

Innovative Hr Practices to Improve Socio-Economic Conditions of Women Workers in Garment Industry - An Empirical Study

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Abstract: *The ready made garment industry plays a pivotal role in our economy, since it accounts for 16% of the foreign exchange earnings of the country. More than 85% of the employees in this sector are women. The need to upgrade skills through appropriate HRD interventions in this sector is of paramount importance in order to improve the socio-economic conditions of the women employees vis-a-vis productivity. The pilot study indicates clearly that the companies adopting HR practices have shown positive results in terms of increase in productivity, better social status of employees and reduction in problems pertaining to IR issues.*

I. Background:

The global textile and garment sector has been in a state of flux since 1st January 2005, when almost four decades of restrictions on trade formally came to an end with the demise of the Multi-Fibre Agreement (MFA) quota system. Many developing countries now face increasing competition and downward pressure on prices as the global garment industry consolidates around a relatively small number of winners. Developing countries produce half the world's textile exports and nearly three-quarters of the world's clothing exports¹.

For textiles, the European Union (EU) is the biggest exporter (including intra-EU trade), followed by China. However, India, Turkey, Pakistan, Indonesia, Thailand & Mexico all rank among the top 15 textile exporters, according to WTO trade statistics. Overall, Asia accounted for 45% of world textiles exports in 2004. The EU and the US are the biggest importers of textiles, followed by China, which needs fabric for its large garments industry.

The textile industry is one of India's oldest industries; India ranks first in cotton-cultivated area and third in production among all cotton producing countries in the world. Next to China and USA, it is the second largest producer of silk in the world, seventh largest producer of wool in the world. With this resource base, textiles form a major contributor to income, exports, employment & foreign exchange earnings.

During the year 2008-09, the sector accounted for 18% industrial production, 5% to the GDP, 19% to the country's export earnings and provided direct employment to more than 40 million people, the biggest employer after agriculture.

The Ready made Garment Industry is vital to the economy of the country. The industry contributes 6% to the GDP of the country and earns 16% of the foreign exchange earnings of the country. It consumes almost 40% of the fabrics produced in the organized and decentralized sectors combined of the textile industry and employs around 40 lakh persons thus ensuring sustenance to 40 lakh families.

The garment industry is labour-oriented, unlike other industries in the Textile Sector e.g., spinning, weaving or wet processing where number of activities are automated. The Indian Garment industry work-force predominantly comprises of first generation women workers.

After 2005, big garment units are growing fast. The workers employed in the garment industry usually comprise of unskilled or semi-skilled workers. A point that is of interest and needs specific mention is the fact that the majority of workers in the garment factories, especially in Bangalore, comprise of women. These women usually hail from the rural areas around Bangalore and in most cases are not conversant with their role and responsibilities since quite a number of them are illiterates or under-educated.

The need to upgrade skills through HRD intervention in this sector is of paramount importance, in order to improve their socio-economic conditions vis-à-vis productivity. If appropriate support mechanisms are provided, a large part of the growing labour force can be absorbed. Thus, promotion of productive and remunerative employment is a key strategy to overcome women's poverty and also to enable the garment companies to achieve their goals.

Human Resource Development (HRD) which was earlier called as Training prepares an individual to acquire more knowledge to produce better quality and number of goods in a stipulated period and about the behaviour. Some of the organizations believe in training as a vital tool for individual and organizational development. It boosts the morale of the employees and creates a sense of belongingness which ultimately increases their interest and commitment to the organization.

The concept of HRD is of comparatively recent origin. HRD is a process which consists of a series of activities

conducted to design behavioural changes in a specific period.² Lippitt (1978) points out that HRD as a system depends on:-

1. Work itself which generates a higher degree of responsibility for the employees;
2. the individuals personal and professional growth;
3. the improved quality output as a result of increased responsibility;
4. organization as an open system.

Focus on all these aspects is what HRD is all about.³ TV Rao (1985) defines HRD as “a process in which the employees of an organization are continuously helped in a planned way to (a) acquire or sharpen capabilities required to perform various tasks

and functions associated with their present and future expected roles; (b) develop their general enabling capabilities as individuals so that they are able to discover and

exploit their own inner potential for their own and/or organizational development purpose; and (c) develop an organizational culture where superior subordinate relationships, team work, and collaboration among different sub-units are strong and contribute to the organizational health, dynamism and pride of employees”.

