long-term competitiveness is determined by its capacity to maintain operations, safeguard its capital, generate returns on investment, and ensure job stability (Hu & Wall, 2005; Rojas et al. 2013).

One of the components of Competitiveness, as defined by Rathore et al. (2005), is the ability to create opportunities for entrepreneurs both now and in the future. It also emphasizes the need for the business to develop, produce, and market products that, when combined with their competitive advantages, offer a more alluring package to consumers worldwide. Human resources, raw materials, physical infrastructure, technology, reputation, trademarks, and organizational procedures are among these assets (Hu & Wall, 2005). Taken as a whole, they explained, the components provide competitive benefits and are sources of competitiveness. Productivity directly affects competitiveness. It is one of the primary determinants of competitiveness and is even equated with it (Hu & Wall, 2005). The competitiveness of a nation, industry, or company is determined by its productivity.

Although productivity has a major role in a company's ability to compete, other factors also play a role. Thus, in addition to productivity, profitability, competitive position, involvement in both internal and external markets, inter-company relationships, industry, and overall regional infrastructure all contribute to a business's capacity to remain competitive. Productivity is one of the metrics used to assess competitive performance.

2.14 Productivity

Comparable to competitiveness, the productivity criterion can be applied at the national, industry, and firm levels. Through the linkages between inputs and outputs, productivity in the production sector creates coherence between the organisation's purposes and society's ambitions. Productivity is the outcome of interactions between external environmental factors and organisational management systems.

A resource can be any of the following: labour, materials, equipment, supply (energy, water, and other complementary materials), machinery, and all other means by which commodities or services are produced (Sabonienė & Karazijienė, 2012). Productivity can also be defined as a metric that helps guide and manage resources, as it is associated with maximizing output while minimizing effort. Therefore, doing things the proper way they explain is a measure of efficacy, or how productive means are used.

There are two categories of productivity measures: partial and total (Oum et al, 1992). The link between inputs and outputs is measured by partial productivity, which counts labour and energy consumption, among other inputs associated with the activity itself, as outputs.

Since a company's productivity metrics are linked to its productive processes, prompt corrections can prevent productivity losses. As a result, improving the indigenous textile company's productivity necessitates identifying and evaluating inefficient resources, reducing wasteful spending (McLaughlin, 2014), and improving the company's financial and economic performance.

According to Ibrahim (2017), in 1977, the industry's total output peaked at 129 million yards, with a capacity utilization rate of nearly 60%. With an annual production of 30.7 million yards, GTP continued to lead the industry. GTMC, ATL, and Printex came next with production levels of 15 million, 13 million, and 6 million yards, respectively (Quartey, 2006). However, the industry's total revenue fell from 129 million yards in 1977 to 46 million yards in 1995 before increasing to 65 million yards in 2000. Quartey further states that, in March 2005, GTP (now TGL) produced 9 million yards, ATL (now AICL) 18 million yards, GTMC 2.24 million yards, and Printex 9.84 million yards. This meant that the four companies combined annual output was 39.04 million yards, representing 49.4% of their originally installed capacity. As a result, production fell precipitously, from 65 million yards in 2000 to 39 million yards in 2005. It should be noted that the study seeks to build the capacity of indigenous textile companies to enhance their competitiveness in the liberalised Ghanaian market. Thus, the challenges facing the textile industry require review.

2.15 Challenges in the textile companies

Howard (2013) examined the challenges and opportunities faced by a few large-scale textile industries in Ghana. Tex Styles Ghana Limited (TGL), Ghana Cotton Company Limited (GCCL), and Volta Star Textiles Limited (VSTL) were the four industries that were the focus of the study. The study employed a descriptive observational design, a

multiple-case study design, and qualitative methods. This was essential to create realistic projections for the revival of the collapsing Ghanaian textile industry and to maximise productivity and returns while the subsector fights to survive in an increasingly challenging environment. The research findings indicate that the textile industry in Ghana faces a range of both internal and external challenges. These challenges include high production costs attributed to outdated technology, high energy consumption, high input costs, and the importation of raw materials and spare parts.

Since trade liberalization began, Ghanaian textile manufacturing enterprises have experienced financial difficulties (Adikorley, 2013). Textiles are utilised in Ghana to express its culture, convey its history, and provide employment for the populace. According to Anafo (2015) Ghanaian indigenous companies responded to Chinese textile imports. The industry's decline can be attributed to several factors, including high production costs, taxes, trade liberalisation, government policies, and the importation of textiles from other countries. These factors have led to a decline in the industry and the recommendations that have been made include the need for the government to revamp policies to support local industries, lower taxes on raw materials, and assist with utility costs. Since they offer competitive advantages over domestically produced textiles in terms of pricing and product diversity that encourage broad application, cheap imported textiles brought into the country under trade liberalisation pose a serious external threat to Ghana's indigenous textile industries (Howard, 2013). Increased textile smuggling and decreased demand for locally sourced textiles have resulted from the switch to more liberal trade policies, which have done more harm than good for the country. Thousands of jobs have been lost and most domestic textile factories have closed as a result of the importation of cheap foreign textiles and the dumping of used clothing and textiles. One of the most dependable and

significant industrial sectors for the advancement of a country, according to Howard, is the textile industry. Therefore, he advised that to develop practical policies for the sustainability and growth of the textile subsector, the government, stakeholders, textile industrialists, textile institutions, merchandisers, fashion designers, consumers, and researchers should work together in a coordinated manner.

The textile sector in Ghana faces several challenges, including the terrifying threat of counterfeiting and smuggling of local textile brands and products. It can be challenging to address when well-planned and executed patterns, colours, and occasionally brand logos and labels are copied, falsified, and imported into the country at absurdly low prices because Ghanaian textile sells designs and colours rather than just fabrics. The theft and smuggling of textile products pose significant challenges for the industry. The sample is provided in Fig. 1 below



Figure 1: Local fabric



Figure 2: Copied design and colour

2.16 The concept of capacity building

The United Nations (UN) claims that the 1950s saw the start of CB initiatives (UN, 1999). But back then, the primary goals of capacity building (CB) were to strengthen

developing nations' institutional frameworks and to enable funding agencies to implement donor-supported projects more effectively. Subsequently, CB's emphasis turned from strengthening a nation's infrastructure to small and medium-sized enterprises (SMEs) and service delivery organisations (De Wal, 2007). He further explained that donors have also been supportive of the delivery of Business Development Services (BDS) to SMEs from the mid-1970s. Nonetheless, BDS initiatives in the 1970s and early 1980s were mostly limited to technology and training, and they frequently featured donor and implementing organisations collaborating closely with SMEs (World Bank, 1997). During this time, CB received more interest from the development organisations community. According to UN assessments, in the late 1980s and early 1990s, capacity issues began to assume increasing priority. Currently, the primary goal of CB is limited to employee development and the importation of technologies from Western nations. This changed over time, and by the 1980s, CB had expanded to include a wide range of services, including network development, counselling, facilitating market access, and improving market intelligence for SMEs (World Bank, 1997). According to a World Bank assessment, "significant progress was achieved in transforming knowledge from small business credit programs into an unambiguous set of principles of best practice that could be widely replicated in the early 1990s. Although CB is currently "in vogue" in the development sector (Schacter 1999, as cited in De Wal, 2007), there remains a lack of critical mass in the body of information on best practices for implementing CB projects. There is a rich body of literature on capacity development. Still, it's difficult to say exactly what it means in practice (Lopes & Theisohn, 2003).

"The process by which individuals, organizations, and society at large unleash, strengthen, create, adapt, and maintain capacity over time" is how the OECD (2006)

defines capacity development. Capability development is "the process by which people and organizations create and strengthen their capacity over time," according to the European Commission (2005).

These two definitions emphasize people and organizations, as well as the development of capability. Therefore, developing one's potential to improve performance or production is known as capacity building. It is widely known among global organisations that capacity building (CB) is necessary. This is because capacity building is considered essential to addressing deficiencies in skills across individuals, groups, organisations, sectors, and institutions, as well as social, economic, and environmental challenges. Capacity building is seen as a crucial managerial procedure that enhances performance (Vallejo & Wehn, 2016). It helps the company recognise and address development within a more comprehensive, sustainable framework. It has an impact on the community as a whole (Pearson, 2011) and enhances individuals' knowledge, skills, and enterprises. Moreover, by repeating actions and processes, capacity building helps people and organisations improve managerial decision-making and organisational performance (Grafton, Lillis & Widener, 2010). It makes it easier for the organization to recognise and address development more comprehensively. Capacity building has an impact on the broader environment in addition to enhancing individuals' knowledge, skills, and enterprises (Vallejo & Wehn, 2016). Repeating actions and processes also help individuals and businesses make better management decisions and operate better (Jenatabadi, 2015).

Developing trade inside and outside the Least Developed Countries (LDCs) is a key component of supporting growth. Trade plays a crucial role in promoting growth (OECD, 2001). Building capacity (CB) is a key idea for the development of trade in

these countries. The World Trade Organisation (WTO) had recognised this in its 2001 Ministerial Declaration from Doha.

Connolly et al., (2003) classified the components of capacity building into four main categories: technical capacity, adaptive capacity, leadership capacity, and management capacity. They anticipated that the combined effect would make organisations more effective, efficient, long-lasting, and capable of fulfilling people's ambitions.

Capacity building is an essential component of the entire HRM/HRD programme, not a standalone (Dupasquier & Osakwe, 2007). It is not a prepackaged intervention to achieve the desired result; rather, it is a response to the multifaceted (organizational, intellectual, social, political, cultural, physical, practical, and financial) processes of change. Empowerment and capacity building are closely related concepts. Capacity building is the 'how' of making development work better and is, in essence, about making institutions able to deliver and promote human development. Organizational capacity develops through the network of employees and the dedicated relationships among staff, board, partners, and community members. It does not reside solely within the organization (Dupasquier & Osakwe, 2007).

2.17 Empirical Review

In line with the goals of the research, this section reviews empirical investigations. Sasidaran & Shanmugan (2008) examined the effects of trade liberalization on the productivity of Indian textile companies from a developing-world perspective. The study calculates overall and input-specific efficiency scores for 215 enterprises in the sample from 1993–1994 to 2005–2006 using the Stochastic Coefficients Frontier Approach. The study concludes that average efficiency declined over time, which the authors attributed to inefficient use of inputs. Furthermore, the authors argue that Indian

textile firms were inefficient in their use of inputs during the liberalization phase; if they were not, they would not have been subjected to such intense competition from countries such as China. A study also examined trade liberalization and the performance of the Nigerian textile industry (Okeowo & Aregbeshola, 2018). This work employs time-series (1986 and 2015) estimation approaches based on an Autoregressive Distributed Lag (ARDL) model to modify the Exogenous Growth (new classical) model. The findings demonstrated the detrimental, statistically significant long-term effects of a simple tariff rate on the textile industry, as well as the lag effect that precedes the policy measure and affects trade liberalization in the textile sector. Furthermore, the Nigerian textile industry performs badly in the short and long term due to real effective exchange rate depreciation. Finally, from a long-term perspective, a 1.0% increase in trade openness reduces textile performance by approximately 17.49%. In the short term, trade openness, labour and capital inputs, financial development, exchange rate movements, and the simple tariff rate of import duties all affect textile industry performance.

In the Ghanaian context, Twintoh (2012) contributed to the ongoing debate on the specific factors that led to the widespread unprofitability and closure of most textile companies in Ghana, emphasizing the role of Ghana's Trade Policy and Industrial Policy, particularly their capacity to promote job creation. Bruce-Amartey Jr. et al. (2014) examined the effects of the downturn in Ghana's textile industry. The writers used a descriptive survey and a qualitative methodology. The research tools employed to collect data were interviews and observation. The study's primary conclusions were that local textile manufacturers were using outdated technology, that foreign textile producers were engaging in intellectual dishonesty, and that there was an excessive influx of textile products from other nations. Howard (2016) examined the external

issues facing Ghana's textile sector and proposed measures to increase output and achieve optimal returns on investment in reviving the sector. The study, employing a qualitative, phenomenological approach, employed a descriptive observational research design. The primary instruments for data collection and analysis were focus groups, questionnaires, interviews, and observations. According to the report, the Ghanaian textile industry is highly competitive domestically, and the introduction of low-cost imported textiles under the guise of trade liberalization has posed a serious threat to the sector due to their relative advantages in terms of price and variety.

A study on the skill requirements and growth of Ghana's textile and apparel sector was conducted by Anyigba et al. in 2023. The goal of the study was to develop action plans and sector skills strategies for the textile and apparel (T&A) industry. Using a workshop-based approach with 24 key sector players, the study employed a participatory action qualitative method grounded in the Skills for Trade and Economic Diversification (STED) framework. NVivo software was utilized to analyze the data through content analysis. The results demonstrated opportunities for skill development through HE and work-based learning, as well as skills gaps, shortages, and mismatches. Additionally, the lack of a cohesive national vision or strategy for the T&A sector, funding, the relevance of curricula and qualifications, access to practical training, coordination between the government and stakeholders, including other strategic alliances, and national skills policy and strategy all pose challenges to the labour supply.

2.18 Theoretical review and conceptual framework

This section focuses on the creation of a theoretical and conceptual framework that served as the basis for the empirical inquiry. The study's underlying theoretical

framework is thoroughly examined and clearly described in this chapter. To provide a solid basis for the study design, the primary guiding philosophy and the theory underlying the framework are also explained.

2.17.1 Theories Toward Framework Development

In this research, five theories were reviewed to inform the development of a framework to build the capacity of indigenous textile firms and enhance their performance. The five theories were: Absorptive Capacity Theory, Ely's Conditions of Change Theory, Human Capital Theory, Resource-based View Theory, and Market-based View. The review of these selected theories was based on their significance in relation to the study area and on the examination of which theories, or theory, best suit the development of an organisational framework designed to enable and drive the effective performance and competitiveness of indigenous textile firms.

Absorptive Capacity Theory

According to Aliasghar et al. (2019) and Lichtenthaler (2016), organizations employ a set of dynamic routines and processes, known as absorptive capacity, to acquire, integrate, transform, and use knowledge. There are basically two aspects of absorptive capacity. The prospective absorptive capacity, or the ability to absorb and assimilate outside information, is the first section. The second aspect is the absorptive capacity employed, which refers to the processing and exploitation of external knowledge gained (Lichtenthaler, 2016). Fundamentally, the theory posits that firms should recognize external knowledge as valuable and apply it commercially to achieve long-term profitability (Patel et al., 2015). Absorptive capacity enables organizations to anticipate near-future industry-wide changes, thereby capitalizing on opportunities. The most common application of absorptive capacity is in strategic alliances and

Research and Development (R&D) partnerships. Although R&D leads to innovations within organizations, it is costly and time-consuming. To overcome this limitation, organizations enter into R&D partnerships with Research Institutions (Smita, 2010).

In the case of indigenous textile firms, they have limited resources to carry out their own R&D. It is, therefore, imperative for these firms to have an R&D partnership with Universities and Research Institutes. Unlike corporate-funded Research institutes (RIs), publicly funded RIs have as part of their goals to conduct research for the public good rather than for profit. Subsequently, Universities and Research Institutes are expected to build relationships with industry to support countries' economic growth (Berbegal-Mirabent et al., 2015; Geiger, 2004). The transfer of knowledge from these Institutions to industry is important (Mueller, 2012) as they are a major source of new knowledge (Azagra-caro et al., 2006). Additionally, Universities and R&D Institutions can serve as diffusion points for the knowledge needed by indigenous textile firms (Revilla Diez, 2000). The strategic alliances between indigenous textile firms and RIs will also enable these organizations to learn from one another. This will afford organizations the opportunity to leverage one another's assets to create competitive advantage (Hagedoorn et al., 2000). Under this arrangement, indigenous textile firms will be able to absorb this new knowledge and derive profitable gains. The success of knowledge transfer ultimately depends on partner specificity, i.e., the extent to which the parties communicate with each other. Although indigenous textile firms lack the resources to establish their own internal R&D unit, they can overcome this challenge by partnering with universities.

It is useful to look at absorptive capacity in the context of indigenous textile firms because R&D develops an organization's learning capabilities (Smita, 2010). Anyigba

et al. (2023) suggest that a strong absorptive capacity in a textile organization will ultimately contribute towards productivity within the organization.

