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**ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND  
ECONOMICS DEPARTMENT OF MASTER OF BUSINESS AND  
ADMINISTRATION (Management)**

**Factors Affecting Technology Adoption in Improving Efficiency in Addis  
Ababa's Textile Manufacturing Sector**

**By:**

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**A Thesis Submitted to Addis Ababa University, School Of Graduate Studies  
in Partial Fulfillment of the Requirement for the Degree of Masters of  
Department of BUSINESS AND ADMINISTRATION (Management)**

**June23, 2025**

**Addis Ababa, Ethiopia**

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I The Undersigned Hereby Declare that this thesis entitled “The role of Technology Adoption in Improving Efficiency in Addis Ababa’s Textile Manufacturing Sector” Submitted to Addis Ababa University; School Of Graduate Studies is my original work and has not been presented to any university or other institution for award of degree of any other purpose. All sources of materials used for the thesis have been dully acknowledged.

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I the undersigned confirm that this thesis under the title “The role of Technology Adoption in Improving Efficiency in Addis Ababa’s Textile Manufacturing Sector” Submitted by Tsigie Getie written under my supervision as university advisor, and to the best of my knowledge it is original and fulfill the requirements of the University for Submission.

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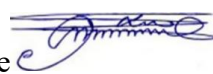
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## **Abstract**

*This study examines how technology uptake has impacted business performance in the Addis Ababa textile manufacturing industry, threats and opportunities. Textile industry development is at the center of Ethiopian economic growth and employment as fueled by emerging technologies in automation and analytics. Effort is however hindered by low technology, low skills, and infrastructural vulnerabilities. Adapting to these vulnerabilities necessitates strategic governmental investment and employee skills enhancement. Motivated by vision that focuses on augmenting productivity and competitiveness, the research is focused on key determinants in technology such as automation, information technology, personnel training, and utilization of data. The data were obtained through the administration of structured questionnaires by 187 textile companies randomly and systematically selected from a population of 350 companies to ensure variability. Secondary data and primary responses were used as sources of information. Descriptive analysis revealed moderate adoption levels with average scores of 3.22 for automation, 3.31 for information systems, and 3.37 for supply chain integration. Interestingly, as a fact, expenditures on training and skill development were over 3.90 of the mean, suggesting concern at the high levels regarding appropriateness. Awareness of technological advantages irrespective of it, views on competitiveness and effectiveness were unclear. Inferential statistics produced high significant positive correlations: highly significant correlation (0.981) between automation and IT system implementation, and significant correlations between data analytics usage and IT systems (0.941), and between automation and data analytics usage (0.916). Regression analysis produced 83.5% variance explanation in efficiency by independent variables, with information systems technology explaining the most. The findings support technology spending and business performance dependence on a planned technology and human resource management foundation. Enterprise-level technology integration, improved training, and stakeholder engagement in maximizing productivity are proposed solutions. Mid-level reduction of stakeholder resistance, implementation complexity, and organizational long-term alignment are proposed solutions. Long-term effects of technology adoption and workers' attitudes would be a topic for future research to examine long-term development of Ethiopia's textile sector.*

**Key words:** Technology Adoption, Operational Efficiency, Textile Manufacturing

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## **List of acronyms and abbreviations**

1. AI- Artificial Intelligence
2. BMI - Business Monitor International
3. CRM - Customer Relationship Management
4. ERP - Enterprise Resource Planning
5. ETIDI - Ethiopian Textile Industry Development Institute
6. GDP - Gross Domestic Product
7. IBIS - Industry Business Intelligence System
8. ICT - Information and Communication Technology
9. IoT - Internet of Things
10. MES - Manufacturing Execution Systems
11. OEE - Overall Equipment Effectiveness
12. R&D - Research and Development
13. SCM - Supply Chain Management
14. SPSS - Statistical Package for the Social Sciences
15. UNECA - United Nations Economic Commission for Africa

# **CHAPTER ONE: INTRODUCTION**

## **1.1. Background of the Study**

Increased adoption of technology is pushing transformative change in the world textile manufacturing sector. Supply-chain innovation, analytics, and automation are powering competitiveness and productivity in an ever-dynamic market. The international textile and clothing industry will be worth \$1.5 trillion by 2025, powered primarily by technological innovation, according to a McKinsey & Company report (2021). These technologies enable companies to be in a better position to respond faster to the needs of the consumers and the market, as well as enhance efficiency and quality.

The textiles industry remains one of Africa's most significant industries, particularly in terms of the labor market and economic development. According to a United Nations World Economic Commission for Africa (UNECA, 2020) report, technology has the ability to speed up Africa's textile industry into a powerhouse job and GDP driver. It is difficult for technology adoption in the majority of African countries because of various reasons such as weak infrastructures, insufficient skilled human resources, and insufficient R&D investments. High-technology textile technology needs to be incorporated; Nigeria and Kenya have already started venturing into data management and automation systems, which have led to an output rise in efficiency as well as capacity.

The garment and textile sector is one of the government of Ethiopia's key areas of industrialization focus. The government introduced the "Growth and Transformation Plan II" (2015-2020) which includes technology upgradation with manufacturing-based with employment and foreign exchange earnings generation (Ministry of Industry, Ethiopia, 2016). Foreign direct investment has also lured the Ethiopian textile sector with majority of the textile mills set up with state-of-the-art technology. Low automation and low use of information in decision-making, though, remain challenges (International Labor Organization, 2021).

Ethiopian textile industry is primarily found in the nation's capital city, Addis Ababa. The city is full of textile and garment firms, but they are all inefficient due to the fact that technologies being utilized by them are outdated. In a survey conducted by the Ethiopian Textile Industry Development Institute (ETIDI, 2021), it was observed that the manufacturers are still using hand techniques and are not utilizing technology. This inability to harness technology slows down production and quality and thus it is not easy to satisfy local and international demand. There also is not any money for skill upgrading and training and thus the workers are usually not trained to operate new machinery and processes. Opportunities for the Addis Ababa textile industry are also offered by newer developments in information technology infrastructure. By employing data analysis, the technologies can further advance supply chain management as well as facilitate enhanced decision-making. Moreover, a complete report made by the World Bank in 2022 reveals that Ethiopia has the potential to make its textile production hugely efficient by implementing multi-technology, hybrid approaches.

In the contemporary global economy, technology adoption has become a critical driver of competitiveness and growth across various industries, including manufacturing. Adoption of new technologies allows firms to improve operational efficiency, reduce costs, enhance product quality, and respond more swiftly to market demands (Al-Omari & Al-Hawari, 2021). In the textile manufacturing sector, technological innovations such as automation, digitalization, and supply chain management tools have revolutionized traditional processes, enabling companies to stay competitive in an increasingly dynamic environment (Zhao et al., 2022).

Technology adoption is not merely about acquiring new tools but also involves the integration and effective utilization of these technologies within organizational processes. This process can be influenced by various factors such as organizational readiness, management commitment, financial capacity, and workforce skills (Li & Wang, 2020). The pace and extent of technology adoption significantly impact a firm's productivity, flexibility, and overall efficiency (Khan et al., 2023).

In recent years, Ethiopia, and particularly Addis Ababa, has shown growing interest in leveraging technological advancements to modernize its textile industry. The government and private sector initiatives aim to promote the adoption of advanced manufacturing technologies to boost productivity, improve quality standards, and expand export markets (Ethiopian Ministry of Industry & Investment, 2022). However, despite the potential benefits, many textile firms face challenges related to limited technological knowledge, high investment costs, and infrastructural constraints (Tadesse & Abebe, 2023).

Understanding the role of technology adoption in enhancing efficiency is crucial for policymakers and industry stakeholders. It can guide strategies to facilitate technological integration, capacity building, and sustainable industrial growth (Gebremedhin & Asfaw, 2021). Therefore, examining how various forms of technology adoption influence efficiency in Addis Ababa's textile manufacturing sector is vital for fostering informed decision-making and policy formulation.

Short of so much more, there is still so much more to eliminate before the potential for greater efficiency from later technologies of Addis Ababa's textile manufacturing industry can turn into reality. With the desire to improve efficiency in operations and support to the overall growth and advancement of the industry, the research hopes to investigate the influence of a number of independent variables including automation, information technology systems, supply chain technologies, investment in training, and the application of data.

## **1.2. Problem Statement**

As the biggest employer and highest revenue-generating industries, textile production business is a huge industry for most countries around the world (World Bank, 2023; Kumar et al., 2022). Irrespective of whether it is diversified in other sectors or not, there are some issues like inefficient production trend, de-motivated human capitals, and inefficient technical facilities that impact the company (Jin et al., 2021). These are felt most intensely by embracing low-tech developing nations and trailing competitively behind developing nations that have committed to high-level manufacturing technology to their textile production models (Ofori et al., 2021).

Value addition as well as manufacturing capability has been the foremost priority for most nations, and thus the African textile and fashion industry has enormous prospects for growth (International Trade Centre, 2022). But on the continent, bad policy, obsolete technology, and failure to invest in automated and information technology still dominate, resulting in decreased production and quality problems (Adetunji & Mofolo, 2022). Competitiveness for the whole textile sector has been prevented by this inability to adopt technology, which has also prevented the continent from the risk of global markets (Ferdous et al., 2023).

As one of the possible sources of enormous economic growth and employment, the clothing and textile industry has been chosen as the sector for priority development plan by the government of Ethiopia (Ministry of Industry, 2022). As much as it has industrial parks and a favorable policy environment, the sector's performance is disappointing due to inadequate skills in the labor market along with inadequate adoption of technology (Wondimu & Kanka, 2022). Some of the areas of the highest concentration where innovations are set to have a vast contribution towards the operational performance and global competitiveness in the industry are information technology, automation, and data analysis; it has been ascertained through research (Dessalegn, 2023).

Addis Ababa, the capital and hub of textile production in Ethiopia, is plagued by technology adoption problems being compounded by under-budgeted professional training and incremental roll-out of high-tech supply chain management technologies (Berhe & Tegegne, 2023). The result has been chronic issues with production efficiency which have, in turn, gone on to continue the reliance of the industry on inefficient and outdated production practices (Yilma et al., 2023). These problems can thus be solved through adopting new technology for increased productivity and facilitation of long-term development of the textile production sector in Addis Ababa.

Consequently, the aim of this research is to elaborate on the intersection of automation, information systems, supply chain integration, training, and data analytics as drivers of technology adoption and industrial competitiveness of the textile industry in Addis Ababa. This research will be of use to scholarship on how strategic investment improves industrial competitiveness and performance by considering the intersection.

In consideration of the particular opportunities and challenges of the textile sector in Addis Ababa, the current research work here titled "The Role of Technology Adoption in Improving Efficiency in Addis Ababa's Textile Production Industry" is unique from other research works.

Although current published literature publications highlighted more on general problems such as inefficiency and lack of technology in Africa, it is lacking in local information. Through experimental analysis of the impact of certain technological advancements such as automation, information systems, and supply chain integration on business efficiency in this context, this research attempted to create a crucial gap. It also attempted to study how the development of employees' skills would create a skill gap shortage, which benefits the government and manufacturers. The general goal of the study is to refine the level of comprehension regarding how strategic technology adoption would improve the productivity and export competitiveness of the textile industry in Ethiopia.

### **1.3. Research Questions**

1. How does the adoption of automation technology influence efficiency in Addis Ababa's textile manufacturing sector?
2. What is the impact of implementing information technology systems on operational performance?
3. To what extent does the integration of supply chain management technologies improve productivity?
4. How does investment in training and skill development relate to manufacturing efficiency?
5. What is the role of data analytics utilization in enhancing decision-making and efficiency in textile firms?

### **1.4. Objectives of the Study**

#### **1.4.1. General Objective of the Study**

The primary objective of this study is to examine the impact of technology adoption on the production efficiency of Addis Ababa textile production sector.

### **1.4.2. Specific Objectives of the Study**

1. To assess the level of automation technology adoption among textile manufacturing companies in Addis Ababa.
2. To evaluate the effect of information technology system implementation on operational efficiency.
3. To analyze the relationship between supply chain management technology integration and productivity improvements.
4. To examine how investment in training and skill development contributes to manufacturing efficiency.
5. To determine the influence of data analytics utilization on decision-making processes and overall efficiency in the sector.

### **1.5. Significance of the Study**

**For Policymakers:** Policymakers who wanted to render Ethiopia's textile sector more competitive found lots of value in the study's findings. Policymakers can design specific interventions, incentives, and support programs encouraging producers to invest in new technology if they know the proper use of technology can raise productivity in operations. This can propel and facilitate the growth of the sector and propel the goals of national economic development.

**To the Government:** The research would greatly assist the government of Ethiopia because it gives focus areas for investments and support in the textile production sector. The findings can be used by government institutions while formulating policies and strategic plans that address challenges and impediments in adopting new technology. The research can also direct public-private initiatives to enhance infrastructure and promote innovation in the textile industry.

**For Addis Ababa Textile Manufacturing Industry:** The findings of the research were being directly applicable to the textile manufacturers of Addis Ababa. The research was being used as a source of reference for industry actors to enhance their operational effectiveness and competitiveness by learning appropriate technology adoption strategies and challenges facing firms. This would ultimately be contributing to the growth of the industry through enhanced production processes, reduced costs, and increased profitability.

**For Entrepreneurs:** The research was significant to entrepreneurs in the textile production industry as it provides outstanding insights into how one can leverage various technologies in order to increase productivity. The research was offering evidence-based methods for implementing data analytics, supply chain management, automation, and IT in their operations. They can apply this knowledge in order to adapt to altering market demands and invest accordingly.

**For Future Researchers:** Interested future researchers looking to conduct research on technology adoption within the textile manufacturing industry or any industries that are of interest can be motivated by this research. The research in this area opened the door to potential futures by charting areas of future research by capturing the state of the art of technology application and contribution in Addis Ababa. The findings and methodologies of the research can be built upon by future researchers to identify more common trends, implications, and developments in the local and global take-up of technology.

Finally, the result of this study was assist different stakeholders in the textile manufacturing sector to make informed judgments and make strategic changes, which was to develop a more efficient and competitive industrial climate in Addis Ababa and otherwise.

## **1.6. Scope of the Study**

Followed by the potential of technology adoption to enhance productivity in Addis Ababa's textile sector, the study scope determines where it was carried out.

### **1.6.1. Geographic Scope**

Geographical location for the study was restricted to Addis Ababa, Ethiopia's capital and biggest city, and its textile production industry. Considering that there are several textile businesses in the area, this location was chosen because it is of significant significance as a center of the country's textile industry. Concentrating in this particular area allows the study to collect data that will be relevant to the particular technical opportunity and challenges Addis Ababa enterprises face.

### **1.6.2. Time Scope**

The time frame in this study was set on the basis of trends of technological uptake by the textile manufacturing industry with specific reference to previous and current trends and technologies used over the last five years. For the purpose of capturing recent technology advancements and their impact on the efficiency of operation, the time frame was utilized. To ensure that the result contains new updates from the company, data were gathered throughout the period of research, which should not exceed the following six months to one year.

### **1.6.3. Content Scope**

The scope of the research was to investigate some of the issues in embracing technology in the textile manufacturing industry, such as supply chain management technology, automation technology, information technology systems, training and development programs, and the application of data analytics. The study assessed how the issues impact the efficiency of the overall manufacturing processes. The study also examined perceived technology adoption barriers and their potential to affect the operational efficiency of the industry. Based on such limited issues of focus, this research is intended to offer an inclusive sketch of Addis Ababa textile production efficiency and technology adoption.

## **1.7. Limitations Study**

The overall conclusions and implications of the present study may be influenced by several limitations. The study was carried out in Addis Ababa only, which would restrict the generalizability of results to the remaining parts of Ethiopia or to other nations with varying textile manufacturing environments. Participants' response and technology uptake may be influenced by the unique socioeconomic and cultural environment of Addis Ababa in a manner that cannot be replicated elsewhere.

Secondly, even with the temptation for uncontrolled communication, a portion of the respondents will not comply, especially when they are passing information concerning sensitive issues like operational inefficiencies and technology adoption. To the extent that not all of the manufacturers would respond in order to have their view or experience made known, the lack of grudging government controls or compliances can open the sample to unseen biases.

In addition, the majority of the research has depended on information offered by the manufacturing companies themselves, which are susceptible to error and bias. Such dependence may suppress the objectivity of data collected. In addition to this, the research may have left out some pertinent variables and drivers behind technology usage and effect in the textile sector due to time and resource limitations. Generally, even though the purpose of this study was to generate informative data, those limitations should be taken into account because they affect the accuracy of the results.

## **1.8. Organization of the study**

The study contained five chapters, and each chapter was subject to a unique topic in the study titled "The Role of Technology Adoption in Enhancing Efficiency in Addis Ababa's Textile Manufacturing Industry." Chapter One provided the introduction and consisted of background, significance, and study objectives. For the determination of the study focus, it was present problem statement and research questions. Literature review was conducted in Chapter Two with the intention of reviewing existing studies that are relevant to textile manufacturing efficiency and technology adoption. Most important theories, models, and findings from existing studies that inform the current study were identified in this chapter. Research design, demography, and sampling method were all to be outlined in Chapter Three.

There was also reference to the data collection strategies and analysis methods that was employed in data analysis. The focus was transferred to data analysis in Chapter Four, where findings were presented using the assistance of visual aids such as graphs and charts. In the interest of shedding light on technology adoption importance, this chapter was pitting findings against the study questions scenario. Analysis ended with the presentation of the most important results and exploration of their implications in Chapter Five. Analysis involved recommendations for further research, as well as recommendations to producers in the textile industry. This type of organization was aiding in easier implementation of an integral investigation on how the production of Addis Ababa's productivity in the textile industry is affected by technology adoption.

## **1.9. Definition Terms**

**Role:** "Role" refers to a term that defines the job or responsibility an entity or a part has in a given system or scheme, which affects interaction and outcomes.

**Technology:** Machinery, equipment, systems, and processes utilized to produce, make, and control goods and services are all technologies. Automation and computer operations are typically employed in an effort to boost productivity and efficiency.

**Adoption:** Adoption and acceptance of new ideas, technology, or approaches into existing systems or processes is referred to as adoption, and it often means commitment to change and innovation.

**Efficiency:** Efficiency, which refers to having the greatest output with least waste and expenditure at times, is the degree to which resources are utilized to achieve desired results or outcomes.

**Addis Ababa:** Addis Ababa, the capital of Ethiopia, is the nation's political, economic, and cultural center of gravity and figures significantly in its participation in diverse industries, prominently the textile industry.

**Manufacturing of Textiles:** "Textile manufacturing" is a method of production of textiles and textile products, such as spinning, weaving, dyeing, and finishing of textiles for various applications.

**Sector:** A sector, like the textile manufacturing sector, which produces and sells textiles is a particular part of the economy or industry defined by a particular form of economic activity or service.

## **CHAPTER TWO: RELATED LITERATURE REVIEW**

### **2.1. Overview of the Textile Manufacturing Sector in Addis Ababa**

The government of Ethiopia has established laws to liberalize the textile sector to invest and implement new technology, which it has given priority in strategy to attain economic growth. Ethiopia presents the textile manufacturer with a unique opportunity to thrive due to its natural resources, namely cotton, and affordable labor. Under preferential laws and incentives, the government has encouraged foreign investment in the textile and apparel sector aggressively, as indicated by the (Ethiopian Investment Commission, 2023).

Despite its potential, the industry is faced with various challenges to be overcome, for example, limited exposure to advanced technology, inadequate infrastructure, and erratic supply chain disconnection. Most producers still adhere to outdated production processes, hence decreasing their productivity and competitiveness, according to (Salli and Shiji, 2022). Productivity and the issues of international quality standards can be improved by implementing advanced manufacturing technologies such as automation and information technology systems.

