ABSTRACT

The thesis deals with the study of two major jute industries: Bangladesh and India. But much emphasis has been put on the strategic management areas of jute business firms with the proposition that the strategic factors are being influenced by the changes in the structure of jute industry. This particular study area of interest has been explored after an extensive literature review related to several aspects of jute industry. Though the major area relates to business policy, the present study is confined to the consideration of micro-level strategies of jute business firms.

Literature review reveals that the changes in both internal and external environment factors of industry have led to the changes in business strategies of individual business firm. This relation between the macro-level industry factors and micro-level strategic factors has been conceptualised graphically (given as Exhibit 2.1 in Chapter II) in the thesis.

The study has paid special attention to the nature and direction of changes in five selected industry factors (evolution, ownership and management pattern, market characteristics, state of competition, and technological development) of both Bangladesh jute industry (BJI) and Indian jute industry (IJI) over the period since mid-sixties till date. The impact of changes in these selected industry factors on seven selected strategic factors (growth, management structure, marketing, production, personnel, finance and future prospects) have been evaluated in this study to suggest some policy measures beneficial for the
strategists, government authorities, planners, entrepreneurs, academicians, researchers, and others who are concerned with the jute economy and industry.

The study is descriptive and qualitative in nature, and based on the case study method. Information regarding industry factors have been collected through scanning various secondary sources while primary sources are used for collecting information regarding strategic factors. In collecting information from primary sources, a total 70 operating jute business firms of Bangladesh and 67 firms of India have been considered as population sample. Six jute mills from BJI and five from IJI are selected as sample for the case study. The sampling has covered jute mills of both private and public sectors having equal representation from large, medium and small sizes according to the installed capacity of production. Data and information have been collected through field study by the researcher himself and a preplanned Checklist was used in order to include all important aspects in the semi-structured interviews of jute industry executives both in Bangladesh and in India.

For the purpose of systematic presentation, analyses, and interpretation of data, an analytical framework (given as Exhibit 2.2 in Chapter II) has been followed. Thus, the different aspects of the study have been documented in this thesis under eight different chapters.

The first chapter of the thesis presents general information followed by the historical background and present situation of jute industry in global perspective. Further, the process of jute cultivation, production and distribution of jute goods, have been included in this
chapter. It aims at providing the reader an overall idea about the nature and activities of jute industry.

The second chapter consists of extensive literature review to establish the need for study. The scope of study, data collection methods and procedures, operational definitions, general hypotheses, analytical techniques, limitations of the study etc. have been included in this chapter, under separate sections.

The qualitative description of the changes in industry factors, which constitute the structure of jute industry, have been made in chapter three. According to the analytical framework, it includes changes in five selected industry factors of BJI. Separate sections and sub-sections are maintained to facilitate the uncovering of spectacular changes over the life span of jute industry since mid-sixties till date. The same style and order have been followed in developing the fifth chapter wherein changes in industry factors of IJI have been described. To make these changes more concise and instrumental for purpose of showing their impact on strategic factors two analytical sheets (Appendix 2 and 4) have been prepared separately for BJI and IJI. These sheets are appended with the thesis.

The fourth chapter compiles the information related to six selected Bangladeshi jute business firms. The case studies are presented separately. Each case study describes the seven selected strategic factors. The same pattern has been followed in developing case studies relating to five Indian jute business firms in the sixth chapter. Two separate analytical sheets (Appendix 3 and 5) have also been developed wherein consolidated results of case analyses are
presented in order to specify various shifts in strategic factors. These shifts are used to make the analyses and interpretation further.

Chapter seven presents the analyses and interpretation of industry factors and their impact on strategic factors under changing circumstances. Two separate sections are maintained for BJI and IJI in this chapter. The analysis of impact of each industry factor is made in different subsections each followed by an Exhibit showing the intensity of impact on different strategic factors of jute business firms.

The eighth and final chapter contains the findings, recommendations and directions for further study. The findings related to BJI and IJI are shown separately followed by general findings. But in all cases, these findings are justified in terms of the general hypotheses developed in the study. The specific references appear at the end of each chapter. In the later part of the thesis, a list of relevant books, journals, magazines, research reports, periodicals, Annual reports etc., consulted by the researcher, have been appended in the form of a Bibliography.