Ely's Conditions of Change Theory

Theories derived from the traditions of classical change theory underpin Ely's framework (1990). By extending diffusion of innovation theory to educational technologies, Ely's work expanded on Rogers's (1962) idea. The shift from acceptance to implementation, along with the eight prerequisites that facilitate the use of educational technologies, are the two main themes Ely identified. The first choice to deploy a technology or innovation was the subject of Rogers' (1962) research. Expanding on this work, Ely (1990) observes that it is more crucial to concentrate on implementation, that is, utilizing the technology or innovation in its intended context, than on adoption (Murphy, 2015). Additionally, Ely (1990) identified and described eight prerequisites that facilitate the use of instructional technologies. Being unhappy with the current situation is the first requirement. Ely contends that a need for change must be prompted by something. Leadership and the other prerequisites for change are linked to discontent with the status quo (Ely, 1999). If people are satisfied with the status quo, they won't perceive the need for new technologies or ideas (Murphy, 2015). The second criterion discusses the knowledge and abilities required to support the organization's successful implementation. Before implementing any technology or management concepts, people must possess the necessary abilities and knowledge. Resources, commitment, leadership, rewards, and incentives are all related to knowledge and abilities (Ely, 1999). The third requirement relates to the organization's provision of resources. Without the necessary resources, implementing changes will be challenging. Anything required for successful implementation might be considered a resource (Murphy, 2015). The fourth requirement is that technology implementers

provide time for learning and reflection on the process (Ely, 1999). Their institution should allocate time specifically for this purpose so they can learn to use the technology. Incentives and/or rewards must also be in place, according to Ely's fifth requirement. Adopters require incentives from both internal and external sources. Important actors and stakeholders should also be able to share their perspectives throughout the process. Therefore, the sixth criterion is that participation is anticipated and encouraged. According to Ely (1990), everyone involved must be committed as the eighth requirement. Therefore, managers at all levels must support the implementation (Ensminger, 2005). Lastly, adopters need to be inspired, supported, and encouraged by senior leaders. Ely (1990) identified eight requirements that can help bring about change. Ely's (1990) eight requirements can be applied to nearly any change process; however, they are most commonly employed in educational change. Its strength lies in the framework's capacity to evaluate the likelihood that each management concept will be adopted successfully or not (Ensminger, 2005).

Human Capital Theory

According to Human Capital Theory (HCT), spending on education and training, in particular, can increase worker productivity and efficiency (Aliaga, 2001). According to this notion, organizations should regard people as a form of capital that requires development (Aliaga, 2001). Therefore, any activity a corporation undertakes to improve employee quality is considered human capital development. The development of human capital is mostly accomplished through training (Marimuthu et al., 2009). Human capital is widely regarded as an organization's most significant asset. It is a key component of an organization's competitive success and its fundamental competence. Human capital refers to the investment individuals or organizations make in themselves that enhances economic productivity (Fisher et al., 2003). According to Anyigba et al.

(2023), the economic prosperity of the textile industry is closely tied to its human capital. Thus, the effective delivery of textile projects depends on the quality of personnel at all levels of the organization. It is important, therefore, to train, develop and retain a quality workforce capable of and committed to the success of the industry (Loosemore et al., 2003). Indeed, well-educated and trained personnel at all levels in an organization have a competitive advantage. This is because they can embrace and implement new management principles and provide constructive suggestions. According to Gupta (2001), human capacity development in an organizational setting is the practice of continuously and systematically assisting an organization's personnel in developing or honing their skills. This is intended to enable employees to perform various functions associated with their current or anticipated roles. Accordingly, the development of human capital contributes to the professional well-being, motivation and pride of employees (Haslinda, 2009). One managerial tool to improve the indigenous textile industry's performance is to develop its human capital (McIver et al., 2013; Ofoegbu et al., 2013). Consequently, the lack of human capital development is a major cause of the failure of indigenous textile firms (Herrington et al., 2009). Adequate human capital development is indispensable for the survival of indigenous textile firms (Ofoegbu et al., 2013).

Resource-Based Review Theory

Resource-Based Theory (RBT) was first presented by Penrose (2009) as a framework for efficient resource management for businesses. This framework includes growth strategies related to diversification and the utilization of productive opportunities. Her research was the first to view a company as a well-structured collection of assets used to achieve strategic and operational objectives (Penrose, 2009). RBT derives from earlier work on the Theory of the Growth of the Firm; however, the 1980s marked a

significant period in developing RBT into a more well-defined framework, during which it gained unprecedented momentum in the 1990s, thanks in part to the contributions of Jay Barney. His contributions helped establish RBT as a dominant perspective in strategic management and business planning.

To explain how firm-based resources yield a persistent competitive advantage and why certain firms consistently outperform their rivals, RBT makes two fundamental assumptions (Helfat & Peteraf, 2003). First, firms' resource bundles are unequal (Helfat & Peteraf, 2003). A central tenet of RBT is that resources and capabilities are heterogeneous across firms, giving rise to differing competitive advantages. The heterogeneity of resources and capabilities is based on the assumption that, in any given context, some firms possess unique resources that enable them to perform certain activities in distinctive ways, thereby creating competitive advantage. Second, because firms have different resource endowments (or capabilities), resource exchange among firms is complex and that complexity gives way to persistence in resource endowment differences (the assumption of resource immobility). There are four main reasons why RBT has drawn criticism. First, compared with understanding how and why particular organizations achieve a competitive edge in an unpredictable, rapidly changing environment, classical RBT falls short (Kleinschmidt, de Brentani & Salomo, 2007). Second, the theory is self-verifying and not empirically testable (Barney, 2001), which may be related to some subpar RBT research (Kozlenkova, Samaha & Palmatier, 2014). This is because the theory's suggestion of a value-creation discussion regarding valuable resources is static and tautological (Kozlenkova, Samaha & Palmatier, 2014; Priem & Butler, 2001). The theory has also been criticized for being static and for neglecting the impact of organizational activities over time on resource effectiveness (Kozlenkova, Samaha & Palmatier, 2014). Later iterations of the theory, however,

addressed this critique by explaining the organizational procedures employed to exploit resources, thereby decoupling the direct relationship between VRI resources (valuable, rare, and imperfectly imitable) and outcomes (Peteraf & Barney, 2003; Barney, 2007). Third, while the definition of rare relies principally on Barney (1991), the justification for the resource condition of rare may be irrelevant, as any resource that is valuable, non-substitutable and inimitable is rare (Priem & Butler, 2001). Lastly, RBTs frequently overlook exogenous resources and assume that only endogenous factors are crucial for gaining a competitive edge, even when exogenous factors can confer advantages (Lewis et al., 2010). Notwithstanding these drawbacks, RBT is expanding quickly, and new developments in the form of clarifications, adjustments, and improvements are making the theory more relevant and applicable (Kozlenkova, Samaha & Palmatier, 2014).

Market-Based Review Theory

The market positioning perspective, also known as the Market-Based View (MBV), emphasizes the importance of external market conditions in shaping a company's strategic direction. The market-based perspective holds that an organization's competitive environment, rather than its internal attributes, determines its success. This indicates that the organization is viewed as a "black box," as the industry's structure offers potential for long-term competitive advantage. According to the market-based approach, an "industry" is a collection of businesses that produce a comparable good or service. According to the market-based perspective, resources are uniform and completely transportable. Mason and Bain's (1993) research, which linked industry structure to company-level success within the Structure-Conduct-Performance paradigm, served as the foundation for the market-based perspective hypothesis. Mason and Bain listed the number of market participants, demand elasticity, and entry barriers

as important components of an organization's success. Michael Porter expanded on this in his 1980 book, "The Competitive Advantage," which is now considered a classic in management science. In this study, Porter developed a framework based on the "five forces" to analyze industry competition and then produced three general tactics that businesses may use to succeed. Porter offers a framework in his discussion of the five forces, according to which industry attractiveness is driven by four main factors in the industry structure.

Establishing and maintaining a strategic position in the market is the focus of competitive strategy. Understanding the economic forces at play, the firm's basic cost position, its strategy for differentiating itself from rivals, and its chosen market position, in terms of its capacity to leverage natural economies of scale and scope, are all necessary for this.

Delivering superior value to consumers and economic benefit to businesses is what is meant by competitive advantage. As a result, competitive strategy is commonly referred to as the market positioning perspective or the market-based view (MBV) since it is primarily conceptualized as the firm's placement in its markets. The resource-based view (RBV), by contrast, examines the unique assets and skills required to create and sustain competitive advantage. The market-based view's detractors contend that it is illogical to place the MBV at the centre of strategy development while leaving the firm's internal operations a mystery. As a result, some use the RBV to place the company at the centre of strategy creation rather than the market or the industry. Textbooks frequently assert that the MBV and RBV serve complementary functions in offering viewpoints on how to compete and working together to create the foundation of a firm's strategic thinking. According to empirical findings (e.g., Makhija, 2003), firms'

resources are among the major determinants of firm value as market conditions change. An alternative viewpoint, by contrast, holds that while markets are experiencing hyper-flux, it is beneficial to develop a logical, prioritized vision of change grounded in a market-driven understanding of the fundamental forces shaping supply and demand.

2.19 Development of a conceptual framework

A conceptual framework is a visual or written (graphical or narrative) product that aims to thoroughly capture and explain the main factors, concepts, and variables in a study (Sinclair, 2007; Ennis, 1999). Therefore, it is essential to support an accurate and clear understanding of the connections among the primary capacity-building variables in this study's context.

The capacity-building interventions were considered through three theories, as discussed above. The absorptive capacity theory will help indigenous textile firms absorb the requisite knowledge from external sources to enhance their performance. Ely's conditions of change theory will facilitate the changes needed within indigenous textile firms. Human capital theory posits that employees acquire the skills necessary for their work through training and education. The resource-based theory links internal capabilities to sustainable competitive advantage, whereas the market-based view positions the firm's capabilities within market expectations and strategic positioning.

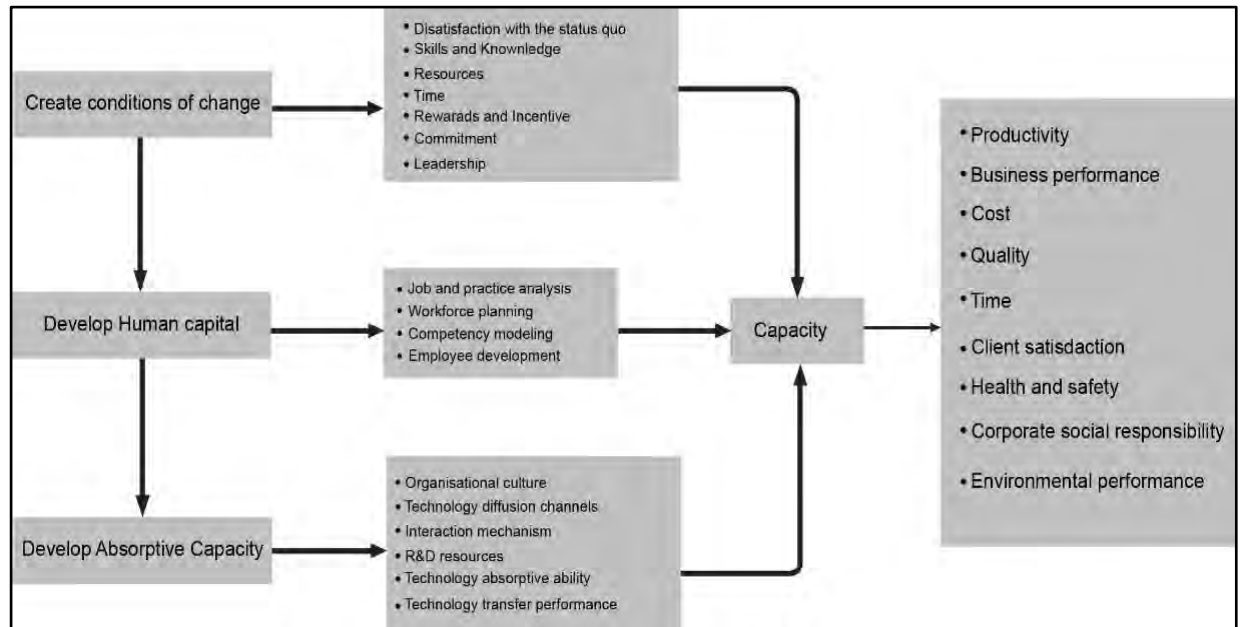


Figure 3: Conceptual Framework

Source: Researcher's Construct (2025)

Ely's model provides the foundation for organizational change and the necessary support; the key in the framework's first box is 'Create conditions of change'. All conditions must be met and used to create the conditions necessary for change to begin, as they influence stakeholders' motivation and the environment. If one of the conditions is absent, there is little chance that capacity-building or strategic change efforts will succeed. This aligns directly with Ely's belief, which states that certain conditions need to be in place to enable innovation adoption and organizational change.

The premise behind Human Capital Theory is that providing people with education, training, and skills increases productivity and creates value for the organization. Every sector relies on human capital to adapt, innovate and perform in a competitive manner, and in the context of this project, the goal is to energize Ghana's textile sector by developing its human capital. Absorptive Capacity Theory is concerned with an organization's ability to recognize, assimilate, transform, and exploit external

knowledge. In the context of textiles, it also establishes the role of acquiring and implementing modern technologies, sustainable production techniques, and global textiles trends in building absorptive capacity. This is especially important for upgrading operations and staying competitive in liberalized and competitive markets.

Resource-Based Theory (RBT) is the foundation of the entire capacity-building process. RBT asserts that sustainable competitive advantage stems from a firm's ability to develop and exploit unique, valuable and inimitable resources that are both tangible (equipment and technology) and intangible (skills, knowledge, traditions, and cultures).

As firms' processes of change, human capital, and absorptive capacity development collectively create new capabilities that span the firms' core capabilities, capacity formation can be considered the basis for internal firm resources, from the perspective of RBT. The direction of these resources is key to organizational performance.

Finally, the Market-Based View identifies that particular market conditions influence strategic priorities imposed upon firms by outside influencers, including customer expectations, pricing pressures, competitors, etc. The right side of the framework offers a listing of performance demands; outcomes that suggest the components of productivity, cost, quality, speed, customer satisfaction, CSR and environmental performance. These outcomes symbolize the market-based expectations firms are required to deliver to be competitive. This links the internal capacity building exercises described by the previous theories with the external forces that firms are required to account for and position themselves in the marketplace.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Overview

Since it guarantees consistency across selected instruments, methods, and underlying philosophy, research methodology is an essential component of the research process (Melnikovas, 2018). The data collection techniques utilized to conduct the study are described in this chapter. To ensure a successful execution of this research, the chapter outlines and presents the research design. The chapter also addresses data collection techniques necessary to obtain pertinent information for the study. The chapter provides a detailed account of the study area and is organised as follows: research paradigm; research design; methodology; researcher role; participants; sampling, including the sampling matrix; recruitment and access; data collection; data storage and destruction; data analysis; study limitations; and reliability. In addition, a discussion of the capacity building constructs used for assessing the capacity needs of the firms are identified.

3.2 Research Paradigm

The literature on research procedures emphasises the need for researchers to approach their work with a clear understanding of the paradigms, or worldviews, as these typically provide the theoretical, philosophical, instrumental, and methodological underpinnings that support the paradigms they study. In the study, the researcher employed the Interpretivist paradigm. Understanding how people perceive the social issues they encounter is the aim of interpretative study. Interpretive ontology inevitably leads to this idea of knowledge (Rehman & Alharthi, 2016).

The interpretivist contends that researchers must recognize the distinctions among people when they participate in social interactions. According to Saunders et al. (2009),

interpretivism encourages researchers to fully immerse themselves in the social environment of the people they study to understand their reality from their perspective. This viewpoint places greater emphasis on understanding research participants' meanings behind their actions from their own perspectives than on the universality of truth (Gao & Bansal, 2013). Accordingly, the interpretivist viewpoint suggests gathering data while keeping in mind the interpretation of social phenomena and people's social environments (Matthews & Ross, 2010).

This study applied the interpretivist framework for several reasons. The study sought to explore the competitive status and identify challenges in competitiveness within the context of indigenous textile firms. This, in turn, leads to capacity requirements and challenges to employees' well-being, which is why a framework will be developed to build their capacity to fully enhance their competitiveness. The researcher sought to draw on participants' descriptions of the situation under investigation in its natural context. Identifying the capacity requirements of indigenous textile firms in order to build their capacity requires understanding and interpreting the experiences of the study participants. The interpretivist framework was considered suitable for investigating the issues addressed in this research. The interpretivist framework holds that the researcher relies as much as possible on participants' views of the situation under investigation. The researcher is the listener of what people say or do in their ordinary settings, which addresses the processes of interaction of individuals and on that basis, the very specific settings in which people live and work in order to understand the participants' historical and cultural settings. The researcher is interested in making sense of (that is, interpreting) the meanings that the research subjects have about their social setting. Accordingly, it will be recalled that the aim in applying the interpretivist framework was to develop a contextualised agenda suitable for working within the system in which

the unit of analysis functions (Creswell, 2013). These assertions by Creswell (2013) align with the research aim of developing a contextualised model to build the capacity of indigenous textile firms and enhance their competitiveness.

3.3 Research Design

This study uses a qualitative research approach. Given the exploratory and descriptive nature of the research, qualitative methods are most suitable for further exploring the capacity-building needs and competitiveness challenges facing indigenous textile firms in Ghana. This research design enables the researcher to collect rich contextual data from multiple stakeholders involved in multi-district textile fabrication, including policymakers and workers.