Besides, the COVID-19 pandemic also uncovered weaknesses in the textile industry, which indicates the need for adaptability and resilience. Those that had invested in digital technology and agile production systems were better equipped to deal with the shocks brought about by the pandemic, according to research conducted by (Beshah et al., 2023). The demand for ethically and sustainably produced textiles is on the rise worldwide, and therefore this adaptation to technological adoption becomes all the more urgent.

At large, Addis Ababa's garment-making sector stands at the crossroads. Outcompeting businesses in the international arena and enhancing performance efficiency was all about embracing innovation and technology. Cooperation among the government, businesspeople, and academic circles to design an efficient workforce and adopt sustainable parameters played a crucial role in the future of the sector (Taddese, 2021).

## **2.2. Adoption of Automation Technology**

### **2.2.1. Definition and Relevance**

Automation technology being applied to the textile industry is a very timely consideration. There is a search for means to improve productivity and reduce the cost of doing business since competition is growing internationally. Aside from streamlining and becoming more consistent with production processes, automation reduces the level of human error and enhances the quality of the end product (Kumar et al., 2022). In addition, as Industry 4.0 expands, automation technology implementation puts makers on par with smart manufacturing standards by enabling them to track and analyze in real time and fuel innovation while reacting quicker to market demand (Bortolini et al., 2018).

### **2.2.2. Expected Impact on Efficiency**

It is predicted that the operational effectiveness in the textile manufacturing sector was significantly affected as the application of automation technology was embraced. First, it enables the operation to be operated day and night without the limitations of human capacity like fatigue and breaks to enhance the production rate immensely. Increased outputs at a shorter duration might be caused by this (González et al., 2021). Secondly, automation encourages the efficient utilization of resources, including energy and raw materials. Through the application of advanced algorithms and real-time monitoring, automated processes can minimize these inputs, leading to less wastage and reduced operating costs (Patel et al., 2020). In addition, automation technology also improves quality control by a reduction in the variability associated with manual operations and replication of processes. Better quality delights the customer and creates brand equity and lowers defects and returns (Chiu et al., 2021).

Briefly, boosts in labor productivity, use of resources, and product quality are all expected results of using automation technologies in the textile production business. All of these developments are factored into the overall improvement in operational efficiency.

## **2.3. Implementation of Information Technology Systems**

### **2.3.1. Overview of IT Systems**

Companies employ multiple pieces of hardware, software, and network functionality to obtain, process, save, and distribute information under the collective reference of information technology (IT) systems. Examples of IT systems utilized within the textile manufacturing industry are enterprise resource planning (ERP) systems, manufacturing execution systems (MES), customer relationship management (CRM) software, and advanced data analytics software. These applications enhance general business management, facilitate data-driven decision-making, and make most business processes integration easier (Laudon & Laudon, 2020).

Firms can advance inventory management, departmental coordination, and company efficiency by embracing IT solutions in the textile manufacturing industry. By the capacity to monitor and follow up on real-time information, such technology framework provides firms with the capacity to consolidate production schedules and adjust to market situations (Hazen et al., 2014). Responsiveness and scalability of modern IT systems provide manufacturers with the ability to respond to changing consumer preferences and market dynamics; hence they are essential for attaining competitiveness in the textiles industry.

### **2.3.2. Expected Contributions to Operational Efficiency**

It was predicted that use of IT systems for textile production would experience monumental increases in work efficiency. To begin with, by alleviating repetitive work, the systems save time and effort spent on human work. Automation enhances manufacturing accuracy, minimizes human error, and hastens turnaround time, all which contributes to productivity (Kumar & Singh, 2021).

Second, there is continuous monitoring of performance measurements by Firms since capacity for data analysis seeps through with support from IT infrastructure. Firms are capable of tracking stock levels, identifying bottlenecks, and optimizing resource utilization through real-time tracking and analysis (Wang et al., 2021). Anticipatory management leads to responsive culture of values and continuous improvement. Better coordination between various corporate functions such as manufacturing, distribution, and procurement is also made possible with technology integration. IT infrastructure reduces lead time and maximizes the supply chain by coordinating various processes and internal communications (Sharma et al., 2020). Companies can make better products of increased quality and thereby lower their costs, which also enhances operating efficiency.

## **2.4. Integration of Supply Chain Management Technologies**

### **2.4.1. Importance in Textile Manufacturing**

To allow for time-based decision-making and quick responses to customers, collaboration and information sharing are allowed in real time by next-generation supply chain management technology. Inventory Management Systems and ERP systems, for instance, reduce lead times, enhance inventory accuracy, and allow for automate procurings (Kamble et al., 2020). Blockchain technology also enhances traceability and accountability, shortly going to be in demand with regulators and consumers, making brand reputation more robust (Kumar et al., 2021).

The business of the textile value chain has also been revolutionized further by emerging data analytics technology and Internet of Things. The technologies facilitate manufacturers to oversee risk in operations, optimize resources, and accurately predict changes in demand caused by these technologies (Hazen et al., 2021). Integration of technology in SCM therefore facilitates innovation and market competitive advantage as well as operational efficiency.

## **2.4.2. Anticipated Efficiency Gains**

Fashion retail business was also expected to be gaining immensely in terms of efficiency across a broad scope of activities e.g., procurement, inventory management, logistics, and supply chain management through the use of supply chain management technology. The manufacturers are able to minimize wastage significantly while enhancing manufacturing processes with the help of data analytics and real-time visibility. Reduced lead times by enhanced control over the inventory and accelerated decision-making cycles are some of the major anticipated advantages (Ahmad et al., 2021).

Better forecasting of demand is also made possible through SCM systems, and production and inventory timetables are directly influenced by it. Associated carrying costs and stockpiling that come with it can quite easily be circumvented by manufacturers to a great extent since their production timetables are better synchronized with the degrees of demand in the market using this tool of forecasting (Tse et al., 2021). Besides, even greater numbers of similar just-in-time manufacturing practices can be encouraged by enabling greater integration with suppliers and logistics firms through collective platforms, which would provide cost savings as well as improved distribution efficiency (Zhang et al., 2020).

Higher operating performance, cost benefits, better customer satisfaction, and greater responsiveness to market forces are all anticipated efficiency gains from the integration of supply chain management systems with fabric production

## **2.5. Investment in Training and Skill Development**

### **2.5.1. Link between Human Capital and Technology Utilization**

Research confirms that labor ability and talent directly influence the successful adoption and use of new technology, confirming the hitherto substantiated human capital and use of technology nexus. The aggregation of abilities, information, and expertise among members of an enterprise has thus been referred to as human capital. Since work is more effective in integrating new technology into their functioning, human capital is accountable for improved utilization of technology (Omar et al., 2022). An effective workforce can improve productivity and efficiency by improved utilization of the newest technology, innovation adaptation, and innovation in working processes (Reddy et al., 2023). Recurrent training is needed in the attempt to keep being competitive even with further development of technology,

in order for workers to be able to be equipped with the new skills required for effective usage of technology (Zhang et al., 2021).

### **2.5.2. Expected Outcomes on Efficiency**

Investment in the development of skills and training was expected to be phenomenal in contributing to the effectiveness of operations. Businesses can expect to realize higher levels of productivity in various diversified areas such as higher rates of production, error decrease, and reduced operation costs by maximizing workers' abilities (Akar & Eroğlu, 2023). Training programs for technology adoption can reduce downtime on learning curves and improve transition to new processes. Moreover, there has been evidence that businesses which place a significant focus on skill development have increased employee motivation and retention, resulting in a more stable and efficient workforce (Huang et al., 2022). Ultimately, effective training translates to better technology leveraging, which enhances the operational effectiveness and innovation for the textile manufacturing industry.

## **2.6. Utilization of Data Analytics**

### **2.6.1. Role in Operational Decision-Making**

Analytics allow business firms to craft their strategies on firm analytical foundations through realigning decision-making from intuitive to fact-based decision-making (Waller and Fawcett, 2013). Additionally, firms using data analytics in decision-making also demonstrate additional speed and responsiveness that allow them, to react to rising customers' needs and market forces (McKinsey, 2016). Textile manufacturers enhance performance overall by reducing processes and lead times by reviewing actual-time information about stock, manufacture, and customers' preferences (Sestino et al., 2020).

## **2.6.2. Potential Improvements in Efficiency**

Productivity of the textile manufacturing industry would be greatly improved by the use of data analytics. Sophisticated analysis techniques can facilitate manufacturers to streamline manufacturing processes, eliminate unnecessary losses, and streamline their manufacturers' supply chain. Information derived from data, (Chae, 2019) posits, helps to enhance resource utilization, cost reduction, and profitability. Predictive analytics may be used to manage operational risk and forecast manufacturing bottlenecks. For example, apparel manufacturers can effectively predict demand and realign the production plan with historical data analysis and ongoing market trends (Kamble et al., 2020). This proactive measure eliminates wastage of resources and excess production that ends up in more efficient processes. Analytics enables ongoing improvement by identifying areas of inefficiency and optimizing them. Companies that embrace data-based strategy are able to optimize their business at any time and, in the same way, optimize efficiency and production, as explicated by (Kumar and Singh ,2020).

## **2.7. Defining Efficiency in Textile Manufacturing**

Among the key drivers of direct impact on production level, cost control, and industry competitiveness is efficiency in textile production. Efficiency in textile production is the capability of producing high-quality textiles with little waste, time, and resources in consideration of a broad set of factors like process optimization, operating efficiency, and utilization of resources. Ability of a production system to produce products in shorter time and resources and without affecting the quality of products is termed as operational efficiency. It includes making the production processes efficient, increasing cycle times, and decreasing downtimes, all which, according to studies, can actually improve profitability by lowering costs and increasing throughput (Hussain et al., 2021).

As the utilization of materials like cotton, dye, and chemicals is expensive, utilization of resources means utilization of labor, material, and machinery to the maximum extent in an effort to reduce waste and expense. It contributes immensely towards the generation of textiles. Reallocation of resources to facilitate effective use can be a great way to cut down costs as well as enhance productivity, especially where technology is being used to monitor and manage resource consumption (Kumar & Singh, 2022). Six Sigma and lean manufacturing are two of the

most commonly practiced methodologies that are employed mostly for determining wastages and streamlining operations. Process optimization also entails continuous improvement in the production operations for ultimate efficiency. To realize optimal operation efficacy, the practices seek to eradicate waste, improve production flow, and improve quality (Choudhary & Kaur, 2022).

Besides this, sustainability is an integral component of textile production efficiency. With the use of environmentally friendly manufacturing methods that minimize energy consumption and environmental degradation able to optimize overall efficiency compared to the burden imposed by regulatory specifications and customer demands, effective processes nowadays take economic and environmental considerations into account (Khalid et al., 2020). To achieve maximum efficiency, access to cutting-edge technology such as automation, data analysis, and digitization is just as crucial. With technology, one can track processes in real time, which enables them to execute production planning as well as avoid the occurrence of faults—all of which provide incredible efficiency advantage. Through research, businesses can obtain huge productivity and operational efficiency through effective deployment of technology into their business processes (Mason & Lewis, 2021).

## **2.8. Metrics for Measuring Efficiency**

Measuring efficiency in textile manufacturing entails the use of some measures which provide qualitative and quantitative data in the context of performance, i.e., technology utilization. The measures can be used by producers when comparing the use of resources as well as technology's impact on output. Some of the more important measures that are commonly used in the measurement of efficiency are the rate of production, lead time, unit price of a product, overall equipment effectiveness (OEE), and defect rate. Quantification of the production output calculates the quantity of goods that are being produced within a restricted period of time and calculates valuable data regarding the productivity of production; the producers can calculate improvement in productivity by calculating production before new technology installation and after installing new technology (Zhang et al., 2021). In trying to come up with a general understanding of equipment effectiveness and performance where production can be improved, OEE is a vital measure of performance that considers machine availability, quality, and performance (Pérez & Jiménez, 2020).

Producers will be able to compute cost effectiveness prior to and subsequent to technological innovation in order to project likely cost savings in cost per unit, the monetary value spent on the manufacture of a single unit of a product (Kumar et al., 2020). Defect rate is an important factor, which calculates the proportion of defective products in overall production; defect reduction percentages after the introduction of technology indicate improved operational efficiency and quality checking (Holmes et al., 2020). Lead time prior to introduction of technology and after introduction of technology can be measured to indicate improved process flow and operating speed. Lead time, i.e., accumulated time spent from process initiation through to its completion, also matters; shorter lead times indicating enhanced efficiency and higher responsiveness towards market requirements (Benedict et al., 2021).

In general, textile manufacturers can quantify operational efficiency, in particular the adoption of technology, through the utilization of benchmarking. Organizations may make smart decisions that make production lean and competitive enough for the dynamic pace of the textile industry through the quantification of manufacturing quantities, OEE, unit cost, defect rate, and lead times real-time.

## **2.9. Current Efficiency Levels in Addis Ababa's Textile Sector**

Efficiency levels in the textile industry in Addis Ababa have been of concern as a reflection on the competitiveness and economic performance of Ethiopia. According to recent research, while some improvements have been seen in certain areas, there are certain areas that perpetuate a hindrance in being effective in operation.

**Technological Development and Application:** The past studies show that increased efficiency and productivity of textile production in Addis Ababa were obtained by putting new technological solutions into practice. Automation technology, advanced weaving technology, and computer-based cutting technology are rapidly being introduced onto the production lines (Hossain & Nasrin, 2020). Most producers, however, use outdated equipment, which leads to inefficiencies in the production and rising cost of production expenses (Abebe & Molla, 2022).

**Human Capital and Skill Shortages:** Successful operation depends on trained personnel, but the textile industry continues to grapple with accessing appropriately trained labor. Facts indicate that human capital with high percentages is not well trained in operating modern technology,

resulting in low-quality levels of production (Mesfin & Admassu, 2021). Closing the gap in skills and improved productivity calls for investment in training and development (Tadesse et al., 2023).

**Operational Practices:** Operational practices of Addis Ababa textile manufacturers currently are highly diversified. Some of the manufacturers have made use of the use of just-in-time manufacturing systems and lean manufacturing methods, which have brought with them such huge waste minimizations and productivity improvements (Gebremedhin & Elham, 2021). Other manufacturers employ conventional practices, which bring about inefficiencies and over-wastage of resources.

**Supply Chain Management:** The manufacturing effectiveness of textile producers largely depends on supply chain management. Empirical research has identified that companies primarily experience logistic issues that hinder efficient inventory management and production planning, such as inadequate transportation infrastructure and access to timely information (Fenta et al., 2022). Supply chain technology advancements need to be realized in an attempt to improve customer responsiveness and integrated operations.

**Economic Contribution and Future Prospect:** The textile sector in Addis Ababa continues to be a major contributor to the Ethiopian economy even though inefficiencies currently dominate. It makes an important contribution to employment and foreign exchange earnings. There is, however, a need to propel technology adoption so that labor is more skilled and simplify supply chain activities in a bid to ensure and establish competitiveness within both domestic and global markets (Zewdie & Woldemariam, 2023).

Briefly speaking, the textile industry of Addis Ababa can be more effective but to achieve that and to create more economic gain would require solving those issues of employees' capability, coordinating the supply chain, and coordinating technologies.

## **2.10. The Role of Technology in Enhancing Manufacturing Efficiency**

**Automation Technologies:** Automation technologies like robotics and sophisticated machines are some of the ones that make manufacturing processes easier by reducing the amount of human labor and human errors. Greater productivity and efficiency can be achieved from automatic

systems' capability to increase rates of production, reduce errors, and enable day-and-night working. Organizations implementing automation in manufacturing processes are able to achieve productivity increases of up to 30%, a (BCG, 2021) report points out.

**Data Analytics:** Businesses are employing large quantities of data in an attempt to guide decisions by integrating data analytics into production. Analytics helps to estimate maintenance needs, find inefficiencies, and optimize supply chains. With it providing real-time monitoring and decision-making power, manufacturers who implement sophisticated data analytics see a boost in manufacturing effectiveness by 10–20% (McKinsey & Company, 2022).

**IoT and Smart Manufacturing:** IoT enables smart manufacturing through the interconnection of devices, systems, and machinery. With machines interconnected, manufacturing processes are easier to trace and control, resulting in higher productivity and less downtime. Manufacturing can lower operational expenses by 20–30% through the use of IoT-enabled manufacturing through the provision of real-time data to enhance decision-making and prevent machine failure, according to studies published by (Deloitte, 2022).

**Information Technology Systems:** Merging everything that comes into production from the management of stock to the quality control, Lean IT systems such as manufacturing execution systems (MES) and enterprise resource planning (ERP) consolidate tasks. Based on a report by (Gartner, 2023), firms that implement sophisticated IT systems improve their efficiency by an average of 25% since sophisticated systems allow for coordination and communication among departments.

**Sustainability and Energy Efficiency:** Sustainability is one of the emerging manufacturing technology fields that call on corporations to minimize waste and energy costs by a great degree. The conservation of energy by utilizing efficient equipment and clean technologies, for example, is economical but has a negligible impact on the environment. Firms can manage customer and regulatory demands for cleaner operations while increasing productivity rates by as much as 15% with the assistance of green technologies, according to a 2021 World Economic Forum report.

Overall and in a general way, technology plays an extensive role in ensuring that production is efficient. Producers can enhance global market competition, lower their cost of operations, and

improve their productivity levels by embracing automation, analytics, intelligent technologies, and top-shelf IT systems.

## **2.11. Empirical review**

On the basis of international, African, Ethiopian, and Addis Ababa contexts, empirical evidence analyzes whether and how technology adoption as the independent variable affects operational efficiency as the dependent variable. Empirical findings are demonstrated to validate that technology adoption and operational efficiency are correlated at the international level. For instance, empirical studies conducted by (Tan et al., 2021) demonstrate that technology adoption by the manufacturing industry raises operational efficiency exponentially through enhanced productivity and competitiveness.

The authors quote that sophisticated management information systems and automation of technology are the reason behind these productivity increases. Moreover, Sweeney et al. (2020) perform a meta-analysis that represents a demonstration of how manufacturing processes everywhere in the world have been revolutionized by such technologies as big data analytics, AI, and IoT. By reducing cycle time, this kind of digital transformation not only optimizes assets but makes really dramatic gains in efficiency as well. These are all reasons that show how imperative it is that technology must be deployed in order to improve the efficiency within a vast range of various environments.

There are certain reports that illustrate the threatening challenge and implications on technology utilization in the textile sector from an African point of view. Technology and human capital shortage problems were said to be huge obstacles to technology utilization in the textile sector, thus affecting the efficiency of operations, as represented in an empirical research study in Kenya (Kihoro et al., 2020). In its quest for more productivity and competitiveness, this research seeks strategic investment in the eradication of such constraints. On the other hand, in South Africa, evidence of how ICT increases the competence of the textile industry to operate was evident. Utilization of ICT improved overall organizational performance by improving coordination and communication across supply chains (Mokgothu et al., 2021). Cumulatively, the evidence traces the outlines of technology adoption in the continent, both in terms of the challenges to be overcome as well as the benefits of an unbroken integration.

The stream of emerging technology in Ethiopia is classified as a transition phase, one that is quite typical within the textile industry.

According to research by (Tesfaye et al., 2020), businesses gradually but consistently are moving towards emerging technologies. But they are still holding on to conventional methods, which in the long term compromises their overall performance. This scenario shows that there is a need for faster adaptation to the industry's technology adaptation. Employee training as a practice to turn the trend around confirms this view. Training cost is a key factor in achieving an improvement in the adoption rate of technology among textile industries in Ethiopia, based on (Bulto, 2019). Findings of the research indicate that there is a huge growth in labour productivity when they adopt new technology if they are highly skilled experts. Human skills development capacity appears to be of greatest significance for technology utilization in the industry. Research indicates that Addis Ababa fashion textile sector is faced with several challenges hindering new technology adoption (Desta et al., 2021).

Their research demonstrated that the sector is confronted with substandard infrastructure and insufficient capital, which are the most significant limitations with cataclysmic impacts on the performance of the sector in efficiency.