The main findings of present study are stated as follows:

1. The evolutionary changes have a high intensity of impact on the growth, management structure, marketing, production and finance areas of the strategic management structure, marketing, production and finance areas of the strategic management of both Bangladeshi and Indian jute business firms. As a result, the
overall performance of both the industries has been declining. The other strategic factors are moderately affected by evolutionary changes in jute industry structure.

2. The ownership and management patterns have undergone rigorous change in BJI and partial change in IJI. However, this industry factor has greatly influenced the management structure of both Bangladeshi and Indian firms. Introduction of nationalisation, divestment, and cooperative management concepts are resulting from the effect of changes in ownership and management structure of jute industry. Other strategic factors have also been impacted but not to a great extent.

3. The strategies relating to growth, marketing, production, and finance have been impacted by the changes in different components of market. The shifts in market segment, promotional measures, and products' demand, are some of the examples of such an impact.

4. The changes in the state of competition have a high intensity impact on the growth, marketing, and production strategic areas of both Bangladeshi and Indian jute business firms. The ongoing threat from synthetic substitutes, entry of new competitors, and major importers' apathy towards jute products are the instances of the impact of changes in this industry factors. Other strategic factors like management structure, personnel, and future prospect of jute business firms are moderately impacted.

5. The strategic factors of production and finance of both Bangladeshi and Indian jute business firms are more
impacted due to the changes in technology. Most of the firms of both BJI and IJI have undertaken schemes for modernisation and upgradation of technology but the schemes are constrained by financial supports. Government of India have declared some policy packages for financing such technological improvement programmes. But Indian firms are partly accepting these packages. Bangladeshi firms are not getting financial supports for developing the technology used in jute processing. Product diversification policy is gaining momentum but in a restrictive manner. Production of non-traditional items needs new technology. Indian jute firms are again far ahead of Bangladeshi firms in this regard. The other factors of strategic management are moderately influenced by the changes in technological aspects.

On the basis of above-mentioned findings, the present study has offered some suggestions and recommendations delineated as below.

A. Suggestions Related to Jute Industry in General

1. Both Bangladesh and Indian jute industry should formulate long-term jute policy under present scenario.

2. It is important to modernise plant and machinery of both Bangladesh and Indian jute industry to increase productivity, cost-effectiveness, and product-quality.

3. The manufacture of non-traditional value-added items would have to be expedited.

4. The renewed interest in jute as environment-friendly and biodegradable fibre should be fully exploited to boost the demand for jute products.
5. The promotional measures would have to be strengthened in external and internal market segments.

6. The hand-loom and handicrafts sectors of both Bangladesh and India would have to be stimulated to produce jute-made products.

7. The Embassies and High Commissions of both Bangladesh and India should take steps to popularise jute products in the countries they are functioning.

8. Joint efforts with respect to marketing and R&D activities would have to be given greater importance than of present.

B. Suggestions Related to the Firm Level Management

1. Each jute business firm should practice the concepts of strategic management under changing business environment.

2. More autonomy should be provided to the firm-level management to ensure better commitment.

3. The sick and economically infeasible units should either be closed down or handed over to the private sector.

4. Jute business firms should allocate more resources for extensive R&D works.

5. Indian firms should seek new importers other than erstwhile USSR and Bangladeshi firms should expand their internal market for jute products.
C. Suggestions Related to the Functional Level

1. Better management practices would have to be resorted to by jute business firms. The corporate planning practice would be of much helpful in the formulation and implementation of functional strategies.

2. The jute business firms would have to improve marketing techniques. Marketing personnel should be adept in dealing with different components in the marketing mix.

3. Jute business firms should adopt product diversification policies in order to combat overdependence on traditional items.

4. All firms should mobilise internal resources for funding the business.

5. Overmanning problems would have to be eradicated without disturbing industrial relations' environment.

In sum, the present study and its findings and recommendations would be beneficial for the rejuvenation of the two major jute industries and their member units. Thus, they may be able to regain the past glory in terms of better economic performance, and play an important role in the development of their respective economies.