The qualitative research approach in this study is based on the need to understand the social, cultural, and economic factors that shape the competitiveness of indigenous textile firms. Qualitative research emphasizes understanding lived experiences, views, and practices over numerical data and statistical generalizations. The qualitative research approach is well-suited to contextual and interpretive research to understand textile factories' responses to liberalized markets and the capacity-building interventions they require to improve their competitive performance. In its qualitative data focus, aiming for:

Identification of capacity gaps and barriers: The study aims to generate rich, descriptive data to illuminate the multiple barriers that undermine the competitiveness of Ghana's textile industry. These barriers are both internal and external. Internally, firms struggle with outdated technology, limited human resource skills, and weak management practices, all of which constrain productivity and innovation. Externally, pressures such as intense market competition, inconsistent trade policies, and the demands of global

value chains further erode local firms' ability to thrive. By examining how these factors interact, the research will provide a nuanced understanding of the structural and operational gaps that must be addressed if the industry is to regain its footing.

Perspectives of stakeholders: Central to this study is the recognition that the voices of stakeholders, factory workers, owners, managers, and policy actors, are indispensable in shaping effective interventions. Qualitative methods enable researchers to capture the lived experiences of these groups, revealing how economic decline translates into daily struggles and decisions. Workers may describe the stress of irregular wages and job insecurity, while managers highlight the challenges of balancing production costs with competition from imports. Policy actors, meanwhile, provide insight into how trade liberalization and regulatory frameworks have influenced the sector's trajectory. By foregrounding these perspectives, the study ensures that power dynamics are acknowledged and that capacity-building strategies are grounded in the realities of those most affected.

Practical insights: While quantitative surveys are valuable for measuring trends and outcomes, they often miss the subtleties of human experience. Qualitative approaches, by contrast, probe more deeply into the social and emotional realities of labour, revealing how economic hardship affects individuals and communities. For example, interviews can reveal how delayed wages disrupt family life or how the decline of textile firms weakens community resilience. These context-based insights are critical for designing interventions that respond directly to Ghana's specific textile entities, ensuring that solutions are not only technically sound but also socially responsive. In this way, qualitative research complements quantitative data, offering a holistic picture of the industry's challenges and opportunities.

Accordingly, a qualitative research approach would yield findings beyond trends, which, when presented, would develop an understanding of how and why indigenous textile firms experience challenges in achieving competitiveness and ultimately provide useful recommendations for action and policy.

Research design is the plan that outlines how the procedure of selecting and later analysing data will be undertaken. Therefore, it is the structure for applying the research method. It allows the researcher to trace the empirical data and its conclusions back to the study's initial question (Bryman, 2004; Yin, 1994). As MacMillan and Schumacher (2001) stated, research design is the process of selecting study participants, contexts and the data collection techniques to answer the research questions. It is also the framework for action that links the research questions to the application (Durrheim, 2004). The research design aims to generate credible findings.

This research is designed as a case study due to its exploratory nature and in-depth analysis. The multiple-case study design is ideal for this research due to the need for an in-depth contextual appreciation of the indigenous textile industry in Ghana, due to the many historical, economic and socio-political constraints to its competitiveness. Using indigenous textile firms as the units of analysis, a case study design allows careful scrutiny of the specific challenges and opportunities these firms face in a liberalized market. This design also matched with this study's aim to identify gaps, foster capacity and propose actions that can revitalize the sector.

In addition, the case study design allows for multiple data sources, such as interviews, document reviews, and observations, thereby enabling rich triangulation and verification of findings. The case study design enables multiple perspectives and explanations by examining how factors such as human capital development,

organizational culture, absorptive capacity, and external market forces influence a firm's competitiveness.

Importantly, the boundary conditions of case study designs enabled the complex integration of theoretical frameworks (e.g., Ely's Conditions of Change, Human Capital Theory, Absorptive Capacity Theory, Resource-Based View, and Market-Based View) in a manner that allowed for semi-contextualization and contextualized testing of those theories in the Ghanaian textile sector. It is just as important to integrate theoretical approaches that take a contextualized view of phenomena and to test, or sometimes embed, theories within contextualized, measurable data.

The qualitative research approach, which included a variety of field investigation methodologies, was used to address the research objectives in this study. Three requirements should be fulfilled when choosing a research plan, according to Yin (2003b). These include the kind of questions the researcher asks, how much control they have on real-world behaviour, and how much attention they pay to current events. A multiple case study is therefore recommended in circumstances where the research questions are "how" and "why." The primary study issue focuses on how domestic textile companies may increase their capacity while taking their capacity requirements into account in order to fully boost their competitiveness. Multiple case study research is preferred for the primary research question. The researcher's level of control over actual behavioural events is the second requirement listed in Yin (2003b). The behaviour of domestic textile companies is beyond the researcher's control in this study. The researcher was a spectator and was not part of the "case." Furthermore, there was no way to influence the operations of Ghanaian indigenous textile companies in order to develop a model that would enable the country's indigenous textile businesses to compete fully in the liberalized Ghanaian market. When analysing current events, case

studies are favoured, particularly when the pertinent behaviours are uncontrollable. Lastly, the issue under investigation is modern in nature and concerns the impact that the local textile industry's capacity expansion will have on the Ghanaian market. According to Yin (2009), these study conditions meet the requirements for choosing case study research. Using a case study approach made it possible to gather and analyze data from a variety of sources. This is important since it made it possible for the researcher to sufficiently address the goals of the study.

3.4 Population and Sampling

The selection of cases for this study was guided by a criterion-based purposive sampling strategy. In qualitative inquiry, sampling is not concerned with statistical representativeness but with the identification of information-rich cases that can illuminate the phenomenon under investigation in depth (Patton, 2015). The objective, therefore, was to ensure conceptual alignment between the research questions and the characteristics of participating firms. Clearly articulated inclusion criteria were established before data collection to enhance methodological transparency, construct validity, and analytical coherence (Maxwell, 2013; Yin, 2018).

The first criterion required that firms qualify as indigenous according to the operational definition adopted in this study. Conceptual clarity is essential in qualitative research, particularly when examining constructs that may have multiple interpretations (Maxwell, 2013). The term “indigenous firm” was therefore not treated as a mere geographical descriptor but as a structural and governance-based category. Eligible firms were required to demonstrate majority Ghanaian ownership, local managerial control, and autonomous strategic decision-making within the national context. This ensured that the cases genuinely reflected domestic entrepreneurial agency rather than

the operational extensions of foreign-controlled entities. By applying this definitional boundary, the study safeguarded construct validity and ensured that empirical insights corresponded directly to the theoretical focus on indigenous enterprise dynamics within Ghana's textile sector.

The second criterion required that firms have operated for at least five years. Organisational longevity was used as a proxy for experiential depth and industry embeddedness. Firms with sustained operational histories are more likely to have encountered regulatory changes, competitive pressures, supply chain disruptions, and shifts in consumer demand. Such exposure enhances participants' capacity to provide reflective, experience-based accounts rather than narratives rooted in early-stage organisational uncertainty. Hennink, Hutter, & Bailey (2020) emphasise that qualitative depth is strengthened when participants possess sufficient experiential grounding to articulate patterns, processes, and adaptations over time. Establishing a five-year threshold therefore ensured that participating firms had accumulated a level of institutional memory and strategic experience adequate to support robust thematic development.

The third criterion required firms to demonstrate willingness to participate and to provide access to relevant personnel, information, and, where appropriate, organisational documents. Access is foundational to qualitative case study research, as the credibility of findings depends on the richness and triangulation of data sources (Yin, 2018). Multiple sources of evidence, such as interviews with key decision-makers and supporting documentation, enable corroboration and enhance trustworthiness (Lincoln & Guba, 1985). Moreover, voluntary participation reflects adherence to ethical research principles, including informed consent and transparency. Excluding

firms unwilling to provide reasonable access reduced the risk of partial or superficial data and strengthened the overall integrity of the dataset.

The fourth criterion required that firms have been actively operational within the past five years. This temporal boundary was necessary to ensure contextual relevance. The textile industry in Ghana operates within a dynamic policy and market environment characterised by import competition, regulatory shifts, and evolving consumer preferences. Including firms that had ceased operations for extended periods risked generating accounts detached from current institutional realities. Creswell (2013) note that qualitative case selection must be bounded both conceptually and temporally to maintain analytical relevance. By ensuring that recent operational activity was captured, the study preserved the contemporaneity of insights and enhanced the applicability of findings to current industry conditions.

Collectively, these criteria reflect what Patton (2015) describes as criterion-based purposive sampling, wherein all selected cases meet predetermined standards of relevance while still allowing for meaningful variation within those boundaries. The explicit articulation of case selection standards strengthens methodological transparency and enhances the study's credibility and dependability (Lincoln & Guba, 1985). Furthermore, by aligning case characteristics with theoretical constructs, the study enhances construct validity and analytical precision (Yin, 2018).

Through the systematic application of these standards, the study ensured that each participating firm was theoretically relevant, organisationally mature, empirically accessible, and contextually current. This deliberate and structured approach to case selection provided a robust foundation for subsequent thematic analysis and contributed to the overall methodological rigour of the research.

3.5 Data Collection Instruments

Documents, archival records, interviews, direct observation, participant observation, and tangible artifacts are the six possible sources of case study evidence. As a result, no one source is totally superior to the others. A good case study should include as many sources as possible because they complement one another (Yin, 2003).

Interviews were deemed relevant to the study, as they aimed to explore the current challenges and capacity needs of indigenous textile firms. That is, assessing the current challenges facing indigenous textile firms and their capacity can be conducted without delving into matters of confidentiality, which are typical of interviews. The main forms of data collection for the study were interviews, Documentation and direct/non-participant observations. The issue was that the study used multiple data sources to ensure the research was robust. Documentary evidence included organizational charts, project profile and company profile, progress reports and any other documentary evidence that was relevant to the study. Documentary evidence was employed to corroborate and extend upon the interviews and observations.

Interviews are important when data are collected based on a person's or group's experiential understanding of a phenomenon (Saunders et al., 2009). Interviews enable deeper analysis of responses, provide opportunities to seek clarification on posed questions, and enable building upon the answers given. In essence, interviews involve purposeful questioning and listening to responses for analysis (Saunders et al., 2016). There are generally three main types of interviews: structured, semi-structured and unstructured interviews (Saunders et al., 2016; Robson, 2002). Structured interviews use questionnaires based on a predetermined, standardised or non-standardised list of questions (Saunders et al., 2016). Therefore, the answers tend to remain within the

predetermined scope. On the contrary, unstructured interviews do not use a predetermined list of questions, although the researcher must have a clear intention regarding the aspect(s) to examine (Saunders et al., 2016). However, the study's overall concept and essence must be identified to avoid complete variability. Both structured and unstructured elements were incorporated into the semi-structured interview (Denscombe, 2010). Although it relies less on preplanned questions, the semi-structured interview encourages greater flexibility for interviewees to analyze (Thomas, 2002). Because open-ended questions were employed in the data-gathering procedure, a semi-structured interview format was employed.

3.6 Data Analysis

Data analysis occurs when we look at, categorise, tabulate, test, or otherwise reconstruct evidence in order to draw conclusions that are scientifically based. Analysing case evidence is more challenging because the researcher's analytical techniques remain undefined. To remedy this situation, every case study analysis must be driven by an overall strategy we call priorities for what to accumulate, analyse and why (Yin, 2009). The objectives of case studies are to find patterns, establish meanings, create conclusions and build theory (Patton & Appelbaum, 2003). Yin (2003) states that the methodological tactic is important for determining whether the data collected in a case study have an underlying meaning. When we explore this idea, we come upon four options, as described by Yin (2009): theoretical propositions, case descriptions developed, quantitative and qualitative data, and rival explanations. The author further claims that any of the analytic strategies can be applied to five techniques when analyzing case studies: pattern matching, explanation building, time-series analysis, logic models, and cross-case synthesis. For this project, thematic analysis was used to analyze data collected from the case studies. The thematic analysis techniques are

pattern matching and cross-case synthesis. The primary case studies aimed to determine how to build the capacity of indigenous textile companies so that they could optimally benefit from lean construction. The analysis followed the steps outlined by Braun & Clark (2006). These steps are: transcription and organization of data; iterative reading and data coding; and establishment of themes.

3.6.1 Analytical tool

This study will employ Reflexive Thematic Analysis (inductive) as its primary analytical approach. Reflexive thematic analysis, as outlined by Braun & Clarke (2006, 2019), is particularly suited to research grounded in the constructivist paradigm because it emphasizes flexibility, researcher reflexivity, and the co-construction of meaning. Rather than applying a rigid, pre-determined coding framework, the analysis will be inductive, allowing themes to emerge organically from the data. This approach ensures that the voices and lived experiences of participants, factory workers, managers, owners, and policy actors are authentically represented rather than constrained by preexisting theoretical categories.

The inductive nature of reflexive thematic analysis is particularly appropriate for this study, given its aim of uncovering nuanced insights into the challenges and capacity needs of Ghana's indigenous textile firms. By allowing patterns to emerge from the data itself, the researcher can capture the complexity of issues such as human capital development, organizational culture, and external market pressures.

The study employs thematic analysis as a systematic and iterative method for interpreting qualitative data. The process begins with thorough familiarisation through transcription, repeated reading, and review of all relevant materials to gain a comprehensive understanding of the dataset. Initial codes are then generated by

identifying meaningful data segments aligned with the research objectives. These codes are examined comparatively and organised into broader themes that capture recurring patterns across participants' accounts. The themes are subsequently reviewed, refined, and clearly defined to ensure conceptual clarity, internal coherence, and strong empirical grounding. The final stage involves synthesising the themes into a structured analytical narrative that addresses the research questions and links findings to the broader theoretical framework.

NVivo software will be used to support systematic data management and transparent coding procedures. Its use enhances the organisation, retrieval, and traceability of data, thereby strengthening the credibility and dependability of the analysis. Overall, thematic analysis provides a rigorous yet flexible framework for generating rich, contextually grounded insights into the performance, challenges, and capacity needs of indigenous textile firms in Ghana.

3.7 Ethical Consideration

The study was conducted in strict adherence to the ethical standards of the University of Cape Coast. Ethical approval was sought from the Institutional Review Board (IRB) prior to data collection. The researcher ensured that all participants were fully informed about the study's purpose, procedures, and potential implications. Written informed consent was obtained from each participant, with the assurance that participation is voluntary and that individuals may withdraw at any stage without penalty.

Confidentiality was strictly maintained. Participants' identities were protected by using pseudonyms and removing any identifying information from transcripts and reports. Data was securely stored, accessible only to the researcher, and used solely for academic purposes. The study also ensures that no physical, psychological, or social

harm occurred to participants as a result of their involvement. Sensitive issues, such as workplace challenges, were addressed with discretion to avoid repercussions for participants.

Respect for participants' autonomy and dignity will guide the research process. The researcher remained reflexive, acknowledging power dynamics between researcher and participants, and strived to represent participants' voices authentically. Findings were reported honestly, without fabrication or misrepresentation, and were used to contribute to knowledge and policy discussions in ways that benefit the textile industry and its workforce.

By adhering to these ethical principles, the study ensured compliance with the University of Cape Coast's standards for responsible research practice, thereby safeguarding both the integrity of the research and the wellbeing of participants.

3.8 Limitations of the Study

The study was constrained by a small sample size and potential biases in interview responses. Future research could expand the sample size and include quantitative measures to provide a more comprehensive analysis.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Overview

This chapter presents the results of the data analysis conducted in this study, focusing on the study's research questions and objectives. The findings from the semi-structured interviews are presented and discussed in this chapter. The data were analysed using thematic analysis to identify themes and patterns aligned with the study's aims. The analysis is structured around key themes identified through qualitative coding of interview transcripts and discussions. These themes address the competitiveness of indigenous textile firms in Ghana, the challenges faced in achieving competitiveness, the capacity needs for successful performance, and the implications of these challenges for employees' wellbeing. The chapter will present the findings in a clear and logical progression, linking each theme and key finding to the corresponding research question. Additionally, the chapter will discuss the implications of these findings in the context of the existing literature and theoretical frameworks explored in Chapter 2. Finally, the limitations encountered during the study will be addressed to provide a comprehensive understanding of the research outcomes.

4.2 Results and Outcomes of the Study

4.2.1 Competitiveness status of Indigenous textile firms in Ghana

Strengths of Indigenous Textile Firms

To evaluate the competitiveness of indigenous textile firms in Ghana, it is essential to examine their strengths to determine their market position and uncover potential opportunities in the liberalized Ghanaian market.

High-Quality Products

Indigenous textile companies prioritize the production of durable, high-quality fabrics. As one respondent stated, *“Our fabrics don’t fade; you can wash them a million times. That’s our advantage over foreign and local competitors”*. This focus on quality not only enhances customer satisfaction but also builds trust in the local and regional markets. The superior quality allows these companies to maintain a niche in specific segments, such as funeral prints and traditional garments.

