CHAPTER I

DESIGN AND NATURE OF THE STUDY

1.1 INTRODUCTION

The cotton textile industry was the base on which Indian industrialization was built more than a hundred years ago. This industry was the first Swadeshi industry in India as its development was entirely due to indigenous efforts. Since ancient times India was famous for its artistic skills in the weaving of cotton fabrics, particularly for their fine texture and embroidery, Indian calicos, muslins and chintz were popular throughout the world. After 1850 the handicrafts industry declined as it could not compete with the imported cloth produced by the power driven mills in England. The first Indian modernized cotton textile mill was set up in 1818 at Fort Gloster, but this mill was not successful. The real beginning was made in 1854 with the establishment of first mill in Mumbai named Bombay Spinning and Weaving Company.

The industry is among the oldest and the largest manufacturing industries in India. It is more than a couple of centuries old and occupies a dominant position in India’s industrial structure. The textile industry occupies a unique place in the economy of the country by virtue of its contribution to the industrial output, employment generation and foreign exchange earnings. It has been the “mother industry” of the country and it
has been an engine of economic growth. By its unique place of importance, the textile industry in India is positioned to sub serve important socio-economic goals. The origin of the textile mill dates back to 1818 when the first cotton mill was established at Fort Gloster near Calcutta. The industry has come a long way and has grown phenomenally, many a time against heavy odds. Today the industry has grown to become the second biggest industry in the world.

Textile industry has been occupying a pivotal place in the country's economy. With over 1,700 mill units, about 40 lakh handlooms, 17 lakh power looms and thousands of garments, hosiery and processing units, the textile industry is the largest single industry in the country. The linkage of this industry reaches the common man and the national economy owes much to its contribution to the industrial production, employment generation and foreign exchange earnings. The textile sector contributes 3 per cent of the gross domestic product, 14 per cent of the total industrial production, 21 per cent work force, 27 per cent of the gross export earnings, 5 per cent of the excise revenue and 7 per cent of the gross import bill.

Besides, a large population engaged in cotton growing and ginning, manufacturing of man-made fibers, filament yarns, textile machinery, stores, spares, dyes, chemicals, trade, transport, banking, insurance and so on derives its livelihood from the
indirect employment generated by the textile industry. Next to food, clothing is one of the most important items of family expenditure in India accounting for about 10 per cent. Thus the cotton textile industry is very important from the point of view of production, employment, export and consumption.

Apart from meeting, the growing clothing needs of the increasing population, the cotton textile industry is the forerunner of India’s transformation from an agrarian economy into an industrial advancement. It laid the foundation for the development of a number of allied industries and services. Indian entrepreneurship had its training ground in textile manufacture and the subsequent proliferation into manifold avenues of industrial progress and economic activity made possible by the pioneering efforts of the textile industry. The industry has carved a niche for itself in the international market also with Indian textile goods, with aesthetic qualities and durability at many a port of call.

In addition to being a source of providing one of the basic needs, the cotton textile industry plays a crucial role in the socio-economic structure of India. In the nation’s wealth creating activity, the textile industry had, and continues to have, a pivotal role. It offers more opportunity for the employment of skilled and unskilled labour.
Unlike material resources, the human resources are the participants as also the beneficiaries of the process of economic development. Successful enterprise stands on sound management which gets effective results through the people. Experts say: Management is an art as well as science of getting things done through and with people of all agents of production, “Labour” is the most important factor and the utilization of other resources largely depends on the proper utilization of time and energy on the part of the workers. Labour, at all times, has been considered a separate factor of production. Any work whether manual or mental which is undertaken for a monetary consideration is called “Labour” in Economics. The involvement and importance of the human element is being increasingly realized by those responsible for the management of industrial establishments.

The most important organizational problem is that of Personnel Administration. Some of the most important topics of research in this area may be the skills and abilities needed by management executives, the selection and training of employees in business and the effectiveness of personnel management programmes. The rate of growth in human resources is determined by variables such as population structure, migration and labour force participation. The quality of human resources on the other hand is influenced by the status of variables like education and training, health and nutrition and equality of opportunity.
All human resources are not homogeneities. Every state has enacted a number of legislation to regulate and promote the labour process. Whatever the state of labour (unskilled, semi-skilled, skilled, high skilled) it is considered an asset both to person and to nation. The post-war situation brought a number of benefits to the employee, such as social security, insurance and compensation. Human Resources consist of that total skill: the creative abilities, talents and aptitude of an organizational workforce, as well as the values and attitudes and benefits of the individuals involved in it. Human Resource is considered both the cause and the effect of the economic development. Labour is being transformed into human capital.

