Building the Concept of Energizing Professional Networks: Implications for the Fashion Industry in Indonesia

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This article aims to explore a new concept model, which is designed to energise the underlying professional networks in an effort to support a more concise literature. This research forms part of a dissertation study, which is applied to the analysis unit of the Muslim fashion industry. The new concept developed is the result of a synthesis of dynamic marketing capabilities and achievement goal theory. The parameters of energising the professional network include: a commitment to improve marketing coordination skills, develop marketing relationships, and understand customers and internal communication. The existing literature reveals that, so far, no research has captured the holistic view of energising the professional networks. The previous articles conducted on this topic tend to focus more on networks in the manufacturing industry. Thus, this article is considered to provide a unique and significant contribution to the literature.

Keywords: Energising, Professional, Networks, SMEs, Fashion.

Introduction

In the era of globalisation, research focussed upon small and medium business has become a very interesting issue. Moreover, small and medium enterprises (SMEs) have contributed to the growth of the economy in numerous countries. The existence of SMEs is almost evenly distributed throughout the Indonesian region, including within the fashion industry. The fashion industry is currently developing rapidly, in light of its need by consumers. Furthermore, it is an industry that provides an overview of products and markets with
elements of style that tend to last in the short term (Christopher et al., 2004). Consumers in the fashion industry possess an awareness of fashion, which tends to be fixed, changes rapidly, and is difficult to predict. Thus, competition in this industry has shifted from price and quality competition to competition focused on the element of time.

A fashion design is easier to imitate, so this causes fashion entrepreneurs to produce fashion for a certain (Barnes et al., 2006; Barnes & Lea-Greenwood, 2006). Environmental conditions have a major influence on the formation of fashion trends. Accordingly, a company will be successful if it is able to respond to customers with rapid changes in fashion trends by developing products to be sold in stores within a short timeframe. The speed at which fashion trends move, and consumer demand have an evident impact on the buying cycle for fashion products (Barnes & Lea-Greenwood, 2006, 2010).

The research reported through this article describes the concept of energising professional networks. Specifically, ‘energising professional networks’ comes from Dynamic marketing capability theory and Achievement goal theory. Therefore through this article, the researcher describes the results of the synthesis of several intermediate distance theories, which then produces a new concept of energising professional networks. As discussed in previous research (Agus Toryanto & Hasyim, 2017), the network capabilities in a company’s research have a positive and significant impact upon the company performance. The role of social networks has a positive impact on the performance of SMEs in international markets (Zhoum Wu & Luo, 2007). The contributions of this article are as follows:

1. Develop and analyse the conceptualisation of energising professional networks in the context of the fashion industry’s marketing strategy.
2. Examine how energising professional networks are manifested in the fashion business landscape.
3. Provide guidance on how fashion businesses can use research findings to create stronger professional networks with their stakeholders.

**Conceptual Frameworks**

**Dynamic Capability**

Dynamic capability is a process that occurs in an organisation, which is generally a routine activity that may have been embedded in the company from time to time, and works to reorganise the company’s asset base by combining existing resources with new resources (Helfat & Peteraf, 2007). Meanwhile, according to Sirmon and Hitt (2003), Teece, Pisano, and Shuen (1997) provide a definition of dynamic capability, which is the ability of a company to unify the building and rearrangement of the competency of resources within the company, and resources outside the company, and to cope with change, such as a fast-paced
environment. Furthermore, Zollo and Winter S. (2002) defined dynamic ability as a pattern of collective activities carried out by organisations in producing and modifying an operating routine in pursuit of increased effectiveness. Yet, according to Pavlou and El Sawy (2011), dynamic capabilities allow companies to continue to have a competitive advantage and can help companies develop core strengths that hinder development and hold back innovation. Several definitions of dynamic capabilities conclude that in order to achieve superior performance, the company must be able to manage the existing resources in the company. Moreover, dynamic capability refers to the company's ability to pool, study, and rearrange resources within the company, and resources outside the company (Lin & Wu, 2014). Dynamic capabilities go beyond knowledge and technological elements to include managerial and organisational skills (Teece, 2014). However, being dynamic is not sufficient to overcome contemporary market realities (Day, 2011). Furthermore, Day (2011) states that to overcome the rapid changes in the market environment requires an approach in managing the resources owned by the company. Dynamic ability takes an inside-outside approach (Hari, 2014) because it starts with the company and looks outside. Also, according to However, having dynamic abilities is not sufficient to overcome the reality that occurs in the market. Furthermore, Day (2011) states that to overcome the rapid changes in the market environment requires an approach in managing the resources owned by the company. An adaptive ability emphasises exploration that comes from outside, while dynamic exploration emerges from within. However, both dynamic, and adaptive capabilities complement each other. An organisation requires balance because both capabilities allow the development of a competitive advantage in dynamic markets by taking an inside-outside, and an outside-in perspective.