Creativity and Market Responsiveness

The companies’ ability to innovate and develop new designs is a key strategy for combating piracy and staying ahead in a competitive market. According to a respondent, *“We create ten designs every day to ensure we’re always ahead of the Chinese competitors who copy our designs”*. This adaptability demonstrates resilience and commitment to maintaining market relevance despite external pressures.

Strategic Preventive Maintenance

Effective machinery maintenance minimizes disruptions and ensures smooth production. Respondents noted that regular maintenance schedules significantly enhance operational efficiency, with one stating, *“We shut down for two days weekly for preventive maintenance. This ensures machines run efficiently without unexpected breakdowns”*. Such proactive measures support consistent output and product quality.

Strong Regional Market Penetration

Indigenous textiles dominate specific markets in Ghana, particularly in culturally significant products. For example, funeral prints produced by Akosombo Textiles Limited are widely patronized in regions such as the Ashanti and Brong Ahafo regions. A respondent explained, *“Our funeral prints—black and white, black and red—are in*

high demand in these areas". This regional dominance demonstrates the companies' ability to meet local needs.

RQ2. What are the challenges to competitiveness within the selected indigenous textile firms?

Assessing the challenges indigenous textile firms face in Ghana is crucial for understanding the obstacles that hinder their competitiveness in the liberalized market. Identifying these challenges will provide insights into the limitations affecting their growth, efficiency, and sustainability. Factors such as dependence on imported raw materials, ineffective anti-piracy measures, limited technological advancement, and insufficient government support can significantly affect their performance. By analyzing these issues, policymakers, investors, and industry stakeholders can develop strategies to enhance the resilience of local textile firms, improve their productivity, and create a more competitive and sustainable industry.

Dependency on Imported Raw Materials

The lack of local production of key inputs, including cotton and starch, forces reliance on imports. A respondent lamented, "*There is no local production of cotton or even grey cloth. Everything is imported from China, Pakistan, or Côte d'Ivoire*". The high costs and delays associated with importing raw materials not only increase production costs but also reduce the companies' ability to price competitively.

Ineffective Anti-Piracy Measures

Design piracy significantly undermines the competitiveness of indigenous companies. Despite the registration of designs with the Ghana Standards Authority, enforcement remains weak. A respondent stated, "The Chinese copy our designs and flood the

market with cheaper alternatives. Even our labels and logos are counterfeited.” This persistent issue highlights a critical gap in intellectual property protection.

Inadequate Government Support

Respondents expressed frustration over the lack of supportive policies for local industries. One respondent suggested, *“Import duties on raw materials should be waived or reduced to make local production competitive”*. Additionally, contracts that could support local industries are sometimes awarded to foreign firms, further disadvantaging indigenous companies.

Aging Workforce and Skill Gaps

The reliance on long-serving employees poses challenges as they near retirement, given the limited formal education of potential replacements. A respondent noted, *“Most of our workers are nearing retirement, and while they’re skilled, they lack the analytical education needed for modern operations”*.

Competition from Foreign Imports

Cheaper, often pirated imports from countries such as China dominate the market. A respondent explained, *“We are constantly being chased by the Chinese. Their products are cheaper because they don’t face the same importation and production challenges we do”*. This disparity underscores the need for stronger government intervention to level the playing field.

Outdated Technology and Machinery

A recurring theme across all interviews is the reliance on obsolete machinery, which significantly hampers production efficiency and competitiveness. For instance, a respondent from Volta Star Textiles stated: *“The machines we have are obsolete. These*

were manufactured in the 1950s and are far older than the workers. Modern machines can produce 36 to 40 yards in an hour, whereas our machines barely manage 4.5 yards in the same timeframe". Similarly, a GTP manager emphasized the transformative impact of technology on competitiveness: *"Technology is a game changer. Digital transformation reduces waste and improves quality, but the absence of modern machinery is a major drawback for many local companies"*.

Dependence on Imported Raw Materials

Indigenous textile companies rely heavily on imported raw materials such as cotton and dyes. This dependence inflates production costs and limits competitiveness. At Volta Star Textiles, the respondent explained: *"Lint cotton has to be imported from Mali, Chad, and Côte d'Ivoire. The Ginnery in Tamale is no longer operational, and cotton farming in Ghana has declined. This increases costs and reduces profitability"*.

High Energy Costs

Energy inefficiency and rising electricity costs are major challenges. A respondent from GTP highlighted: *"Our electricity bills are astronomical, and our older machines are not energy-efficient. This affects our ability to compete with international brands that operate more cost-effectively"*. At Volta Star Textiles, the respondent noted: *"We are paying too much for electricity. Modern motors are energy-efficient, but our current motors drive up costs significantly"*.

Weak Intellectual Property Protection

Design piracy is a significant issue undermining local brands. A respondent from Volta Star explained: *"The Chinese copy our designs and flood the market with cheaper alternatives. Even our labels and logos are counterfeited, making it hard to maintain brand integrity"*.

Workforce -Related Challenges

The aging workforce and limited technical training for younger employees are concerns for many companies. An HR respondent from AICL noted: *"Most of our workers are nearing retirement. While they are skilled, their strength is declining, and there is a gap in analytical and technical education among younger employees. This affects productivity"*.

Inadequate Policy Support

Respondents consistently pointed out insufficient government intervention to support the industry. For example, a Volta Star Textiles manager stated: *"The government provides minimal support. There are no subsidies or tax breaks for local production, and import duties on raw materials remain high. Meanwhile, Chinese imports dominate the market"*.

Opportunities for Enhancement

Assessing the opportunities available to indigenous textile firms in Ghana is essential for identifying avenues for growth, expansion, and increased competitiveness in the liberalized market. Opportunities such as access to emerging markets, government support policies, advancements in textile technology, and the growing demand for locally made fabrics can enhance the industry's development. By evaluating these opportunities, stakeholders can formulate strategies to leverage them effectively, improve productivity, and strengthen the position of indigenous textile firms in both local and international markets. This assessment will also help foster innovation, attract investment, and ensure the long-term sustainability of the textile sector. Revitalizing

Local Supply Chains

Reviving institutions like the Ghana Cotton Board and promoting local cotton farming could significantly reduce import dependence. A respondent noted, *“The Ministry of Agriculture needs to encourage cotton farming and support the supply chain, as was done years ago”*. This would ensure a more sustainable and cost-effective supply of raw materials.

Enhanced Policy Measures

Lowering import duties, enforcing intellectual property laws, and prioritizing local firms for government contracts are critical steps to enhance competitiveness. Respondents emphasized that *“local industries need better support through reduced duties and timely payment for government contracts”*.

Investing in Workforce Development

Implementing training programs to upskill the workforce, particularly in technical and analytical areas, can boost productivity. As one respondent noted, *“Bringing in resource personnel to train workers quarterly has helped, but more technical education is needed to modernize operations.”*

Leveraging Regional Strengths

Companies can build on their strong regional market presence by expanding their product offerings and marketing strategies. For instance, the popularity of funeral prints in specific regions can be leveraged to introduce complementary products.

4.2.2 Capacity needs of the local textile companies to enhance their competitiveness

The capacity challenges faced by Ghana's indigenous textile companies are multidimensional, encompassing technological, human, and infrastructural inadequacies.

Technological Obsolescence

VSTL continues to rely on machines manufactured in the 1950s and 1960s, which severely limit production capacity and quality. One respondent noted, "*The machines we have are obsolete...running at 162 revolutions per minute, compared to modern machines that run at 1000 or 1200 revolutions per minute.*" Another respondent at GTP highlighted the use of innovative techniques, stating, "*We use Single-Minute Exchange of Dies (SMED) to reduce downtime and improve efficiency.*"

Human Resource Development

Both companies underscored the importance of training programs. A VSTL respondent lamented, "*We used to have a lot of in-service training during the VLISCO era, but now financial constraints have curtailed such programs.*" Meanwhile, a GTP respondent shared, "*Our training focuses on safety, quality, and efficiency, all linked to profitability.*"

Procurement of Raw Materials

VSTL relies heavily on imported lint cotton due to logistical challenges with local sourcing. One respondent explained, "*We import cotton from Mali, Chad, Burkina Faso, and the Ivory Coast because the ginnery in Tamale is no longer functional.*" A respondent from AICL affirms the above statement '*we don't even have a cotton farm*

that produces cotton in Ghana. We import them from China (the cost of importation, clearing charges, and other things affect production)'.

Energy Inefficiencies

High energy costs hinder competitiveness. Outdated motors increase electricity costs at VSTL, whereas GTP is exploring alternative energy sources such as biomass and natural gas. A respondent at GTP noted, *"We are working on using natural gas to run our boilers to cut costs."* *'A palm kernel shell is used to fire boilers'* (respondent at ATCL).

4.2.3. What are the implications of the challenges to employees' wellbeing in the Indigenous textile companies?

The challenges confronting Ghana's textile sector have profound implications for employee well-being.

Job Security

At VSTL, modernization poses a threat to labour demand. A respondent explained, *"If investors bring in new machines, many workers will have to go, as these machines require fewer hands."*

Workplace Safety

GTP prioritizes safety through measures *such as designated walkways and preventive maintenance. One respondent stated, "For modern manufacturers, safety comes first...we don't joke with our safety."* The same applies to AICL. There are cctv cameras everywhere with nose marks being enforced. In contrast, VSTL's outdated machinery increases risks, with another respondent adding, *"Breakdowns happen too often, making the environment unsafe for workers."*

Training and Career Development

A VSTL respondent lamented the lack of training due to financial challenges, while a GTP respondent explained, *“We evaluate training programs by their impact on quality and cost reduction.”* The same applies to ATCL.

Low Morale and Economic Strain: Employees at VSTL struggle to meet production targets due to outdated machinery, leading to low morale. A respondent noted, *“The targets set are difficult to achieve due to the state of the machines.”*

4.2.4. How can capacity building framework be developed for indigenous textile companies within the Ghanaian economy to enhance their competitiveness?

The interviews identified key components for a capacity-building framework:

Technological Modernization

VSTL’s respondent emphasized the need for modern machines, stating, *“Modern machines would make us competitive, but we lack the capital to acquire them.”* A GTP respondent noted, *“Techniques like SMED have improved our production cycles.”*

Human Resource Development

Structured training programs are essential. A respondent from VSTL noted, “Whites do not joke with their training,” referring to VLISCO’s in-service programs. A GTP respondent added, *“We focus on training that directly impacts efficiency and profitability.”*

Supply Chain and Raw Material Access

Strengthening local supplier relationships and incentivizing cotton production can reduce reliance on imports. VSTL’s challenges underscore the need for localized solutions, with a respondent stating, *“The collapse of the Tamale ginnery has forced us to import most raw materials.”*

Energy Efficiency

GTP explores alternative energy sources like biomass and natural gas to reduce costs.

A respondent shared, *“We are transitioning to renewable energy sources to cut operational costs.”*

Policy and Advocacy

A VSTL respondent remarked, *“In India, there is a whole ministry for textiles; in Ghana, textiles form only a minute part of the economy.”*

4.3 Discussion

4.3.1 Performance and Competitiveness of Indigenous Textile Companies

The findings reveal a complex landscape of strengths and challenges that shape the performance and competitiveness of indigenous textile companies in Ghana. These results align with existing literature on the resilience of local industries in developing economies and the constraints they face in globalized markets. The strengths highlighted in this study are high-quality products, creativity, strategic maintenance, and regional market penetration, which form a solid foundation for competitiveness. Still, these are undercut by significant challenges that hinder growth and profitability. One of the key strengths identified is the focus on high-quality products, which resonates with Kale et al. (2019), who stress that product quality is essential for firms to maintain a competitive edge, particularly in niche markets. Indigenous textile companies' emphasis on durability, such as fabrics that do not fade even after multiple washes, gives them a distinct advantage over both local and foreign competitors. This commitment to quality fosters customer loyalty and enhances market reputation, positioning these companies as leaders in specific product segments, such as funeral

prints and traditional garments. The ability to sustain this level of quality amidst competition is a testament to the sector's potential for growth if leveraged effectively. Additionally, creativity and market responsiveness are crucial strategies that enable indigenous companies to remain competitive, particularly in the face of piracy. According to Cohen & Levinthal (1990), absorptive capacity, developed through continual innovation and adaptability, enables firms to remain competitive in challenging environments. Indigenous companies in Ghana demonstrate this capacity by generating new designs daily, thereby helping combat the counterfeiting of their products. This proactive approach highlights the firm's resilience and commitment to maintaining market relevance, even in the face of external pressures such as intellectual property theft.

Strategic preventive maintenance further enhances operational efficiency, as demonstrated by the companies' practice of regular machine servicing to minimize breakdowns. Studies such as Lichtenthaler (2016) have shown that preventive measures, such as maintenance schedules, improve both productivity and machine longevity, thereby supporting consistent output and quality. By ensuring their equipment operates optimally, these companies are better able to meet customer demands and mitigate operational disruptions that could harm competitiveness.

In terms of regional market penetration, indigenous textile companies have made significant inroads in areas with culturally significant demand, such as funeral prints in the Ashanti and Brong Ahafo regions. This aligns with Hoedoafia (2019), who highlights the importance of understanding and serving localized market needs as a strategy for firms to build competitive advantages in specific regions. This regional

dominance underscores the capacity of these companies to offer culturally relevant, high-demand products, thereby reinforcing their market position.

However, several challenges limit the potential for broader competitiveness. The dependency on imported raw materials is a critical issue, aligning with findings by Owusu and Mensah (2020) that weak domestic supply chains significantly increase production costs and disrupt operational efficiency. As Ghana's indigenous textile companies rely on imports of essential materials such as cotton and grey cloth, they face higher costs and logistical delays that hinder their ability to compete with foreign firms. Strengthening local supply chains and investing in domestic cotton production could reduce these dependencies, fostering greater cost efficiency and sustainability in production.

The issue of ineffective anti-piracy measures is another significant challenge. Adebayo (2020) underscores that weak intellectual property protection leaves local industries vulnerable to exploitation by counterfeiters, and this study affirms that the Ghanaian textile sector suffers from similar challenges. The pirated products flooding the market, often produced at lower costs and sold at cheaper prices, undermine the efforts of indigenous companies to maintain profitability. Strengthening intellectual property laws and enforcement would be crucial in addressing this issue, ensuring that local companies can protect their designs and maintain a competitive advantage in both local and international markets.

The lack of government support also hampers the growth of indigenous textile companies. Respondents voiced concerns about the absence of policies to help local industries compete on a level playing field with foreign firms. The imposition of high import duties on raw materials and the awarding of contracts to foreign companies

further disadvantage local textile manufacturers. Sasidaran and Shanmugan (2008) emphasize that sector-specific policies are critical for fostering competitiveness in developing economies, and the results of this study underscore the need for the Ghanaian government to adopt policies that directly support local industry development.

The aging workforce and skill gaps present another significant challenge. The reliance on older, long-serving employees, while beneficial in terms of expertise and reliability, poses a problem because these workers are nearing retirement without adequate training for younger replacements. Cohen & Levinthal (1990) emphasize that a firm's absorptive capacity is not only dependent on innovation but also on its ability to adapt its workforce to evolving technologies and processes. Indigenous textile companies need to invest in workforce development through structured training programs and recruitment of younger employees to address skill gaps and ensure long-term productivity.

Competition from imports, particularly cheaper and often pirated goods, continues to pose a serious threat to the survival of Ghana's indigenous textile industry. The findings of this study echo those of Kale et al. (2019), who argue that foreign competition erodes the competitiveness of local industries, especially when domestic firms are burdened with higher production costs arising from inefficiencies in raw material supply, energy, and infrastructure. Without deliberate intervention, these pressures leave local firms vulnerable and unable to match the scale or pricing of imported textiles. Addressing this challenge requires a multi-pronged approach, including stronger government action to reduce production costs, enforce intellectual property protection, and create a fairer trading environment.

Therefore, while Ghana's indigenous textile companies demonstrate notable strengths such as the production of high-quality fabrics, creative designs rooted in cultural heritage, and dominance in certain regional markets their competitiveness is undermined by persistent structural challenges. Reliance on imported raw materials, weak enforcement of intellectual property rights, and limited government support have left the sector exposed to external shocks and unfair competition. To revitalize the industry, targeted interventions are essential. Strengthening local supply chains, enforcing intellectual property laws, and investing in workforce development would not only enhance competitiveness but also secure the industry's role in Ghana's economic and cultural identity. By addressing these barriers, the textile sector can reposition itself as a resilient player in both domestic and global markets, ensuring that its creativity and heritage translate into sustainable growth.

4.3.2 Challenges Facing Indigenous Textile Companies

The challenges identified by respondents strongly resonate with existing literature on the constraints faced by manufacturing industries in developing economies. Studies, such as those by UNIDO (2020), emphasize that outdated technology and insufficient infrastructure investment are key barriers to industrial competitiveness. The findings of this study align with these observations, particularly in the case of VSTL, where outdated machinery significantly limits both production capacity and product quality. This reliance on antiquated equipment hinders the company's ability to compete with modernized firms, reflecting a broader trend in the Ghanaian textile industry where technological obsolescence impedes overall efficiency and growth.