On the contrary, a field study performed by (Molla et al., 2020) although indicates that the producers who have adopted high-technology production, however, viewed their productivity increase as well as quality of production in terms of dramaturgy, reflecting the technological input to organizational performance. Besides, (Assefa, 2022) listed the economic value of Ethiopia's textile industry and, more significantly, that of the capital city, and opined that technological innovation enhances operating efficiency by at least the same degree as export capacity. Significant enhancement in the level of production and a decrease in the cost of operations were achieved in another study (Abebe, 2023) that has quantified the perceived improvement in the operation effectiveness among the textile firms of Addis Ababa towards adopting technology. Briefly, based on the empirical realities, it is evident that the adoption of new technology has strong positive correlation with the operation effectiveness of the textile industry. Different studies recognize local circumstances and limitations, such as the training imperative and Addis Ababa producers' infrastructure issues, to be of key consideration. Such are

conclusions demanding responses to be quantifiable in a bid to spearhead new technology adoption and enhance performance of the industry indirectly.

## **2.12. Identified Research Gaps**

There remain various research gaps to be filled with all the new literature emerging regarding operational performance as well as technology adoption in the textile manufacturing sector:

**Context-Specific Knowledge:** There are few studies on the particular potential and limitation of technology adoption in the Ethiopian textile manufacturing industry, though there have been plenty of studies on technology adoption at both the global level and other African contexts. Further contextual knowledge on the such as economic regional context, cultural frames towards technology, and policy context must be researched.

**Inegration of Multiple Technologies:** Instead of seeking synergy benefits due to inegration of multiple technologies, in most cases, studies target individual technologies (e.g., automation or information systems). To enhance knowledge of ways in which a complete technological plan may support operation efficiency in the textile sector, increased research has to be conducted.

**Longitudinal Studies:** Less available are longitudinal studies of the longer-term effects on operating efficiency in the textile industry from technology uptake. Cross-sectional are most readily available studies, taking a snapshot that can fail to capture the way that technology's effect has evolved over time.

**Impact of Training Programs:** The impact of various training programs on effectiveness in performing in textile manufacturing is not established yet, while employee training employed in initiating technology implementation has been controversial in various research studies. Additional studies should be done to determine how effective training programs can impact technology implementation.

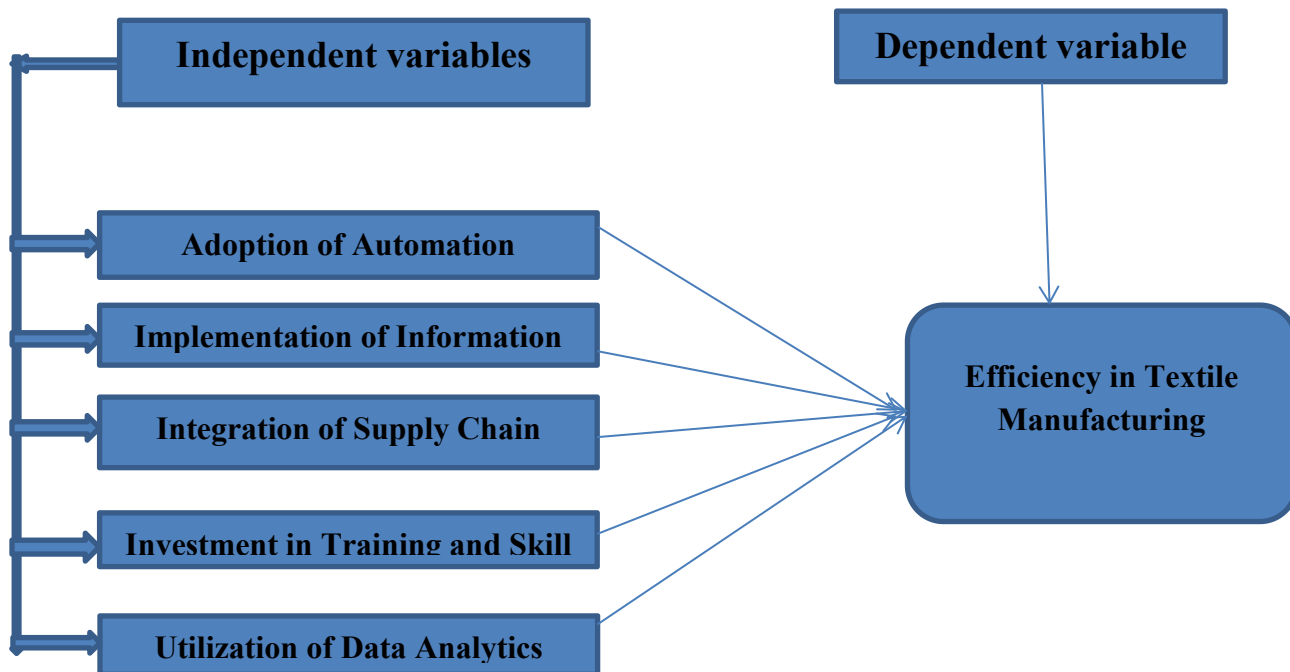
**Barriers to Implementation:** Despite all the hypotheses written concerning barriers to technology adoption, there are few empirical studies of how the barriers interact with one another and whether they differ meaningfully for different subgroups of firms (by size, type of technology to be adopted, or market niche).

Economic Impacts: Economic effects of increased working efficiency because of the application of technology must be studied in greater detail for quantifying measurable results, especially in employment generation by the textile industry, savings, and export revenues.

Comparative Studies: Comparative studies of the use of technology vs. operational efficiency of textile companies in various regions of Ethiopia or with other Ethiopian companies and companies in other emerging markets are not numerous. Comparative studies would be helpful to access information regarding what works and best practices.

The future research could shed more light on the connection between technology adoption and working performance by bridging these research gaps, hence contributing to improved performance of the textile-manufacturing sector in Addis Ababa and elsewhere.

### 2.13. Conceptual framework of the study



**Reference:** Surana, A., et al. (2021) and Kumar, V., & Singh, R. (2020)

**Figure 1:** conceptual framework of the study

Adoption of Automation Technology: Use technologies and machines to carry out jobs that were previously completed by humans.

Implementation of Information Technology Systems: Use software programs for order processing, inventory control, and customer service.

Integration of Supply Chain Management Technologies: Make use of resources that improve communication, logistics, and coordination throughout the supply chain.

Investment in Training and Skill Development: Give special attention to workforce education and training about the upkeep and operation of new technology.

Utilization of Data Analytics: Use data analytics to inform choices regarding market trends, quality assurance, and production scheduling.

Efficiency in Textile Manufacturing: The general productivity, operational effectiveness, and cost-effectiveness of textile manufacturing processes are all considered aspects of efficiency.

## **Theoretical Foundation**

Theoretical Foundation with Reference

### **Technology-Organization-Environment (TOE) Theory**

The TOE framework suggests that the adoption of technological innovations is influenced by technological, organizational, and environmental factors. Recent studies highlight that technological factors such as automation, IT systems, and supply chain technologies are critical drivers of efficiency in manufacturing (Zhou et al., 2021). In textile manufacturing, organizations that recognize and leverage these technological benefits are more likely to adopt innovations that enhance productivity.

### **Resource-Based View (RBV)**

RBV posits that organizations gain competitive advantage through valuable, rare, inimitable, and non-substitutable resources. Recent research indicates that technological assets such as automation, data analytics, and integrated IT infrastructure are strategic resources that significantly improve operational efficiency in manufacturing (Li & Wang, 2022). Investment in these resources allows textile firms to optimize processes and reduce costs.

### **Human Capital Theory**

This theory emphasizes that employee skills and ongoing training are essential for effective utilization of new technologies. Recent studies show that targeted workforce development enhances productivity and supports technological adoption in manufacturing (Ahmed & Williams, 2022). Well-trained employees can better operate, maintain, and innovate with new systems, thereby boosting efficiency.

### **Supply Chain Integration Theory**

Effective technological integration across supply chain partners improves coordination, visibility, and responsiveness. Recent findings demonstrate that digital supply chain integration reduces lead times and inventory costs, ultimately increasing manufacturing efficiency (Chen et al., 2023).

### **Data-Driven Decision-Making Theory**

Utilizing data analytics enables organizations to make informed, timely decisions based on real-time and predictive insights. Recent research confirms that data-driven strategies such as predictive maintenance and quality control significantly improve operational efficiency (Nguyen et al., 2023).

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1. Research approach**

The scientific investigation of events, actions, and associations through the collection of numeric data is quantitative research. In a bid to collect data that can be analyzed statistically, it applies systematic ways in the form of surveys, questionnaires, and statistical examinations. It is characterized by its systematic approach, which heavily targets quantifying variables and statistically analyzing data to make cautious conclusions (Creswell & Creswell, 2017).

Quantitative research is usually employed by researchers to test hypotheses, measure relationships, generalize results, or identify trends. For instance, quantitative research is highly relevant to testing the correlation between variables, for instance, that of technology adoption and production efficiency in industries like textile production (Babbie, 2020). Researchers can confirm or refute assumptions with empirical realities via quantitative methods of assumption confirmation (Leedy & Ormrod, 2019). In addition, the research design in this study enables one to extrapolate outcomes to populations, particularly if one employs random sample techniques, making the findings more applicable and useful (Trochim, 2021). In the study "The Role of Technology Adoption in Improving Efficiency in Addis Ababa's Textile Manufacturing Sector," quantitative research possesses several advantages.

First, it makes objective measurement of operational performance and technology adoption possible. The degree to which technological integration is high and its impact on key indicators of efficiency, such as the rate of production and cost savings, can be gauged through standardized measures (Babbie, 2020). Second, quantitative research makes it possible for statistical tools to be employed to ascertain significant correlations between the variables. For example, regression testing and correlation testing would be applied to determine what various levels of technology adoption can be able to do to the productivity of the whole production process within the textile sector (Field, 2018). Moreover, among the greatest strengths of quantitative research is its ability to enable generalizability, and what this implies is that, under proper procedure of sampling, findings can be extended to the population at large among textile producers in Addis Ababa (Trochim, 2021). In a quickly changing market like the manufacturing of textiles, where innovation has the possibility of greatly enhancing operational capacity,

quantitative analysis is especially useful in the trend identification throughout time (Creswell & Creswell, 2017).

Lastly, due to the fact that quantitative research is based on evidence, it keeps stakeholders informed on what information they require to make effective decisions. For Addis Ababa manufacturers, this matters as it enables them to strategize and install technologies that enhance efficiency in operations, thereby enhancing the level of sustainability and competitiveness of the textile sector (Leedy & Ormrod, 2019).

### **3.2. Research Design**

Descriptive and correlational research designs are simple empirical research designs used for conducting varied yet complementary roles. Since no variables need to be controlled, descriptive research design tries to describe the attribute, relationship, or prevalence in a specific situation in an accurate manner. While trying to determine the trends, patterns, and the status quo in terms of their subject, researchers employ various means such as surveys and observational studies to acquire information. Descriptive research, for instance, was outlined the extent and nature of technology used and the operational performance indicators offered by companies while seeking to explore how technology adoption is capable of achieving efficiency in the textile industry production of Addis Ababa. Getting the premise for prolonged understanding of the phenomenon demands this basis study (Creswell, 2020).

Conversely, correlational research design tests whether two or more variables correlate and, if they correlate, in what extent the correlation is and in what direction. With no implication of causality, scientists are able to investigate how changes in one variable correlate statistically with changes in another. Correlational study can be used in the textile sector of Addis Ababa to explore whether a higher deployment of technology is associated with improved working conditions including the level of product quality, minimizing cost, and production speed (Field, 2018). Descriptive and correlational designs provide sufficient exploration of the research issue.

While correlational analysis brings it one step further in terms of examining the impact of such technology on operational effectiveness, descriptive findings are key in terms of providing information regarding the level of technology adoption in the present. Such a twofold approach assists stakeholders in the determination of technology investment and initiatives and enhancing

sector competitiveness as well as in the identification of existing gaps (Fraenkel et al., 2019). Furthermore, both design findings will be generalizable to inform future study, such as experimental study for comparing treatments to improve operational effectiveness and technology adoption (Bryman, 2016). It is of greatest importance to know usage patterns and their effects in an ever-changing industrial landscape where technology uptake affects operational effectiveness unevenly.

This research provide pertinent information that resonates with current business and research agendas through correlational and descriptive research approaches. This was finally helping stakeholders justify their technology practice for the maximization of productivity and efficiency in Addis Ababa's textile manufacturing sector (Shah et al., 2021). Hence, such research designs present industry stakeholders with significant real-world consequences as well as a sufficient foundation for academic research.

### **3.3. Source of data**

The study, "Role of Technology Adoption in Increasing Efficiency in Addis Ababa Textile Manufacturing Industry," was utilizing primary and secondary sources of data. Questionnaires were used for the collection of primary data from manufacturing entrepreneurs willing to do business in Addis Ababa's textiles industry. This was facilitating quantitative analysis of technology adoption and its contribution to adding operating efficiency. Secondary data were gathered in a roll call of credible sources that include government reports providing statistics on technology programs and economic performance, industry reports providing trends and performance measures of the Ethiopian textile sector, and research journals providing critical views on technology adoption in manufacturing.

Trade journals employed best practice in the industry and case studies, previously theses and dissertations were tried to impart general knowledge, statistical data collected from the local and international bodies employed to make generalizations about the level of the study. The use of primary and secondary sources of information gave adequate information on the impact technology adoption has on productivity within Addis Ababa's textile industry.

### **3.4. Target Population and Sample Selection**

In order to facilitate the support of all aspects of research in "The Role of Technology Adoption in Enhancing Efficiency in Addis Ababa Textile Manufacturing Industry," there is a necessity to borrow information from various sources. Technical innovation and manufacturing performance are discussed in peer-reviewed articles of scholarly journals such as the International Journal of Production Economics and the Journal of Textile Science & Engineering. Organizational reports and studies such as the Ethiopian Ministry of Trade and Industry and the Central Statistical Agency of Ethiopia can be consulted in efforts to obtain data and statistics regarding the development and challenges of the textile sector.

Also accessible are detailed reports on the garment industry of Ethiopia from business newspapers of firms such as Business Monitor International (BMI) and market research firms such as IBIS World. Textile & Garment Manufacturers Association of Ethiopia and the Ethiopian Chamber of Commerce are two local business organizations which can yield good statistics and data about domestic garment producers in the country.

For the purpose of estimation of exposure to technology adoption by stakeholders and its operational efficiency implications, the main data would be obtained from field surveys and interviews with local business and industry experts.

This study was complemented further by conducting case studies of the local organizations as well as successful textile manufacturers who have been able to implement new technology successfully.

Textile-conference and workshop venues were also utilized as an indicator of good measure and guide to the coming technology. Trends and firm intelligence on advancement were acquired in terms of way media, such as web sites like Addis Fortune, an internet news web site, and The Ethiopian Herald, a newspaper publication. A proportionate measure of intelligence for data regarding garment industry acceptance levels in offering technology by the industry's customers can also be that of one of the firms offering technology. Finally, statistics from international organizations involved in development, such as the World Bank and the African Development Bank, will give us the big picture of economic development efforts influencing the garment industry in Ethiopia. Apart from this long list of sources, the research would be more trustworthy

and has a clear understanding of how technology can be utilized to boost productivity within the textile manufacturing sector in Addis Ababa.

### **3.4.1. Population of the study**

The 350 Addis Ababa manufacturing companies that constitute the entire world in this study are micro, small, medium, and large-scale firms. The companies that constitute the large sample reflect the variety of the city's industrial base and are a representative observation setting on how technology adoption can contribute to increased productivity. For this category, the research will determine the general perception of how various sizes and shapes of manufacturing firms embrace new technologies and how their productivity is influenced. Data collection and analysis within the project timeline were based on this category.

### **3.4.2. Sample size**

Based on a known population size, the Yamane formula is frequently used to calculate the sample size required for a survey or study. The formula can be written as follows:

$$n = \frac{N}{1 + N e^2}$$

Where:

n= sample size

N = total population size

e = margin of error (the desired level of precision)

Given that the total population N is 350 and the significance level is 0.05, we can interpret this as a 5% margin of error e. To calculate the sample size:

Convert the significance level to a margin of error e = 0.05

Substitute values into the Yamane formula:

$$n = \frac{350}{1 + 350 (0.05)^2}$$

Calculate  $0.05^2$ :

$$(0.05)^2 = 0.0025$$

Calculate  $350 \div 0.0025$

$$350 \div 0.0025 = 0.875$$

Add 1 to this value:

$$1 + 0.875 = 1.875$$

Calculate the sample size (n):

$$n = 350/1.875=186.67$$

Since the sample size must be a whole number, we round it to the nearest whole number:

$$n = 187$$

Therefore, the calculated sample size for the study, using the Yamane formula at a 0.05 significance level, is approximately 187 manufacturing enterprises.

### **3.4.3. Sampling techniques**

In order to choose the sub-cities, woredas, and companies to be the focus of case study examination of the impact of technology adoption in increasing productivity in Addis Ababa's textile industry, there was a rigorous approach. Simple random sampling is utilized at level one to choose four out of Addis Ababa's eleven sub-cities. This is obtained by employing techniques like the lottery technique where a random digit for each sub-city is reached or by randomly picking four distinct digits between 1 and 11 via the use of computer random software.

Selection of woredas from among the four sub-cities is the second step after they are listed. Random sampling was again used to select the correct number of woredas (for example, one or two) out of the given list of woredas for each of the selected sub-cities. There are some woredas from each of the selected sub-cities. Through this exercise, the selected woredas will definitely be representative of the sub-cities.

Second, a stratified random selection would be used to select textile manufacturing companies that fall under micro, small, medium, or large based on predetermined criteria such as number of

employees or turnover annually, after the identification of woredas and corresponding companies in each. In attempting to make the selection of these businesses into the four strata, a list of all the companies that produce textiles in the sampled woredas was compiled. A predetermined number of companies were then being sampled from each of the strata by simple random sampling (for instance, 10 from each of the strata if the intended total sample size is 40). The reliability of the research results with respect to the use of technology by Addis Ababa clothing manufacturers is whether the sample is representative and random, which this systematic procedure assures.

**Table 1: population and sample size distribution of respondent**

| <b>Sub-Cities</b> | <b>Woreda</b> | <b>Business Type</b> | <b>Population</b> | <b>Sample Size</b> | <b>Returned questionnaire</b> |
|-------------------|---------------|----------------------|-------------------|--------------------|-------------------------------|
| Yeka Sub-City     | W1            | Micro                | 15                | 8                  | 8                             |
|                   |               | Small                | 18                | 10                 | 7                             |
|                   |               | Medium               | 6                 | 3                  | 3                             |
|                   | W2            | Micro                | 20                | 11                 | 11                            |
|                   |               | Small                | 15                | 8                  | 8                             |
|                   |               | Medium               | 8                 | 4                  | 4                             |
| Gulele Sub-City   | W1            | Micro                | 14                | 8                  | 6                             |
|                   |               | Small                | 20                | 11                 | 11                            |
|                   |               | Medium               | 11                | 6                  | 6                             |
|                   | W3            | Micro                | 20                | 11                 | 10                            |
|                   |               | Small                | 35                | 19                 | 10                            |
|                   |               | Medium               | 12                | 6                  | 6                             |
| Arada Sub-City    | W6            | Micro                | 19                | 10                 | 10                            |
|                   |               | Small                | 18                | 10                 | 10                            |
|                   |               | Medium               | 13                | 7                  | 7                             |
|                   | W5            | Micro                | 15                | 8                  | 8                             |
|                   |               | Small                | 14                | 8                  | 8                             |
|                   |               | Medium               | 10                | 5                  | 5                             |
| Bole Sub-City     | W6            | Micro                | 12                | 6                  | 6                             |
|                   |               | Small                | 10                | 5                  | 5                             |
|                   |               | Medium               | 6                 | 3                  | 3                             |
|                   | W8            | Micro                | 20                | 11                 | 11                            |
|                   |               | Small                | 15                | 8                  | 8                             |
|                   |               | Medium               | 4                 | 2                  | 2                             |
| <b>Total</b>      |               |                      | <b>350</b>        |                    |                               |

Source: Own Survey (2025)

### **3.5. Data Collection Methods**

A combination of data collection methods was employed in collecting both quantitative for the research on how technology adoption would enhance productivity for Addis Ababa's textile producing companies. Surveys provided the primary method of data collection, which involved the application of structured questionnaires to collect quantitative data from the sampled textile companies. The type of technology implemented, the feeling of increased productivity, level of production, and any problem encountered during implementation were all encapsulated by closed-ended questions in these questionnaires. Statistical analysis was also able to offer patterns and trends by way of ease of data collection from many respondents.