**Dynamic Marketing Capability**

Dynamic marketing capabilities are a company’s ability to adapt its own marketing processes to cope with the rapidly changing market environment (Benner & Tushman, 2003; Day, 2011). Thus, essentially, the essence of dynamic marketing capabilities lies in the idea that a company can quickly adjust and change its internal resource configuration to align its marketing management process with market demand after receiving clear market change signals (Morgan et al., 2012). In addition, dynamic marketing capabilities can be built from the concept of marketing capabilities developed by Vorhis and Morgan (2005) through the dimensions of pricing, new product development, distribution management, marketing communications, and sales.

Dynamic marketing capabilities can help a company develop its specific competences to cope with changing environments by moving from stationary processes to the constant release and integration of market knowledge. Helfat (1997) found that dynamic capabilities can make a company create new business products and processes, and quickly respond to changing market conditions. Fang and Zou (2009) also found that dynamic marketing capabilities can help companies through efficient marketing processes and builds and
maintains a competitive advantage and superior performance. Such implications can produce a sales growth in the short term, however, to sustain growth over time, companies need to continue to invest large amounts of money. The financial costs that accompany these marketing efforts can govern the profits, and as a result, positive returns may not be realised.

**Human Capital**

Human capital theory assumes that knowledge contributes to greater cognitive skills for individuals, thereby encouraging increased productivity and high efficiency for developing activities (Becker, 1964; Mincer, 1974). Human capital is a character that is owned by human resources in the organisation and is used to create value for the organisation (Hsun Hsu, 2007). Therefore, human resource capacity limits an organisation’s opportunities to achieve its goals. A group of highly motivated and skilled people is a competitive advantage. Therefore, companies must look at employee competencies such as skills, knowledge, and abilities, as well as commitment in the form of a willingness to devote oneself and work for the company. Thus, a group of employees who are highly committed and have unique abilities can build and distribute organisational resources by generating organisational innovation. The study of Augusto Felicio and Eduardo Couto (2014) states that the dimensions of human capital include: quality of knowledge, intensive experience, cognitive abilities, and professional abilities. Meanwhile, the indicators of professional abilities include: ability in the technological era, communication quality, organisational management, and widespread knowledge.

**Relational Marketing**

Relational marketing is built on four basic theories or research traditions: service research, customer-supplier relationships in business marketing, channel marketing research, and interactive marketing. Relationship marketing is a development of the social-minded marketing concept, in which long-term customer satisfaction and well-being are the main focus. Relationship marketing emphasises the development of long-term relationships or interactions with customers (Gronsoos, 1994). The focus of relationship marketing is upon the mutual exchange benefits and the willingness and awareness to fulfil business commitments (fulfillment of promises) agreed upon by all related parties (Mysen, Svensson & Payan, 2011). Morgan and Hunt (1994) emphasise long-term exchange relationships on the concept of relationship marketing.

The concept of relational marketing by Berry et al. (1983) is to build and continue relationships with clients through charismatic activities. According to these definitions, it highlights the fact that the exchange relationship must be successful in order to obtain a better business performance. In addition, according to Sheth and Parvatiyar (1995), and Ivens (2004), relationship marketing must generate value for either the group or individual
connected through exchange. However, some academics have concentrated on the point that the relationship is not limited to the relationship between the company and the client, but also concerns the company and all its stakeholders (Sin et al., 2005; Gummesson, 1994). Moreover, according to Gronroos (1990), Morgan (1994), Perrien (2000), Wilson (1995), Benamour (2000), and Sin et al. (2005), relational marketing is interested in consolidating a network of relationships in the ongoing process where goals are achieved. Relational marketing can be measured by the classifying six dimensions of empathy, trust, communication, bonding, shared value, and reciprocity (Sin et al., 2005).