The issue of reliance on imported raw materials further underscores the challenges identified in the literature. Owusu and Mensah (2020) highlighted how weak domestic

supply chains contribute to production inefficiencies, which is evident in VSTL's dependence on imported lint cotton due to the collapse of local ginneries. This reliance on imports not only increases operational costs but also exposes local companies to fluctuations in global supply chains, making it difficult for them to maintain consistent production schedules. Revitalizing local supply chains and re-establishing domestic cotton production capabilities could mitigate these issues, enhancing the industry's ability to compete in the liberalized market.

Energy inefficiency, a prominent concern among respondents, mirrors findings by Akpan et al. (2018), who identified high energy costs as a critical barrier to industrial competitiveness in Africa. The inefficiency of outdated motors at VSTL results in escalating electricity bills, further eroding the company's profit margins. Energy inefficiencies are not unique to Ghana's textile sector but reflect a broader issue faced by industries across the continent. Exploring alternative energy solutions, such as biomass or natural gas, as GTP and AICL is doing, could help alleviate this burden, reducing costs and improving overall operational efficiency.

Furthermore, issues surrounding intellectual property theft and design piracy align with Adebayo's (2020) work on the vulnerabilities of local industries in liberalized markets. The lack of strong intellectual property enforcement mechanisms in Ghana's textile industry allows foreign competitors to copy and flood local markets with counterfeit goods at lower prices. This undermines the creative and financial investments made by indigenous textile companies, making it difficult for them to maintain their market share and differentiate their products. Strengthening intellectual property laws and improving enforcement would provide much-needed protection for local designs,

ensuring that indigenous companies can retain their competitive edge in both local and international markets.

The limitations that Ghana's domestic textile companies face are closely linked to broader structural issues identified in prior research. Important issues such as outdated production technology, a high reliance on imported materials, ongoing energy inefficiencies, and pervasive intellectual property violations underscore the urgent need for context-specific, strategic policy measures. Enhancing the global competitiveness and long-term viability of Ghana's textile industry requires strengthening infrastructure, enacting effective regulatory reforms, and allocating funds for energy efficiency and intellectual property enforcement.

4.3.3 Capacity needs of the local textile companies to enhance their competitiveness

The findings align with existing literature and underscore the critical interventions needed to elevate Ghana's textile sector. Kale et al. (2019) emphasize the indispensable role of technological upgrades in enabling firms to adapt to rapidly evolving competitive market conditions. Technological advancement not only boosts productivity but also aligns production processes with international standards, enabling firms to integrate into global value chains. The importance of this is evident in GTP's adoption of modern production techniques such as SMED, which minimize downtime and optimize machine efficiency, as highlighted in their interviews.

Similarly, Cohen & Levinthal (1990) highlight that building absorptive capacity, a firm's ability to identify, assimilate, and apply new knowledge, is a cornerstone of organizational success. Absorptive capacity is most effectively developed through investments in human capital, such as structured training programs. GTP's approach to

training, which directly links skill acquisition to operational goals such as efficiency and profitability, exemplifies the leveraging of human capital to enhance competitiveness. On the other hand, the lack of consistent training at VSTL demonstrates how financial constraints can hinder the development of absorptive capacity, leaving firms ill-prepared to adapt to market changes.

Addressing the procurement of raw materials and energy inefficiencies is not just a technical necessity but a matter of survival for Ghana's textile industry. Firms such as VSTL and AICL have repeatedly cited logistical difficulties, particularly their reliance on imported cotton following the collapse of local ginneries. This dependence on external supply chains leaves companies vulnerable to global market fluctuations, driving up costs and extending lead times. Bruce-Amartey Jnr et al. (2014) argue that such disruptions in supply chains significantly weaken the competitiveness of Ghana's industrial sectors, and the textile industry is no exception. Without reliable local sources of raw materials, firms are forced to operate under constant uncertainty, which undermines both efficiency and resilience. Energy inefficiencies further compound these challenges. GTP's exploration of alternative energy sources reflects a growing recognition that reducing energy costs is central to industrial sustainability. Hoedoafia (2019) underscores that energy remains one of the most significant cost drivers in Ghana's manufacturing sector. When power supply is unreliable or prohibitively expensive, firms struggle to maintain consistent production schedules, leading to delays, reduced output, and higher operational costs. Transitioning to renewable energy sources, such as solar and biomass, offers a promising pathway to reduce costs while aligning with global sustainability trends. To bridge these gaps, targeted interventions must be pursued. Financial investments in modern machinery would replace outdated equipment that currently hampers productivity and quality. Equally important are

robust training programs to strengthen human capital, ensuring that workers are equipped to operate advanced technologies and adapt to evolving industry demands. Reviving local supply chains, particularly cotton ginneries, would reduce dependence on imports and restore the sector's resilience. At the same time, energy efficiency measures, including the adoption of renewable energy, would reduce costs and enhance competitiveness. By tackling these interconnected challenges, Ghana's textile industry can reposition itself as a resilient and innovative sector, capable of competing effectively in both local and global markets.

4.3.4 Implications of the challenges of employees' well-being in indigenous textile companies

For objective four, the findings align with existing literature and highlight the need for targeted interventions to enhance employee well-being in Ghana's textile sector. Lichtenthaler (2016) emphasizes that better safety practices are pivotal to improving employee satisfaction and productivity. Safe and well-maintained workplaces not only foster a positive organizational culture but also directly contribute to enhanced performance. This is evident in GTP's prioritization of safety measures, such as preventive maintenance and modern machinery, which minimize risks and foster a safe working environment. In contrast, VSTL's reliance on outdated equipment increases workplace hazards, leading to frequent breakdowns that compromise both employee safety and morale.

Similarly, Cohen and Levinthal's (1990) concept of absorptive capacity underscores the critical role of structured training programs in fostering organizational adaptability. Absorptive capacity, the ability of firms to identify, assimilate, and apply new knowledge, is central to navigating industry challenges. GTP exemplifies this through its training programs, which link skill acquisition to organizational goals such as

efficiency and quality. These initiatives not only enhance employees' competencies but also foster a sense of purpose and alignment with the company's vision. Conversely, the lack of consistent training at VSTL demonstrates how financial constraints undermine employee development, leaving workers unprepared to adapt to technological changes and market demands.

The economic strain and low morale experienced by VSTL employees also resonate with findings by Hoedoafia (2019), who asserts that inadequate compensation and challenging work environments erode workforce motivation and productivity. Employees at VSTL face unrealistic production targets, exacerbated by outdated machinery, resulting in frustration and reduced engagement. Addressing these issues requires investments in both technology and human resources to ensure fair compensation, achievable goals, and opportunities for career growth.

A balanced approach is necessary to bridge these gaps. It should be an approach that combines modernization with job preservation and skill development. As Kale et al. (2019) argue, technological upgrades must be complemented by initiatives to upskill workers and enhance their adaptability to new systems. AICL and GTP's example illustrates how modernization can coexist with robust training and employee welfare measures, while VSTL highlights the risks of neglecting these elements. Targeted interventions addressing safety, training, and fair compensation are essential to improving employee well-being and organizational resilience. By adopting a holistic approach that prioritizes both human capital and technological advancement, Ghana's indigenous textile companies can enhance their competitiveness while safeguarding employee welfare.

4.4 Thematic Analysis Matrix

In this section, I present the analysis of data drawn from those interviews with managers and employees of Ghanaian indigenous textile firms. I organize them around five key theories to analyze the data and derive insights into the factors that limit competitiveness in a liberalized market.



Table 1:Thematic analysis matrix

Theme	Sub-themes	Evidence (Quotes)	Theory Link
Human Capital Deficiency	Lack of skilled labour, poor training	<p><i>“In my goal deployment for the year, in my training, I am looking at things that I can train them on, which will influence the bottom line, not training for training’s sake”.</i></p> <p><i>“So, I evaluate the training. Before I start the training, I look at where we were before and where we are after the</i></p>	Human Capital Theory
		<p><i>training and I see how much impact on the process to either reduce cost or make it more quality so that we make gains straight away.”</i></p> <p><i>“So, for example, the course I am doing right now is save and recall. If we are successful and do it properly, we can save the design settings to the computer's memory. When you have a reorder for that design, all you do is go into the system, recall that design, insert it close to what you did before, and then you have less fracturing to do and to save you or reduce the amount of waste, which is translated into lost.”</i></p> <p><i>“The need for developing human capital through training activities to enhance their inner capacities, which would eventually be translated into the firms’ productive potential.”</i></p> <p><i>“Our firm is state-owned and there seems not to be a commitment on the part of the Government in enhancing our performance and competitiveness” (Plant Manager- Volta Star Textile Limited).</i></p> <p><i>‘I think that having the right human and financial capacity and capability is going to help improve our quality of production” (plant manager, Akosombo Industrial Company Limited).</i></p>	

Technology Obsolescence	Outdated equipment, poor R&D	<p><i>'Technology provides entrepreneurs with new tools to improve the efficiency and productivity of their business, and the availability of equipment and technology is important, especially for the management of working capital and all its components. Nevertheless, we continue to use obsolete machinery and technology. We cannot increase performance and compete with our foreign counterparts who use modern types of equipment (Technical Training Manager).'</i></p> <p><i>"We need to be equipped with modern production machinery to increase both our efficiency and productivity. Our plants are currently obsolete and not fit for purpose" (Plant Manager).</i></p> <p><i>"Obsolete Machinery; Unavailability of spare parts – to get the parts, the company looks for a supplier, gives the parts, then they will go to the farm breaks and request whether they will be able to produce them. If they can, then the order is made. This does not fit easily, therefore</i></p>	Absorptive Capacity Theory
		<p><i>altering the settings of the machine. This affects production."</i></p> <p><i>'The modern machine has helped us improve our delivery time for customers. The old machine was engraving a design for an hour; but now, with this digital screen printer, we use only eleven minutes to do the engraving. Now an order can be taken today; in the next 24 hours, instead of salespeople giving you two months or two weeks to pick, we can provide 24-hour delivery. Our daily capacity is fifty thousand; we can do fifty thousand yards daily. Therefore, if you ask for a hundred thousand, then we can in two days.'</i></p> <p><i>'If you look at our manpower, we have too many people. If you go to certain places, they are computerized, so only one person needs to mount the machine, and it does everything automatically. But here, you need a lot of factory hands, moving stuff all around, so you have to look at your cost and then try and see how you can cut them down.'</i></p>	

Policy & Market Barriers	Unfair competition, poor protection	<p><i>“Trade liberalisation has affected us because once there is a cheaper textile and the purchasing power of people, a change has come. In the winning competition, it is difficult and has affected us because our prices are higher than theirs. Meanwhile, an average Ghanaian will look for cheaper clothes even if they are of low quality.”</i></p> <p><i>“The business is about money/profit. You cannot be described as performing if you are not making a profit. Shareholders invest because of profit; otherwise, they would choose another investment vehicle. To keep shareholders satisfied and retain their capital, you must make a profit. So, for us, senior managers, our task for making the process cost-efficient, quality, and safe is to do things which will influence the bottom line to reduce the cost of operation so that we can have more profit. That is where our wahala is coming from. It’s very difficult for us to compete against the Chinese. It is the truth and we have tactics and strategies to do that. For example, we introduced NUstyle to combat the Chinese.</i></p> <p><i>I will give you a typical example. We use boilers to generate steam and the steam is what we use to dry the fabric. Some of the boilers are operated on residual fuel, and even AICL has acquired a boiler for biofuel that uses feedstocks such as palm kernel. All of these are alternatives because fuel consumption can be reduced. If you compare the prices of those items with the price of RFO fuel, they are significantly higher. We did substantive work here on that and the reason why we have not gone on that is the consistency of the raw materials. We observed that during the peak palm season, we can obtain it, whereas during the lean season we struggle to obtain it. which will become a problem.” Chinese people employ modern technology and a modern approach (in this case, they use a single machine to produce what 50 machines would produce). Grey cloth has an international market price, but it is distinct from the price of printed cloth. The grey cloth in China is the same as Yugoslavia. If grey cloth were to be like that, then this company would have collapsed long ago. Because if we are selling a yard at 50 cents</i></p>	Market-Based View
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		<p><i>to GTP and they can get some at 25 cents from China, they will go there to buy.”</i></p> <p><i>“The company needs capital to work with. If we have money the company can go far. Also, machines need to be trained for workers. There should be a training policy for the employee. All these require money. If you cannot generate enough to meet your target then, you doing nothing. Now GTP is expecting the company to deliver 500 000 yards of grey cloth a month to them. Considering the types of machines that we have now, how can we do that? The company has 384 looms running. Assuming we are doing 60% efficiency.”</i></p> <p><i>We cannot increase performance and compete with our foreign counterparts who use modern equipment (Technical Training Manager-Akosombo Industrial Company Limited).</i></p> <p><i>‘We compete with the Chinese (pirating). They are the international competitors who copy our designs. They go around to see our designs that are moving in the market, then copy and print plenty of it into the market (flood the market) with it.</i></p> <p><i>Char Textiles Distributors (CTD), a subsidiary of ATL, was established in 1999 to promote the company’s products. This was previously achieved through CTD stores and other significant distributors located in Ghana’s regional and certain district capitals, including Accra, Bolgatanga, Cape Coast, Kumasi, Sunyani, Takoradi, Tamale, and Techiman.</i></p> <p><i>The business advertises its goods on TV, in newspapers, on billboards, in beauty pageants, and at big sales. All members’ inclusive engagement is beneficial since people have a lot of ideas, and we welcome constructive criticism rather than destructive. We had a forum here with workers in the past. The CEO and upper management will be present, and they will only ask employees to submit suggestions for moving the plant. When people make excellent suggestions, management usually considers them, which is beneficial.</i></p>	
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Organizational Readiness	Leadership, motivation	<p><i>“Efficiency is not equivalent to production. It is more of a measure of resources to put in to get the output.”</i></p> <p><i>“Upgrading is part of the company’s policy. But for some time now due to financial challenges, it’s quite difficult. The company’s financial challenges cannot permit that. It was formally done but now no.”</i></p> <p><i>“There’s no incentive to improve we’re just surviving.”</i></p>	Ely’s Conditions of Change
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Source; Author’s Construct, 2025.

Human Capital Inadequacies

Respondents noted that there is a chronic shortage of skilled labour and insufficient training. There was evidence that managers recognized there needs to be targeted training for productivity gains but the existence of lack of resources was seen as a perennial challenge. For example, managers mentioned that training should not be for the "sake of training" but a training program must have clear operational outcomes such as reducing waste and improving efficiency. Unfortunately, there is minimal or no government support and most firms owned by state failed to take the leadership to develop human capital with demonstrated commitment and resources.

Related to the Human Capital Theory that discusses the importance of investing in people, skills and knowledge in order to improve productivity and competitiveness.

Technological Inadequacy

The investigating firms were found to have inadequate machinery and technological capability, which included challenges related to access to spare parts and modern machinery. There are significant challenges in which the demands on modern production capabilities are incompatible with old machinery capabilities so that most have little choice other than to work slowly and inefficiently thereby increasing cost.

To compare, firms that had modern machinery reported an increased outcome in speed and production, illustrating the gap.

The implications from this study relate to the Absorptive Capacity Theory and how firms must update their technological base in order to have the capabilities to absorb new knowledge and innovation.

Policy and Market Constraints

The liberalization of Ghana's economy has opened the import of low-cost textiles, particularly smuggled textiles from China and other countries, to interfere with the ability of indigenous textile entities to compete fairly. Managers admitted that at the moment their firms cannot solely compete on price. Unfair market practices have resulted in a declining share of the domestic market, and there are weak policies or processes to fend off this vulnerability.

The observations from this case study are consistent with a Market Based View (MBV) theory, which looks outside of the firm and examines the processes and positioning required in relation to the dynamics of the market.

Organizational Readiness

Within the internally inefficiencies textile firms with at the time limited finances, leadership vacuums, and a failure to incentivize innovation or performance improvements. Although a few managers recognized that their firms needed to improve their machinery and processes, "inadequate finances and financial insecurity" had halted them from moving forward. One manager said that he and firm were working to just "survive" rather than innovate.

This theme aligns with "Ely's Conditions of Change" model particularly the theme of organizational readiness and lack of support from leadership preventing the organization from successfully implementing a change initiative.

4.5 Development and Validation of Proposed Capacity Building Model

The model is based on the relevant theories and the data collected. The empirical data were derived from reflections on the case studies. The developed model was validated by academics and professionals in the construction industry.

Needs Assessment

Assessing the needs of a firm is the first phase of every capacity-building process. The needs assessment helps to diagnose the root of the capacity challenges confronting the firm. Any capacity-building assistance offered will depend on the beneficiary firm's needs assessment. Accordingly, capacity-building needs are defined as the gap between "what is" and "what ought to be". The ability, therefore, to identify the capacity needs assists decision makers to understand all the actions that need to be taken to achieve the desired outcomes (Hopper, 2007). Consequently, the needs assessment is an effective tool for clarifying problems and identifying appropriate interventions to enhance the performance and competitiveness of indigenous textile firms. Once the challenges have clearly been identified, resources can then be directed towards developing solutions to improve performance (Altschuld & Kumar, 2010). The results of the needs assessment will guide subsequent decisions to achieve the desired outcomes.