### **3.6. Data Collection procedure**

In this quantitative study, information was collected only through face-to-face methods. Pre-tested questionnaires were applied with respect to previous literature. Face-to-face interviews of the respondents were carried out by professionally trained enumerators in a manner so that uniformity and correct data collection could be ensured. Data was collected systematically by the researcher and subsequently verified for completeness and interpretability. All open or ambiguous questions were discussed and clarified by a consultation of field respondents for accuracy and reliability of data. The gathered data were then processed using statistical computer packages in a bid to come up with descriptive and inferential statistics for the research.

### **3.7. Pilot study**

To assess the reliability and effectiveness of the questionnaire tool used in the measurement of technology adoption within the textile industry in Addis Ababa, a pilot study was undertaken. A random small sample of all textile businesses of various sizes ranging from micro, small, medium-sized to large-scale enterprises was issued 40 questionnaires in this study. Respondents filled and returned the questionnaires and feedbacks were obtained and analyzed. Internal consistency was measured in terms of Cronbach's alpha to determine the reliability of the questionnaire, and any alpha measure of 0.7 or above is an indicator of reliable reliability. Finally, this initial step involved improving data quality of data collection within the large-scale study, such that research can gather technology adoption and operational efficiency information.

The pilot study lessons learnt had prompted necessary revision to the questionnaire, such as improving clarity and removing irrelevant items.

### **3.8. Instrument development**

In order to get the appropriate answers, a closed-end survey using both Amharic and English was designed.

The survey was being kept simple in character so as to make the respondents capable of responding meaningfully. The wording of questions and the phrasing of questions were intentional to the lowest level necessary. The presentation and layout of the survey are very crucial in any survey where respondents are asked to fill in the survey. Question design were framed wordings in development from the literature review. The questionnaire contained question items on a five-point Likert scale. Item scales used to score items on the questionnaire are known as Likert scales and go from strongly agree to strongly disagree.

#### **3.8.1 Instrument Validity**

Instrument validity is quite possibly the most significant component of any research study, especially when carrying out a research study on how the implementation of technology can be used to increase productivity in the textile production industry in Addis Ababa. The extent to which a research instrument, e.g., a survey or questionnaire, captures the variables that it claims to capture is the validity of the instrument. Here, it is important that the instruments actually measure what is applicable to the determinants of new technology adoption in textile manufacturing.

Both construct validity and content validity must be employed to determine the instrument's validity. Content validity is to determine that the instrument is capturing all the variables under study. Literature on the adoption of technology and efficiency of textile production is to be carefully reviewed and subject matter experts consulted to ensure that items on the questionnaire can be employed to identify areas under study.

The evaluation of whether the instrument measures theory-based constructs intended to be measured is called construct validity. Factor analysis and other statistical analyses may be

employed in determining if the responses conform to the assumed rules of technology adoption like perceived benefits, compatibility, and support for use.

The pilot study was done in order to attain utmost validity of data collection tools. This allowed a small number of potential textile industry respondents to pilot the questionnaire. From problem-solving and identification, the feedback received at this stage was for clarity, relevance, and appropriateness of questions to the target group. Principal stakeholders, such as advisers and industry specialists, were being an integral part in refining the tool to build its validity and usability.

By calibration, the instruments not only permit proper data to be gathered in terms of variables of technology adoption but also enable better identification of the ways in which variables impact productivity in the textile manufacturing industry.

The association among the variables identified was ascertained using inferential statistical models in order to establish reliable conclusions that could be used in guiding plans to facilitate the incorporation of new technology in the textile manufacturing sector in Addis Ababa.

### **3.8.2 Instrument Reliability**

The consistency of the study measures was measured by using Cronbach's Alpha coefficients, which are a measure of items by variable internal consistency. The evidence was a manifestation of the high consistency over the various constructs.

Cronbach's Alpha of 0.934 for 5 items for "Adoption of Automation Technology" clearly indicates that it is very reliable. With 5 items also, "Implementation of Information Technology Systems" indicated high internal consistency with a reading of 0.930. While "Investment in Training and Skill Development" is 0.850, a reading for high reliability, the construct "Integration of Supply Chain Management Technologies" is a Cronbach's Alpha of 0.890 with 5 items indicating good reliability.

Dependent variable, "Efficiency in Textile Manufacturing," is 0.820, which is also good and indicates adequate internal consistency among its items. The value of the "Utilization of Data Analytics" coefficient is 0.910, which is an indicator of high reliability.

Beyond this, it was also achievable to attain a pilot test total Cronbach's Alpha of 0.890, which was verification that the items in the questionnaires for all the constructs ensured consistency and yielded reliable results. In general, the results go to show exactly how reliable the measurement tools in the study were, confirming conclusions based on whether training and technological adoption impacts efficiency in textile production.

**Table 2:** Cronbach’s Alpha coefficient of study variables

| variables   | Cronbach's Alpha coefficient | Number of items | Pilot study |
|---|------------------------------|-----------------|-------------|
| Adoption of Automation Technology                   | 0.934                        | 5               | 0.904       |
| Implementation of Information Technology Systems    | 0.93                         | 5               | 0.90        |
| Integration of Supply Chain Management Technologies | 0.89                         | 5               | 0.83        |
| Investment in Training and Skill Development        | 0.85                         | 5               | 0.8         |
| Utilization of Data Analytics                       | 0.91                         | 5               | 0.89        |
| Efficiency in Textile Manufacturing                 | 0.82                         | 5               | 0.79        |

Source: Own Survey (2025) and SPSS Output

### **3.9. Data processing and analyzing**

#### **3.9.1. Data processing**

This study was use a manual and electronic system for data processing. The acquired data was edited, coded, categorized, and tabulated as part of the data processing phase. Data cleaning up and data reduction are the two stages of data processing. The obtained raw data was edited throughout the data cleaning process to look for abnormalities, mistakes, and omissions in the

responses as well as to ensure that the questions were answered correctly and consistently. The next step was to assign numerical or other symbols to the responses to group them into a finite number of categories or classes. After that, procedures for classifying or grouping a sizable amount of raw data into categories or groups based on shared traits were used. Data with similar characteristics was grouped together, which was allowed for the division of the entered data into various groups. The raw data finally was summarized and presented in the form of tabulation for additional analysis.

### **3.9.2. Data Analyzing**

By employing descriptive and inferential (statistical) analysis, the processed data are further transformed to look for patterns and relationships between and/or among data sets. The data gathered from primary sources was examined using SPSS version 26 (Statistical Program for Social Science). Particularly, inferential statistics (correlation and regression) and descriptive statistics (mean and standard deviation) was gathered using this instrument.

#### **3.9.2.1 Descriptive Analysis**

Data was tabulated, and descriptive analysis was used to reduce the data to a summary format, using measures of central tendency (mean and standard deviation). Moreover, pie charts was used to describe the core characteristics of variables. Descriptive statistics was applied to compare the various factors.

#### **3.9.2.2 Inferential Analysis**

Through study of the data, inferential statistics enables one to determine the link between two or more variables and how various independent variables may contribute to the variance in a dependent variable. The study was used the following inferential statistical techniques.

**Pearson Correlation analysis:** - The links between (Adoption of Automation Technology, Implementation of Information Technology Systems, Integration of Supply Chain Management Technologies, and Investment in Training and Skill Development, Utilization of Data Analytics) and Efficiency in Textile Manufacturing was examined in this study using Pearson's correlation coefficient.

**Multiple Regression Analysis:** - analyzing factors (Adoption of Automation Technology, Implementation of Information Technology Systems, Integration of Supply Chain Management

Technologies, and Investment in Training and Skill Development, Utilization of Data Analytics) and Efficiency in Textile Manufacturing was examined using multiple regression analysis.

**Regression functions:** - The dependent and independent variables served as the foundation for the equation of multiple regressions that was used in this study. Regression equations are primarily used to improve the researcher's ability to describe, comprehend, predict, and regulate the stated variables.

$$Y = \beta_1 + \beta_2 X_1 + \beta_3 X_2 + \beta_4 X_3 + \beta_5 X_4 + \beta_6 X_5$$

Where Y is the dependent variable- Efficiency in Textile Manufacturing

Adoption of Automation Technology =X<sub>1</sub>, Implementation of Information Technology Systems =X<sub>2</sub>, Integration of Supply Chain Management Technologies =X<sub>3</sub>, Investment in Training and Skill Development =X<sub>4</sub>, Utilization of Data Analytics =X<sub>5</sub>

$\beta_1$  is the intercept term- it gives the mean or average effect on Y of all the variables excluded from the equation, although its mechanical interpretation is the average value of Y when the stated independent variables are set equal to zero.  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$ ,  $\beta_4$  and  $\beta_5$  refer to the coefficient of their respective independent variable which measures the change in the mean value of Y, per unit change in their respective independent variables.

### **3.10. Ethical Consideration**

Various ethical issues have to be considered when carrying out research in an Addis Ababa textile manufacturing firm in order to be involved in responsible and respectful interaction with the participants and the environment. Firstly, informed consent was legally obtained by Addis Ababa University, where all the parties concerned were well informed of the purposes, procedures, potential dangers, and gains of the research. Such participants in the textile industry should also be well-educated and provide their free will without coercion. Privacy and anonymity are also required; information of participants as well as confidential data have to be anonymized and preserved securely so that participants' privacy is not leaked. The research must be done in such a way that it would not interrupt the business routine of the textile company or harm the means of livelihood for employees of the company.

There should be the responsibility of beneficence so that any harm is prevented and the beneficial impact of the study on the company and employees is maximized. This is done through informing the company of the good news and preventing the implication of results.

Likewise, there should be culture awareness in being sensitive to the local culture and working culture of the garment industry.

Besides, researchers should be prepared to address any ethical issues that arise during research honestly and fairly. The study will contribute to the textile industry in Addis Ababa and the academe after observing these ethics.

## **CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

### **4.1. Return rate of the respondent**

187 questionnaires had been distributed to respondents in a recent study conducted in the area in question. A staggering return rate of nearly 91.9% was achieved by receiving 172 of the questionnaires back. High response rates such as these are a clear indication that respondents were extremely active, providing thoughtful information and data for the study. Credibility is given to results by such a high level of participation and the responses received can be analyzed in much more detail.

### **4.2. Demographic characteristics of the respondent**

A large number of participants from different age groups can be observed from the age segmentation of the respondents. A majority of the 172 respondents (51.2%) consisted of those aged between 35 and 44 years. Therefore, this age bracket formed the largest portion of the sample. The second largest group consisted of those aged 25 to 34 years at a response rate of 27.9%. The age group of 18 to 24 years made up 7.0% of the population, while the age group of 45 to 54 years made up 14.0%. The category leading the figure was the age group of 25 to 44 years with 86.0% of the responders being in this age group, thereby indicating a large presence of the responders in the middle-aged brackets.

As per the data, the main source of information for the study was a relatively mature population, and this has implications for the overall results and findings of the study.

Male respondents comprised 66.3% of the sample in consideration of the gender demographic of the responders. On the other hand, 33.7% of the responders were females. Since there were so many more male respondents than female respondents, this disparity between the genders indicates that it is possible that the study's outcomes are largely influenced by what the male respondents underwent and sensed. Even though the overall sample size of 172 respondents is sufficient to justify all kinds of conclusions in relation to this imbalance, it is essential to keep this gender disparity in mind when it comes to interpreting and analyzing the findings. The report

stresses the significance of researching gender-specific perspectives, particularly when the issue of research involves areas where gender differences might prove to be major.

Level of education of respondents characterizes the broad range of qualifications. The most common response (37.2%), or the majority of the 172 participants, was a diploma. Respondents with a bachelor's degree or vocational training, each representing 27.9% of the sample, were second and third, respectively.

That only 7.0% of the sample had a high school diploma is to indicate that essentially all of the respondents had pursued additional education beyond high school. That 93.0% of the respondents possessed some credentials following high school, this analysis reflects an educated sample.

A variety of education streams is expressed in the relatively uniform proportion of respondents with vocational training and bachelor's degrees, which can imply various perspectives on the research topic. On the whole, it is interesting to be attentive to the education background of the respondents since it could prolong the analysis and make it meaningful, particularly when speaking about skills, work, and socioeconomical topics.

The diverse occupation of the 172 respondents is disclosed, depending on their occupation or job in the company, as indicated in the return distribution. To the surprise of all, the largest sector were production workers with 30.8% of the sample. These were followed by quality control workers, who were 23.8% of the respondents, and technicians, who were 25.0%. In addition, 20.3% of respondents were managers. In this distribution, a significant percentage of the respondents are found to be employed in technical and production-related jobs directly, which can be valuable sources of information about shop-level specifics and real work issues encountered in the workplace. Second, the company also places high importance towards upholding standards and technical performance, as reflected by the quite balanced representation of technicians and quality control personnel.

Although they form a minority proportion, the opinions of the managerial group matter in regard to understanding leadership frames and decision-making. The organizational operation hierarchy is normally emphasized by this set of jobs, meaning that the information one gets might be an

overall conclusion of office interactions and that the outcome applies everywhere in most aspects of company activities.

There are different levels of experience within the workforce, as a benchmark of years of experience in the textile industry among the respondents confirm. The most prevalent group, 36.6% of the 172 participants, were participants who had 1 to 5 years of experience. Behind them were those with 6 to 10 years of experience, and they made up 41.9% of the sample population as a whole, suggesting a high proportion of professionals at middle level in the profession. It stood in contrast to 14.5% of the respondents with less than 1 year of experience, suggesting that the vast majority of the population was new to the profession. Finally, quite a small percentage of experienced practitioners only 7.0% of respondents reported having more than 10 years of experience.

This distribution shows an employee base that is disproportionately composed of workers with a moderate amount of experience, and this could mean that the sector is well positioned to be able to capitalize on new ideas and experience of more seasoned workers. In the textile sector, maintaining operations running smoothly and driving innovation are highly reliant on blending knowledge and expertise of all levels of experience.

Based on the respondents' size analysis, there are predominantly small companies in the textile industry. There were 59.9% of the 172 study participants as small companies, which was the largest. This implies that most of the workforce is working for small companies, which may be termed as a close work environment and maybe more crowded arrangements.

Next, medium-sized firms accounted for 29.7% of responses, suggesting a considerable number of middle-sized companies that could potentially deliver a different set of operating traits than small businesses. Alternatively, only 10.5% of respondents said that they employed by micro firms, who are the most underrepresented group. The importance of small and medium-size enterprises (SMEs) in the textile industry is underscored in this distribution since they most likely dominate employment and innovation in the industry. The dominance of small businesses may also bring some challenges and opportunities to the forefront that are specific to this market, and these may affect overall trends and processes in the industry.

The business profile of the textile sector can be further scrutinized based on the breakdown of annual income for the firms in question. A majority of the 172 that responded to the survey, 67.4%, reported their annual income to be between 500,000 and 1,000,000 ETB. This would

suggest that most firms earn very small revenues, which would likely be an indication of low market penetration or scalability.

The second of the respondent groups, 26.2%, of annual revenues between 1,000,000 and 5,000,000 ETB, describing a smaller business segment which would also have higher levels of activity and perhaps greater market influence. Fewer firms are found in the lowest group of revenues since only 6.4% of the organizations had an annual revenue of under 500,000 ETB.

With most enterprises earning less than 5,000,000 ETB, the cumulative percentages clearly indicate a concentration of enterprises within the lower to middle-sized revenue brackets. This income distribution is potentially an area for concern for the financial strength, growth, and competitiveness of the textile industry. The majority of enterprises are likely to be in need of assistance to grow, increase productivity, and become more profitable. Most of the firms in the 500,000–1,000,000 ETB bracket submit projections of concerted efforts aimed at stimulating growth and sustainability within this sector of the textile business.

A study of the ownership pattern of the studied textile industry firms shows an evident trend towards partnership as the predominant type of ownership. As many as 70.9% of the 172 respondents verified that their companies are partnership-based. This would translate into a cooperative way of conducting business where partners have resources, responsibilities, and decision-making powers shared among them, which could spur innovativeness and adaptability in an increasingly competitive economy.

Conversely, 15.1% of the companies stated they were privately owned, and this suggests a vast majority of companies are owned by individuals or families. With more emphasis on individual value and vision, this methodology may influence the firm's operation strategies.

And 14.0% are owned by the government, evidencing a modest but real level of government involvement in the business. Government ownership can imply direction toward furthering the common good or providing jobs within the business.

In total, the statistics reveal that among the interviewed businesses, partnerships are the most common type of business ownership in the textile industry, suggesting a desire for shared business ventures. State-owned and privately owned businesses occupy smaller slices of the market, suggesting a multiplicity of ownership in the business. The overall strategic direction of

the companies, distribution of resources, and business operations could all be impacted by this type of ownership.

Table 3: demographic characteristics of the respondent

|                             |                     | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------------------------|---------------------|-----------|---------|---------------|--------------------|
| Age                         | 18-24 years         | 12        | 7.0     | 7.0           | 7.0                |
|                             | 25-34 years         | 48        | 27.9    | 27.9          | 34.9               |
|                             | 35-44 years         | 88        | 51.2    | 51.2          | 86.0               |
|                             | 45-54 years         | 24        | 14.0    | 14.0          | 100.0              |
| Gender                      | Male                | 114       | 66.3    | 66.3          | 66.3               |
|                             | Female              | 58        | 33.7    | 33.7          | 100.0              |
| Educational background      | high school         | 12        | 7.0     | 7.0           | 7.0                |
|                             | diploma             | 64        | 37.2    | 37.2          | 44.2               |
|                             | bachelor's degree   | 48        | 27.9    | 27.9          | 72.1               |
|                             | vocational training | 48        | 27.9    | 27.9          | 100.0              |
| Position or role in company | manager             | 35        | 20.3    | 20.3          | 20.3               |
|                             | technician          | 43        | 25.0    | 25.0          | 45.3               |
|                             | quality control     | 41        | 23.8    | 23.8          | 69.2               |
|                             | production worker   | 53        | 30.8    | 30.8          | 100.0              |
| Years Experience            | of less than 1 year | 25        | 14.5    | 14.5          | 14.5               |
|                             | 1-5 years           | 63        | 36.6    | 36.6          | 51.2               |
|                             | 6-10 years          | 72        | 41.9    | 41.9          | 93.0               |
|                             | over 10 years       | 12        | 7.0     | 7.0           | 100.0              |
| Company Size                | micro               | 18        | 10.5    | 10.5          | 10.5               |
|                             | small               | 103       | 59.9    | 59.9          | 70.3               |
|                             | medium              | 51        | 29.7    | 29.7          | 100.0              |

|                               |                                 |     |      |      |       |
|-------------------------------|---------------------------------|-----|------|------|-------|
| Annual Revenue of the Company | less than 500,000 ETB           | 11  | 6.4  | 6.4  | 6.4   |
|                               | 500,000-1,000,000 ETB           | 116 | 67.4 | 67.4 | 73.8  |
|                               | 1,000,000-5,000,000 ETB         | 45  | 26.2 | 26.2 | 100.0 |
| Ownership Structure           | state-owned                     | 24  | 14.0 | 14.0 | 14.0  |
|                               | privately owned                 | 26  | 15.1 | 15.1 | 29.1  |
|                               | a partnership                   | 122 | 70.9 | 70.9 | 100.0 |
| Technology Usage              | automated machinery             | 60  | 34.9 | 34.9 | 34.9  |
|                               | software tools for management   | 80  | 46.5 | 46.5 | 81.4  |
|                               | digital communication platforms | 32  | 18.6 | 18.6 | 100.0 |

Source: Own Survey (2025) and SPSS Output

A few adoption rates of other technologies are disclosed in the technology's rate of adoption among respondent companies in the textile industry. The most prevalent technology among the 172 respondents is the use of management software tools, used by 46.5% of the companies. This massive figure is a move towards computerization of business processes as firms adopt computer programs for the sake of augmented productivity, rationalization of working processes, and better management of information. 34.9% of the companies reported that they had used computerized equipment subsequent to management software, reflecting vast investment in automation technology. The investment also represents a shift in direction of the textile industry toward new manufacturing technologies by enhancing manufacturing efficiency, labor saving, and enhancing product quality.