Trust shows the prospect level of the long-term survival of the relationship between buyers and sellers (Sin et al., 2005). Commitment shows the determination and intention to maintain relationships with other parties (Rasid et al., 2003). Communication directs completely formal and informal contacts that precede the exchange of meaningful and relevant information between buyers and sellers (Morgan et al., 1994). Empathy is an important condition for fostering an optimistic relationship between buyers and sellers (Sin et al., 2005). Shared value is defined as the extent to which partners have shared views on policies, behaviours, and goals that are suitable or not suitable, right or wrong, and significant or insignificant (Morgan et al., 1994). Lastly, reciprocity is an element of business relations that causes both parties to provide support to the other party in return for similar support or assistance in the future.

Marketing Networks

Network marketing is directed at relationships between one organisation and another (Gadde et al., 2003) and involves ongoing cooperation (Wilkinson & Young, 2002) and negotiations (Mouzas & Ford, 2003). The marketing network in SMEs is a network process carried out by owner-managers of SMEs in managing their marketing activities (Carson et al., 2004). In the literature, marketing network dimensions are divided into three dimensions: structural, relational, and usage. Meanwhile, according to Dani et al. (2010), their research produced new dimensions, namely the intensity of marketing networks, strength of marketing networks, proactive marketing networks, and diversity of marketing networks. The motivations for networking include the following:

1. A flexibility to deal with fast changing and highly competitive markets;
2. Can help improve skills and find the necessary resources to identify and change innovation quickly to become a commercial success;
3. Achieving operational efficiencies that are essential to offering value to consumers, shareholders, and other stakeholders (Cravens, Piercy & Shipp, 1994).
Energising

The concept of ability in goal attainment theory is one of the most popular psychological variables that motivation researchers attend in the context of physical activity. The main focusses in this theory are the cognitive, affective, and behavioural, and the consequences of the various levels of the perceived ability (Feltz, 1992; Roberts, 1984; Roberts, Kleiber & Duda, 1981). For the most part, the self-perception of abilities has been assumed to refer to how many abilities a person possesses which are relative to others. The achievement of a goal is based on task orientation or ego orientation (Nicholls, J., Chueng, P.C., Lauer, J., & Patashnick, M. 1989).

Task orientation explains that individual abilities are not differentiated and focus on developing skills, learning new skills, and showing mastery of the task. It can be interpreted that someone has to undergo education, so that one's commitment to society and the desire to continue learning must be increased (Nicholls, J., Chueng, P.C., Lauer, J., & Patashnick, M. 1989). Whereas, ego orientation describes the ability of individuals to be differentiated by focussing on the ability to be successful with a minimum effort and to outperform others. This is associated with a belief that education is a means to an end, namely, wealth and an increase in social status. In the theory of achieving goals, two main things are discussed: cognitive energy, and affective energy.

The theory of goal attainment in the cognitive aspect is a belief about the competence and reliability of an individual. Entrepreneurs should have a strong belief in themselves for their own competencies, so that they can support their work performance. According to Noteboom, (2006) competency-based trust in interpersonal relationships is the trust of a party that is trusted to another party by referring to technical, cognitive, and communication competencies. Therefore, cognitive belief or competency belief focusses on the perceived assessment of the competence of others and the ability to complete the task. Within the competence contained in the individual, there is an energy that pushes individuals to achieve goals. Thus, the impetus will become a force that can move the individual. In Islam, there is the meaning of ‘tauqig’, which is faith in Allah SWT. The foundation of this knowledge actually depends upon the individual himself.

The next aspect in goal achievement theory is that the affective aspect can be explained as an emotional bond between group members and reflects beliefs about reciprocity and caring (McAllister, 1995). Therefore, the affective aspect is a trust that comes from interpersonal ties between individuals and institutions, including perceptions of motivation, intentions, ethics, and the behaviour of citizens of other parties. In the theory of achieving goals, the affective aspect is activated as an energy provider to the individual and will eventually realise the success or failure he or she receives.
If the affective aspect is not activated, the individual will not become goal-oriented in the future (Carver, 2001, 2003). To encourage the achievement of individual goals, additional knowledge can be made in the form of attending education, training, and so on. This motivation can encourage individuals to achieve their goals. The two aspects — the cognitive aspect, and the affective aspect — when combined into one unit, will create a source of energy power for the achievement of goals. This energising dimension can be measured by two indicators: belief, and commitment. Moreover, faith is the greatest power.

