

Study on Work- Life Balance among the Layoff Survivors in Textile Industries with Special Reference to JBF Industries Limited

(U.T. OF D & NH)

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INTRODUCTION:

In a highly competitive economy, which our country experience as on today, work force downsizing becomes unavoidable many a times, to many industrial units. While those who were given pink slip get griped with emotional, financial and psychological pressure; the survivors of layoff suffer no less than their seen off counterparts. There may not be actual increase in work over load, but a psychological effect of this perception would result in de-motivation, low productivity, and absenteeism and employee turnover. This problems confronted by layoff survivors shall have a consequent effect on their Work Life Balance (WLB). In this case study, an attempt is made to understand possible effect on WLB of layoff survivors in a textile industry viz., JBF Industries Limited, UT of Dadra and Nagar Haveli.

A) CORPORATE PROFILE

JBF Industries Ltd. stands on a gleaming pinnacle of success as an industry leader in the Polyester Industry value chain today. Established in 1982, JBF Industries was founded by Mr. BhagirathArya as a Yarn Texturising company, and since then had backward integrated into manufacturing Partially Oriented Yarn (POY), Polyester (BOPET) Film and also various types of Bottle grade, Film grade and Textile grade Polyester chips. Incorporated in the year 1982 as a Private Company under the name JBF Synthetics, it became a Public Limited Company in the year 1986, and in the year 1989 the name was changed to JBF Industries Limited. It is operative at two locations viz., Silvassa (UT of D&NH) and Sarigam (Gujarat) with a production texturising capacity of about 9,000 tpa and 18, 000 tpa respectively. These efforts were duly recognized by the GOI by awarding company with export house status. JBF's commitment to the quality and customer is driven by ISO 9001 system of quality standards. JBF has also been accredited with ISO 14001 certificate for environmental management. Further info about the company may be obtained for its website www.jbfindia.com. A glance on the finances of the company reveals that as on 31st March 2013, the company has Rs. 72.63 crores and Rs. 110.35 crores equity and preference share capital respectively besides Rs.881.79 crores reserves and surplus. Its promoters holding as on 31/09/2013 stood at 55.91%. The company generated an operative income of Rs.4,504.09crores and earned an operative profit of Rs.271.45 crores for FY 2013. The Company has a record of uninterrupted dividend payment since beginning; and for FY 2013 the company has declared 10% dividend. The Company shares are listed on BSE and NSE. As on 30/12/2013 for equity share of face value of Rs.10/- the company has a PE ratio of 11.15.

B) PROBLEM STATEMENT AND STUDY OBJECTIVES

In order to improve the overall efficiency, manage their expenses and maintain competitiveness of the organization, management of JBF Industries Ltd, Silvassa initiated the process of downsizing in the month of October 2013 and the process is to be wound up by 31 December 2013. Organizational downsizing led employees to increase hours to be spent at work, loss of confidence in the organization, experiencing insecurity and guilt, frustration, perceived unfairness and loss of productivity at work place. Striking a balance between acknowledging employees' feelings and getting back to business is the key to success for management. In this background, an attempt is made through this case study to understand and address this issue.

This study is to ---

- Understand the possible perception on work load increase among layoff survivors;
- Understand probable effect on WLB of layoff survivors; and

- Key points to be addressed by management as suggestion(s)

C) ORGANIZATIONAL SKETCH BEFORE AND AFTER LAYOFF

Organizational profile of the company is divided into 8 Departments viz., Production, Human Resources, Accounts, Security, Ware Housing, Information Technology, Excise and Stores Department. Total strength of employees at JBF Industries Ltd, Silvassa before layoff was 2350. Employment at JBF Industries Ltd is in two major categories viz., contract employees and permanent employees. Their distribution is presented in Table A.

TABLE A - DEPARTMENT WISE EMPLOYEE STRENGTH BEFORE LAYOFF

Department	Permanent Employees		Contract Employees		Departmental Total
	Number	Percentage ^a	Number	Percentage ^b	
Production	112	08	1240	92	1352
HR	30	45	37	55	67
Accounts	35	47	40	53	75
Security	45	31	100	69	145
Warehouse	40	15	232	85	272
IT	44	25	131	75	175
Excise	17	13	112	97	129
Stores	27	20	108	80	135
Total	350		2000		2350

a & b – Percentages are calculated on departmental employee strength.

From the Table A, it can be inferred that maximum number of employee strength of the organization is its contract category across the departments. More specifically department(s) viz., production and excise did consist of more than 90% of their staff working on contract basis. Warehouse and stores, the departments that provides safety for raw materials, spare parts and finished goods did have 80 and 85% of its employees on contract basis.

TABLE B - DEPARTMENT WISE EMPLOYEE STRENGTH AFTER LAYOFF

Department	Permanent Employees		Contract Employees		Departmental Total
	Number	Percentage ^a	Number	Percentage ^b	
Production	152	21	577	79	729
HR	30	44	17	36	47
Accounts	35	51	33	49	68
Security	65	60	44	40	109
Warehouse	50	41	72	59	122
IT	74	60	49	40	123
Excise	17	27	47	73	64
Stores	27	31	61	69	88
Total	450		900		1350

a & b – Percentages are calculated on departmental employee strength.