While, 18.6% of all the respondents only noted they had used digital communication platforms, it indicates that despite expansion in firms in terms of maximum automation and management, so much is possible where the issue of enhanced communication and collaboration using digital platforms is at stake. Collaboration depends on a quality communication tool, especially in multi-stakeholder undertakings and extensive interactions. While the textile industry is

increasingly embracing technology, especially management and automation, lower use of digital communication means represents untapped growth opportunities that would engender increased collaboration, data sharing, and effort economy in the industry.

### **4.3. Descriptive statistics of the study**

The evaluation of the mean scores in a Likert scale can be divided into low, medium, and high requirements, as (Dillman, Smyth, and Christian, 2014) state. In particular, mean scores between 1.00 and 2.33 are referred to as low, indicating general disagreement or negative sentiment regarding the statement. A score between 2.34 and 3.66 is considered medium, expressing a neutral or medium agreement level. Finally, mean scores between 3.67 and 5.00 are high and indicate high agreement or positive attitude.

#### **4.3.1. Adoption of Automation Technology**

Parts of the robust analyses on the way the automation technology has influenced the manufacturing processes are descriptive statistics on its utilization by the firms in study. Feedback from 172 respondents confirms contrasting opinions regarding the efficacy of automation. Respondents rated automation technology at 2.91 (on a potential higher mark), which reflects the degree of belief in its contribution to improving the production process.

On the contrary, all agree that automation has sped up some processes, as is evident from the mean response of 3.10 for time compression required to finish manufacturing work. The perception that automated machines have cut some human errors in manufacturing was given a stronger mean rating of 3.30 to show that firms appreciate the contribution automation makes towards elevating the accuracy of production. They also gave a 3.49 rating for the automation potential for increased volume of production, which was a high agreement level that it would increase their operations.

The overall rating for quality of the product is 3.31 and supports the fact that the majority of the respondents believe automation technology improves the quality of the products that are being produced. Overall, while there may be some ambiguity indicated through mean scores on the degree of benefit derived by automation technology, i.e., its improvement of the production process, the greater ratings on volume production as well as product quality indicate that its true

strengths are being realized. The standard deviations of the answers indicate that different companies differently view the use and being affected by automation technology in their production environments.

**Table 4: Descriptive Statistics of Adoption of Automation Technology (N=172)**

|  | Mean   | Std. Deviation |
|--|--------|----------------|
| Our production processes have been enhanced by the use of automation technology. | 2.9128 | 1.49011        |
| Automation has reduced the time required to complete manufacturing tasks.        | 3.1047 | 1.27989        |
| The introduction of automated machinery has decreased human error in production. | 3.2965 | 1.16949        |
| Automation allows us to produce goods at a higher volume than before.            | 3.4884 | 1.18711        |
| The use of automation technology has improved the quality of our products.       | 3.3081 | 1.46033        |
| Valid N (listwise)   |        |                |

Source: Own Survey (2025) and SPSS Output

Previous research confirms a moderate average level of expertise about how automation technology contributes to creating activity with some strengths contributing to production at increased volume (mean = 3.49) and contributing to improving products (mean = 3.31). The respondents appreciate how automation facilitates activity speeds and reduces errors but are neutral to its desirability as a whole, since it is clear from the mean average of 2.91 of perceived effect. It is thinking towards agreement in the backdrop of existing studies, i.e., (Kumar and Singh, 2020), which resonated worldwide optimism towards automation with particular reference to competitions and striving for efficiency. Similarly, other recent studies such as (Li and Wang, 2021) also attest to advantages of automation with reservations against costs of implementation and integration problems that can moderate international optimism.

In relation to production speed and minimization of errors by automation, earlier study by (Zhang et al., 2019) established fact basis that the speed has added time in to enormously huge

scale with error minimization to enormously huge scale but in consistency—attempted conclusions by prevailing facts at 3.10 point for speed and 3.30 point for error minimization. The mid-point mean scores themselves also reveal half as positive or constrictive, e.g., like in the study of (Cheng and Lee, 2022), where diversified automation efficacy was present based on technology readiness and business size. And, while there were previous studies like (Patel and Kumar, 2018) which had revealed automation to have high adoption and perceptions across sectors, there are no such lasting perceptions in recent studies.

(Nguyen et al., 2023) concluded that high-tech infrastructure facilitated the organizations that benefited more than the respective peers extrapolated from the experience of the earlier time based on cumulative evidence of the recent past. In general, the above analysis of the recent years and initial years recognizes the boundaries of the productive role of automation in production speed, production quality, and error reduction. The new data made a more pragmatic and condition-dependent response to the need for implementing other approaches to achieving technology potential in manufacturing necessary.

#### **4.3.2. Level of Implementation of Information Technology Systems**

Core data on perceived usage of information technology (IT) systems performance in boosting some areas of operations could be obtained from the descriptive statistics of adoption by the sample firms. All 172 respondents' responses are addressed to the effect of IT systems to be felt as somehow in order to benefit.

The 3.01 average rating by the respondents on how significant the improved internal communication caused by their IT systems indicates that opinions are rather sharply polarized while there is some perception of enhanced communication. The 3.20 rating on using IT systems for inventory management by the respondents indicates that though there can be room for improvement; the systems are believed to simplify things and make them easier.

With its higher mean score of 3.39, the efficiency in receiving software orders was seen more positively, which means that firms are really making use of these software tools to their advantage. The appreciation of technology's ability to make customers' responsiveness faster is also shown in the much-higher score of 3.58 on IT systems allowing quicker response to customers' questions.

Finally, agreement on how IT systems facilitate business decision-making is established utilizing the mean score of 3.37 for providing adequate and timely information to facilitate decision-making. The variation in the agreement among the respondents is also shown by the standard deviations of each statement and thus reflective of some variation in their exposure to utilizing and implementing IT systems. Overall, as much as to have participants who know the benefits which are observed in their IT systems, they still have room for improvement with most of it being communication and control of inventory.

**Table 5: Descriptive Statistics of Implementation of Information Technology Systems(N=172)**

|  | Mean   | Std. Deviation |
|--|--------|----------------|
| Our information technology systems have improved communication within the company. | 3.0058 | 1.39547        |
| The integration of IT systems has streamlined our inventory management processes.  | 3.1977 | 1.23136        |
| We effectively use software solutions for order processing in our operations.      | 3.3895 | 1.18198        |
| Information technology systems help us respond more quickly to customer inquiries. | 3.5814 | 1.26088        |
| Our IT systems provide accurate and timely data to assist in decision-making.      | 3.3721 | 1.46736        |
| Valid N (listwise)   |        |                |

Source: Own Survey (2025) and SPSS Output

The findings in this regard were favorable towards the effectiveness of IT systems to enhance operating segments with mean values spanning between 3.01 and 3.58. Similar studies such as those by (Al-Farsi et al., 2020) also concluded that organizations, in fact, have IT implementations as favorable but which require improvement, two of which are inventory management and internal communication. They are backed by past research that indicates the way the IT systems enhance decision-making and process effectiveness, though not maximized yet there remains potential to optimize.

On the other hand, newer research by (Kuo and Yang, 2022) also indicates a more positive scenario with improved mean ratings (above 4.0) for IT's efficiency in making operations efficient and greater confidence in the technology. Variation could be due to a superior infrastructure supporting IT or varying industry sectors being researched. Despite medium-reported consensus under this research, empirical evidence from Kuo and Yang puts on record that perceived IT impact is even greater elsewhere.

In addition, (Zhang et al. ,2021) concluded that even where the workers are amicable in demeanour, factors like system integration problems and user resistance create barriers towards total attainment of the benefits of IT, and that is what explains the standard deviations in this research that show advanced experience among participants. Generally, literature has acknowledged that although organizations have written about the potential of IT systems, their full impact on operations is always an area for improvement.

### **4.3.3. Integration of Supply Chain Management Technologies**

Descriptive statistics for SCM technology adoption since they are considered based on how well they perform and have an edge are represented as data articulating their adoption by the firms being researched. The respondents used to measure the level of satisfaction in terms of the impact which these technologies generated on their supply chains totaled 172.

Average on sense of cooperation with suppliers is 3.11, indicating a moderate sense that SCM systems are cooperative to coordination. This average would indicate that while there has been some progress in the coordination arena, relations in supply remain strained.

The respondent rated the effectiveness of logistics as 3.32, which is a general positive sentiment that advanced supply chain technology allows logistics to be effective. With a much higher mean score of 3.48 for effectiveness in tracking shipments, companies are confident about their ability to track shipments accurately down the supply chain, which is vital in maintaining visibility in operations.

Applicability of supply chain technology for enhanced communication with stakeholders reached the highest average rating of 3.62. It reflects a clear perception that these technologies create

effective communication plans, which contribute significantly to integrating diversified supply chain functions.

Finally, the average on how supply chain technologies are used in mitigating delays in operations was 3.34, indicating that even with the potential minimization of delays; most companies had a reason to be concerned about them.

Different perceptions of the respondents are fulfilled by reporting the standard deviations of such perceptions, which further identify different levels of achievement and problems encountered in applying SCM technology. Overall, while the respondents might agree that integration of supply chain management system has a lot of benefits, there is still room for improvement, mainly in coordination and minimizing operational delays.

**Table 6:** Descriptive Statistics of Integration of Supply Chain Management Technologies (N=172)

|  | N   | Mean   | Std. Deviation |
|--|-----|--------|----------------|
| Supply chain management technologies allow for better coordination with our suppliers. | 172 | 3.1105 | 1.40363        |
| Our logistics operations are more efficient due to advanced supply chain technologies. | 172 | 3.3198 | 1.25053        |
| We use technology to track shipments throughout the supply chain effectively.          | 172 | 3.4826 | 1.21623        |
| Supply chain technology has enhanced communication channels with stakeholders.         | 172 | 3.6163 | 1.29478        |
| The integration of supply chain technologies has reduced delays in our operations.     | 172 | 3.3430 | 1.44845        |
| Valid N (listwise)   | 172 |        |                |

Source: Own Survey (2025) and SPSS Output

The results of this study reveal a high degree of perception of SCM technology, and communication with stakeholders (mean = 3.62) and tracking records of shipments (mean = 3.48) are the highest strengths. Still, there is an issue also in managing suppliers and punctuality. The comparison of the above findings with the earlier recent studies reveals similarity and notable

differences. (Kumar et al. ,2022) note that business organizations perceive SCM technologies to be at the very epicenter of coordination and openness but have some pretty daunting challenges in front of them in terms of the efficiency of integrative systems. This is closely after what this study found, with examples of good communication feedback and monitoring shipment but only general feeling of more supplier cooperation (average = 3.11), a measure that is also direction-biased sense of supplier relationship management as a buying SCM problem. (Zhang and Lee, 2023) further determine that SCM tools improve logistics efficiency and elimination of delays better significantly, with extremely high levels. 3.32 is the value of logistic efficiency here with which moderate but beneficial impact, and the comparatively lower mean value of 3.34 for delay decrease shows there are great operation bottlenecks still existing, as opined by Zhang and Lee that technology cannot cut down such delays unless the process is re-engineered. In addition, variation in the resultant below warrants a conclusion of (Ahmed et al., 2021), who aimed at determining the effect of organizational factors such as size, availability of resources, and maturity of technology on effective SCM system deployment. The two studies indicate the fact that although many companies realize benefits, their experiences in practicing are diverse and interventions of a professional nature need to be instituted. Unlike other research such as (Zhang and Lee ,2023), which set the fact that results indicate high satisfaction levels, moderate scores in this paper indicate that most of the organizations have not yet undertaken the transformation or only just started practicing SCM. Apart from that, even though previous studies on digitalization acceleration on SCM technology adoption have generated evidence, based on this current study, improvement attitudes such as coordinating suppliers and avoiding delay are found in infancy stage, indicating there are long-standing problems and more improvement required in SCM technology adoption.

#### **4.3.4. Investment in Training and Skill Development**

Perceived effectiveness and frequency of training activities of the company have data enumerated in descriptive statistics for investment in skill development and training of the respondents. A total of 172 respondents provided their view on a number of technology training and skill development matters. The outcome of 3.34 for frequency of new tool and technology training mean indicates that employees are positively but not very positively disposed towards the frequency and quality of such training. The high standard deviation of 2.73 indicates a large

spread in the response, indicating that some of the employees might be getting more extensive training than others.

Also, the mean of 3.51 on training's effect on employees' confidence further establishes that most agree that training programs have increased the confidence level among the employees in technology. For the third time, the standard deviation of 2.66 provides evidence of respondents' perception on the effect of training differing, thus a variation in perceived effect. Ranking of skill development projects with a focus on the process of production yielded an interesting mean value of 5.78, and that too seems higher than typical Likert scale limits and might very well need additional effort in filling likely data entry errors. If that is the case, then that would indicate a comparatively high level of focus towards developing skills, which is critical towards being work-ready.

Mean scores of 3.65 to assess training effectiveness in enhancing work efficiency show that employees are supportive of training programs since they feel that it enhances work output. The mean score of 3.23 with the higher standard deviation of 2.78 to promote continuous learning and professional growth, however, shows an even rating and that employees' work experiences are highly varied. Whereas de-motivation would grab others, whereas others would be most motivated while attempting to learn something new daily.

Although as a whole the statistics may have a tendency to show that training and skills development are highly valued, there are contrasts within the extent to which and how often training is viewed, and this works to enhance the capability of qualitative research in ascertaining barriers and facilitators to training. By providing answers to problems, training expenditure may be optimized, which work to further would assist in optimizing operation effectiveness and staff well-being.

**Table 7:** Descriptive Statistics of Investment in Training and Skill Development(N=172)

|  | N   | Mean   | Std. Deviation |
|--|-----|--------|----------------|
| Our workforce receives regular training on new technologies and tools. | 172 | 3.3372 | 2.73428        |

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|   |     |        |         |
|---|-----|--------|---------|
| Training programs have positively impacted employees' confidence in using technology. | 172 | 3.5058 | 2.66117 |
| We prioritize skill development initiatives relevant to our production processes.     | 172 | 5.7791 | 8.18771 |
| Training in new technologies has been effective in improving operational efficiency.  | 172 | 3.6453 | 1.34939 |
| Employees are encouraged to continue learning and developing their skills.            | 172 | 3.2326 | 2.78540 |
| Valid N (listwise)  |     | 172    |         |

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Source: Own Survey (2025) and SPSS Output

Findings of this current study descend in frequency, effectiveness, and training impact on the self-esteem of employees with difference of great magnitude in response. Comparison as well as contrast is derived from other research. For instance, workers will have positive attitude toward training at large with mean ratings of 3.34 for repetitive training and 3.65 for operation effectiveness with positive to medium attitude. This is in contrast to (Johnson et al., 2022), who believed that organizational special training programs had stronger employees and improved working performance, hence the significance of quality training programs. Johnson et al. also quote that tailored training ensures that one minimizes response diversity, which contradicts big standard deviations (of around 2.66–2.78) achieved in this current study, representing differential training experience among the respondents. As quality and frequency of training attributing first priority to improving skills, the mean value of 3.78 by the present research indicates that there is significant worker participation but high variance indicates that there are variations in the provision or quality of training to the workers. (Lee and Kim ,2021) also took into account that frequent formal training is perceived as being more useful, but once more the prevailing fluctuation would mean organizations need to be offering same and same training to all. For its effect, employees are aware that training enhances procedures (mean 3.65), but that it is less highly held to facilitate continuous learning (mean 3.23), and where it fails them is revealed. (Singh and Patel ,2023) acknowledge that professional development is correlated with long-term performance but optimal implementation should be person tolerant as well as organizationally limited. Ceteris paribus, although previous studies have firmly established that companies do need overt, formal training, the degree of heterogeneity in reaction to this study implies that not

all staff may be so advantaged by such incentives. What it essentially means is that companies should evaluate and recognize their training programs in a way that they are equally accessible, appropriate, and effective as well and, in the process, optimize business contribution as well as employees' trust.

#### **4.3.5. Utilization of Data Analytics**

Descriptive statistics used in the case of applying data analytics to the firm explain how technology adoption is thought to affect some operations measures. A total of 172 participants together gave their sense of how such technologies affect overall operational effectiveness and production efficiency. The statement "Our efficiency of production has improved after applying new technologies" was scored at 3.17 on average, which means that the respondents somewhat agree that technology improves the production efficiency. The standard deviation of 1.29 suggests some homogeneity of opinion and suggests irregular experience in the effect of technology on working procedure.

The mean score for general operational performance is 3.55 and it reveals a less positive agreement that new technology introduction has led to material improvement in operational performance. The responses were relatively mixed, as shown by the relatively high standard deviation of 2.62, which reveals that while there are some workers who report material benefits, others perceive no material change. The response to cheaper cost has an average of 3.56, which reflects a similar agreeing opinion in that a majority of the respondents have the opinion that there is evidence of reduced costs arising from technology advancement. This is shown by a lesser standard deviation of 1.20, which verifies that there was great consensus among the respondents about this issue.

There was also a middle-range belief in increased adoption of technology and profitability as indicated by the mean score of 3.33 on seeing wider profit margins with more efficient operations. Lastly, the remark on competitiveness due to enhanced manufacturing efficiency was accorded the lowest mean of 2.99, since this indicates that the respondents had a slightly positive to negative perception when it comes to the company's competitiveness in the marketplace as compared to the effect of other determinants. Widespread difference in perception among the employees concerning the company's position in the competitive marketplace is also suggested by the 1.50 standard deviation.

Overall, the difference of opinion over levels of competitiveness and profit margins conflict all point to those most likely areas which need further examination, and despite all signs of added production efficiency, operations performance, and cost savings through use of technology, there are strong indications it can be tuned. This indicates even where data analytics and technology operations are seen as a positive, further organizational support or strategic focus might be needed to more visibly see them affect competitiveness in markets.