Among the species, the human being is the finest one, who needs skills, talent, aptitude, and motivation to deliver any goods and services in time with quality. Labour is highly perishable, and needs constant training for the upgradation of information. If manpower is utilized optimally and certainly the nation-state grows rapidly. Education and health are to be provided meticulously and compulsorily to all. Profit, efficiency, productivity and production are interdependent which are positive and progressive when human resources have high morale towards their organisation.
1.2. STATEMENT OF THE PROBLEM

The Paradigm shift in the economic environment witnessed since the last decade has led to more attention being paid towards knowledge and its expanding dimensions as a resource in trade and commerce of the 21st century. Knowledge is being used as a new currency in business as a cutting edge to meet competition favourably and to accomplish goals more easily and conveniently. As business is becoming more global, knowledge is being added as a prefix to every economic aspect: knowledge workers, knowledge organization, knowledge management and above all, knowledge economy. Knowledge can be manipulated to convert difficulties into opportunities, uncertainties into certainties and risks into rewards. No other resource in business except human resource possesses this knowledge.

Human resources are the life of the knowledge industry. Due to the ever growing demand for manpower, the Human Resource Department in any organizations faces never ending pressure to attract, retain the motivate the best in the industry. Satisfied employees are true “Brand ambassadors” of an organization which shapes its image among the potential employees in the job industry. Employee development and retention plays a pivotal role in the growth of an organization. Human resources are affected by sentiments and encouraged through motivation, and they can
direct and manipulate all physical and tangible assets to help achieve the objectives of an organization.

Every organization irrespective of its nature is made up of people. Utilizing employee services, developing their skills, motivating them to reach higher levels of performances and ensuring that they continue to maintain their commitment towards the organization are essential in attaining organizational objectives. Organizations which are able to acquire, develop, stimulate and retain outstanding employees are effective and efficient. Human resource thus plays a vital role in the success or failure of an organization. In today’s competitive business environment quality and productivity are the two important factors for the survival and growth of any organization. Satisfied employees can facilitate these two factors and thereby help the organization to compete in the market.

Increasing productivity is the ultimate aim of every industrial organisation, for which the provision of labour welfare is the most important path. Labour welfare implies providing good working conditions. The job performance of employees is based on the appropriate working condition. Enquiries were made initially with twenty-five employees in textile mills to understand the working condition and the various problems faced by them. The articles published in The Hindu, a leading English newspaper in the southern part of India, highlighting the problems faced by the
workforce in textile mills and subsequent enquiries with the employees revealed that they face multidimensional problems ranging from economic, social and environmental to psychological. It initiated the researcher carried out this research.

Morale is an intangible and subjective concept. It cannot be measured directly. Employees are reluctant to express their true attitudes towards the work, environment, and management. The level of morale can be measured through observation, attitude survey, company records and counselling. Attitude survey is generally used to discover the feelings of employees towards their jobs, their supervisors, company policies and the organisation as a whole. Research shows no direct and consistent relationship between morale and productivity. Productivity sometimes is high with high morale but at other times productivity may be low even when the morale is high. For instance, Herzberg found that in 54% of the studies, high morale was related to high productivity, while in 11% cases, high morale was associated with low productivity. In 35% there was no relationship between morale and productivity. There are many issues which are considered relevant for morale. There is also a general feeling that the level of morale of the employees is not up to the expectation and satisfaction of the management of textile mills. Therefore, an attempt is made to study the employees’ morale in textile mills in Dindigul district and to identify the factors influencing employee morale.
The present study not only intends to examine the multidimensional aspects of employee morale in textile mills but also attempts to present constructive suggestions on the basis of the prevailing level of morale and also on the basis of the relative weightage given to each determinant of morale by respondents.