It can be inferred that 1000 employees, all working on contract basis (43% of total workforce) have been given layoff. The current scenario clearly indicates that the management has drastically downsized its contract work force and out of lay off workers, 100 of them have been inducted as permanent staff in production (40), security (20), warehouse (10) and IT (30) departments. This incident is more of downsizing its workforce and to some extent re-organizing of its departments.

D) THE ISSUE AND METHODOLOGY

Even though only contract workers are being given lay off, the effect of it would have certainly be on other contract works and even to some extent permanent workers. Hence Ten percent of current work force was

indented to put into study. It was a *systematic random sampling* to cover all departments. *Questionnaire*, that precisely addressing/assessing WLB and perceived work load was circulated among them. The questionnaire did carry vital info for possible cross analysis, the inference of which would be a suggestion to the management. Number of workers – department wise - included in the sample for study, their demographic details collected are presented in Table C.

TABLE C – BASIC INFORMATION ON SAMPLE

	Number	Percentage		Number	Percentage
Gender			Education		
Male	77	57	School	35	26
Female	58	43	Graduate	47	35
			Post Graduate	35	26
Marital Status			Professional	18	13
Married	101	75	Department		
Unmarried	30	22	Production	86	64
Divorcee	3	2	H.R	3	2
Widower	1	1	Accounts	5	4
Family			Security	7	5
We two & ours	85	63	Ware House	11	8
Extended	15	11	I.T	7	5
We two only	20	15	Excise	7	5
I and my kid	5	4	Stores	9	7
I and my granny	10	7	(Source: Primary Data)		

The department wise representation in sample has been made on the following logics:-

- [1] Sample size shall be 10% of total strength of layoff survivors, i.e., strength after reorganization (135 respondents out of 1350 workforce);
- [2] As every department has experienced layoff in its contract category, 15% of each department’s total strength, after layoff shall be included:and
- [3] Hence, the sample method befits systematic random sampling.

Of the sample respondents, as presented in Table C, male outnumbered female by 57:43 percentage. There were three fourth strength as married; 22% unmarried apart from few divorcees and a widower. As far the family structure is concerned, nuclear family holders were to the extent of 63%; followed by joint family holders to the extent of 11% of the total. Family with no kids, single parents and those living with granny were found to the extent of 15, 4, 7 percentages respectively.

E) RESPONSE REGARDING PERCEIVED WORKLOAD INCREASE

Responses obtained for eight carefully coined statements thought would bring out attitude towards perceived work load among layoff survivors were quantified in a five point scale. The results of the same in general and department wise are presented in Table D.

TABLE D - RESPONSE REGARDING PERCEIVED WORKLOAD INCREASE

	PERCEIVED WORKLOAD INCREASE		
	High	Medium	Low
General (overall)	65 (48)	46 (25)	24 (17)
Department wise			
Production	28(44)	35(41)	15(15)
H.R	2(67)	1(33)	0(0)
Accounts	3(60)	1(20)	1(20)
Security	3(42)	2(29)	2(29)
Ware House	5(46)	4(36)	2(19)
I.T	5(72)	1(14)	1(14)
Excise	4(57)	2(29)	1(14)

Stores	5(56)	2(22)	2(22)
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(Figures in the parenthesis denote percentage to respective row totals.)

The general result indicates that near about half the staff feel that they highly convinced that they need to perform or bear more workload due to lay off their colleagues. Another quarter portion of the total also of the opinion that they have to a greater extent bear the burden. An in-depth analysis of the data would tell us that, keeping overall perception as the yardstick, except production and security departments, in all other departments employees have more tilt towards perceived workload with high degree of inclination due to lay off.

F) RESPONSE REGARDING WORK LIFE BALANCE

Another eight set of statements were presented before the same respondents in order to measure their attitude regarding possible effect on their WLB after lay off, as they have a perception of increase in work load. Similar to the above concept of work load perception, here too, respondents' responses were quantified and their attitude is presented in Table E.

TABLE E - RESPONSE REGARDING WORK LIFE BALANCE

	EFFECT ON WORK LIFE BALANCE		
	High	Medium	Low
General (overall)	55 (41)	56 (42)	24 (17)

It is obvious that three fourth of total work force feel or experience or perceive that their WLB is disturbed to a greater extent.

G) SUGGESTIONS AND CONCLUSION

Though for profitability and sustainability angles organizations need to go for restructuring and downsizing; they cannot feel safe as the survivors of lay off would generate the results they desire. As the survivors are human beings, who work with heart and mind, any psychological impact that has occurred to their erstwhile counterparts would result in de-motivation, lower productivity or more specifically destabilizing their WLB. In this case it is clearly visible employees in general and departmental wise in particular feel that they have to bear the burden which was shared by their lay off colleagues. This has further resulted in their experience of destabilized WLB. This is a warning signal for the management, as their re-organization of HR map is in recent times. As the veracity of the departments, management may offer psychological counseling to the layoff survivors in order to regain their confidence and goodwill. This effort of management would bear the fruits they wish to achieve due to lay off.