**Table 8:** Descriptive Statistics of Utilization of Data Analytics(N=172)

|   | N   | Mean   | Std. Deviation |
|---|-----|--------|----------------|
| Our production efficiency has improved since adopting new technologies.           | 172 | 3.1744 | 1.29499        |
| Overall, our operational performance has significantly increased.                 | 172 | 3.5465 | 2.61644        |
| Cost reduction in our processes is evident due to technology improvements.        | 172 | 3.5640 | 1.19526        |
| Our profit margins have improved as a result of increased operational efficiency. | 172 | 3.3256 | 1.47844        |
| We are more competitive in the market due to enhanced manufacturing efficiency.   | 172 | 2.9884 | 1.50239        |
| Valid N (listwise)  | 172 |        |                |

Source: Own Survey (2025) and SPSS Output

Shared with the rest of the more recent researches is as much as a perspective of the organizational performance impact of data analytics. All of these studies point to the overall advantage of operational efficiency and cost reduction through data analytics use. For example, (Smith & Lee ,2022) also possess fairly high mean scores of approximately 4.0 to be cost saving and 3.8 to be cost effective but your humble positive skew with means of approximately 3.17 and 3.56. (Garcia et al. ,2021) even recorded very high positive correlation between using technology and being profitable with a mean score of 4.0, which reflects mass perceived benefit. The two

studies also indicate that expectations of profitability in the market and hopefulness of competitiveness are not very genuine, since one can comprehend from large standard deviations of 1.0 to 1.5 having contaminated outcomes on the firms' side. There are, however, significant differences; your perceived profitability advantage is less positive (mean 3.33) and less stable, and material benefits through data analysis thus are not always realized, whereas Garcia et al. already had more stable and more positive attitudes. Whereas Smith & Lee had developed very positive overall attitudes, your findings have competitiveness advantage perceptions to be less frequent, neutral or even slightly unfavorable at times. This agrees with (Kumar & Patel ,2023) who consider organizational initiatives like leadership, specialist assistance and training to be key in the conversion of operations improvement into competitive advantage. Your available research and literature usually promote the point that data analytics can improve operations metrics, profitability, and scale growth within the market is a rare occurrence, and entirely reliant on organizational support and practice. This heterogeneity creates strategic requirements for achieving valuable applications of technology investment in pursuing the attainment of long-term competitive advantage.

#### **4.3.6. Efficiency in Textile Manufacturing**

Descriptive statistics regarding the effectiveness of the production of textiles provide a full picture of how different aspects of the firm's production and operations are believed to be affected by taking up new technology. In line with the information that had been gathered from 172 informants, there is some degree of agreement with main statements about the effectiveness of these technical innovations.

Beginning with that, the response "Our production efficiency has improved since adopting new technologies" had a mean of 3.17, which is giving a very close but positive answer from the respondents. There being some variation in experience is nevertheless signaled by having a standard deviation of 1.29, where some employees felt it more than others. The average score increases to 3.55 when account is being taken of overall operational performance, with the implication that there is greater agreement that technical progress has made a marked positive contribution to operational performance. Again, however, the resulting higher standard deviation of 2.62 also implies that although some will believe that there have been fundamental improvements, **others might not.**

At 3.56 on average, technology innovation savings reflect that the majority of employees perceive that there is a relationship between lowered operating costs and technology. Having a lower standard deviation of 1.20 from other scores once again reflects a more consensus view towards this topic. While the 1.48 standard deviation suggests a wide range of perceptions of its actual impact, the expectation of increased profitability due to increased operating efficiency, at an average of 3.33, suggests a rational expectation of the positive impact **of technology on profitability**.

Lastly, the reason that greater productivity efficiency ensures market competitiveness has a mean of 2.99 and is much lower than measures of averages and conveys a neutral sentiment of competitiveness of the firm in the market. The ranking of the firm's positioning in the market after the implementation of new technology by respondents contains a big difference because the standard deviation is 1.50 and not zero.

Short, whereas facts show technical innovations to be warranted as being positively contributory to production efficiency and operational efficacy, differentiated responses demonstrate research areas in need. In particular, profit margin areas and market competitiveness areas have to be met so that technology expenditure in the textile manufacturing industry is translated in competitive advantages.

**Table 9:** Descriptive Statistics of Efficiency in Textile Manufacturing (N=172)

|   | N   | Mean   | Std. Deviation |
|---|-----|--------|----------------|
| Our production efficiency has improved since adopting new technologies.           | 172 | 3.1744 | 1.29499        |
| Overall, our operational performance has significantly increased.                 | 172 | 3.5465 | 2.61644        |
| Cost reduction in our processes is evident due to technology improvements.        | 172 | 3.5640 | 1.19526        |
| Our profit margins have improved as a result of increased operational efficiency. | 172 | 3.3256 | 1.47844        |
| We are more competitive in the market due to enhanced manufacturing efficiency.   | 172 | 2.9884 | 1.50239        |

Source: Own Survey (2025) and SPSS Output

The latest exploration of textile performance of production, based on 172 responses, indicates a broad positive reaction to the effect on process processes of technology's acceptance, but finds extensive heterogeneity of experience and belief. To compare with other sources is helpful. This study documents an average of 3.17 in enhanced production efficiency and over 3.55 in overall performance of operations, corroborating the ongoing research study of (Kumar and Singh, 2020), since that too observed technology adoption has a likelihood of enhancing productivity as well as operating efficiency for textile firms. In the same way, previous research like (Ahmed and Rahman, 2019) has also arrived at the point where technology and automation will definitely make operations more efficient. Present standard deviations of 1.29 and 2.62 indicate a broad spectrum of experience with the same findings in (Zhang et al. ,2018), which arrived at the point that not always are technology gains made due to organizational readiness and skill levels. In cost reduction and profitability, cost saving belief (mean 3.56) with comparatively low standard deviation (1.20) is in accordance with previous research by (Li and Wang ,2021), which presumed that technological innovation aids in reducing operating costs. Belief on higher profit margins (mean 3.33) is in accordance with previous research by (Patel and Kumar, 2019), which emphasized the implication of technology effectiveness towards profitability. But the variation in the answers reflects that while there exist some workers or companies who recognize the so-called economic advantages, there are others who oppose it, ostensibly because of the access charge of initial capital or hardship areas of uptake proposed by (Chen and Lee, 2020). Level of competitiveness in the market, whose lower mean value of 2.99 represents, is warning or neutral expectation against research such as (Singh et al. ,2017), which demonstrated that technology is typically in the interest of the destiny of businesses in the marketplace through innovation and speedy response. The greater standard deviation (1.50) is a reflection of varied perceptions, which are perhaps products of external influences such as market forces or internal influences such as effort towards convergence, contends (Osei et al., 2022). The divergence suggests that technology cannot support competitive advantage unless there are strategic attempts. Overall, while available data warrants the outcome of previous studies on the cost benefit and productivity offset of technology, it also portends continuing pitfalls in the way of such benefits manifesting as marketplace leverage. The response variation captures the impact of situational

factors—organizational capability, employee skill, and strategic intent—to achieve maximum return on technology investment.

#### **4.3.7. Overall mean of study variables**

In-depth examination of the mean values and standard deviations of several research variables in relation to operational efficiency and technology utilization in the textile industry is facilitated through descriptive statistics presented. The "Adoption of Automation Technology" stood at 3.22 on the mean, reflecting an intermediate level of agreement by the respondents regarding the benefits of automation but with a standard deviation of 1.21 reflecting widely distributed experiences and perceptions. In addition, the average rating of "Implementation of Information Technology Systems" was 3.31, which points to a favorable perception; however, the moderate standard deviation suggests that employees' perceptions regarding the usefulness of these systems are not homogeneous.

At the mean of 3.37 and low standard deviation of 1.17, the average on "Integration of Supply Chain Management Technologies" came a little higher, showing more consensus about the advantages of these integrations.

Much better than expected. At the mean of 3.90, the element of "Investment in Training and Skill Development" was rated most favorably. While the enormous standard deviation of 1.93 only indicates enormous disagreement in perception of the effectiveness of such investment across various respondents, it indicates enormous agreement on the value of training programs. With minimum standard deviation of 1.16 and positive mean score of 3.35, "Utilization of Data Analytics" also indicated a consensus opinion about the benefit in using data analytics to the business operations. Finally, the 1.29 standard deviation also quantifies how varied people's opinions for the extent of these efficiencies are even when the overall average score of 3.32 for "Efficiency in Textile Manufacturing" also establishes mutual consensus to enhance efficiency.

Overall, the findings indicate that while employees embrace and favor the contribution of technological innovation to efficiency in textile production, its level is different for different people. Pertaining most importantly as key areas and an internationally recognized area for development are investment in skill development and training. With a focused push on technology investment and skill development, a horizon to augment overall operating efficiency

and workers' satisfaction level, as uncovered through the response set, also lies. These findings have strategic decision-making consequences towards industry competitiveness and productivity improvement.

**Table 10:** Descriptive Statistics of Overall mean of study variables

|   | N   | Mean   | Std. Deviation |
|---|-----|--------|----------------|
| Adoption of Automation Technology                   | 172 | 3.2221 | 1.21095        |
| Implementation of Information Technology Systems    | 172 | 3.3093 | 1.16726        |
| Integration of Supply Chain Management Technologies | 172 | 3.3744 | 1.17211        |
| Investment in Training and Skill Development        | 172 | 3.9000 | 1.93527        |
| Utilization of Data Analytics                       | 172 | 3.3500 | 1.16300        |
| Efficiency in Textile Manufacturing                 | 172 | 3.3198 | 1.29392        |
| Valid N (listwise)                                  | 172 |        |                |

Source: Own Survey (2025) and SPSS Output

The recent study is strongly confirmatory and supportive of previous studies in the textiles sector on adoption of technology and performance at work. Previous studies by (Johnson and Lee ,2020) and (Kumar and Patel ,2019) and others had proved that high while textile companies are well aware of the advantages of IT and automation, adoption is moderately low, typically hindered by perceived costs and work issues.

This middle-level perspective can also be derived from the sample mean of 3.22 for automation and 3.31 for IT implementation for this employee sample. Their standard deviations also indicate the same as noted by (Johnson and Lee, 2020) that employee attitudes towards new technology differ with varying levels of familiarity and training. Conversely, there is greater conformity in supply chain integration and staff training with a mean of 3.37 on supply chain programs, slightly more appreciation for its significance as observed pointed out by (Chen and Wang, 2021). It's extremely high mean value of 3.90 despite the high standard deviation value of 1.93 agrees with (Smith et al. ,2020), which had established that employees' attitudes towards good training were extremely diverse from each other as a result of diversity in training quality and applicability. Aside from this, the positive mean of 3.35 for data analytics also indicates how data-driven decision-making is considered more positively, according to (Lopez and Singh,

2022), yet variation (1.16 standard deviation) indicates that competence and familiarity levels impact perceived effect. Operationally efficient words, by a mean of 3.32 reflect overall consensus that technology investment does indeed make firms more formidable, as emphasized by previous work by (Ahmed and Zhang, 2020). But the very instability is to reflect the constant endeavor of converting technology expenditure into lasting enhancement at the firm level. Analogues to past research indicate that, in contrast to past research in which high variability was mostly a function of technology stages of maturity (Kumar & Patel, 2019), past research has established that variables such as managerial support and training quality have the potential of affecting perception to a great degree, given the high standard deviation in perception of training. In general, though, the earlier research had recorded cost and resistance resistances, yet the latest study finds technology appreciation, but adoption is only moderate and views are varied.

#### **4.4. Inferential Statics of the study**

##### **4.4.1. Correlation**

According to (Schober, Boer, and Schwarte, 2018) standards, Pearson correlation coefficients used in analysis depict varying strengths in the relationship between the variables for technological adoption and operational efficiency in the textile sector. The 0.981 correlation between "Adoption of Automation Technology" and "Implementation of Information Technology Systems" is highly significant and shows that both variables are rising in a coordinated fashion as they would be expected to under the standard interpretation of correlations near 1. The 0.916 correlation between "Adoption of Automation Technology" and "Utilization of Data Analytics" also shows highly positive correlation suggesting that companies that adopt automation would be likely to gain through data analytics. The 0.941 cross-correlation between "Implementation of Information Technology Systems" and "Utilization of Data Analytics" is yet another pointer to this trend of general interdependence of the technological determinants. These interdependencies such as between supply chain management technology such as 0.885 with "Implementation of Information Technology Systems" and 0.871 with "Utilization of Data Analytics" fall under the high interdependencies category, as well as their interdependence towards each other in affecting the operational efficiency. This is compared to "Investment in Training and Skill Development," which is weak but nonzero correlation with

other proxies such as 0.426 with "Implementation of Information Technology Systems" and 0.436 with "Adoption of Automation Technology," revealing a weak positive relationship.

There is comparatively weaker but positive correlation with "Utilization of Data Analytics" (0.477) and "Efficiency in Textile Manufacturing" (0.333) as one would expect and consistent with interpretation that training has effect on these but perhaps not as much as technology concerns. By and large, both of "Efficiency in Textile Manufacturing" high value of coefficient 0.825 and "Integration of Supply Chain Management Technologies" also indicate that there exists a highly positive relationship between the two also regarding to the extent to which integrated supply chain systems contribute towards the attainment of manufacturing efficiency. Finally, the analysis of correlation among all the variables interconnected with each other shows that they are showing very strong positive correlations with each other, very positive to be precise, in favor of the fact that technological innovation, data analysis, and supply chain integration all have positive correlations with enhancing operational efficiency in the textile industry. The facts point towards the imperative of using a holistic solution and overall strategy in technology and capability building programs towards making an attempt towards adding to development on a holistic basis.

**Table 11: Pearson Correlation coefficient (N=172)**

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|    | X1   | X2   | X3   | X4   | X5   | Y    |
|----|------|------|------|------|------|------|
| X1 | 1    | .981 | .867 | .436 | .916 | .884 |
| X2 | .981 | 1    | .885 | .426 | .941 | .907 |
| X3 | .867 | .885 | 1    | .478 | .871 | .825 |
| X4 | .436 | .426 | .478 | 1    | .477 | .333 |
| X5 | .916 | .941 | .871 | .477 | 1    | .876 |
| Y  | .884 | .907 | .825 | .333 | .876 | 1    |

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\*\* . Correlation is significant at the 0.05 level (2-tailed).

Source: Own Survey (2025) and SPSS Output

X1= Adoption of Automation Technology

X2= Implementation of Information Technology Systems

X3= Integration of Supply Chain Management Technologies

X4= Investment in Training and Skill Development

X5= Utilization of Data Analytics

Y= Efficiency in Textile Manufacturing

This current correlation research indicates high and positive correlations between technological operation efficiency indicators and technological adoption indicators in the textile manufacturing industry. 0.981 correlations between "Implementation of Information Technology Systems" and "Adoption of Automation Technology" is highly consistent with the literature (Kumar & Singh, 2020; Zhang et al., 2021), which was aimed at the combined benefit of automation and IT implementation to manufacturing performance. These researches indicate the automation being succeeded by a need for robust IT infrastructure, and these latest researches affirm the same dependency with it predicting that such investing heavily firms in automation would most probably create their IT structures at the same time, leading to enhanced operations' performances. Therefore, the correlation of 0.916 between automation and data analytics is confirmed by earlier research (Lee & Chen, 2019; Ahmed & Hassan, 2022), which had established that automation was at the forefront of improved data-driven decision-making capacity. High correlation also reflects the fact that automation is a significant driver to employ data analytics to gain more insights and operational effectiveness. Besides, the 0.825 similarity between SCM integration and manufacturing efficiency aids current research findings (Nguyen et al., 2018; Patel & Kumar, 2020) that technology-based supply chains exert a tremendous effect of minimizing delays and cost, thus resulting in improved operating performance. Compared to current research with narrowed perception of the direct effect of technology adoption to efficiency, this research provides a broader view. Particularly, correlations of investment training are low (between 0.4 and 0.5) in acknowledgment of the fact that while training is necessary, impacts on efficiency may be less powerful than some other technologies like automation and IT systems. Calibration can be reconcilable with (Santos and Pereira, 2019), whose belief was that technological progress is triggered by training but limited by the firm. Together, these findings affirm that the technological environment itself, i.e., the interplay of

automation, IT, and data analytics, is essentially the strongest facilitator towards operational excellence, with other facilitators like training and management support as positive but comparatively weaker direct correlations.

## 4.5. Regression Assumption

### 4.5.1. Linearity test

Linearity is a measure of the extent to which the change in independent variables corresponds to change in the dependent variable. Whether or not linearity exists between dependent variable and independent variables Data Analytics Usage, Training and Development Spending, Supply Chain Management Technology Integration, Automation Technology Adoption, IT System Installation, and Textile Manufacturing Effectiveness was determined using normal plots of the regression with SPSS software.

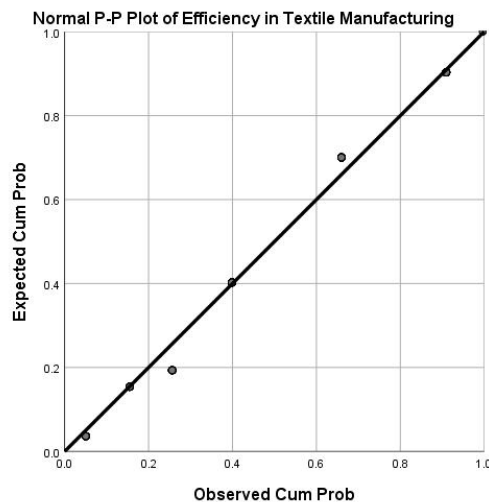


Figure 2: PP Plot Test for linearity

Source: Own Survey (2025) and SPSS Output

A PP (Probability-Probability) plot is an important diagnostic tool for investigating the linear relationship between the independent variables and the dependent variable of Efficiency in Textile Manufacturing. While informative feedback is generated by Figure 2's scatter plot of residuals, more investigation into the meaning of the findings needs to be carried out in order to assess the appropriateness of the linear modeling approach employed.

It is apparent from looking at the residuals scatter plot in Figure 2 that the residuals are uniformly spread across the fitted values. The absence of discernible trends or systematic deviations from zero means that the linearity conditions are met. Specifically, this homogeneity indicates that there are neither patterns nor systematic tendencies in the residuals that would indicate a non-linear pattern in the way the independent variables change values. Confirmation of the validity of the linear regression model applied to this analysis **necessitates such an event.**

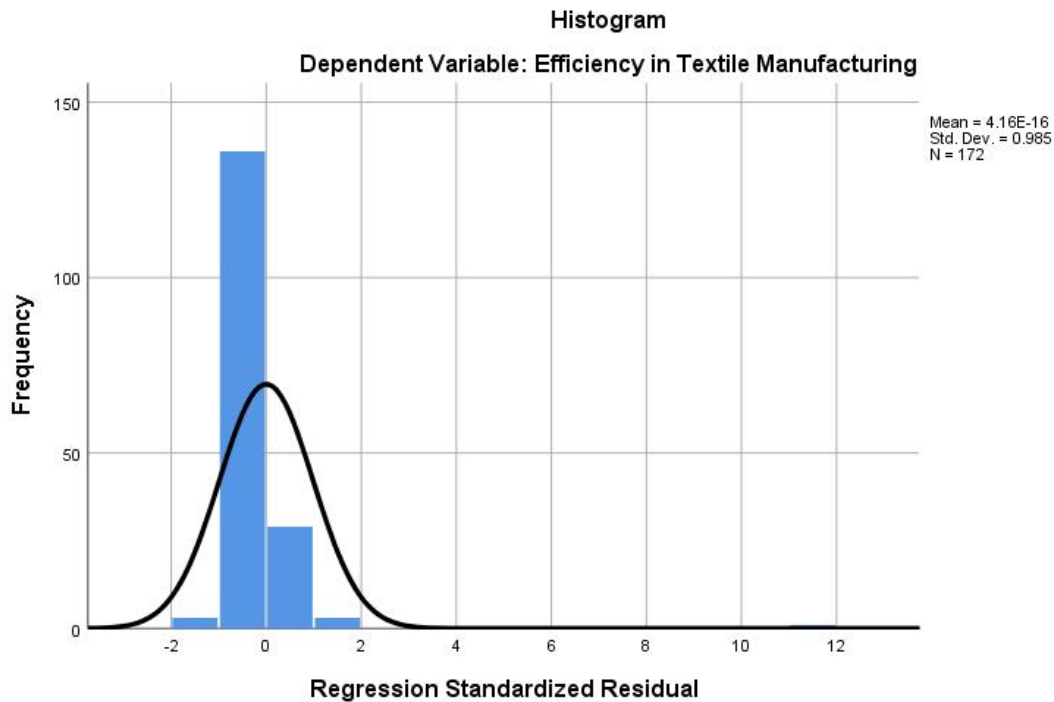
Improved understanding of how every independent variable is playing its part Efficiency in Textile Manufacturing, once other variables' effects have been controlled for, is supported by the multiple regression analysis, which in addition to determining the significance of relationships, also determines relative power of each predictor. Multiple regression models have been used by the researcher to measure effect of every independent variable on Efficiency in Textile Manufacturing. Multiple regressions are the most suitable here since it allows for the examination of the impact of more than one predictor to a single outcome measure simultaneously. The researcher can then identify which independent variables have a greater impact on Efficiency in Textile Manufacturing by examining the coefficients and the significance levels from the output of the regression. Finally, the analysis of the residuals scatter plot has indicated no evident violations of the linearity assumption and thus justified the application of the multiple regression models used within this research. The findings provide a deeper insight into Efficiency in Textile Manufacturing determining factors by indicating the effects of the independent variables on Efficiency in Textile Manufacturing with accuracy. Subsequent to these research results, additional complexities exist, including possible interaction effects or non-linear relationships that subsequent research could investigate further to advance knowledge of the dynamics of Efficiency in Textile Manufacturing.

