

Intangible assets and firm efficiency. International analysis in the textile and apparel industry

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Abstract

In this dissertation, we aim at assessing efficiency as well as productivity evolution over time of firms in the textile and apparel sector in different regions in the world, and we look at the factors contributing to efficiency outcomes. In particular, we focus on the role that intangible assets play in efficiency.

Theoretically, this research stands upon the Resource-Based View of the Firm with its recent development of the Dynamic Capabilities Approach, the Agency Theory, and the Institutional Theory. We build and test a theoretical model that hypothetically links intangible assets, other internal factors and external factors with firm efficiency.

In this way, this study contributes to the development of intangible assets research by introducing the alternative method for performance measurement, and benefits the efficiency literature by trying to integrate different theoretical perspectives considering the factors affecting efficiency.

We rely on the original dataset which was developed through the linkage of the information from three databases: COMPUSTAT, DATASTREAM and OSIRIS. It consists of 5477 observations (static efficiency) and 4982 observations (productivity evolution over time) of firms from the textile and apparel industry worldwide for the 1995-2004 time-period. The majority of companies come from the USA, Japan, China, Korea, Taiwan, Germany and the UK (regions of Asia, North America and Europe).

Methodology applied in this dissertation involves: 1) the computation of static efficiency indicators of firms in the sample by means of an input distance function using Data Envelopment Analysis (DEA) method; 2) the computation of productivity evolution over time through the application of Malmquist index; 3) the model and the hypotheses testing in the panel data truncated regression. In addition, we assess the statistical significance of static and dynamic efficiency indicators through the application of bootstrapping methods.

Finally, our conclusions are presented together with their implications for managers and policy makers, reference to the study's limitations, and some recommendations for future research. The main implication of this dissertation indicates that textile and apparel firms need to invest in intangible assets.