CHAPTER II
LITERATURE REVIEW

2.1 Introduction

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.9

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.\textsuperscript{10}

The onset of globalization of trade and economic liberalization within the country has posed new challenges and opportunities for the Indian Textile Industry. As a part of Agreement on Textiles and Clothing (ATC) under the WTO framework, all the quantitative restrictions (quotas) on imports and exports has ceased to exist from Jan 1\textsuperscript{st} 2005. Such integration of markets will provide several opportunities as well as threats to Indian Textile Industry.\textsuperscript{11}

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.\textsuperscript{12}

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.\textsuperscript{13}
The textiles and garment industry fulfils a pivotal role in the Indian economy. The apparel industry is one of India’s largest foreign exchange earners, accounting for nearly 16% of the country’s total exports. It has been estimated that India has approximately 30,000 ready-made garment manufacturing units and around 3 million people are working in the industry.

Consistent efforts towards extensive market coverage, improving technical capabilities and putting together an attractive and wide merchandise line has paid rich dividends. But till today, our clothing industry is dominated by sub-contractors and consists mainly of small units of 50 to 60 machines. India’s supply base is medium quality, relatively high fashion, but small volume business. After 2005, big garment units are growing fast. However, the biggest unit itself is much smaller compared to the Units in China and hence are losing an edge where mass orders with very low lead time are to be handled. The largest factory of India’s largest garment exporter has just 1000 sewing machines while even a medium-sized Chinese factory boasts of 2000 machines. The large ones have 10,000 machines in one location.

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.  

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. 

Garment forms one of the major aspects of style or fashion quotient for an individual. People dress comfortably to leave a mark or an impression on his / her peers and in the social environment he / she lives. This expectation of the people from their garment is almost the same across the globe with India being no great deviation from that. Moreover, garment industry forms the major chunk of textile exports for the country. However, if we take a closer look at the industry, then we will see that this industry is mostly unorganized and fragmented. 

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.

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 V.V.Giri National Labour Institute was involved with the soft skill development component of the programme, which includes the development of Modular Training and Awareness Raising Packages for Enhancing Employability of women and empowerment. The major goals of above modules were to enable women to critically analyze their position and to develop a positive self-image towards attaining gender equality. The detailed objectives of the program are to:

- Develop capacity to question traditional beliefs and practices, and to develop a critical approach to one's environment.
- General awareness of one's rights as an equal citizen.
- Explore myths and misconceptions about women in society.
- Develop critical thinking on the structure of social oppression and exploitation.
- Develop positive self-image through recognizing one's strength.
- Facilitate to confront oppressive practices within and outside home and family.
- Enable to access information independently.

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.

The last stage of the textile value chain is the readymade garment sector, where the maximum value addition takes place. The garment sector is low capital intensive and highly labour intensive. It is estimated that Rs.1 lakh investment in this sector creates about 2-3 jobs. This sector can provide employment to rural workers, as it does not need sophisticated skill sets. This industry has a woman-friendly employment orientation and provides employment to large number of women. Karnataka, especially Bangalore, has had a strong garment industry for a long time. The garment Companies of Bangalore are producing primarily, woven fabric based fashion garments.
After de-reservation and quota phase out, the process of expansion and consolidation by the garment Companies of Karnataka has commenced. It is reported that average number of machines per unit are considerably more in Bangalore as compared to other clusters of readymade garments. The value realization of Units located in Bangalore is also higher than Units located in clusters. The sector has registered a sharp growth in exports in recent years and provides employment to over three lakh persons in Bangalore, of which almost 95% of the work force are women. The focus of policy will be to create conducive environment for the growth of garment industry enabling it to reach greater heights.

Organisation according to Mr. Oliver Sheldon is the “process of combining work which individuals and groups have to perform with the faculties necessary for its execution so that they provide the best channels for efficient, systematic, positive and coordinated application of the available effort.” There are different types of organizations namely manufacturing, trading, commercial, marketing and service oriented. The success of all these types of organizations depends entirely on the successful handling of human resources.

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 our organizations believe in training as a vital tool for individual and organizational development. It boosts the morale of employees and creates a sense of belonging which ultimately increases their interest and commitment to the organization. Contrarily, what is happening in most of our
organizations is they do not believe in training the individuals. Training is not at all given even to a new recruit who is designated as a trainee for the name sake. He has to learn on his own by consulting some of his colleagues and superiors. The trainees are also put to a lot of mental stress and strain and are blamed even if there is any minor error in their work.

The management should drop such an attitude and must instruct their HRD practitioners to plan and function in accordance with the standard innovative techniques and principles of man management. The management should train people by identifying their training needs. After giving them training, they should assess the performance of the individuals so as to find out the outcome of the training programme. Even after doing so, if the person is unable to cope with the requirements of his job, then the management should give clear direction to the HRD people to analyse the reasons as to why that individual was not able to show improved performance, instead of analyzing the ways as to why suitable disciplinary action should not be initiated against him.

As the HR Department in organization strives to gain strategic importance for them in the organisation, they will have to move from the traditional functions they perform to the decision science behind it which enables them in the decision making. HR analytics includes statistics, research design, identifying meaningful questions, using appropriate data to answer the questions, applying scientific standards to evaluate the results, and translating the results into language that is meaningful for the business.

Conducting an ROI helps the HR Department to justify the cost of a new technology system, a new software solution, a new service for
employees or a new training programme. ROI is appealing because, in
theory, the rate of return provides an aide to decision-making because it
provides a single metric which can be used to evaluate very different projects.