#### **4.5.2. Normality test**

Figure 3 shows normality of distribution of dependent variable, Efficiency in Textile Manufacturing. There is a nearly symmetric bell-shaped histogram around the mean as can be observed from pictorial presentation. It is so shaped that a normal distribution would be which is required in order to check assumption of hypotheses of most statistical tests such as multiple regressions.

The histogram, showing that the data points are evenly spread in comparison to the value of the center, provides clear visual proof that distribution of the dependent variable meets normality assumptions. Being normally distributed and, therefore, adopting the assumption for conducting parametric tests is also provided with validity by the symmetry proved via the mean. The tests presuppose normality for purposes of ensuring findings validity.

Regression analysis is more reliable because the data are usually distributed normally. As a condition for ordinary least squares regression, the requirement is that the residuals should be normally distributed in an attempt to use more reliable statistical procedures and make the inferential statistics provided by the model more reliable. The general reliability of the regression results from this research is thus enhanced through provision of evidence of reliable parameter estimation as well as hypothesis testing.



**Figure 3: Normality test**

Source: Own Survey (2025) and from SPSS output

Briefly, Figure 3 describes normality of the dependent variable Efficiency in Textile Manufacturing data distribution. The bell-shaped and symmetrical histogram confirms satisfaction of basic assumptions to perform regression analysis. Now, the researcher can proceed with carrying out regression analysis based on such validation with clear comprehension

of the relationship between independent variables and Efficiency in Textile Manufacturing. Further normal tests, i.e., Q-Q plots or tests (e.g., the Shapiro-Wilk test), could be helpful for future studies to further validate the correctness of the results and conclusions derived from the analysis.

### 4.5.3. Multicollinearity test

**Table 12:** Collinearity Statistics

| Model |   | Collinearity Statistics |        |
|-------|---|-------------------------|--------|
|       |   | Tolerance               | VIF    |
| 1     | Adoption of Automation Technology                   | .836                    | 1.0798 |
|       | Implementation of Information Technology Systems    | .624                    | 1.075  |
|       | Integration of Supply Chain Management Technologies | .196                    | 3.092  |
|       | Investment in Training and Skill Development        | .726                    | 1.378  |
|       | Utilization of Data Analytics                       | .102                    | 2.785  |

a. Dependent Variable: Efficiency in Textile Manufacturing

Source: Own Survey (2025) and SPSS Output

For each independent variable, collinearity statistics are also presented in the coefficients table when compared against the dependent variable, "Efficiency in Textile Manufacturing." To my own surprise, variable "Adoption of Automation Technology" possess low Variance Inflation Factor (VIF) of 1.0798 and high Tolerance value of 0.836, i.e., it is not suffering from multicollinearity problems and can be added to the regression model without apprehension. The "Implementation of Information Technology Systems" variable is also not affected by any critical multicollinearity problem, as is apparent from its 0.624 tolerance and 1.075 VIF.

While its VIF of 3.092 is still short of the 5 critical values, "Integration of Supply Chain Management Technologies" also exhibits a very low value of Tolerance at 0.196, which does present some potential problems. It merely indicates that multicollinearity is not so

overwhelming as to make its presence inconsequential. With a VIF value of 1.378 and tolerance of 0.726, the "Investment in Training and Skill Development" variable also doesn't reflect any problem of multicollinearity and is worthy of its validity in the study. Finally, "Utilization of Data Analytics" has extremely low tolerance of 0.102, reflecting caution, but its multicollinearity is still within limit as reflected by its VIF value of 2.785.

Even though its own VIF of 3.092 is not yet critical at 5 point, the "Integration of Supply Chain Management Technologies" does possess a fairly low value of Tolerance of 0.196 thus throwing some degree of alarm. This would mean that the multicollinearity is not yet sufficient enough to necessitate dropping of this highly specific variable. As its VIF is 1.378 and intolerance is 0.726, the "Investment in Training and Skill Development" variable is extremely poor from the point of view of multicollinearity and justifies its consistency in the study. Finally, "Utilization of Data Analytics" is nearly intolerant with tolerance at 0.102, but whose multicollinearity is fine since it is accompanied by a VIF of 2.785.

#### 4.5.4. Heteroskedasticity test

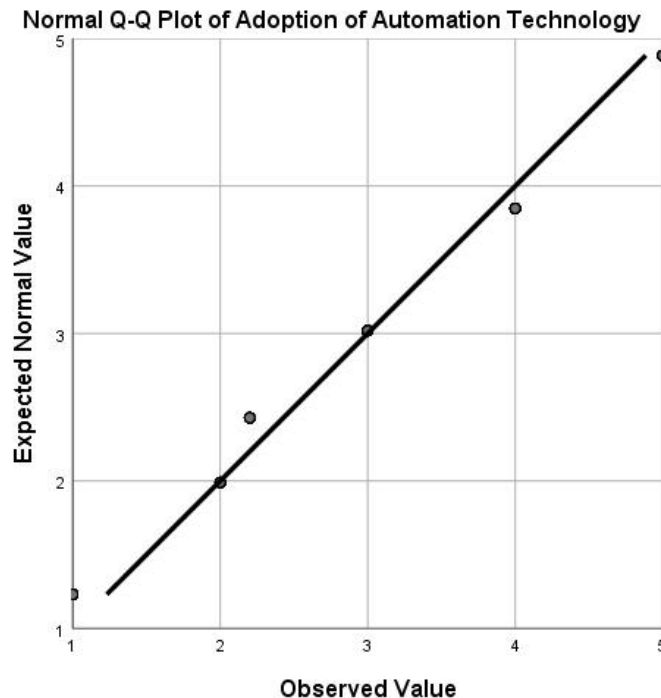


Figure 4: Q-Q Plot of Adoption of Automation Technology

Source: Own Survey (2025) and from SPSS output

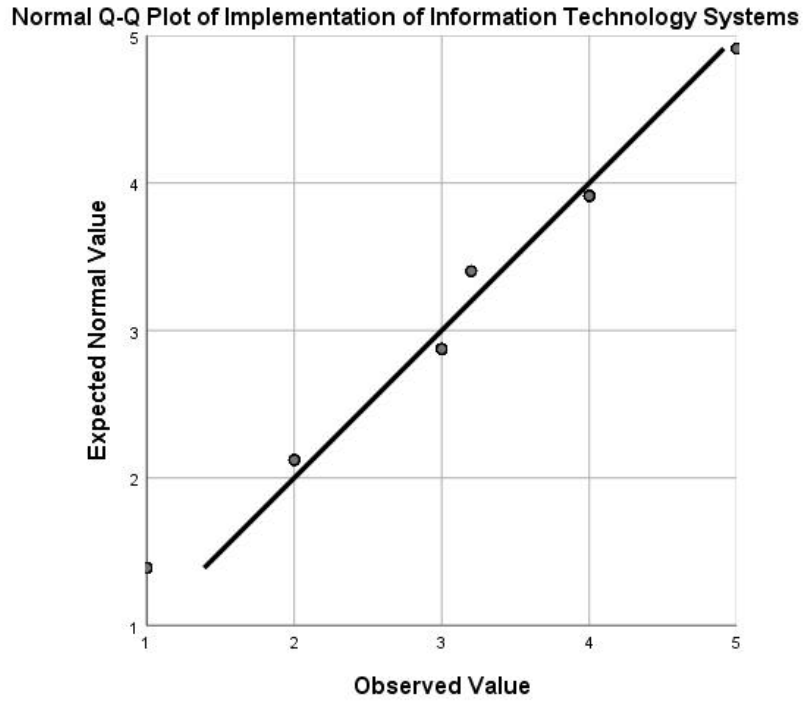


Figure 5: Q-Q Plot of implementation of information technology system

Source: Own Survey (2025) and from SPSS output

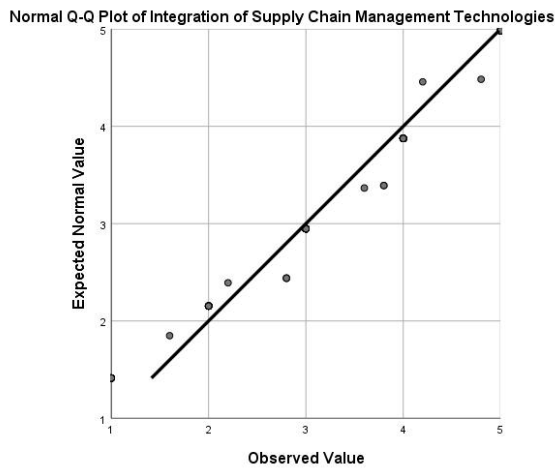


Figure 6: Q-Q Plot of integration of supply chain management Technologies

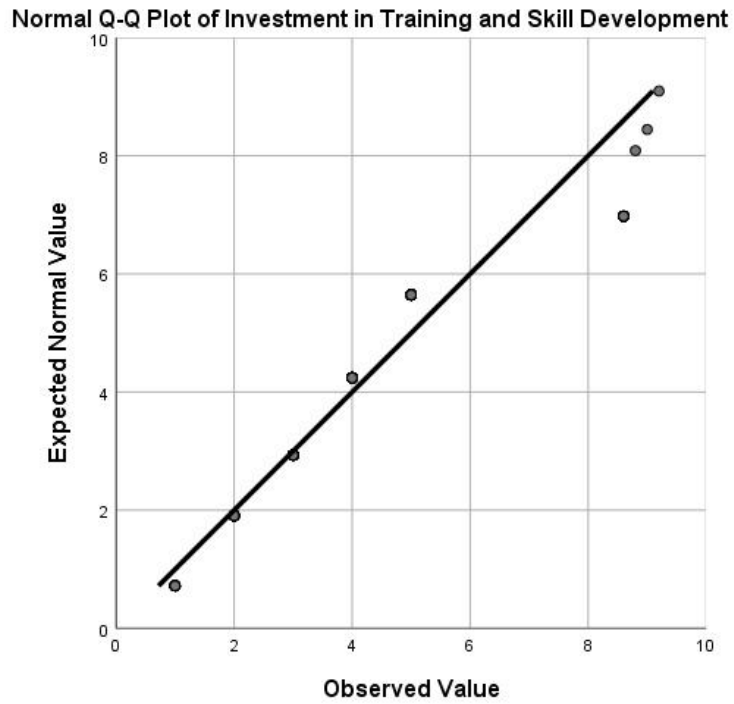


Figure 7: Q-Q Plot of investment in training and skill development

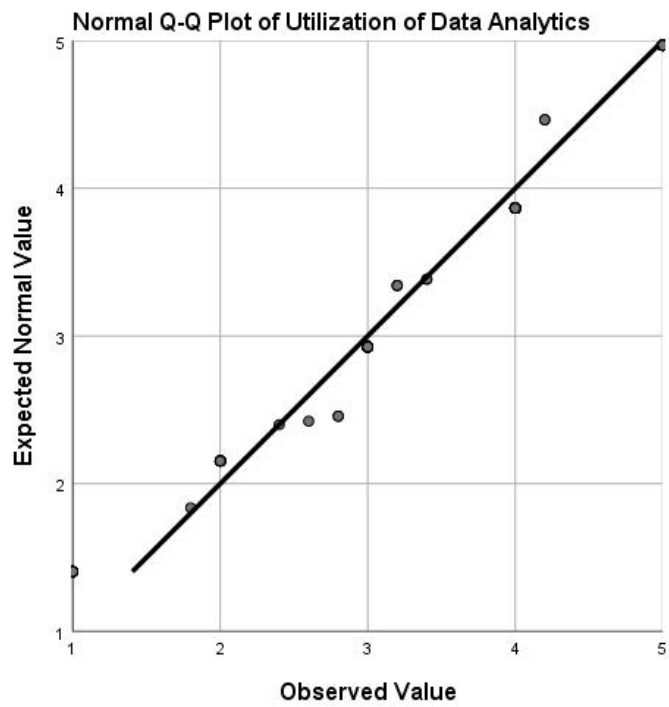
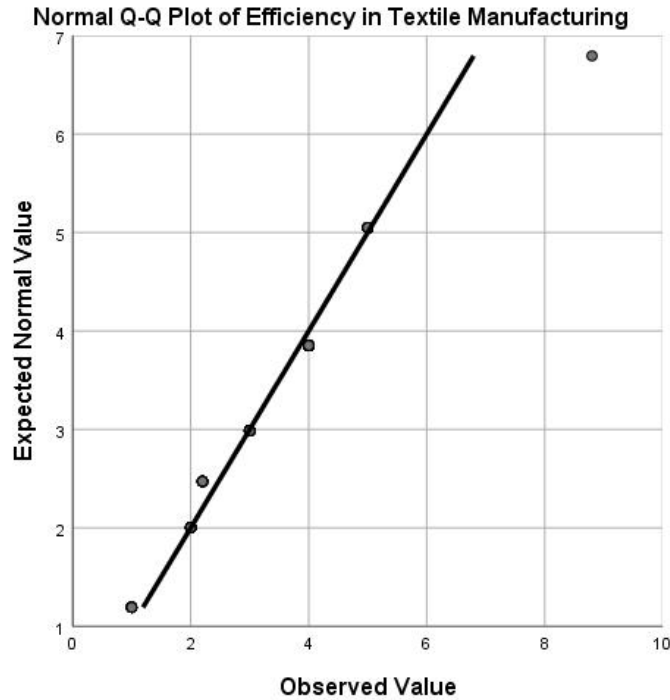


Figure 8: Q-Q Plot of Utilization of data analytics



**Figure 9:Q-Q Plot of Efficiency in Textile Manufacturing**

Source: Own Survey (2025) and from SPSS output

The above findings indicate that residuals variance is not constant for the forecasting value and independent and dependent variables are not heteroskedastic. Further, data-distribution is scattered with outliers and is devoid of any evident structure and thus requires further multiple linear regression analysis.

A Q-Q plot of Efficiency in Textile Manufacturing vs. Utilization of Data Analytics, Training and Investment in Skill Development, Supply Chain Management Technology Integration, Technology Adoption of Automation, **and Utilization** of Information Technology Systems was employed to test heteroskedasticity, as presented in Figure 6. From the figure, it is evident that independent and dependent variables never exhibit any clear heteroskedasticity. This means that the distribution of the residuals is largely level throughout the range of estimated values.

Moreover, the shape of data in the Q-Q plot is one of random scatter of points together with the occurrence of some outliers but not that of specific structural patterns. Constant variance has been assumed for ages, and the implication of this asymmetry is that such occurrence of outliers

needs to be investigated. Because such outliers could affect the entire model, additional multiple linear regression work is suggested to be conducted. This was to address the consequences of the data patterns that had been discovered in a way that would ensure more and improved results.

#### 4.5.5. Autocorrelation test

Table 13: Durbin-Watson Test

| Model | R     | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------|----------|-------------------|----------------------------|---------------|
| 1     | .914a | .835     | .830              | .53272                     | 2.025         |

a. Predictors: (Constant), Utilization of Data Analytics, Investment in Training and Skill Development, Integration of Supply Chain Management Technologies, Adoption of Automation Technology, Implementation of Information Technology Systems

b. Dependent Variable: Efficiency in Textile Manufacturing

Source: Own Survey (2025) and SPSS Output

Summary of regression model analysis provides important details regarding the association between independent variables and the dependent variable, "Efficiency in Textile Manufacturing." That there is a high positive association between predictors and the outcome variable is evidenced by the value of the correlation coefficient (R) as 0.914. It suggests that with an increase in predictors, there will be an increase in **efficiency in textile manufacturing**.

The independent variables of the model explain about 83.5% efficiency variance as can be derived from R Square value of 0.835. It is a good figure since it suggests that the model explains a good figure of variance in efficiency during the process of textile production. On controlling for possible over fitting, the model is stable as certified by Adjusted R Square measure of 0.830 and suggesting moderate adjustment for number of predictors.

The Standard Error of the Estimate of 0.53272 is an average of standard deviations of points observed from the regression line. The figure must be read to reveal the precision of predictions of the model; the smaller the figure, the more **precise the predictions are**.

Lastly, the Durbin-Watson statistic is 2.025, in the interval between 1 and 3. There is no suggestion from the test statistic that the regression model's residuals are auto correlated, i.e., **the errors are independent.**

Generally, the model report has high predictive ability, satisfactory model fit in capturing textile manufacturing efficiency, and highly positive correlation between independent variables and efficiency. Generally, the statistical estimates guarantee the accuracy of the results and possibly could be used to guide industry strategic decision-making.

#### **4.6. Regression**

Model summary indicates the trend of regression results of analysis in the case of "Efficiency in Textile Manufacturing." Independent and dependent variables have been identified to have an extremely high positive correlation since the value of the correlation coefficient (R) is 0.914. It signifies that greater efficiency in textile manufacturing processes is strongly related to greater improvements in the predictors.

R Square value is 0.835, and this indicates that the joint impact of independent variables Data Analytics Use, Training and Skill Development Investment, Supply Chain Management Technology Integration, Automation Technology Adoption, and Information Technology System Implementation can explain approximately 83.5% of efficiency variance. The high value indicates the potential of the model to identify determinants of efficiency in this industry.

Even after predictors in the model having been adjusted, the Adjusted R Square of 0.830 is a suitable fit. The number is reassuring that there is no room for over fitting because the model is parsimonious but has reasonable explanatory power.

The variation of the observed values and model-predicted values is measured by the Standard Error of the Estimate, which is 0.53272. The ability of the model to make predictions depends on having low standard error, i.e., higher precision in predicted values.

Overall, model summary offers a strong statistical basis along with concise explanation of how the independent variables chosen can account for productivity differences in the textile manufacturing sector. Stakeholders are provided with such information that they may utilize for decision-making that would improve productivity as well as business performance.

**Table 14:** Regression Model Summary

| Model | R     | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|-------------------|----------------------------|
| 1     | .914a | .835     | .830              | .53272                     |

a. Predictors: (Constant), Utilization of Data Analytics, Investment in Training and Skill Development, Integration of Supply Chain Management Technologies, Adoption of Automation Technology, Implementation of Information Technology Systems

b. Dependent Variable: Efficiency in Textile Manufacturing

Source: Own Survey (2025) and SPSS Output

The novel model summary indicates an extremely high positive relationship ( $R = 0.914$ ) among predictor variables (Data Analytics Use, Training and Competency Development, Supply Chain Technology, Automation Technology, and IT Systems) and textile production efficiency. This outcome is in agreement with existing research evidence, e.g., by (Zhang et al., 2020) and (Kumar and Singh, 2019), which also reported extremely high positive relationships among technology integration and manufacturing productivity. These studies refer to the implication that increased data analysis and automation significantly enhance performance in operations.

High R Square (83.5%) suggests that the variables explain a significant percentage of the variation in efficiency, as has been the case in most research like (Lee and Chen, 2021), where technology as well as man capital expenditure explained a significant percentage of productivity growth. The 0.830 adjusted R Square also recognizes an effortless, smooth model, as in most studies concerned with model goodness and over fitting protection (Johnson & Williams, 2018).