In the context of indigenous textile firms, capacity building needs include measures to address the firms' challenges in achieving desired performance and competitiveness. Such measures include: education and training; management commitment and

involvement; resources; enactment of a supportive legal framework; change in mindset; organizational change; and stakeholders' involvement.

Develop Absorptive Capacity

After the needs assessment, the first step to build capacity is the acquisition and assimilation of external knowledge. The accumulation of knowledge and skills gives a system the needed resilience to adapt to a changing environment. A knowledge and skills gap was identified as one of the challenges depriving indigenous textile firms of the ability to meet performance requirements and be competitive. Thus, accumulating and applying relevant knowledge is a crucial step in improving performance and competitiveness for indigenous textile firms in Ghana.

Indigenous textile firms cannot rely on their internal sources to generate new knowledge and technology but rather the firms' ability to recognize and pursue external knowledge and processing that knowledge for the benefit of the firm (Lichtenthaler, 2016). At the level of the firm, Absorptive capacity can be built by investing in the areas of strategic alliances and Research and Development (R&D) partnerships. Although R&D leads to new innovations within organizations, it is costly and time-consuming. In order to overcome this limitation, organizations enter into R&D partnerships with Research Institutions (Smita, 2010). In the case of indigenous textile firms, they have limited resources to carry out their own R&D. It is, therefore, imperative for these firms to have a R&D partnership with Universities and Research Institutes. Gann (2001) suggests that collaboration with Universities and Research Institutes are ways for which an organization can build its background knowledge and absorb external sources of knowledge. The author described professional institutions as having played an important role in the development and dissemination of knowledge.

The process of absorbing external knowledge and the transfer of knowledge across and within sub-units are important aspects of organizational absorptive capacity. To be able to access this external knowledge will require someone standing between the firm and the external institution. This person acts as a “gatekeeper”. The ‘gatekeeper’ is a trained person who will then act as the communication link between the organization and its sub-units as well as the external environment (Morrison et al., 2013; Graf et al., 2011). The main function of this person, will be to monitor the environment and translate performance principles into a form which is understandable by the internal staff. The case companies do not have an internal R&D program and organizational processes by which the firms acquire external knowledge. In view of that, the firms must therefore rely on alliances and research partnerships that are strategic for the acquisition of research outputs (Bilau et al., 2015).

Create and Sustain Conditions of Change

Ely (1990) focused on the implementation phase of Rodgers’s (1962) work. Ely (1990) focused on two particular areas in the implementation stage. These are transitioning the focus from adoption to implementation and identifying the conditions that facilitate the implementation of changes in any organization. The eight conditions as spelt out by Ely (1990) are; dissatisfaction with the status quo, knowledge and skills, resources, time, rewards and incentives, participation, commitment, and leadership. These conditions allow technologies to just not be adopted, but implemented. Identifying and addressing each of the eight conditions will lead to a better understanding of what is necessary for successful and sustainable change to take place.

Dissatisfaction with the Status Quo

It was gathered from the interviews that the case firms were not content with the current status quo. Ely (1999) argues that if individuals are content with current conditions, new technologies will appear as unnecessary and not needed. In view of that, something must precipitate or necessitate a need for change. The focus here is finding something that convinces people that change is needed and serves as the premise of change. The use of traditional production concepts by the case study firms, as opposed to contemporary management principles act as a barrier to performance and competitiveness.

In view of that, indigenous textile firms are encouraged to take advantage of any crises situations or drive changes by making others realise the benefits of change (Womack & Jones, 2003; Pasquire & Connolly, 2002).

Knowledge and Skills

To improve their productive capacities, individual workers must have the skills and knowledge to adapt to new principles. To obtain necessary knowledge, indigenous textile firms will have to absorb external knowledge through strategic alliances. Once the knowledge is acquired, the capacities of these firms become an issue of acting on the knowledge gained (Howell and Ballard, 1996). Bresnen et al. (2005) showed that the implementation of changes within the industry is strongly influenced by incorporating new knowledge into existing routines. Consequently, the role of managers has to shift from the conventional authoritative style to an involvement style.

Resources

It is difficult to implement changes within any organization without the required resources. Resources can be anything that is needed for successful implementation of

the changes which include funds, hardware and software, support, and other supplemental materials related to the changes that has to take place (Ely, 1999). The lack of resources was highlighted by respondents in the interviews as a challenge to their performance and competitiveness. Interviewees argued that their firms lack resources in terms of the high cost of production.

Time

Implementers of new management principles must have time available to learn and reflect on how they are using these principles (Ely, 1999). The time to do this should be provided by their institution for the specific purpose of learning how to use the principles. Making time for the implementation of new production methods should go beyond the actual implementation to also include time to develop skills to use these principles, personal reflection, and integration of the principles into general use. The need for performance and competitiveness needs to be supported by top management, who have to provide sufficient time and resources to develop an effective plan, and manage changes arising from the implementation process (Ward, 2015; Bashir et al., 2013; Mitropoulos and Howell, 2001).

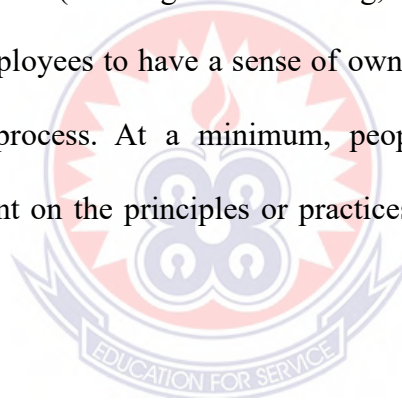
Rewards and Incentives

The implementation of new production methods requires different initiatives to be put in place to motivate participants during the change from traditional management approaches (Bashir, 2013; Alves et al., 2009). This study found that the firms are more concerned with nonmonetary incentives or no incentives. The introduction of an incentive scheme comprising monetary and non-monetary rewards would increase overall performance of the workforce as well as the project (Schöttle & Gehbauer, 2012). Thus, the firms will therefore need to institute a non-monetary incentive or

improve on the existing one to be able to reap the full benefits of instituting rewards and incentive systems.

Participation

Participation includes direct participation, when possible, shared decision-making, communication among all those involved. Research from previous studies show the value of employee participation in the success of new initiatives. Participation produces flexibility, faster decision-making, innovation, satisfaction, improved quality, faster response times, etc, all desirable attributes of high productivity levels. Involvement is based on the ability of the workers to participate in the decision concerning their own work and the organization (De Jong & Den Hartog, 2007; Tonnessen, 2005; Coffey, 2000). In order for employees to have a sense of ownership, they should be a part of the decision-making process. At a minimum, people should feel they have an opportunity to comment on the principles or practices that will directly impact their work (Ely, 1999).



Commitment

Commitment and engagement of employees are both key factors to many of the functions of textile industry. It is doubtful that textile industries commitment requirements will be met by anything other than true employee dedication (Cano et al., 2015; Coffey, 2000). Top management in these firms are influential and their commitment and support will be needed for a successful implementation of its principles. It was gathered from the case studies that, top management do not see the need for the implementation of these principles. The commitment and support needed to adopt these principles should start from top management. Ruan et al. (2016) suggested that the initial 'buy-in' from senior management is crucial to the process, as

only leadership and commitment from this level can ensure change to an organizational culture.

This will then draw commitment from all members to embed lean thinking. If a textile organization is to accept the lean philosophy; commitment to the core principles throughout the whole supply chain is essential. Further, the road to success demands a lot of involvement and commitment from everyone involved (Torp et al., 2018). When you have satisfying results, it is crucial to communicate these out to other parties in the organization. This will help keep the commitment alive.

Leadership

Effective leadership is important for creating long-lasting change in any organization and particularly important in production transformation. Leadership is needed to promote the implementation as management will have to show leadership. This will need to be shown in the areas of assigning people to the right tasks, empowering people and investing in training. Dombrowski & Mielke (2013) highlighted the fact that leadership is a cornerstone for engaging employees in continuous improvement initiatives.

Develop Human Capital

Groot & Molen (2000) defined human resources capacity building as the development of skills and attitudes in individual or groups to achieve organizational objectives. Human capital theory advocates that education or training imparts useful skills to workers which in turn increase their productivity and incomes (Fugar et al., 2013; Becker, 1964). The theory in principle suggests that investment in human capital, particularly education and training can improve employee productivity and efficiency. Training is a primary mechanism by which human capital is developed. Training is

fundamental in bringing about organization-wide cultural transformation (Devins, et al., 2012; Olaniyan & Okemakinde, 2008; Fisher et al., 2003). Within the Ghanaian textile industry, training is needed for developing commitment to total quality management. Indeed, well-educated and trained workforces have a competent advantage in embracing and executing new management principles as they are able to provide constructive suggestions to the organizational production. Thus, the effective delivery of textile products depends on the quality of personnel at the professional, technical, supervisory and worker levels at all stages from project inception through design and implementation to completion (Fugar et al., 2013).

However, the study found that some of the indigenous firms are reluctant in educating or training their employees because of the fear of losing trained employees to other companies upon their completion of such training or educational programs. In view of that, even when employees are willing and capable of affording the cost of further studies or training, owner managers are not willing to allow their employees to go. In order to reap the benefits of a well-trained and educated workforce, indigenous textile organizations must put measures in place so as to close the skills gap within their organizations. Measures such as bonding members who are sponsored for trainings and programs to serve with them can be put in place to allay the fears of losing trained or educated employees. This will go a long way in bridging the skills gap. Furthermore, Yamoah (2014) indicated that employees who are well-trained often have higher motivation and morale because they feel that the company has invested in their ability and development. This also results in lower turnover rates. On the other hand, the government as a major stakeholder of VSCL and AICL can establish a central agency with legal backing to set standards for training and facilitate training. This will go a

long way to enhance the capability and capacity of indigenous textile firms in Ghana (Fugar et al., 2013).

Proposed Capacity Building Model

The purpose of the model is to aid indigenous textile firms to build their capacity to enhance their performance and competitiveness. The objective is to develop action plans to support indigenous textile firms' efforts to improve capacity and enhance their performance and competitiveness. The guidelines and strategies proposed for these companies to build capacity and further develop capability for successful implementation are premised on the theories employed and the research findings. A relationship between the model's themes and theories is presented in Figure 5.1.



Figure 4: Proposed model for building capacities of indigenous textile firms to enhance their performance & competitiveness

Validation of the Proposed Model

This section presents the validation approach for the proposed capacity-building model. In this section, the purpose and objectives of the validation were outlined as well as feedback from respondents on the proposed model. According to Kennedy et al. (2005), a fundamental part of a model development process includes validation. The validation process has an added advantage of increasing confidence in the model there by making it more valuable. One of the most widely used approaches is the peer or expert validation, where the findings of the research are discussed with experts (Lyons & Doueck, 2010). The number of respondents in the process is irrelevant in comparison to the knowledge that these experts bring on board. The validation had the following objectives:

1. To assess the adequacy of the proposed model in terms of its overall content and completeness.
2. To assess the ease of understanding and logic of the proposed model.
3. To assess the workability and usefulness of the proposed model.
4. To identify areas of the model that need to be improved.

Selection of experts

The selection of the respondents for the validation was based on four criteria. First, the respondent should have hands-on experience in managing projects. Second, the respondent must have had at least 5 years of industrial practice or research experience in textile production. Finally, the respondents should have managed projects at the top level or at the middle level. Six suitable experts from academia and industry were identified and invited to validate the model, but one declined.

Table 2: Background of experts

ID	Managerial level	Experience in years
Expert 1	Top level (Directorate)	20
Expert 2	Middle level (Plant manager)	12
Expert 3	Middle level (Plant manager)	15
Expert 4	Middle level (Plant manager)	10
Expert 5	Low level (Technician)	7

On a five-point scale, score your level of agreement (1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree)

Validation statements & Scales

1. The identified capacity needs are reasonable	1	2	3	4	5
2. The capacity building model is easily understandable and could be easily used	1	2	3	4	5
The measurement items for each category are appropriate	1	2	3	4	5
4. The Capacity Building model is inclusive	1	2	3	4	5
5. Overall, the Capacity Building model is suitable for helping to achieve performance and competitiveness	1	2	3	4	5

4.3.5 Alignment of Framework with Theoretical Underpinnings

The proposed capacity-building model aligns closely with established theoretical foundations and underscores critical interventions needed to revitalize Ghana's textile industry. Cohen & Levinthal's (1990) absorptive capacity theory highlight the importance of building an organization's ability to recognize, assimilate, and utilize

new knowledge. This is particularly relevant to the model's emphasis on structured training and human capital development. Training programs that directly address operational inefficiencies and skill gaps enable firms to adapt to technological advancements, as demonstrated by GTP's success in leveraging training to enhance productivity and profitability. Ely's (1990) change model further reinforces the need for tailored strategies to facilitate organizational adaptation. The model emphasizes the importance of aligning technological adoption with the specific needs and readiness of the workforce. The model's focus on modernizing machinery at VSTL reflects this principle, as the outdated equipment hinders efficiency and competitiveness. Lichtenthaler (2016) supports this view, asserting that adopting modern technologies not only drives operational efficiency but also positions firms to meet international standards and integrate into global value chains. The emphasis on energy efficiency such as AICL and GTP's exploration of renewable energy demonstrates how technology adoption can simultaneously reduce costs and improve sustainability, aligning with these theoretical insights.

Sector-specific policy interventions are another critical component of the framework. Sasidaran & Shanmugan (2008) argue that targeted policies tailored to the unique challenges of specific industries are vital for fostering competitiveness. The findings illustrate the need for such interventions in Ghana's textile sector, particularly in areas like supply chain development, energy reform, and access to financing. The collapse of local ginneries, as highlighted by VSTL and AICL, underscores the necessity of policy measures to revive domestic raw material sourcing, thereby reducing reliance on imports and enhancing supply chain resilience.

The model also integrates workforce development with sustainability initiatives. Hoedoafia (2019) highlights those investments in renewable energy and local supply chains not only reduce operational costs but also contribute to broader economic stability. By incorporating components such as energy efficiency, modernized equipment, and structured training, the model ensures that both immediate competitiveness and long-term sustainability are addressed.

In conclusion, the capacity-building model is deeply rooted in theoretical perspectives and practical insights, offering a comprehensive approach to addressing the challenges faced by Ghana's indigenous textile companies. By focusing on absorptive capacity, sector-specific policies, and sustainable modernization, the model provides a roadmap for enhancing workforce development, operational efficiency, and global competitiveness in the textile industry.

It is imperative to emphasise that a number of countries have successfully implemented capacity-building tools in their respective textiles sectors. Here are some examples that included capacity-building processes that have developed their textile sector: -

Bangladesh: Bangladesh has successfully leveraged structured training programs and policy developments to secure its position as a global leader in the textiles and garment manufacturing sector. Policies such as support for trade policy initiatives, skills development programs, skills development allowances or export support for manufactured goods have successfully enabled corresponding capabilities by ensuring the development of industry skills in the workforce (Balchin & Calabrese, 2019).

Vietnam: Vietnam has developed absorptive capacity capabilities by building machinery and operating its skilled workforce capabilities. To achieve global supply

chain capabilities, Vietnam went through mechanization of technologies to fit the industries' operational capabilities (Whitefield et al, 2023).

Ethiopia: Ethiopia was able to use sector-specific policies that encouraged FDI to grow its textile industry. The government was involved in the establishment of industrial parks and provided incentives to localize production and sustainability (Balchin & Calabrese, 2019).

Turkey: Turkey has seen considerable growth in capacity within the textiles sector, especially in excess capacity in the spinning and weaving fields. The use of modern equipment and investing in energy-efficient technologies moved the country overall enact resolution of capacity (ITMF, 2023).



CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

The study was guided by five specific research objectives. The first objective assessed the competitiveness of selected indigenous textile firms by measuring their domestic market share, export volume, production capacity utilization, and profitability while the second objective attempts to identify and analyse the key internal factors (technological capability, supply chain efficiency) and external factors (pressure from imported textiles) that have contributed to the current competitiveness status of the selected firms. The third objective ascertains the capacity needs of the local textile companies, focusing on technological, managerial, and innovation capabilities required to enhance their competitiveness, followed by the fourth objective that analyzes the socio-economic impact of the industry's decline on employee well-being, focusing on job security, wages, and skills depreciation. It ends with the final objective, synthesizing the findings into a proposed capacity-building model designed to address the identified needs and challenges, aimed at enhancing the competitiveness of indigenous textile firms in Ghana.

5.1.1 Objective 1; Assess the competitiveness of selected indigenous textile firms by measuring their domestic market share, export volume, production capacity utilization, and profitability.