1.3 SCOPE OF THE STUDY

Managing the employees today is an increasingly difficult task. The involvement, sincerity, creativity and dedication to the job that the management expects do not seem to be the outcome of financial incentives as was believed earlier. Performance can be improved in two ways. Good employees can be attracted who could perform the task in a defendable manner and also use their creativity in their job performance. On the other hand, the organization should give them a working environment that enhances their growth and fulfills their expectations.

The changing concept of the management of the organizations requires a new look at the concept of performance as well. In the past, performance was defined in terms of a rise in the level of output of services with the same or reduced level of input as a result of better work methods and improved technology. It is, however, only through the employees that the ultimate increase in performance is achieved. Their performance is more important than equipment and raw materials. Therefore, performance needed to be redefined in terms of employee motivation, morale and satisfaction.
It has been empirically proved in many Indian and western organizations that conducive work climate, employee-centered climate and achievement-oriented climate ultimately improve performance. In this context, it is proposed to undertake investigation identify the factors influencing the employees morale and to make a comparative study of different levels of morale with various forms of organizations in textile mills in Dindigul district.

1.4 **OBJECTIVES OF THE STUDY**

The main objectives of the study are to find the factors influencing the employees’ morale and to make a comparative study of different levels of morale with various forms of organizations in textile mills in Dindigul district. Under these main objectives, the following specific objectives have been framed for the present study:

- To evaluate and present the theoretical aspects relevant to the concept of employee’s morale.
- To analyze the socio economic conditions of employees of textile mills in Dindigul district.
- To identify the extent of variation in employees’ morale from certain clear categories of personal variables such as age, sex, education, income, experience, etc.
- To make a comparative study of the different levels of morale with various forms of organisations in textile mills in Dindigul district.
To offer suggestions based on the findings of the study for the prospects of employees and for the development of textile mills.

1.5 HYPOTHESES

To keep the frame of the analysis intact and give a proper direction to the study, the following working hypotheses have been set up:

- There is no significant difference in the level of morale among different groups based on personal variables of Sex, Age, Education, Marital Status, Type of Family, Size of Family, Community, Status of Employment, Secondary Occupation, Monthly Income, Skill Level, Experience, Membership in Trade Union, Awareness of Various Acts and Form of Organisation.

- There is no relationship between the level of morale and the form of organization of textile mills.

1.6 SAMPLING DESIGN

The present study proposes to cover the employees of textile mills in Dindigul district. As the census method is not feasible, the researcher proposed to follow sampling. The sample mills are selected by following the Cluster Sampling Method.

The district is divided into eight taluks namely Dindigul, Natham, Nilakottai, Palani, Oddanchatram, Vedasandur, Athoor
and Kodaikanal. Each taluk is considered a cluster. The present study selected 33 mills in the universe of 221 textile mills in the district. As the study follows the Cluster Sampling Method, proper attention was paid to include a minimum of one of each type of organisation from each cluster in the sample. The thirty three mills were selected according by random sampling as given below.

<table>
<thead>
<tr>
<th>Taluk Name</th>
<th>No. of Mills</th>
<th>Form of Organisation</th>
<th>No.of Selected Mills</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Non-Corporate Mills</td>
<td>Private Limited Mills</td>
</tr>
<tr>
<td>Dindigul</td>
<td>58</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Natham</td>
<td>20</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Nilakottai</td>
<td>19</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Palani</td>
<td>21</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Oddanchatram</td>
<td>22</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Vedasandur</td>
<td>42</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Kodaikanal</td>
<td>17</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Athoor</td>
<td>22</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>221</strong></td>
<td><strong>11</strong></td>
<td><strong>11</strong></td>
</tr>
</tbody>
</table>

A selection of 330 employees was made on a simple random basis at the rate of 10 from each selected mills.

1.7 SOURCES OF DATA

The study is empirical in nature based on the survey method. The primary data relating to the textile mill employees were collected by interviewing the employees with the help of the interview schedule. The secondary data relating to the study were obtained from various published and unpublished records, annual
reports, bulletins, booklets, journals, magazines, etc,. In addition to these, the researcher held discussions with the officials of various textile mills, trade union leaders, personnel managers of various textile mills and with the officials of the South Indian Mill Owners Association (SIMA). These discussions were helpful to the researcher in identifying the problems for the study. The study is individual employee-oriented and the factors selected are personal in character.

