

## A STUDY ON LABOUR PRODUCTIVITY IN S.P.APPARELS, TIRUPUR

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### **ABSTRACT**

*The textile industry in India is one of the oldest in the country and is a big one. With hand-woven, hand-spun, and various mills, the textile sector is extremely varied. Since it is one of the biggest sectors, the industry has about 4.5 crore employed workers which also includes 35.22 lakh handloom workers all across the nation.*

*There are several materials and raw materials that are exported from India to other parts of the world and between April-December 2021, it stood at US\$ 29.8 billion. This market is actually expected to be worth more than US\$ 209 billion by 2029.*

**KEYWORDS:** *Labour Productivity, International Countries and Companies, Rising Global Demands*

### **INTRODUCTION**

India is the world's largest producer of cotton. In the year October 2021-September 2022, production stood at 360.13 lakh bales for the crop. In the year 2020-21, 1.13 million tonnes of cotton yarn were exported from India.

The textile industry in India has also witnessed a spurt of investment not just from our own country but also from several international countries and companies. From April 2000-December 2021, the industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 3.93 billion.

The textile industry has been very beneficial for India's economy. Since India does a worldwide trade of clothing and textiles, the GDP of India has really boosted which has brought a huge amount of revenue to India.

The industry size has expanded from USD 37 billion in 2004-05 to USD 49 billion in 2006-07. The textile export market increased from USD 14 billion to USD 19 billion in the same period. The local market witnessed a growth of USD 7 billion, that is, from USD 23 billion to USD 30 billion.

The technical textiles market for automotive textiles is projected to increase to US\$ 3.7 billion by 2027, from US\$ 2.4 billion in 2020. Similarly, the industrial textiles market is likely to increase at an 8% CAGR from US\$ 2 billion in 2020 to US\$ 3.3 billion in 2027. The overall Indian textiles market is expected to be worth more than US\$ 209 billion by 2029..

In 2019-20, the domestic textile and apparel market was worth \$150.5 billion.

India registered \$ 41 bn in textile exports in CY 2021, with a CAGR (2.7) marginally higher than the global average.

The second-largest employer in India, the textile and garment sector employs 100 million people in supporting sectors in addition to 45 million workers directly.

Technical textiles are useful materials that are used in a variety of fields, such as automotive, civil engineering, healthcare, agricultural, personal protection, and construction.

### **LABOUR IN TEXTILE INDUSTRIES**

Despite the large pool of labor force in India, the country needs to work hard to meet the rising global demands. This is because as much there is availability of labor force, that much there is also a deficit of 'skilled labor'. Indian textile industry is facing a crippling shortage of skilled employees which is a threat to the economic growth of the country. India has the largest labor resource in the world, but the number of skilled workers comprises approximately around 5% of the total work force. Moreover, many of them are without any professional skills. This is because; the general education system of the country is not oriented towards vocational skills.

Increasing pace of globalization and technological up gradation in every field, and especially in the textile sector provides opportunities for generating more jobs, and boosting the country's economic growth. Simultaneously, it also encompasses a number of challenges; the primary one being the requirement of skilled and adequately trained labor force. Apparently, higher turnover rates, rupee appreciation, and wage inflation are also eroding India's competitiveness in the global forefront. This situation is a hard nut to crack. It is a challenge for the employers to formulate ways to retain performers, and attract more skilled labor force.

The major drawback of India's work force is that, more than 70% of the labors are either illiterate, or educated below primary level. Due to this, they are not able to explore their job opportunities, or, are unaware of ways to improve their existing skills. Specific policy measures from the Government are required to initiate the growth of skilled labors. Providing appropriate education for everyone, and fostering of vocational education and training would nurture skilled manpower. Skilled labors generated out of the training programme will enable the textile industry to improve its efficiency, quality and ultimately increase its output. Training the local inhabitants in textile manufacturing would also help to generate employment opportunities in the rural areas. The Government should therefore come up with successive planning strategies, policies and programmes to bring about a special focus on training employees.

Indian textile industry has the ability to generate millions of jobs in the forthcoming years. Adequate labor reforms and polishing their skill sets are the need of the hour in the Indian textile industry. Opportunities emerging in downstream products like processed fabrics, branded, woven, and knit fabrics forecast a bright future. Shortage of skilled and adequately trained people for the manufacturing of these products would be a constraint for the growth of Indian textile market in the global facade. India should focus on leveraging its human capital by providing required knowledge, and training to the workers.

### **LABOUR PRODUCTIVITY**

The working capacity of the labour is called his efficiency being given the same time limit and given the same type of work. Labour productivity is the rate of output per worker in your business per unit of time usually per hour. Basically, productivity is how much each worker produces per hour compared to what each worker is earning to perform the job. Comparing your company's labor productivity rate with an established standard or expected rate of output can help you determine where your company is operating in terms of your competition and the market as a whole.