HRD as a function consists of various activities related to training and development and performance appraisal. In fact, the appraisal helps in identifying potential through appraisal feedback and interviews and training helps in actualizing the potential. All aspects of appraisal and training, therefore, play a significant role in achieving the individual’s growth and development. In this respect HRD is more a proactive supportive function because the organization has to take a lead in helping the people to grow and realize their potential.⁴

As per the formal interviews conducted with the well established Training Agencies and also a few HR professionals associated with Garment Companies, it is observed that they are adopting their own HRD systems which are generally need-based and tailor-made, which are as follows:

- (i) Skill Development – Generally, the Garment Companies prefer to recruit women with some minimum skill, viz., tailoring skill whereas majority of Companies recruit raw hands and train them on such skills.
- (ii) Providing the soft skills like motivation, sense of belongingness, attitudinal development, team work, quality awareness, safety and hygiene practices and so on.
- (iii) Adopting innovative HR strategies in order to enable the employees to stay back with the Companies for a longer period and also achieve the organizational goals.

The cost of developing the Human Resource is generally kept low in view of the fact that employee turnover is very high. Nevertheless, many Garment Companies are of the firm opinion that investing on the development of Human Resource certainly enables them to keep the employee turnover under check. It is also true that these Companies have realized that :-

1. Training, unlike experience can shorten the time required to reach maximum efficiency;
2. Cost of training is much less than the cost of gaining experience, particularly if one is dealing with expensive equipment/material.
3. The results of experience can sometimes be accidental, particularly when experience depends solely on trial and error.
4. The element of predictability is far less when compared to the outcome of a well conceived and conducted training programme.

Training thus provides certain advantages which are not available by learning through experience. Garment Companies in Bangalore mainly depend on women work-force which provides employment for women who constitute more than 85% of the work-force. According to statistics available with the Labour Department of Karnataka, Bangalore is having 1002 Registered Garment Companies employing 3.98 lakh workers out of which, 3.38 lakh workers are women. If the unregistered ones are also considered, the number may reach 1200 with around 5 lakh workers.

II. Objectives:

2.1 The primary objective of the study is to assess the need for HRD intervention in the garment industry in Bangalore and its contribution to women in their social and economic life.

2.2 The specific objectives are :-

- (i) To highlight the role of HRD interventions with particular reference to innovative practices in the Garment Industry vis-à-vis working conditions;
- (ii) To examine the relationship between the innovative HR practices and HRD intervention and higher productivity.
- (iii) To evaluate the benefits of HRD intervention in improving the individual’s performance.

III. Literature Review:

3.1 Human Resource Development (HRD) has been defined as essentially consisting of these three Cs: Competencies, Commitment and Culture. All three are needed to make an organization function well. Without competencies many tasks of the organization may not be completed cost-effectively or with optimal efficiency. Without commitment they may not be done at all or are done at such a slow pace that they lose relevance. Without an appropriate culture, organizations cannot last long. Culture provides the sustaining force and spirit for organizations to live. It provides the oxygen needed for them to survive. Its utility comes to the fore specially when organizations are in trouble. Good HR practices are those that contribute to one or more of the three Cs – Competencies, Commitment and Culture – described above. They need to be identified and implemented cost-effectively, reviewing and revising them from time to time to enhance their effectiveness and appropriateness.⁵

3.2 The Indian Textile Industry has natural advantages of strong multi-fibre base traditional skills and cheap labour; these strengths get diluted due to high contamination of cotton, lack of technology upgradation, low productivity, an absence of focused and coordinated development strategy, inadequate product diversification value addition and an inability to meet the quality and market compliance. As a result, its global market share continues to stagnate at around 4%, although there has been an increase in absolute numbers.⁶

3.3 The Indian Ready-made Garment Industry had its origin during World War II, mainly for the purpose of mass production of military uniforms. Slowly, the industry turned to exports and by the year 1969-70, the exports of Ready Made Garments was Rs.9 crores. However, the exports increased at a faster rate and by 1978-79, it reached the figure of Rs.338 crores. A decade later, in 1989-90, the figure reached Rs.3,472 crores and in 1995-96, it stands at Rs.14,806 crores. On an average, around 23% of the output of the industry is exported.⁷

3.4 The garment industry is labour oriented, unlike spinning, weaving or processing where number of activities are automated. After agriculture, the textile is the largest employment giver and the major share goes to garment industry. The Indian garment industry workforce predominantly comprises of first-generation women workers and 50-70% of garment workers are the sole earners in their family.⁸

3.5 Earlier, the Government had restricted garment manufacturing to the small-scale sector (with capital less than Rs.5 crores) and so, nearly 95% of the companies have a sales turnover of less than Rs.50 crores per annum. The garment industry is betting on technology as one of the major growth factors. The Indian apparel industry, which took off in the mid 60's is worth around US \$15 billion now. The industry has evolved gradually in terms of technology adoption and has reached a critical mass today. The apparel technology solution market in India is over Rs.1000 crores and is growing regularly according to the Chairman of the Clothing Manufacturers' Association of India, Mr.Satish Mahajan.⁹