1.8 CONSTRUCTION OF TOOLS AND PILOT STUDY

The tools for collecting primary data were constructed by the researcher himself. Casual interviews were conducted with twenty-five mill employees, five officials from various trade unions and six personnel managers of various textile mills in order to find the variables of the study. The officials of the South Indian Mill Owners Association (SIMA), Coimbatore district, were consulted to gather information for constructing the schedules.

The interview schedule for the employees of the Dindigul textile mills was constructed in English for the pilot study. The pilot study conducted during May, 2013 covered thirty employees. In the light of the pilot study, the schedule was revised. The interview schedule was translated into Tamil for the convenience and understanding of the employees.
The interview schedule (Appendix I) has been used for collecting data relating to the employees and to measure the level of morale on the basis of the following determinants

**Determinant (D1) – ORGANISATIONAL POLICY**

A policy is a predetermined course of action established to guide the performance of work towards accepted objectives. A good organisational policy provides clear thinking, uniformity, continuity, delegation, human value base, job security, flexibility, justice and fairness and reasonability.

**Determinant (D2) – WORK ENVIRONMENT**

The efficiency of an employee depends, to a great extent, on the environment in which he works. Work environment consists of all the factors which act and react on body and mind of an employee. According to industrial psychology the physical, mental and social conditions in which people work are analysed to suggest improvements in them. If the work environment is congenial, fatigue, monotony and boredom are minimized, and work performance and morale can be maximized.

**Determinant (D3) – TRAINING AND DEVELOPMENT**

Successful candidates placed on the jobs need training by which the attitudes, skills and abilities to perform their duties effectively are shaped. Employees must be trained to operate machines, reduce scrap and avoid accident. If the employee looks to the future and perceives opportunities for satisfaction and for
attainment of the rewards and conditions that lie ahead, morale will tend to be high.

**Determinant (D4) – PERFORMANCE APPRAISAL**

Performance appraisal may be understood as the assessment of an individual’s performance in a systematic way, the performance being measured against such factors as job knowledge, quantity and quality of output, initiative, leadership abilities, supervision, dependability, co-operation, judgment, and health, and is made at regular interval. The appraisal system is to be free from bias.

**Determinant (D5) – EMPLOYEE REMUNERATION/ INCENTIVES**

Remuneration is the compensation which an employee receives in return for his or her contribution to the organisation. Remuneration occupies an important place in the life of an employee. His or her standard of living, status in society, motivation, loyalty and productivity depend upon the remuneration he or she receives. Incentives are monetary benefits paid to employee in recognition of their outstanding performance.

**Determinant (D6) – EMPLOYEE FRINGE BENEFITS**

Fringe benefits refer to all those monetary benefits that the employees receive in addition to direct remuneration. Fringe benefits are popular because they enhance employee earnings, help to attract and retain competent personnel, reduce fatigue, minimize overtime cost and discourage labour unrest. Fringe benefits help
build up a good corporate image and seek to enhance employee morale.

**Determinant (D7) – EMPLOYEE MOTIVATION**

Management is the art of getting things done through other people. When other individuals work together in group, a proper environment should be created and maintained to achieve the cherished goals of the organisation. The personnel will work up to the satisfaction and expectations of the management only when an interest in their job is created. Inspiring this interest in the minds of the employee is motivation.

**Determinant (D8) – EMPLOYEE PARTICIPATION IN MANAGEMENT**

Employees’ participation in management seeks to bring about a change in the attitude of employees. Through participation they will consider themselves an integral part of the industrial undertaking rather than mere working hands. Participation provides the employees an opportunity to express themselves thereby satisfying their non-economic needs. It provides them a sense of belonging, pride and accomplishment.

**Determinant (D9) – EMPLOYEE INTERPERSONAL RELATION**

The confidence of an employee in fellow employees influences morale. When a man is confident that his co-employees are loyal to him and will provide advice and assistance whenever necessary his morale is likely to be good. The confidence of individuals is the goal
of the group. A leadership can win the confidence of employees through sympathetic and friendly behaviour. There should be an impartial, helpful, and capable team of supervisors and managers and their sympathetic attitude towards employees will increase the morale of employees.