Cost Benefit & ROI analysis are essentially two halves of the same
coin. In contrast to ROI, Cost-Benefit analysis does not give a single figure to
make decisions. It preserves the rich details of the individual costs and
benefits. This enables decision makers to see each cost & benefit details.
However, although it may be easy to find the costs, assigning monetary
values to each potential benefits can be a problem. Measurement has
received the most attention in HR literature. There has been literature on HR
Scorecards, which have tried to enhance the quality of HR measures based
on standard measurement criteria like timeliness, reliability, consistency and
so on.

Employees are greatest asset and no matter how efficient the
technology it may be, it is no match for the motivation. Giving personal touch
will indeed motivate employees and inspire them. It is the force that makes
people to do things at full potential and it is a result of individual needs being
satisfied so that an employee will have an inspiration to achieve the desired
result.

Abraham Maslow is considered to be the father of Humanistic
Psychology. His motivation theory emphasizes that the man's behaviour is
controlled by both internal and external factors. He collected data for his
theory by studying outstanding individuals. His studies led him to believe that
people have certain needs, which are unchanging and genetic in origin.
Maslow described these needs as being hierarchical in nature.

<table>
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<tr>
<th>Levels</th>
<th>HR’s Role</th>
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<tr>
<td>Basic Needs</td>
<td>Responsible for providing basic needs – workplace requirements, canteen, transport and other basic needs for employee to perform his job.</td>
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<tr>
<td>Safety Needs</td>
<td>Responsibility to provide safe, healthy, ergonomic and harassment-free working environment and preserves respect and the right of individual.</td>
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<tr>
<td>Social Needs</td>
<td>Responsible for talent recognition – rewards, appreciation, promotion and identification, etc.</td>
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<tr>
<td>Esteem Needs</td>
<td>Responsible for building and developing a workplace that gives self-respect, sense of achievement, self confidence, prestige, etc.</td>
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<tr>
<td>Self-Actualization</td>
<td>Creating an opportunity for self-fulfillment and to realize the employee’s full potential and fulfilling one’s potential.</td>
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The position of women in society is an index of its civilization. Women have as much right to full development as men but they remain neglected. So emancipation of women is an essential pre-requisite for economic development and social progress of the country. Women are responsible for 68 per cent of the food production and are the driving force behind 70 per cent of the small enterprises with nearly 35 per cent of the families dependent on them.
The performance and productivity of any person depends upon several factors. Very important among them is the technical knowledge for performing a particular job which holds good even for women in agriculture. To ensure better participation, training should be conducted at village level since women are engaged equally in domestic sector also. Condensed courses and vocational training courses by various voluntary agencies will improve self-employment of women. Hence women were given training in skills of modern techniques and provided employment under the scheme “Employment and Income Generation with Production”.

The Platform For Action (PFA) was formed at the Fourth World Conference on Women, held in Beijing in 1995. It emphasizes that women share common concerns that can be addressed only by working together and in partnership with men towards the common goals of gender equality around the world.

Despite national efforts to increase participation rate of women in the work-force, women in India are still very much in a dependent status in an ordinary household, and men are still the bread winners.

One major reason why women are more vulnerable to poverty than men is their differential access to employment and lower earning capacity within labour markets. Women’s lack of education, training and experience contribute to their lower earnings.
2.2 Role of HRM in Textiles

Every organization or industry is not only made of bricks, cement or wood, but by 4 Ms viz., Money, Material, Machines and Men. Man is the ultimate resource of the organization because of his ability to think. So, the utilization of this resource is very critical. HRM deals with the human dimension. Success or failure of an organization depends on the effective coordination of the resources such as money, material, machinery and men. Among these, the role and operation of men is the most complex. HRM is known by different names – personnel management, personnel administration, manpower management.

Traditionally, personnel management is concerned primarily with 5 basic systems – recruiting, training and compensation whereas if we integrate the systems to other organizational function / systems with more concern on human aspect then this term becomes HRM. HRM has been defined as the function / Unit in organization that facilitates the most effective utilization of HR to achieve the objectives of both the organization and the employee.23

Textile is industry oriented field where lots of processes are there to be carried out from raw materials / fibres to finished garment. The basic concept of HRM is to attract and retain the right person at right place in the right time with right remuneration.

The textile industry had gone through a tough phase, but now textile industries want to capture the global market for which an overall improvement is necessary. Many issues such as better productivity and production, infrastructure upgradation, social compliance and labour problems, coordination, customer relationship are still grappling the industry and efforts
at small levels towards the betterment of the existing scenario are on.

2.3 Global Textile Scenario:

After more than 40 years of import quotas, the textile and clothing sectors has become subject to the general rules of the General Agreement on Tariffs & Trade from 1st January 2005. Liberalisation has been controversial because both textiles and clothing contribute to employment in developed countries, particularly in regions where alternative jobs may be difficult to find.

The clothing industry is labour-intensive and it offers entry-level jobs for unskilled labour in developed as well as developing countries. Job creation in the sector has been particularly strong for women in poor countries, who previously had no income opportunities other than the household or the informal sector. Moreover, it is a sector where relatively modern technology can be adopted even in poor countries at relatively low investment costs. These technological features of the industry have made it suitable as the first rung on the industrialization ladder in poor countries, some of which have experienced a very high output growth rate in the sector (e.g. Bangladesh, Sri Lanka, Vietnam & Mauritius).

The Textile and Clothing industry has high value added segments where design, research and development are important competitive factors.

Textiles and clothing are close, related both technologically and in terms of trade policies. Textiles provide the major input to the clothing industry, creating vertical linkages between the two. International trade in the two sectors is regulated by the Agreement on Textiles & Clothing (ATC) at the multilateral level, while bilateral and regional trade agreements typically link
the two sectors through the rules of origin accompanying preferential market access. At the micro level, the two sectors are increasingly integrated through the vertical supply chains that also involve the distribution and sales activities.