3.6 The increase in married women's labour participation has been dramatic and it has affected society particularly because now many women are in the labour force when their children are very young.¹⁰

3.7 The garment industry in the country is concentrated in two regions namely – National Capital Region (NCR) in the north and the Tirupur region in the South. While the NCR manufactures garments out of woven fabric, the Tirupur region caters to the manufacture of the knitted garments. The industry is highly fragmented and unorganized. So, maintaining a well coordinated supply chain, in this industry, becomes a challenging task.¹¹

3.8 It is in this context, that International Labour Organization, together with the Union Ministry of Labour & Employment, has begun a pilot programme on 'Decent Employment for Women in India'. The programme has been implemented in the two metropolitan cities of Delhi and Bangalore. The objective of the programme is to improve the skill levels and employability of women in the urban areas and their social status in the labour market, thereby improving their socio-economic position. Besides enhancing productive employment and income earning opportunities, the programme also focuses on promoting awareness among women workers regarding their rights at work, family health and welfare. This includes information about minimum wages; existing pension or welfare schemes; the right to organize; existing laws against any form of discrimination; and occupational safety and health.

The specific aspects of Globalization that have affected the lot of the garment worker can be summed up easily through the following relations. At the very outset, the entire garment manufacturing industry started to be shifted from Europe and the United States to Asian countries from the 1970s onwards. Initially it was Japan which lead the industry especially since textile and garment industry were considered as the engine for growth and this was subsequently picked up by other Asian countries attempting to emulate Japan's success on the economic front. In fact even smaller African Countries picked up this model devoting and relying on garment manufacturing for as much as 77% of their Gross National Product on an average. It was after the 2nd World War that Japan was sought to be curtailed and hence production shifted to centres such as Hong Kong and South

East Asia.

IV. An Empirical Study

A study was carried out in 6 Garment Companies (3 Large, 2 Medium and 1 Small), which were selected on random basis and also 90 women employees i.e. 15 from each working in these Companies were also selected on random basis from among unskilled and skilled categories. A questionnaire eliciting the informations from both Management Representatives as well as these selected employees revealed as under.

V. Profile of the selected garment companies for study:

GC 01: The company was established in the year 1991 and is carrying out the manufacturing activities of garments especially men's wear, both shirts and trousers and catering to domestic as well as export markets. It started with 500 machines with about 800 workers- both skilled & unskilled and was showing an increase in the annual turnover of 15-18%. Now the company is having a capacity of 1200 machines with 2500 employees.

GC 02 : The company was established in the year 1989 with 300 machines and having a workforce of 550 employees. Presently the company has expanded its activities to 1000 machines and having a workforce of 1950 employees.

GC 03 : This company was established in the year 1996. The production activities were carried on with 450 machines employing 800 workers. It catered to both domestic and export markets. Presently it has higher production capacity in terms of the number of machines which has increased to 1000 and the number of employees which has increased to 2100.

GC 04 : The garment company was established in the year 1997 with 200 machines having 370 employees. At present the company has 650 machines with 1200 employees.

GC 05: It was established in the year 1995. It started as a training centre with a small beginning having 50 machines catering the trained workforce to the industries later became a cost centre by developing its own brand and gradually grew into a medium scale company having 750 machines and about 1400 employees.

GC 06 : This was established in the year 1999 with 100 machines having likeminded promoters basically technocrats. It started in a rented building with 300 employees. Now it has increased to 400 machines with 750 employees.

INNOVATIVE HR PRACTICES :

- 1) Scientific selection & systematic induction of the workforce.
 - 2) Based on the aptitude , imparting various skills through systematic training.
 - 3) Introduction of multiskilling which provides an opportunity for job rotation which enables the employees to overcome fatigue due to monotony on account of repetitive nature of jobs.
 - 4) Introduction of greeting the employees on their birthdays by giving gifts such as sweets, books on self development, etc.
 - 5) Attending to marriages & other auspicious occasions through the representatives of HR Department.
 - 6) Attending to condolences in the event of bereavement.
 - 7) Providing library facilities for the employees without affecting the work.
 - 8) Bringing out regular inhouse newsletter by involving the employees for internal circulation.
 - 9) Encouraging the education of the children right from pre-nursery stage and creating the sense of savings among employees for the future of the children by sanctioning matching contribution (restricted to only one child) and also assisting the employees in procurement of books & uniform for the child.
 - 10) Giving special leave to the employee on the day of the child's school admission.
 - 11) Encouraging meritorious students through gifts and scholarships.
 - 12) Regular suggestion scheme for the employees for encouraging good suggestions and giving awards on the annual day.
 - 13) Celebrating Annual Day with pomp & show by inviting the families of employees.
 - 14) Organising sports and cultural activities for the families of the employees especially children preceding the annual day celebrations and giving away gifts/prizes in the form of house hold articles.
 - 15) Arranging competitions for children such as painting, fine-art essay writing, slogan writing etc. to encourage talents of the children of the employees.
 - 16) Arranging small family get-togethers & picnics once in a year.
 - 17) Forming workplace committees by involving the employees enabling them to discuss various issues on production, quality, safety, health & hygiene , prevention of sexual harassment , etc.
- : 12:
- 18) Encouraging the employees to continue their studies through various distance learning programmes.