**Determinant (D10) – EMPLOYEES WELFARE FACILITIES**

Employee welfare is in the interest of the employee, the employer and society as a whole. For the employee, welfare measures help to counteract the negative effect of the factory system. These measures enable the employee and his family to lead a good life. Welfare facilities like housing, medical help and children’s education, recreation, etc., help to improve the family life of the employees. For the employer, welfare measures lead to higher morale and productivity of labour.

**Determinant (D11) – SAFETY AND HEALTH OF THE EMPLOYEE**

Good health and adequate safety of employees are essential for the successful functioning of any industry. Industrial safety and morale are directly related to each other. Safety measures prevent accidents and ensure regular flow of work. Safety also helps to improve the morale and productivity of employees. It contributes to team work and a sense of belonging among employees.

**Determinant (D12) – TRADE UNION**

A trade union is a voluntary and continuing association of employees to protect and promote their interest. Employees join
unions to secure steady employment, economic benefits, protection, and sense of belonging, self-expression, recognition and status

**Determinant (D13) – EMPLOYEE GRIEVANCES HANDLING**

Many a time, grievances are the cause of low employee morale. The use of a well-established procedure helps in redressing employee grievances promptly. A sound procedure should be installed for quick and impartial redressal of employee grievances. Such a procedure will help to avoid dissatisfaction and negative attitudes among employees. The case of the employee is presented to the appropriate authority in time putting an end to unpleasant arguments and conflicts.

**Determinant (D14) – JOB SATISFACTION**

Job satisfaction is the end feeling of a person after performing a task to the extent that a person’s job fulfills his dominant needs and is consistent with his expectation and values.

Job satisfaction refers to an employee’s general attitude towards his job. It is the result of the pleasurable or positive emotional state of mind from the appraisal of one’s job or job experience. The importance of job satisfaction is fairly evident from a description of the importance of maintaining morale in any industry.

**Determinant (D15) – IMAGE OF YOUR MILL**

The image of a mill is an outcome of fulfilling its objectives and responsibility towards society. When the mill maintains an
ethical policy and behaviour inside and outside, it has a very good image. In turn the employees get social status in the society. This will build up high morale.

1.9 FIELD WORK AND COLLECTION OF DATA

The fieldwork for the study was conducted during the period between September, 2013 and February, 2014. Personal interview by the researcher was the major tool of data collection. An interview schedule was used during the interviews. Before the interview, proper rapport was established with the respondents. The data were recorded by the researcher in the interview schedule. The schedules thus filled in were thoroughly checked to ensure accuracy, consistency and completeness. On an average each interview took about 40 minutes. The data thus collected were categorized and posted in the master table for further processing.

1.10 DATA PROCESSING

After the collection of data, the filled in interview schedules were edited properly. A master table was prepared to sum up all the information. With the help of the master table, classification tables were prepared and they were taken directly for analysis.

1.11 TOOLS OF ANALYSIS

The general plan of analysis ranges from simple descriptive statistics to ‘F’ test. The extent and variation of morale of the employees were measured through scale and analysis on the basis of the scores of components.
In this study, the data were analyzed by using statistical methods, like Mean, Standard-Deviation, ANNOVA and Correlation. The computation was done for the total sample besides an analysis carried out separately for each mill and on the basis of form of organisation.

The factor-wise analysis was made. The dependent variable ‘morale’ was related to independent factors influencing the same. The employees were grouped according to these factors and accordingly their mean and range of ‘morale scores’ for each factor group was calculated. In order to find the significance of the difference between the average, analysis of variance, ‘F’ test, coefficient of correlation analysis and partial regression analysis have been applied.

1.12 GEOGRAPHICAL COVERAGE

The present study covered the textile mills located in Dindigul district in Tamilnadu.

1.13 CHAPTER SCHEME

The report of the present study is given in seven chapters as follows:

The first chapter, after introducing the subject, deals with the design of the study.

In the second chapter, the review of literature pertinent to the study is presented.
The third chapter describes the theoretical orientation of the concept of employee morale.

The fourth chapter concerns with the socio-economic conditions of the employees in textile mills in Dindigul district.

The fifth chapter analyses the factors influencing employee morale. It is concerned with factors influencing the level of employee morale.

The sixth chapter deals with the level of morale in different forms of organisation of textile mills.

The last chapter deals with summary, suggestions and conclusion.