Under objective one, the study revealed that;

(a) Indigenous textile companies in Ghana operate within a dynamic environment characterized by both competitive advantages and ongoing structural challenges. Their success depends on key strengths, including producing high-quality textiles, possessing

strong creative skills, and being responsive to market trends. These qualities boost customer loyalty, improve brand reputation, and help them position themselves in niche markets such as traditional and ceremonial fabrics. However, these strengths are offset by significant obstacles that limit sustained growth and profits. Specifically, the sector's ability to fully leverage its competitive advantages is constrained by external factors like fierce competition and product copying. Nevertheless, the consistent introduction of new designs demonstrates a clear level of adaptability and innovation, enabling firms to remain relevant in a rapidly changing market.

(b) Strategic preventive maintenance emerges as a critical factor in enhancing operational efficiency within indigenous textile firms. The routine servicing of machinery reduces the incidence of unexpected breakdowns, stabilises production processes, and extends the functional lifespan of equipment. Such practices contribute to consistent output and sustained product quality, thereby enabling firms to meet market demand reliably while minimising operational disruptions that could undermine their competitive position. Equally important is the role of regional market penetration, particularly through aligning products with culturally embedded demand patterns. Indigenous firms have demonstrated a strong capacity to serve specific regional markets where textiles hold social and cultural significance. This targeted approach not only reinforces market relevance but also enables firms to consolidate their presence within defined geographic and cultural niches, thereby strengthening their competitive advantage.

(c) Notwithstanding these strengths, the sector's broader competitiveness remains constrained by structural challenges, most notably the reliance on imported raw materials. The underdevelopment of domestic supply chains results in elevated

production costs and exposes firms to supply uncertainties and logistical inefficiencies. This dependency limits their ability to compete effectively with foreign producers that benefit from more integrated and cost-efficient production systems. Addressing these constraints through the development of local raw material sources, particularly cotton, would be essential for improving cost structures, enhancing production sustainability, and supporting long-term industry competitiveness.

(d) In the selected indigenous textile industry, market share represents the extent to which firms capture demand within specific segments rather than the national market as a whole. The textile companies hold limited overall market share but achieve strong influence within regional or niche markets, particularly for culturally significant products such as ceremonial fabrics. This reflects a strategic alignment with local consumer preferences, where cultural relevance, product differentiation, and customer loyalty play a central role. Therefore, market share in this context is an indicator of competitive positioning, the ability to respond to localized demand, and the potential for sustaining long-term growth and resilience in the industry. It reflects their effectiveness in responding to consumer preferences, pricing pressures, and competition from both imported and locally produced textiles. Export volume, on the other hand, served as an indicator of the firms' ability to penetrate and sustain participation in international markets. It captures not only demand for their products beyond national borders but also their capacity to meet external quality standards and compete globally.

(e) Production capacity utilisation was considered to assess how efficiently firms deploy their existing resources and infrastructure. Higher utilisation levels suggest effective management of inputs, stable production processes, and the ability to meet

demand without significant idle capacity. In contrast, low utilisation may point to structural inefficiencies, supply constraints, or limited market demand. Profitability was included as a critical financial measure, reflecting the firms' ability to generate returns relative to costs. It provides insight into overall operational viability and the extent to which firms can sustain and reinvest in their activities.

5.1.2 Objective 2; Identify and analyse the key internal factors (technological capability, supply chain efficiency) and external factors (pressure from imported textiles) that have contributed to the current competitiveness status of the selected firms.

The performance of the selected textile industries are closely linked to technological capability and the efficiency of supply arrangements. Firms operating with relatively improved machinery and production systems exhibit greater consistency in output, better product quality, and a stronger capacity to respond to shifts in demand. In contrast, the continued use of outdated equipment constrains productivity, increases operational costs, and limits the scope for product improvement.

The study also highlights the significance of supply chain conditions in shaping performance. Heavy reliance on imported raw materials, coupled with delays in procurement and distribution, disrupts production schedules and affects cost management. These challenges reduce operational stability and weaken the ability of firms to meet market demand in a timely and competitive manner. Beyond internal conditions, the external environment presents considerable challenges. The domestic market is characterised by strong competition from imported textiles, many of which are offered at lower prices. This places sustained pressure on local firms, particularly in price-sensitive segments. The circulation of imitation products further complicates

the competitive landscape, as it reduces demand for locally produced textiles and affects firm revenues. It is realized that the current position of selected indigenous textile firms reflects the combined influence of internal production limitations and external competitive pressures. While some firms maintain relevance through product quality and adaptation to market needs, persistent structural constraints continue to limit their ability to expand and compete effectively over the long term.

The study highlights energy inefficiency as a major challenge affecting the competitiveness of indigenous textile firms. High energy costs emerge as a persistent burden, significantly increasing operational expenditure and compressing profit margins. Evidence from the case analysis indicates that the continued use of outdated motors and energy-intensive machinery, particularly at VSTL, contributes to excessive electricity consumption, thereby undermining cost efficiency and overall productivity. The inefficient energy utilisation limits firm performance and weakens competitiveness. The inability to manage energy consumption effectively constrains firms' capacity to optimise production processes and remain viable in increasingly cost-sensitive markets.

The findings further suggest that the adoption of alternative energy sources, such as biomass and natural gas, presents a practical pathway for improving energy efficiency. Textile firms that have initiated such transitions demonstrate greater potential to reduce operating costs and enhance production stability. Consequently, improving energy efficiency and diversifying energy sources are essential for strengthening operational performance and supporting the long-term competitiveness of indigenous textile firms.

The study identifies intellectual property theft and design piracy as significant challenges affecting the competitiveness of the selected indigenous textile firms. The

findings are consistent with earlier observations that local industries in liberalized markets are particularly exposed to imitation and unfair competition. In the Ghanaian context, weak enforcement of intellectual property regulations has created conditions in which foreign producers are able to replicate local designs and introduce counterfeit products into the market at lower prices.

This practice undermines the creative effort and financial investment made by indigenous firms, weakening their ability to differentiate their products and sustain market share. The widespread availability of imitated designs reduces consumer confidence in authentic products and places additional pressure on local producers who already operate under higher production costs. As a result, firms face increasing difficulty in maintaining profitability and protecting the uniqueness of their offerings.

The findings suggest that strengthening the legal and institutional framework for intellectual property protection is essential. More effective enforcement mechanisms would help limit the circulation of counterfeit products and safeguard the interests of local producers. Such measures would not only support innovation and creativity within the industry but also enhance the ability of indigenous textile firms to compete more effectively in both domestic and international markets.

5.1.3 Objective 3; Ascertain the capacity needs of the local textile companies, focusing on technological, managerial, and innovation capabilities required to enhance their competitiveness.

Technological capability emerges as a critical driver of productivity and operational efficiency. Evidence from the study shows that firms adopting modern production methods are better positioned to reduce downtime, improve output quality, and respond to changing market conditions. This is reflected in the case of GTP, where the

application of advanced production techniques has contributed to more efficient use of machinery and improved overall performance. The study further underscores the importance of human capital development in enhancing firm-level performance. The ability of firms to acquire, interpret, and apply new knowledge is closely tied to the availability of structured training and skill development initiatives. Firms that invest in continuous training are better able to align workforce capabilities with operational objectives, thereby improving efficiency and adaptability. In contrast, limited investment in training constrains the ability of some firms to adjust to evolving market and technological demands.

The findings draw attention to persistent challenges in raw material sourcing and energy use. The continued reliance on imported inputs, particularly cotton, exposes firms to supply uncertainties, cost fluctuations, and production delays. Weak domestic supply systems further compound these challenges, reducing operational stability. At the same time, high energy costs and inefficient energy use remain significant constraints, affecting production consistency and increasing overall expenses. Addressing these issues requires a coordinated approach. Investment in modern production technology is necessary to improve efficiency and product quality.

Strengthening workforce capacity through targeted training initiatives would enhance adaptability and support technological adoption. Revitalising domestic supply systems, particularly in relation to raw materials, would reduce dependence on imports and improve production reliability. Furthermore, improving energy efficiency and exploring alternative energy sources would help reduce costs and stabilise production. These measures are essential for repositioning Ghana's textile industry as a more resilient and competitive sector. By addressing the interrelated challenges of

technology, skills, supply systems, and energy, the industry can enhance its capacity to compete effectively within both domestic and international markets.

5.1.4 Objective 4; Analyse the socio-economic impact of the industry's decline on employee well-being, focusing on job security, wages, and skills depreciation.

The fourth objective analyses the socio-economic impact of the industry's decline on employee well-being, focusing on job security, wages, and skills depreciation. This underscores the pivotal role of employee well-being in enhancing the competitiveness and sustainability of Ghana's indigenous textile industry. Safe and supportive work environments are essential not only for protecting employees but also for sustaining motivation, engagement, and productivity. Evidence from the study indicates that firms such as GTP, which prioritize workplace safety through preventive maintenance programs and the use of modern machinery, successfully reduce operational hazards and foster a positive organizational culture. This, in turn, contributes to consistent production performance, higher employee satisfaction, and reduced incidence of workplace injuries. In contrast, VSTL's reliance on outdated machinery and equipment creates frequent operational disruptions, exposes employees to heightened safety risks, and undermines morale, highlighting the tangible consequences of neglecting occupational health and safety.

The research further emphasizes the critical importance of human capital development in shaping organizational adaptability and resilience. The study demonstrates that structured training programs are central to fostering workforce competence and aligning employees with organizational objectives. GTP's approach links skill acquisition directly to operational goals, enhancing efficiency, product quality, and employee engagement. By contrast, VSTL's inconsistent training, constrained by

financial limitations, leaves employees ill-prepared to adapt to technological changes, innovate within production processes, or respond effectively to market dynamics. This deficit not only limits organizational adaptability but also affects overall productivity and the firm's capacity to compete in increasingly dynamic markets.

Economic pressures and compensation structures also play a significant role in shaping employee well-being. Employees at VSTL report challenges such as unrealistic production targets, extended working hours, and low remuneration, which exacerbate stress and reduce engagement. Inadequate compensation and poor working conditions erode workforce motivation, diminish commitment, and ultimately impair organizational performance. Addressing these issues requires interventions that balance operational demands with employee welfare, including achievable production goals, equitable pay structures, and opportunities for career development and advancement.

A key implication of the study is the need for a holistic approach that integrates technological modernization with human resource development. Upgrading machinery and production systems alone is insufficient; these improvements must be accompanied by initiatives to upskill workers, enhance adaptability, and protect employee welfare. Firms such as GTP and AICL illustrate how modernization can coexist with robust training and welfare measures, reinforcing both operational efficiency and workforce satisfaction. Conversely, VSTL exemplifies the risks of neglecting these factors, where outdated technology, limited training, and poor working conditions converge to undermine competitiveness. The study highlights that targeted interventions in workplace safety, structured training programs, fair compensation, and employee development are essential for enhancing both workforce resilience and organizational performance. By adopting a comprehensive strategy that places equal emphasis on

human capital and technological advancement, Ghana's indigenous textile firms can strengthen their competitive position, improve productivity, and ensure the long-term sustainability of their operations and workforce. This approach not only safeguards employee welfare but also enables firms to leverage their human resources as a source of sustained competitive advantage in both domestic and international markets.

5.1.5 Objective 5; Synthesize the findings into a proposed capacity-building model designed to address the identified needs and challenges, aimed at enhancing the competitiveness of indigenous textile firms in Ghana.

The last objective synthesized the findings into a proposed capacity- building model designed to address the identified needs and challenges, aimed at enhancing the competitiveness of indigenous textile firms in Ghana.

A capacity-building model aimed at enhancing the performance and competitiveness of indigenous textile firms in Ghana was developed and validated. The model integrates theoretical insights with empirical data collected from case studies and was further validated through consultations with industry professionals and academics to ensure practical relevance.

The needs assessment, which serves as the foundation for any capacity-building initiative. This assessment identifies the gaps between the current state of the firm and its desired performance, allowing decision-makers to diagnose the root causes of capacity challenges. In the context of indigenous textile firms, this process highlights critical areas for intervention, including workforce education and training, management involvement, allocation of resources, organizational change, supportive legal frameworks, and stakeholder engagement. By clarifying these gaps, firms can

strategically direct resources toward solutions that enhance performance and competitiveness.

Following the needs assessment, the model emphasizes the development of absorptive capacity, the firm's ability to acquire, assimilate, and apply external knowledge. Many indigenous textile firms lack the internal resources to generate new knowledge and technological innovations independently. Therefore, establishing strategic alliances and research partnerships with universities and research institutions is essential. Such collaborations enable firms to access external knowledge, adapt innovations to their processes, and improve operational capabilities.

A key feature of the model is the role of a knowledge gatekeeper, an individual responsible for bridging the firm and external knowledge sources. The gatekeeper monitors the external environment, identifies relevant knowledge, and translates it into actionable practices for the firm's internal units. This ensures that knowledge transfer is effective, allowing firms to absorb and apply innovations even in the absence of an internal R&D program. In practice, indigenous textile firms must rely on these strategic partnerships and designated personnel to facilitate the acquisition and implementation of external knowledge, which is crucial for sustaining competitiveness and achieving operational improvements.

A comprehensive examination of the critical conditions required for the successful implementation and institutionalization of organizational change within indigenous textile firms in Ghana. Drawing on established models for organizational transformation, the analysis identifies eight interrelated conditions essential for effective and sustainable change: dissatisfaction with the status quo, knowledge and skills, resources, time, rewards and incentives, participation, commitment, and

leadership. These conditions collectively provide a strategic foundation for translating reform initiatives into measurable improvements in performance and competitiveness.

A prevailing dissatisfaction with traditional production practices and outdated management approaches serves as the primary catalyst for change. Firms that recognize the inadequacies of their current systems are better positioned to embrace innovation and adopt contemporary operational principles. Crises or operational disruptions are reframed as opportunities to highlight the necessity of change and mobilize stakeholder support for strategic interventions.

The centrality of knowledge acquisition and skill enhancement in organizational transformation. Employees must be equipped with the technical and managerial competencies necessary to apply new production principles effectively. Given the limitations in internal research and development, firms must engage in strategic alliances and partnerships to access external knowledge, assimilate it, and operationalize it within their processes. Managerial roles must shift from hierarchical oversight to participatory facilitation, enabling the workforce to integrate acquired knowledge into daily practices and routines.

The implementation of change is contingent upon the availability of adequate resources, including financial capital, technological infrastructure, and operational materials. Equally important is the provision of time for employees to learn, reflect, and internalize new practices. Firms that fail to allocate sufficient resources or time risk superficial adoption of change initiatives, undermining both productivity and competitiveness.

The research identifies gaps in existing incentive structures, which are either minimal or non-existent, leading to limited employee motivation for embracing change. A structured incentive system, combining both monetary and non-monetary rewards, can enhance engagement, reinforce desired behaviours, and drive sustained performance improvements.

Active participation of employees in decision-making processes fosters ownership, accountability, and alignment with organizational objectives. Commitment, particularly from senior leadership, is critical in embedding change throughout the firm. Leadership support ensures the continuity of change initiatives and reinforces the cultural transformation necessary for sustainable operational improvements.

Effective leadership emerges as a cornerstone of successful organizational change. Leaders must strategically assign roles, empower employees, and invest in human capital development to drive performance improvements. Leadership also serves to model behavioural expectations, ensuring that change initiatives are consistently reinforced across all levels of the organization.

The study emphasizes the indispensable role of human capital in sustaining change. Structured training and professional development enhance employee competencies, improve productivity, and foster motivation and retention. However, reluctance among firm owners to invest in workforce development, often due to fears of employee turnover, represents a critical barrier. Policy interventions such as service bonds for sponsored training and government-supported capacity-building programs can mitigate these risks, ensuring the cultivation of a skilled, committed, and adaptable workforce.

5.2 Conclusions

1. (a) Ghana's indigenous textile firms demonstrate notable strengths in quality, creativity, and market responsiveness, supporting niche market positioning and customer loyalty. However, external pressures such as competition and product imitation constrain their ability to fully capitalise on these advantages, though consistent innovation maintains their adaptability and market relevance.
- (b) Strategic preventive maintenance ensures reliable production, consistent quality, and extended equipment lifespan, enhancing operational efficiency. Combined with targeted regional market penetration, these practices reinforce cultural alignment, consolidate niche presence, and strengthen competitive advantage.
- (c) Reliance on imported raw materials and underdeveloped domestic supply chains increases costs and operational vulnerability, limiting competitiveness. Developing local raw material sources is essential to reduce production inefficiencies, enhancing sustainability, and support long-term sector growth.
- (d) Indigenous textile firms maintain influence within culturally significant niche markets despite limited national market share. Their market positioning reflects responsiveness to local demand, differentiation, and customer loyalty, while export activity demonstrates the capacity to meet international standards and compete globally.
- (e) Efficient utilisation of resources signals operational effectiveness and the ability to meet demand without idle capacity, whereas low utilisation indicates structural inefficiencies. Profitability measures provide insight into the firms'

financial viability and capacity to reinvest, underpinning sustainable competitiveness.