19) Introducing the uniform for all the employees in order to bring about a feeling of oneness and sense of belonging.

20) Arranging for free & regular health checkups for the employees and their children(for one child only).

VI. Parameters of the Study:

The study conducted in six garment Units in Bangalore revealed the following facts.

The parameters considered for assessing the relationship between role of innovative HR practices and the improvement in the performance of the companies in terms of productivity, quality and sales turnover. The period of study is taken as 2005-09

Summary of Findings of the Study (Employers' perspective):

Garment Company	Annual Turnover (in crores)			Cost of Training (in lakhs)		Cost per employee		Labour Turnover		SMV based productivity*		Rejects & Reworks	
	2005	2009	% increase	2005	2009	2005	2009	2005	2009	2005	2009	2005	2009
01 (Large)	780	1200	53.3%	38.61	46.8	495/-	605/-	0.9%	0.1%	62%	85%	2.6%	1.4%
02 (Large)	320	432	35%	9.88	12.35	260/-	325/-	3.4%	2.8%	52%	57%	2.9%	1.8%
03 (Large)	340	470	38%	10.30	14.45	310/-	445/-	3.1%	2.4%	54%	72%	2.8%	1.6%
04 (Medium)	68	104	52%	6.47	7.80	498/-	600/-	0.8%	0.1%	63%	84%	2.8%	1.5%
05 (Medium)	82	122	48%	6.30	7.50	478/-	610/-	0.9%	0.3%	64%	81%	2.7%	1.4%
06 (Small)	22	26	18%	1.69	2.04	228/-	356/-	5%	4%	49%	52%	3.0%	2.7%

* SMV based productivity: - Standard minimum value calculated by Industrial Engineers i.e., number of minutes taken to stitch one garment and number of garments in 8 hours (480 minutes).

VII. Findings of the Study:

- The Companies & Sample Group were chosen at random
- Age group ranges between 20 years and 39 years
- People chosen for the study belonged to both unskilled & skilled categories.
- Out of 6 Garment Companies which were studied, almost all of them have shown increase in productivity by 32% and rejects & reworks have reduced from 4% to 1.4%.
- Percentage of labour turnover was found to be almost zero as compared to the usual industrial norm of 6%.
- The issues pertaining to IR such as late coming, leaving the work-spot, interpersonal and Sexual Harassment issues etc., were almost nil, since generally the garment Companies are having such problems.
- Employees from all six Units were found to be quite satisfied with the education of their children even though they formed a small percentage, i.e. 35% (It may be noted that educating the children in Bangalore is quite an expensive affair).
- Innovative HR practices intervention in all the six Companies being a focused one and also tailor-made to suit the Organisational needs vis-à-vis employees' needs, which is as follows:
 - (i) Systematic selection which included antecedent verification of the new incumbents.
 - (ii) Proper induction of 3-days duration to familiarize the newly selected employees about the Organisation, products, quality requirements, employees' role and responsibilities, rules & regulations, model standing orders, working hours / shift timings, welfare measures, safety norms, personal protective equipments (PPEs), etc.
 - (iii) Regular training programmes by internal and external faculties to emphasize on aspects like :
 - Role perception
 - Human behaviour at work
 - Present scenario of the Garment Industries
 - Discipline maintenance
 - Role and responsibilities
 - Motivation of self
 - Importance of positive attitude
 - Communication skills

- Work Life Balancing
 - Family Budgeting
 - Team work & Group Dynamics
- (iv) The number of training days were designed to be 8 days per employee per year, and the corresponding cost per employee was earmarked as Rs.600/- which included the faculty fees.
- (v) The percentage increase in the annual sales turnover in all the Companies was found to be 52% to 55% which is mainly attributed to the innovative HR practices apart from other factors like increase in market demand and brand image since all of them were 100% Export Oriented Units (EOU).

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