Labour productivity should be interpreted very carefully if used as a measure of efficiency. In particular, it reflects more than just the efficiency or productivity of workers. Labour productivity is the ratio of output to labour input; and output is influenced by many factors that are outside of workers' influence - including the nature and amount of capital equipment that is available, the introduction of new technologies, management practices and so on. It is important to note that labor productivity is a measure of the overall effectiveness of an operating system in utilizing labor, equipment and capital to convert labor efforts into useful output, and is not a measure of the capabilities of labor alone.

### **IMPORTANCE OF LABOUR PRODUCTIVITY**

Determining the company's productivity of labor can help business to find drags on revenue stream and improve profits. A low productivity of labor when compared with employees' hourly rates may signal paying workers too much or having too many employees on the job at any one time. Streamlining workforce can help business maximize productivity from the least amount of employees possible. This boosts profits and can help to save enough capital to begin growing. Failing to streamline labor productivity can gobble up all profits and make it difficult to meet financial obligations or simply keep the lights on.

### **FACTORS DETERMINING LABOUR PRODUCTIVITY**

- Personal qualities - Some people have some personal qualities and they are suitably built for certain heavy labour. On other hand some people are very suitable for mental labour. Family background also plays very important role in this regard.
- Education - It is the basic and essential element which determines the efficiency of labour. Educated labour is more efficient as compared to the illiterate worker.
- Training and skill - The modern world requires highly skilled labourers. A labourer with sound technical training will be more effective as compared to a labourer who has no training. It increases the efficiency of the labour.
- Climatic conditions - Climate also plays an important role in increasing or decreasing the efficiency. Hot weather has a vital factor for the low efficiency of labour in Asia and Middle East. On other hand cold weather is an important element for increasing the efficiency in labour in USA and Europe.
- Wages and benefits - If wages, allowances, bonuses and other fringe benefits are given to the workers, then their working efficiency increases. Labourer works very hard if he has attractive salary. On other hand if wages rate is low then efficiency of the labourer will be also low.
- Combination of production factors - If the other three factors of production combination is ideal then efficiency of labourer will be high otherwise low.
- Working hours - If working hours of labourer are reasonable then the efficiency will be high. If the working time is very long and without extra payment then efficiency of the worker will be low.
- Environment - If the working environment is pleasant then efficiency of labourer will be high. It is observed that labourer working in air conditioned rooms and healthy conditions are more efficient as compared to others.
- Racial qualities - By birth some races are very hard working and strong built so they are more efficient as

compares to other races.

- Labour productivity deserves particular attention among these factors. One can attribute this to several reasons.
- Firstly, the percentage of labour input that makes up the labour cost of production is relatively high.
- Secondly, it provides a comparative analysis of the contribution of labour and capital in production.
- Thirdly, labour productivity is highly correlated with social welfare and standard of living.
- Fourthly, statistics on labour, including the number of people employed and hours worked are mostly available for conducting the research and analysis .
- Fifthly, per capita income in the economy is also determined by the rate of growth in labour productivity. Higher labour productivity also indicates better capital utilization in the economy.
- Sixthly, the productivity of the labour force is a significant factor for determining competitiveness and providing better support for bargaining wage rates for workers.
- Although labour productivity plays a multidimensional role, empirical literature shows that no concrete attempt was made to estimate labour productivity in India.

### **OBJECTIVES OF THE STUDY**

- To study the socio- economic background of the labourers.
- To identify the job profile of the labourers.
- To estimate the factors influencing efficiency of the labourers.
- To provide solutions for improving labour efficiency.

### **SCOPE OF THE STUDY**

This project discusses the productivity level in S.P.APPARELS, the factors associated with productivity in Indian apparel and the scope for improvement. This study is to analyze the common ingredients in companies known attaining and maintaining high quality of productivity.

Increased productivity signifies the management by appropriate method of work procedure to increase production and decrease the material handling through that lead-time reduces there by to grow or more to make the production rate quality and quality wise and thus follows the prominent method of work methods and management factors.

The project aims at providing valuable insights and guidelines for the improvement and growth of productivity in S.P.APPARELS.

### **METHODOLOGY OF THE STUDY**

The project was undergone in S.P.APPARELS TEXTILE COMPANY LIMITED for a period of six weeks. Along with theoretical knowledge practical exposure to industries also required for successful completion of M.A. The project was done at S.P. APPARELS TEXTILE COMPANY LIMITED on the topic A STUDY ON LABOUR PRODUCTIVITY IN S.P.APPARELS, TIRUPUR.

Research means a scientific and systematic search for pertinent information on a specific topic. Research is a careful investigation or inquiry especially through search for new facts in any branch of knowledge. Research comprises of defining and redefining problems, formulating hypothesis or suggested solutions collecting, organizing and evaluating data, making deduction and reach conclusion to determine whether they fit the formulating hypothesis.