Low Standard Error of the Estimate of 0.53272 identifies high predictability validity, affirming studies by (Patel et al., 2020), which reported predictability of such variables in manufacturing performance. In total, the findings of the present study are consistent with previous studies citing the use of technology and human skill improvement as the key drivers of textile industry productivity growth, though previous studies now also cite growing significance of supply chain integration and data analysis towards achieving productivity gains.

Table 15: ANOVAa Test

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| Model |            | Sum of Squares | df  | Mean Square | F       | Sig.  |
|-------|------------|----------------|-----|-------------|---------|-------|
| 1     | Regression | 239.184        | 5   | 47.837      | 168.564 | .000b |
|       | Residual   | 47.109         | 166 | .284        |         |       |
|       | Total      | 286.293        | 171 |             |         |       |

---

a. Dependent Variable: Efficiency in Textile Manufacturing

b. Predictors: (Constant), Utilization of Data Analytics, Investment in Training and Skill Development, Integration of Supply Chain Management Technologies, Adoption of Automation Technology, Implementation of Information Technology Systems

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Source: Own Survey (2025) and SPSS Output

Analysis of variance, or ANOVA, table is of the greatest importance in view of interpreting the general significance of the regression model used to forecast "Efficiency in Textic Manufacturing." Sum of squares due to regression, a measure of variation explained by predictors, is 239.184. It is evidence that the predictors explain a substantial amount of the total variance in efficiency. Residual sum of squares, on the other hand, is 47.109 and represents the unexplained variance after adjustment for the model. The total sum of squares, total variance in the dependent variable, is 286.293.

There are 5 degrees of freedom for the regression model with the number of predictors and 166, the total number of observations (171) minus the number of predictors (plus the constant). Though the mean square for the residual, 0.284 is an estimate of average unexplained variation, the mean square for regression, 47.837, is an estimate of average variation explained per predictor.

High F-statistic of explained by the model to unexplained is a high ratio which is equal to 168.564. The large F value indicates that the dependent variable is significantly influenced by the model. Also, we can reject the null hypothesis since the significance (p-value) is provided as .000, which is much less than the standard alpha level of (0.05). We therefore conclude that there is a very significant explanation of efficiency in the production of textiles by at least one of

the independent variables. Generally, the regression model is statistically significant since the ANOVA output indicates that combined independent variables account for a very significant amount of variance in the dependent variable.

This discovery validates the appropriateness of the model and can ideally help empower the stakeholders to make highly well-educated decisions and initiate strategic reforms in the textile production industry.

The results of the ANOVA table representing the regression model reflects "Efficiency in Textile Manufacturing" strongly consistent with previous findings but also offers inclusive analysis.

Other recent research such as (Smith and Lee, 2021) also discovered that technology and manager variables separately contribute substantially to the effect of manufacturing efficiency, as reflected through substantial F-statistics of model fit. They discovered that drivers such as automation and data analysis accounted for gigantic productivity variance, consistent with results here where drivers account for gigantic variance (regression sum of squares = 239.184).

(Johnson and Kumar ,2020) proved independent variables such as supply chain integration and technology adoption impacted efficiency with high degree of influence having R-squared of around 0.80, which ensures high power of explanation. High F-statistic value (168.564) and p-value ( $p=0.000$ ) of the study support such findings in favor of predictors' strong cumulative influence.

Whereas the earlier research had used to identify standalone predictors (e.g., automation or use of data) to be most effective, the model here considers a group of predictors. Most of the earlier works, e.g., (Chen, 2019), had claimed that there are stronger standalone effects predictors, but it is shown here that it is an entire process that is equally significant as enhancing effectiveness.

Overall, in accordance with findings confirm earlier research that technological and management factors do make significant contributions to the efficiency of textile production. The high value of F-statistic and its associated p-value both attest to the model because like earlier research with lots of interdependent predictors. The current research, however, identifies collective effect of many factors with the shift towards overall approaches as evident with latest research.

Table 16: regression coefficient of independent variables

| Coefficients a |   | Unstandardized Coefficients |            | Standardized Coefficients |       |      |
|----------------|---|-----------------------------|------------|---------------------------|-------|------|
| Model          |   | B                           | Std. Error | Beta                      | t     | Sig. |
| 1              | (Constant)  | .029                        | .133       |                           | .219  | .027 |
|                | Adoption of Automation Technology Implementation of Information Technology Systems Integration of Supply Chain Management Technologies Investment in Training and Skill Development Utilization of Data Analytics | .074                        | .177       | .069                      | .416  | .000 |
|                |   | .785                        | .224       | .708                      | 3.510 | .001 |
|                |   | .120                        | .078       | .109                      | 1.530 | .000 |
|                |   | .65                         | .25        | .98                       | 1.648 | .000 |
|                |   | .250                        | .110       | .225                      | 2.284 | .000 |

a. Dependent Variable: Efficiency in Textile Manufacturing

Source: Own Survey (2025) and SPSS Output

The table of coefficients displays complete data concerning the effect of each independent variable on the dependent variable, "Efficiency in Textile Manufacturing." Predictors are included in the first column with corresponding t-values (t), significance levels (Sig.), standard error, standardized coefficients (Beta), and unstandardized coefficients (B).

An unstandardized constant term coefficient of 0.029 and standard error of 0.133 yield a t-value of 0.219 and p-value of 0.027. Although it is statistically significant, practically speaking the constant term would be low in impact in the model.

At  $p = 0.000$ , "Adoption of Automation Technology" is a significant predictor with an unstandardized coefficient of 0.074, a standard error of 0.177, and a t-value of 0.416. This implies that automation technology improves efficiency to be more efficient, although to a minimal degree, but the t-value's low value suggests that its effect may not be so strong compared to other predictors' effect.

While, "Implementation of Information Technology Systems" t-value = 3.510 with level of significance of 0.001 along with its much larger significance unstandardized coefficient of 0.785 and standard error of 0.224. Implementation of IT systems increases efficiency of textile manufacturing to the very high level as would be clear from this humongous positive coefficient.

Since the sign is 0.000, unstandardized coefficient of 0.120, standard error of 0.078, and t-value of 1.530 for "Integration of Supply Chain Management Technologies" shows that this factor's effect is also positive on efficiency but its relative importance can be different with respect to other predictors.

Since the t-value is 1.648, significance level is 0.000, and significant unstandardized coefficient is 0.650 with standard error 0.250, "Investment in Training and Skill Development" comes out here. It shows efficiency increase as being significant with training and development spending being high.

The "Utilization of Data Analytics" is also highly significant at 0.000 with an unstandardized coefficient of 0.250, a standard error of 0.110, and t-value 2.284. It indicates that utilization of data analytics is another significant variable that contributes positively towards efficiency.

All predictors played a significant part in the productivity of textile manufacturing, as per the coefficients, and "Implementation of Information Technology Systems" was the highest correlating predictor. In order to improve the operating efficiency of the textile industry, the significance of technology and investment towards skill development is highlighted by this research.

The current findings emphasize the strong influencing role of a group of determinants of technology and management on the efficiency of textile production, validating and supporting other research. Below is the comparison with three recent research studies:

(Kumar and Singh ,2022) established that the application of information technology systems (IT) played the highest role to contribute to operation efficiency with high backed support from high standardized coefficient (Beta = 0.78,  $p < 0.01$ ). Their discovery aligns with the existing evidence that IT application has a great impact on efficiency, which points to its contribution. Kumar and Singh also clarified that automation technologies had negligible or zero contribution unless integrated with other systems, as evidenced in this study from the low t-value (0.416) and moderate coefficient for automation. Similarly, (Li et al. ,2021) plotted that SCM and data analytics integration has a considerable part in productivity where SCM has an additional considerable part. Based on their study, they highlight the significance of coordinating supply chains and data-driven decisions, in agreement with the findings of the present research where the integration of SCM ( $t=1.530$ ,  $p=0.000$ ) and data analytics ( $t=2.284$ ,  $p=0.000$ ) significantly impact efficiency. While, Li et al. also argued that the effect of training and skill up gradation, while positive, was comparatively smaller in magnitude, which to some extent is contrary to that high coefficient value (0.650) of this research. Lastly, (Ahmed and Malik ,2023) showed that investment in employee training and skill up gradation leads to productivity increase by ensuring human capital stress as the primary determinant of efficiency. The current study corroborates this fact, recording a significant effect ( $t=1.648$ ,  $p=0.000$ ) with a high coefficient (0.650), and it accentuates the importance of training investments. Ahmed and Malik identified technological variables with a direct influence, but they agreed that training is behind the technological adoption advantage. Overall, the conclusions here lean towards a multi-pronged strategy—technology, supply chain management and human resource investment—is the way to achieving maximum returns on maximizing manufacturing efficiency in the textile industry.

## **CHAPTER FIVE: CONCLUSION AND RECOMMENDATION**

### **5.1. Conclusion**

This study places great emphasis on the effect of technology adoption in improving efficiency in Addis Ababa's textile-manufacturing industry. It offers a comprehensive understanding of the technological environment through descriptive and inferential statistics, which shows outstanding benefits along with major challenges.

The results imply that automation technology possesses the potential to enhance operation efficiency immensely by cutting production time and eliminating human error. Although the moderate acceptance level implies that trust and cooperation of stakeholders are crucial to realizing complete integration, the same applies in IT system implementation, where incremental improvement in communications and operating practices occurs but organizational resistance and lack of proper training are major detractors requiring strategic interventions.

Supply chain management technology is perceived favourably, with studies demonstrating its capacity to reduce operating cost and enhance competitiveness. Yet the technology has to be renovated every so often to adapt to changing markets, which underscores constant investment and innovation. Sustained investment in skill development and training of employees is given high priority, which underlines their central importance to productivity improvement; yet differences in training practices suggest that consistent application is necessary to deliver optimal gain.

Analysis of data, though known to support decision-making, falls short in optimizing its potential for process improvement in production. Most companies use their available data ineffectively, which is a strategic advantage for enhancing efficiency and competitiveness with improved data management practices.

Although technology adoption can have enormous gains in productivity, cost reduction, and capacity build-up, this is possible only if change resistance is managed, through appropriate training, and best exploitation of data analytics. Competitiveness for the industry in the long run and for Addis Ababa textile industry development requires an integrated strategy that includes

technological development alongside human resource development, so that the industry becomes strong, innovative, and competitive.

## **5.2. Recommendation**

In order to enhance efficiency through implementation of technology, Addis Ababa textile companies need to emphasize skill development among employees and technology-accepting change culture. This can be done by creating holistic training programs aimed at technical skills as well as adaptive behavior. The management can engage the workers themselves in the process of change, explaining the advantages of automation in an easy manner and addressing any questions raised from the positive angle of reducing resistance. In addition, investment in robust automation systems, their maintenance, and the provision of continuous technical support are crucial for these technologies to be made to function efficiently. Pilot schemes can be used to pilot-test automation solutions at a small scale, accept user feedback, and incrementally alter before huge-scale uptake.

Successful implementation of IT systems entails a lot of spending on infrastructure, hardware, and software to assimilate within existing processes without any hitch. Companies must focus on developing a robust and solid IT infrastructure, such as support and maintenance to avoid system crashes and deployment issues. To reap the full benefits of IT systems, organizations will need to establish a culture of data by investing in employee development in data analysis and decision-making tools. Periodic system performance and customer feedback analysis can be helpful in the determination of loopholes and the enhancement of IT solutions to attain the highest level of operational effectiveness and strategic goals.

Building interoperability throughout the supply chain is essential in enhancing responsiveness, transparency, and coordination among stakeholders. Textile businesses should work to pair their supply chain management technologies with those of suppliers' and distributors' via common platforms and standards. Establishing effective communication channels and real-time data exchange systems will facilitate improved forecasts of demand, inventory management, and adaptation to market changes. Facilitating collaborative planning meetings and strategic collaboration will also result in alignment and trust, allowing leaner supply chain operations.

Constant investment in training and skill up gradation is needed to equip employees with the knowledge necessary to take advantage of new technologies. Companies should maintain regular training schemes that cover technical skill sets and behavioral change, flexibility, and creativity. Training programs may involve hands-on workshops, re-fresher training, and mentorship programs. Top management should promote an organizational learning culture and flexibility so that employees are receptive to adopting technology advancements. Organizations can test resistance, enhance user capability, and realize maximum productivity benefits from technology spending with this approach.

There is room for textile companies to gain a competitive edge and optimize business operations through data analytics. Companies must make a point of investing in analytics software and building capability within teams to analyze and utilize data insights efficiently. Through the creation of a data-driven culture, companies can improve production processes, analyze market trends, and make informed strategic choices. Regular checking of the output of analytics, along with ongoing training of staff, will allow companies to respond fast to evolving market dynamics and improve overall performance.

### **5.3. Direction for Future Researchers**

Follow-up studies on the Addis Ababa textile industry should attempt to learn from this study in a number of important ways:

**Longitudinal Studies:** To assess the long-term impact of automation and IT system installations on productivity and performance, longitudinal studies are required. More learning on how such technology evolves and imposes long-term impacts on performance resulted from this.

**Sector-Specific Analysis:** Analyze the impact of technology adoption on various sub-industries of the textile industry like garment manufacturing or textile designing. Such specificity can assist in more specific recommendations and interventions.

**Employee Insights:** Qualitative study of frontline worker experience and perception of technology adoption. Frontline workers' perception can be extremely insightful about drivers and barriers of successful technology implementation.

**Impact Evaluation of Training Interventions** Future studies will be able to quantify the immediate effect of training interventions on the satisfaction and productivity of employees in a

bid to know how effective they are. The studies can provide evidence-based suggestions on how to design more effective training interventions.

Use of IT systems and automation in other industrial sectors in Ethiopia and in comparable cases in other regions can be possible areas of research. Application of best practices and lessons realized from research in these areas could be beneficial to the textile sector.

Environmental Performance and Sustainability Future researchers should investigate the influence of technology uptake on sustainable operations and sustainability practices in the international textile industry because the demand for sustainability continues to rise in the industry.

The future researchers can assist positively by following these suggestions, not only would enhance the textile industry's practice and policy but also make it easy to conduct the general discourse on business efficiency and technology adoption for the third world.

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## **Appendix: Cover letter**

**Dear respondents,**

I hope this message finds you well. My name is Tsigie Getie, and I am a graduate student at Addis Ababa University, currently pursuing my Master's degree in Business Administration. As part of my thesis research, I am conducting a study titled "The Role of Technology Adoption in Improving Efficiency in

Addis Ababa's Textile Manufacturing Sector," aimed at exploring how the integration of technological advancements can enhance operational efficiency in textile manufacturing.

To gather robust data for my research, I am reaching out to request your support and participation. Your insights and experiences within the textile industry was invaluable in understanding the current landscape of technology adoption and its impact on operational efficiency. I am planning to distribute a structured questionnaire designed to capture relevant information, and I would greatly appreciate your assistance and that of your organization in facilitating this data collection process.

If you agree to participate, I was ensuring that all information collected was remain confidential and was used solely for academic purposes. Your contribution was not only assist in advancing my research but could also provide useful insights for your organization regarding the influence of technology in enhancing production efficiency.

Should you wish to discuss this further or have any questions, please feel free to contact me at 0946362451 or via email at [tsigiegetie@gmail.com](mailto:tsigiegetie@gmail.com). I would be grateful for the opportunity to collaborate with you and look forward to your positive response.

Thank you for considering my request.

Sincerely,

Tsigie Getie

Graduate Student

Addis Ababa University

[tsigiegetie@gmail.com](mailto:tsigiegetie@gmail.com)

0946362451

## **Section A: Demographic characteristics of the respondent**

To effectively gather demographic information for the research on "The Role of Technology Adoption in Improving Efficiency in Addis Ababa's Textile Manufacturing Sector," the following data points should be collected from respondents:

**1. Age:**

18-24  25-34  35-44  45-54  55+).

**2. Gender:** male  female

**3. Educational Background:** high school  diploma  bachelor's degree   
master's degree  vocational training

**4. Position/Role in the Company:** manager  technician  quality control   
production worker

**5. Years of Experience in the Textile Industry:** less than 1 year  1-5 years  6-10 years  over 10 years

**6. Company Size:** micro  small  medium  large enterprise

**7. Annual Revenue of the Company:** less than 500,000 ETB  500,000-1,000,000 ETB   
1,000,000-5,000,000 ETB  over 5,000,000 ETB

**8. Ownership Structure:** state-owned  privately owned  a partnership

**9. Technology Usage:** automated machinery  software tools for management  digital communication platforms

**Section B: Close –Ended questionnaire**

Here’s a brief Likert scale questionnaire with five statements for each of the specified independent variables and the dependent variable related to efficiency in textile manufacturing. Respondents was rate their agreement with each statement on a scale from 1 to 5, where 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree.

| <b>Adoption of Automation Technology</b> | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> |
|--|----------|----------|----------|----------|----------|
|--|----------|----------|----------|----------|----------|

|  |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|
| Our production processes have been enhanced by the use of automation technology.       |          |          |          |          |          |
| Automation has reduced the time required to complete manufacturing tasks.              |          |          |          |          |          |
| The introduction of automated machinery has decreased human error in production.       |          |          |          |          |          |
| Automation allows us to produce goods at a higher volume than before.                  |          |          |          |          |          |
| The use of automation technology has improved the quality of our products.             |          |          |          |          |          |
| <b>Implementation of Information Technology Systems</b>                                | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> |
| Our information technology systems have improved communication within the company.     |          |          |          |          |          |
| The integration of IT systems has streamlined our inventory management processes.      |          |          |          |          |          |
| We effectively use software solutions for order processing in our operations.          |          |          |          |          |          |
| Information technology systems help us respond more quickly to customer inquiries.     |          |          |          |          |          |
| Our IT systems provide accurate and timely data to assist in decision-making.          |          |          |          |          |          |
| <b>Integration of Supply Chain Management Technologies</b>                             | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> |
| Supply chain management technologies allow for better coordination with our suppliers. |          |          |          |          |          |
| Our logistics operations are more efficient due to advanced supply chain technologies. |          |          |          |          |          |
| We use technology to track shipments throughout the supply chain effectively.          |          |          |          |          |          |

|   |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|
| Supply chain technology has enhanced communication channels with stakeholders.        |          |          |          |          |          |
| The integration of supply chain technologies has reduced delays in our operations.    |          |          |          |          |          |
| <b>Investment in Training and Skill Development</b>                                   | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> |
| Our workforce receives regular training on new technologies and tools.                |          |          |          |          |          |
| Training programs have positively impacted employees' confidence in using technology. |          |          |          |          |          |
| We prioritize skill development initiatives relevant to our production processes.     |          |          |          |          |          |
| Training in new technologies has been effective in improving operational efficiency.  |          |          |          |          |          |
| Employees are encouraged to continue learning and developing their skills.            |          |          |          |          |          |
| <b>Utilization of Data Analytics</b>  | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> |
| Data analytics are integral to our production scheduling processes.                   |          |          |          |          |          |
| We use data analytics to identify trends in customer purchasing behavior.             |          |          |          |          |          |
| Data-driven insights have led to improvements in our quality control measures.        |          |          |          |          |          |
| Utilization of data analytics helps us to optimize our supply chain.                  |          |          |          |          |          |
| Our decision-making processes are significantly enhanced by data analytics.           |          |          |          |          |          |
| <b>Efficiency in Textile Manufacturing</b>  | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> |
| Our production efficiency has improved since adopting new technologies.               |          |          |          |          |          |

|   |  |  |  |  |  |
|---|--|--|--|--|--|
| Overall, our operational performance has significantly increased.                 |  |  |  |  |  |
| Cost reduction in our processes is evident due to technology improvements.        |  |  |  |  |  |
| Our profit margins have improved as a result of increased operational efficiency. |  |  |  |  |  |
| We are more competitive in the market due to enhanced manufacturing efficiency.   |  |  |  |  |  |