2. (a) Firms equipped with modern machinery and improved production systems demonstrate higher consistency, superior product quality, and greater responsiveness to market changes. Conversely, reliance on outdated equipment constrains productivity, inflates costs, and limits product innovation. Strengthening technological capacity is therefore critical for sustaining competitiveness.
- (b) Operational performance is strongly influenced by supply chain efficiency. Dependence on imported raw materials, procurement delays, and logistical inefficiencies disrupt production and elevate costs. Coupled with intense competition from lower-priced imported textiles and widespread imitation, these factors constrain local firms' market positioning, highlighting the need for resilient, localized supply arrangements to enhance long-term competitiveness.
- (c) Energy inefficiency, driven by outdated and energy-intensive machinery, significantly increases operational costs and reduces profitability. Transitioning to alternative energy sources, such as biomass and natural gas, provides a pathway to lower costs, improve production stability, and enhance competitiveness. Effective energy management is therefore essential for operational sustainability in the sector.
- (d) Weak enforcement of intellectual property laws allows imitation and piracy, eroding product differentiation and consumer trust while limiting market share and profitability. Strengthening the legal and institutional framework is necessary to protect local designs, promote innovation, and improve the

competitive position of indigenous textile firms in both domestic and international markets.

3. Technological capability is a key driver of productivity and operational efficiency. Firms that adopt modern production methods demonstrate reduced downtime, higher output quality, and greater responsiveness to market dynamics, as evidenced by GTP's improved machinery utilisation. Complementing technology, human capital development is essential; structured training and skill development enable firms to absorb and apply new knowledge, aligning workforce capabilities with operational objectives. Firms that underinvest in training face constraints in adapting to technological and market changes.

Persistent reliance on imported inputs, particularly cotton, exposes firms to supply disruptions, cost fluctuations, and production delays, while underdeveloped domestic supply chains exacerbate these vulnerabilities. High energy costs and inefficient usage further limit production consistency and elevate operational expenses.

Addressing these interconnected challenges requires coordinated interventions. Investment in modern production technology enhances efficiency and product quality. Targeted workforce training strengthens adaptability and supports technology adoption. Revitalising domestic supply chains reduces import dependence and improves reliability, while energy efficiency measures and alternative energy adoption lower costs and stabilise production. Collectively, these measures are critical for building resilience, improving competitiveness, and enabling Ghana's textile industry to operate effectively in both domestic and international markets.

4. The decline of Ghana's indigenous textile industry has profound implications for employee well-being, particularly regarding job security, wages, and skills retention. Safe and supportive work environments are central to sustaining motivation, engagement, and productivity. Firms like GTP, which prioritize preventive maintenance and modern machinery, demonstrate that operational safety directly contributes to consistent production performance, higher employee satisfaction, and lower workplace injury rates. In contrast, reliance on outdated equipment, as observed at VSTL, increases safety risks, operational disruptions and undermines morale, illustrating the tangible consequences of neglecting occupational health and safety.

Structured training programs are critical for organizational adaptability and resilience. Linking skill development to operational objectives enhances efficiency, product quality, and workforce engagement. Where training is inconsistent or constrained by financial limitations, as in VSTL, employees are ill-prepared to adapt to technological changes or respond to market shifts, reducing both productivity and competitive capacity.

Unrealistic production targets, extended working hours, and inadequate remuneration exacerbate stress, reduce engagement, and erode commitment. Addressing these challenges requires balanced interventions that align operational demands with employee welfare, including setting achievable targets, ensuring fair pay, and offering career development opportunities.

Technological modernization alone is insufficient. Firms must pair machinery and process upgrades with human capital development, workplace safety initiatives, and fair compensation structures. Evidence from GTP and AICL illustrates that integrating these measures strengthens operational efficiency and workforce satisfaction, while the

VSTL case highlights the risks of neglecting human capital. Targeted interventions in safety, training, compensation, and employee development are essential for workforce resilience and sustained competitiveness.

The study culminates in a proposed capacity-building model that integrates technological, human resource, and organizational interventions. This model addresses the identified challenges to enhance the competitiveness of Ghana's indigenous textile firms, ensuring long-term sustainability, improved productivity, and the transformation of human capital into a sustained competitive advantage in both domestic and international markets.

5. (a) A thorough needs assessment ensures targeted, effective interventions that address root causes of capacity challenges.
- (b) External collaborations are essential for knowledge acquisition, enabling firms to modernize processes and sustain competitiveness.
- (c) Gatekeepers are crucial for effective knowledge transfer, especially in firms lacking internal R&D, ensuring innovations are applied successfully.
- (d) Addressing the conditions of change systematically ensures reforms translate into measurable improvements in performance.
- (e) Awareness of current inadequacies catalyzes organizational transformation and adoption of modern operational principles.
- (f) Skill enhancement is central to effective change and operational integration of external knowledge.
- (g) Insufficient resources or time undermines change initiatives, limiting productivity and competitiveness.

- (h) Effective incentives drive engagement and support the sustainability of organizational improvements.
- (i) Participation and leadership engagement are critical to embedding change across organizational levels.
- (j) Effective leadership underpins cultural transformation and operational improvements.
- (k) Investment in human capital is indispensable for sustaining change and enhancing long-term competitiveness.

5.3. Recommendations

1. (a) Indigenous textile firms should continue to capitalise on their creativity, high-quality production, and responsiveness to market trends. This can be reinforced through structured innovation programs, intellectual property protection, and continuous market analysis to anticipate emerging consumer preferences and reduce the impact of competitive pressures and product imitation.
- (b) Firms should formalize strategic preventive maintenance schedules to ensure operational reliability and product consistency. Simultaneously, aligning products with culturally and regionally embedded market demand will strengthen niche positioning, enhance customer loyalty, and reinforce competitive advantage.
- (c) Reducing reliance on imported raw materials is critical. Investment in local sourcing, particularly in cotton cultivation and processing, will decrease production costs, improve supply chain resilience, and enhance the sustainability of operations. Collaboration with government, industry associations, and agricultural stakeholders is recommended to support the establishment of robust domestic supply systems.

(d) Firms should pursue strategic initiatives to consolidate their influence in culturally significant niches while expanding export potential. This includes product differentiation, quality standardization, and certification processes to meet international requirements, thereby enhancing competitiveness in both local and global markets.

(e) Indigenous textile firms should implement performance monitoring systems to optimise resource allocation, improve production capacity utilisation, and identify operational inefficiencies. Coupled with sound financial planning, these measures will support profitability, enable reinvestment in technology and human capital, and underpin long-term sector resilience.

2. (a) Firms should prioritize the acquisition and maintenance of modern machinery and production systems. Upgrading technological capacity will improve productivity, product quality, and operational flexibility, enabling firms to respond more effectively to evolving market demands and sustain competitiveness.

(b) Indigenous textile firms must develop robust local supply chains to reduce reliance on imported raw materials. Establishing reliable procurement networks and improving logistical efficiency will minimize production disruptions, control costs, and strengthen long-term market positioning against foreign competitors and imitation products.

(c) To reduce operational costs and improve production stability, firms should transition to energy-efficient machinery and alternative energy sources, such as biomass or natural gas. Implementing structured energy management systems will support sustainable operations and enhance sector-wide competitiveness.

(d) A robust legal and institutional framework is required to safeguard designs and prevent imitation. Enforcement of intellectual property laws will protect innovation,

reinforce product differentiation, maintain consumer trust, and improve profitability, both domestically and in export markets.

3. Firms should prioritise upgrading machinery and adopting advanced production methods to reduce downtime, improve product quality, and increase responsiveness to market changes. Technological advancement is essential for operational efficiency and sustaining competitiveness. Structured training and continuous skill development should be integrated into firm strategies. Aligning workforce capabilities with operational objectives enhances the ability to absorb and apply new knowledge, ensuring effective adoption of technology and responsiveness to market dynamics.

Reducing reliance on imported inputs, particularly cotton, is critical. Developing local raw material sources and strengthening supply networks will mitigate production disruptions, control costs, and improve operational reliability. Firms should adopt energy-efficient machinery and explore alternative energy sources to reduce operational costs, stabilise production, and support sustainable operations. A holistic approach that simultaneously addresses technology, human capital, supply chains, and energy management will build resilience, enhance competitiveness, and position firms to operate effectively in both domestic and international markets.

4. Firms must implement preventive maintenance programs and upgrade machinery to reduce operational hazards. Safe work environments enhance employee satisfaction, maintain consistent production performance, and reduce workplace injuries.

Linking workforce training to operational objectives strengthens adaptability, improves product quality, and enhances engagement. Continuous skill development ensures employees can respond effectively to technological and market changes.

Achievable production targets, fair remuneration, and reasonable working hours are essential for sustaining motivation, commitment, and productivity. Career development opportunities should be provided to retain skilled personnel.

Technological modernization must be coupled with initiatives for training, safety, and compensation. Firms that integrate these measures, such as GTP and AICL, demonstrate higher operational efficiency and workforce satisfaction, whereas neglecting human capital, as seen at VSTL, undermines competitiveness.

Firms should adopt a coordinated framework that integrates technological upgrades, human resource development, and organizational interventions. This approach enhances resilience, strengthens workforce capability, and transforms human capital into a sustainable source of competitive advantage in domestic and international markets.

5. (a) Firms should adopt systematic needs assessment frameworks to identify performance gaps and ensure that interventions are targeted, efficient, and aligned with organizational priorities.

(b) Strategic partnerships with universities, research institutions, and industry bodies should be expanded to facilitate access to knowledge, innovation, and modern production practices.

(c) Firms should designate trained personnel to act as knowledge intermediaries, ensuring that externally acquired knowledge is effectively translated into operational improvements.

- (d) Organizational reforms should be implemented through a coordinated framework that addresses key conditions for change, ensuring that initiatives lead to measurable performance outcomes.
- (e) Firms should cultivate a culture that recognizes operational limitations and encourages the adoption of modern management and production practices.
- (f) Continuous training and capacity development should be prioritized to enhance workforce competence and support the integration of new knowledge and technologies.
- (g) Financial, technological, and time resources must be strategically allocated to support the effective implementation of change initiatives.
- (h) Both monetary and non-monetary incentives should be introduced to motivate employees, reinforce desired behaviours, and sustain organizational improvements.
- (i) Inclusive decision-making processes should be encouraged to promote ownership, accountability, and alignment with organizational goals.
- (j) Leadership should actively drive change by providing direction, support, and commitment to organizational transformation initiatives.
- (k) Sustained investment in education, training, and employee development is essential for long-term competitiveness and organizational resilience.

5.4. Suggestions for Further Studies

1. The study assesses the competitiveness of selected indigenous textile firms by measuring their domestic market share, export volume, production capacity utilization, and profitability. There is a need for future studies into the

organizational structures, management systems, and governance arrangements that shape the performance of textile firms, focusing on clearly defined roles, effective coordination, and leadership practices in improving decision-making and operational efficiency.

2. Further research can be conducted on how textile firms access and make use of their finance to support productivity, innovation, and the ability to respond to changing market conditions.
3. Research needs to be conducted on cross-border collaboration to facilitate access to advanced technologies.



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APPENDICES

APPENDIX A (Interview Questions)

INTERVIEW QUESTIONS FOR TEXTILE COMPANY

COMPANY BACKGROUND

Name of company.....

Year of Establishment.....

The number of permanent employees.....

The number of casual employees.....

BACKGROUND INFORMATION OF INTERVIEWEES

1. How many years of experience do you have in the textile company?
2. what is your highest qualification?
3. What is your current position in the company?

A. THE COMPETITIVENESS STATUS OF SELECTED INDIGENOUS TEXTILE FIRMS IN GHANA.

1. How do you understand Performance and Competitiveness with regard to your textile company?
2. What performance indicators are you aware of?
3. Which of these indicators are achieved by your firm?

B. THE CONTRIBUTORY FACTORS TO THE COMPETITIVENESS STATUS WITHIN THE SELECTED INDIGENOUS TEXTILE COMPANIES.

1. In general, what are the performance challenges faced by your firm?
2. How does trade liberalisation (less strict) affect the performance and competitiveness of your firm?

3. What are some of the internal factors that affect the performance and competitiveness of your firm?
4. What external factors affect the performance and competitiveness of your firm?
5. How does the technological capability of your firm affect your ability to perform and compete?
6. In upgrading, what are the company's laydown procedures for workers' upgrades?
7. What are Management attitudes or plans towards supply?
8. What are the financial interventions that can assist suppliers?
9. Are there procurement systems in place in managing supplies?
10. Was there a database of supply in good standing?
11. How does management manage the supply value chain?

C. CAPACITY NEED OF INDIGENOUS TEXTILE COMPANIES TO ENHANCE THEIR COMPETITIVENESS.

1. How is your Technological upgrade?
2. How readily are equipment and machinery accessible?
3. What is the plan for Developing your staff's professional skills?
4. What are the staff Strengthening development policies in the indigenous firms like?
5. How are collateral requirements reviewed?
6. How does your company manage high taxes on raw materials and finished products?
7. How does your company Control high-interest rate?
8. How does your company control inflation?

9. How does your company Provide business counseling and marketing skills to clients?

D. THE IMPLICATIONS OF THE CHALLENGES TO EMPLOYEES' WELL-BEING IN INDIGENOUS TEXTILE COMPANIES.

1. How have technological limitations affected employee productivity and job satisfaction?
2. How does the lack of accessible equipment and machinery impact employee workload and morale?
3. What is the effect of limited professional development opportunities on employee retention and motivation?
4. How do weak staff development policies influence employee growth and performance?
5. In what ways do high taxes on raw materials and finished goods affect employee compensation and job security?
6. How does the absence of business counseling and marketing support affect employee confidence in the company's future and their own career growth?

E. CAPACITY BUILDING FRAMEWORK OF INDIGENOUS TEXTILE COMPANIES

1. How does the current Status Quo affect or help improve your firm's productivity, growth and performance?
2. How does Cross-sector collaboration affect or help improve your firm's productivity, growth and performance?
3. How does Empowering your firm with resources affect or help improve your firm's productivity, growth and performance?

4. How does Inclusive participation of all members affect or help improve the productivity, growth and performance of your firm?
5. How do Rewards and Incentives affect or help improve your firm's productivity, growth and performance?
6. How does Organizational commitment affect or help improve your firm's productivity, growth and performance?
7. How does Management and leadership involvement affect or help improve the productivity, growth and performance of your firm?
8. How does Job and practice analysis (collecting and identifying information on the duty, tasks, knowledge and skills and abilities for a particular job affect or help improve the productivity, growth and performance of your firm?

INTERVIEW QUESTIONS FOR CLOTH SELLERS

BACKGROUND

Name of association

Year of Establishment

Number of association members

BACKGROUND INFORMATION OF INTERVIEWEES

1. How many years in the association?
2. What is your highest qualification?
3. What is your current position in the association?

**A. STATUS OF PERFORMANCE AND COMPETITIVENESS OF
INDIGENOUS TEXTILE COMPANIES IN GHANA'S LIBERALIZED TRADE
MARKET**

1. How do you understand Performance and Competitiveness with regard to your trade?
2. What performance measures are you aware of?
3. Which of these measures works for your achievement?

**B. PERFORMANCE AND COMPETITIVENESS CHALLENGES OF LOCAL
TEXTILE COMPANIES IN GHANA'S LIBERALIZED MARKET**

1. In general terms, what are the Performance Challenges of your business?
2. How does trade liberalisation (less strict) affect the performance and competitiveness of your trade with Ghanaian Textile companies?
3. What do clients prefer, made in Ghana or foreign clothes?
4. What are some of the prices of both Ghanaian and foreign clothes?
5. How do clients buy clothes? Is it by names or by beauty?
6. What are some of the names and meanings of Ghanaian design in the market?
7. Which fabrics go fast, made in Ghana or foreign?
8. How do you buy your products, cash or credit?

OBSERVATIONAL GUIDE

BUILDING THE CAPACITY OF INDIGENOUS TEXTILE COMPANIES FOR COMPETITIVENESS IN THE LIBERALIZED GHANAIAN MARKET

A. STATUS OF PERFORMANCE AND COMPETITIVENESS OF INDIGENOUS TEXTILE COMPANIES IN GHANA'S LIBERALIZED TRADE MARKET

1. The standardised procedure.
2. Certificates for the textile industry?

B. PERFORMANCE AND COMPETITIVENESS CHALLENGES OF LOCAL TEXTILE COMPANIES IN GHANA'S LIBERALIZED MARKET

1. Sample text result.
2. GSA standardising procedures.
3. Test conduct on textile industry products.
4. Test certificate for textile industry products.

OBSERVATIONAL GUIDE FOR CLOTH SELLERS' ASSOCIATION

A. STATUS OF PERFORMANCE AND COMPETITIVENESS OF INDIGENOUS TEXTILE COMPANIES IN GHANA'S LIBERALIZED TRADE MARKET

1. The selling processes by the clothes sellers.
2. Buyers' choice of fabric.
3. How fabrics are described to buyer.
4. What influence the choice of buying the cloth in the market?
5. Designs in both foreign and local textile prints.