### **Descriptive Research**

The study adopted descriptive research, which includes surveys and facts finding enquiries of the different kinds. The major purpose of the descriptive research is the description of the state of affairs as it exists at present. The main characteristics of the type research are the researcher has no control over the variables. It can report what has happened or what is happening.

### **DATA COLLECTION**

Data refers to information or facts. It includes numerical figures, non-numerical figures, descriptive facts, and qualitative and quantitative information. The task of data collection begins after a research problem has been decided.

#### **The Nature of the Data is both Primary and Secondary Data**

##### **1) Primary Data**

The primary data are those which are collected afresh and for the first time, and thus happen to be original in character. The primary data those are collected through questionnaire. The questionnaire was formed in such a manner to obtain correct information, graded suitability for the study. The research instrument used in the study is the structured questionnaire. Structured questionnaires are those in this there in which there predetermined questions relating to the aspect, for which the research collects data. The questions were presented with expertly the same contents and some order to all respondents.

##### **2) Secondary Data**

The secondary data has been collected from company websites, company documents, magazines and internet.

Sampling is a method of selecting a few items from a particular group to be obtaining relevant data which help in drawing conclusions regarding the entire group population or universe. Convenient sampling method is used for conducting the study. Under this sampling design, every item of the universe, population size 600, has an equal chance of inclusion in the sample. 100 samples were chosen for the study

A questionnaire is research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. They are often designed for statistical analysis of the response. In this research both open ended and close ended questions were used.

One of the simplest methods of analysis is percentage method. It is one of the traditional statistical tools. Through the use of percentage, the data are reduced in the standard form with the equal to 100, which facilities comparison. Chi square test was also used in the analysis.

## FINDINGS

83% of the respondents were in the age group of 15-25 years. 76% of the respondents were females. Textile industries prefer to employ women as they are hardworking and contribute their maximum without wasting time unnecessarily. 48% of the respondents were earning an income between Rs.5000-10,000 per month. 64% of the respondents have education qualification of secondary level. 59% of the respondents have an experience of 1-3 years in S.P.APPARELS. The reason being that they are provided with transport facilities to reach the company. Few of the houses are situated nearby the company since women can easily reach homes soon to take care of the family also. 55% of the respondents have an experience between of less than 1 year in other textile companies. 52% of the respondents work 8 hours per day. 47% of the respondents satisfied about the facilities provided at the work place. They are provided with crèche facilities also. Restrooms and canteens were found to be worthy. Ventilation was also commendable. 25% of the respondents were unmindful about the duration of working hours. The workers come and go at approximate timings, on the whole, say 7 am to 3pm. 53% of the respondents are unmindful about the pattern of doing their work. This may be due to the job being the same pattern all days. 54% of the respondents were found to be satisfied by the interval timings between the shifts. 69% of the respondents were found to be unaware about the leave procedure.

41% of the respondents were confident about the level of technical skill they have, especially the males. 44% of the respondents are satisfied with the technical training given in the company. 49% of the respondents were not fully aware about the development opportunities available to them in the company. 63% of the respondents were satisfied with the safety measures available to them in the company. Medical facilities are available to them inside. These contribute to efficiency of the workers.

49% of the respondents were not interested to discuss the compensation level. 63% of the respondents were ignorant about the appraisal methods followed in the company. 42% of the respondents are oblivious about the grievances handling method. 42% of the respondents sometime face health issues due to overtime work. 54% of the respondents rarely get health problems. It is clear that nearly half of the respondents are ignorant about appraisal methods and issues relating to grievances.

Majority of the respondents lie in the age group of 15 – 25 years and they work for increasing the productivity. The productivity increasing factor is determined by workers age and experience.

First preference to be considered by the company for satisfaction of the labours in their job is providing various facilities to them and the welfare facilities which can improve the labours productivity.

The company uses various types of factors such as technological factor, training work force, motivational factor to increase the productivity. The company can include some more factors to improve the efficiency of labours such as lead time, time management, and maintains of work discipline.

The company instead of setting group operation target individual operator target can be set to improve the productivity of labours and the company can know about the performance of individual labours and can take necessary steps to improve their productivity level.

## CONCLUSIONS

The Indian textile industry has a significant presence in the Indian economy as well as in the international textile economy. Its contribution to the Indian economy is manifested in terms of its contribution to the industrial production, employment generation and foreign exchange earnings. The industry also contributes significantly to the world production of textile fibres and yarns including jute. In the world textile scenario, it is the largest producer of jute, second largest producer of silk, third largest producer of cotton and cellulosic fibre\yarn and fifth largest producer of synthetic fibre\yarn. Textile Industry is providing one of the most basic needs of people and the holds importance; maintaining sustained growth for improving quality of life.

An increase or decrease in labour productivity can also be indicative of cyclical or short-term changes in the economy. Labour output also increases in a recessionary phase when workers work extra to avoid job losses. However, even in a steadily growing economy, companies invest in upgrading the skills of their employees, new technologies to increase labour productivity to contribute to the profits and growth of the company.

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