Method

The literature review used is a collection of previous studies from journals, and literature books that discuss parent theory, middle range theory, and dissertation work. Furthermore, to analyse the selected articles, the researcher applies technical content analysis. The selected articles are limited to literature reviews or conceptual papers. Therefore, it is necessary to identify the dynamic competencies needed to enhance energising networks. The synthesising systematic approach is useful in minimising bias and increasing the legitimacy of data analysis. The literature search was limited to Scopus indexed literature. The database includes research from publishers Emerald, Elsevier, Sagepub, Springer, and Science Direct. A review of the process used to identify the articles for this research was carried out in three stages, as described below.

The first step was to identify the major theory publications from the resource-based viewpoint, as the unit of analysis with various basic criteria. The result of the identification of the publication of several references to articles in the reputable international journal. This limitation is intended to maintain the quality of the publication. Step two required selecting the type of scientific publication in the conceptual paper or literature review category. Only the conceptual or empirical articles discussing middle class theory which results in the derivation of energising professional networks would pass the screening process. More specifically, the inclusion criteria for the articles selected for the full analysis were, as follows:

1. Discusses middle range theory regarding the concept of the research-based view, dynamic capabilities, marketing capabilities, and organisational networks.
2. Discusses conceptually or empirically market-oriented companies and corporate competition from the fashion industry.
3. Implicitly or indirectly provides a conceptual or empirical reference that firms which focus on market forces experience an impact upon their performance.

The third step sought to synthesise the article and conduct the final screenings. In this final stage, all the articles that met the criteria in ‘step to’ were read in detail and synthesised as
a final content analysis. Each reference cited in the article was used as a secondary source of literature analysis.

**Results and Discussion**

An organisation cannot carry out their strategy without the support of the resources and capabilities of other organisations (Powell, 1990). Thus, cooperation is needed as the basis for the need for network formation, given that an organisation cannot overcome the complexity and risks in the environment and is unable to meet the demands of the skills and resources needed to be able to compete in the global market (Cravens et al., 1993; Goldman et al., 1995). Therefore, we need energising professional networks as the main determinants for managing and maintaining network relationships.

In addition, agile companies are better able to utilise network structures as a mechanism that allows fast and flexible access to important and valuable resources, capabilities, and information to improve competitiveness and company performance (Liu, 2012, p.1039).

Energising networks are important in accelerating businesses, markets, and customers. Energising involves a commitment that can drive entrepreneurs to build networks with customers. Based on the previous explanation, the synthesis of a new concept called energising professional networks’ can be derived. This concept is extracted from several basic and intermediate theories, such as the resource-based view, dynamic capabilities, relationship marketing, networks marketing, and achievement goals. The results of the theory synthesis can be described, as follows:

**Gambar: Integrated Dynamic Marketing Capability and Achievement goal**
Barreto (2010) states that the concept of dynamic ability originates from the RBV theory and is used in strategic management, entrepreneurship, and marketing. The according to Teece, Peteraf, and Leih (2016), state that dynamic capability are organisational abilities that form agility or intelligence. Organisational intelligence is an intangible resource that is indispensable in a climate of speed and change in the competitive environment of the market.

In the last stream, a new conceptual synthesis was formed, namely energising professional networks, which is a synthesis that results from a combination of the professional concepts of networks and energising. Thus, it can be concluded that ‘energising professional networks’ is a set of skills that are a commitment which moves entrepreneurs to improve marketing coordination skills, develop marketing relationships, and understand customers and internal communication in creating and building networks with customers. It is knowledge learning by leveraging and integrating a network of internal and external partnerships in the marketing chain between customers, competitors, and stakeholders in an adaptive and flexible manner, with the aim of creating superior value for customers. Based on this definition, energising professional networks refers to the company’s ability to seize opportunities for long-term cooperation or partnership, to proactively build a harmonious relationship with stakeholders, adapt to market situations, and perceive the market.

Conclusion

Returning to the research problem articulated earlier, by considering these opportunities, it can be concluded that energising professional networks is a new concept that has successfully facilitated the turmoil of managerial practices in the management of the fashion industry. Specifically, regarding how they should commit to improving marketing coordination skills, developing marketing relationships, understanding customers, and internal communication. Energising is an intangible asset that can be used as a competitive advantage for a company. The findings reported in this article are purposeful to the following main managerial implications:

1. In this study, we expand and deepen the new concept of energising professional networks because the existing literature reveals no research to date that addresses energising professional networks.
2. This research also strengthens the parameters that constitute energising professional networks in the context of the fashion industry competition.
3. It is highly important that the fashion industry continues to improve skills, competence, and dexterity to maintain relationships with internal and external partnerships, and maintain long-term relationships to understand what are the trend long-term market needs.
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