CHAPTER 1

INTRODUCTION AND DESIGN OF THE STUDY

The Indian textile industry has a long tradition of over 5000 years. The industry had come to prominence during the British rule and is still the important contributor to Indian economy next only to agriculture. The textile industry accounts for 14% of industrial production which is 4% of GDP; employs 45 million people and accounts for 11% share of the country’s total exports basket. The Indian textile industries have a fairly complex structure. At one end of the spectrum is the hand spinning, hand loom, power loom and on the other end a highly sophisticated capital intensive and high speed manufacturing activity. Within the two extreme phases, the industry produced a staging range of fabrics, fascinating dress materials and floor coverings made ups and textile spinnings. The Indian textile are predominantly cotton based with 70% of raw materials consumed being cotton.

After suffering for a long time on the technology obsolesce, the schemes like Technology Upgradation Fund Scheme (TUFS) has given a new lease of life to the textile industry. However, after the phase-out of Multifibre agreement and subsequent quota removal, the industry faces high competition from China, Bangladesh, Sri Lanka, Pakistan etc. Earlier India had an advantage on the low cost labour and had price advantage over other countries. However, today the industry suffers from a low labour productivity. Though there are many reasons for a low labour
productivity like poor skill, labour laws, attrition etc., and absenteeism is an inherent problem in the textile industry. The absenteeism affects the optimum utilization of human resources it is an industrial malady affecting productivity profits and investments. An increasing rate of absence adds considerable cost to the industry and social loss occurring from Absenteeism cannot be determined accurately. The unpredictable absenteeism leaves the production planning very difficult. There is always a fluctuation in the rate of absenteeism. There is normally high rate of absenteeism and this shoots up just after the monthly pay is given.

Handling absenteeism is a difficult task for the management and it can be considered as an art and science. Applying scientific methods in managing absenteeism is important because of the need for predictability and successful repetition of the strategy. Beyond the coercive means of controlling the absenteeism, creating self regulation and motivating employees by setting objectives can be the best way of reducing absenteeism. Setting objectives and managing performance of the employees has been a practice since 1954 (Drucker 1954). Performance Management (PM) is a process that includes activities which ensure that goals are consistently being met in an effective and efficient manner. Performance management can focus on the performance of an organization, a department, employee, or even the processes to build a product or service, as well as many other areas. However, the question is can performance management can reduce the absenteeism. This study is therefore proposed to find the effect of performance management on the absenteeism in textile industry. The study will help to answer whether performance management can be an effective method to reduce the absenteeism in the textile industry and make it competitive and help it to strive for increase in yarn export revenue.
1.1 TEXTILE INDUSTRY IN TAMILNADU

The global textile and apparel industry is worth over US$ 4,395 billion, with clothing accounting for 60 per cent of the market and apparel, the balance 40 per cent. Global trade in this industry is now at US$ 350 billion and is expected to be in the range of US$ 800 billion by 2014. India’s textiles and clothing industry is one of the largest contributing sectors of India’s yarn exports worldwide. The report of Working Group constituted by the Planning Commission on boosting India’s yarn manufacturing exports during 12th Five Year Plan (2012-17), envisages India’s yarn exports of Textiles and Clothing at USD 64.11 billion by the end of March 2017. The textiles industry accounts for nearly 11% share of the country’s total yarn exports basket.

More than 70 textile and clothing clusters account for about 80% of total production in the country. There are nearly 40 powerloom clusters in the country. Major states with a number of clusters are Maharashtra, Tamil Nadu, Andhra Pradesh, Karnataka, Kerala and Uttar Pradesh. The textiles industry is extremely diversified with hand-spun and hand-woven sectors at one end and the capital-intensive, sophisticated mill sector at the other.

Due to the Khadi movement during freedom fight and subsequent reservation of textile to Small and Medium Sector (SME) to protect them, predominantly the Indian textile industry is fragmented. Only a few large players and numerous small and medium-size companies are present. The textiles sector in India comprises both organised and unorganised segments. The de-centralised powerloom/hosiery and knitting sectors form the largest section of the textiles industry. Major sub-sectors of the textiles sector are organised cotton/man-made fibre textiles mills,
man-made fibre/filament yarn, wool and woollen textiles, sericulture and silk textiles, handlooms, handicrafts, jute and jute textiles and textiles yarn exports.

The textile and clothing industry is process hectic and maximum value addition happens in the clothing sector which is the final stage of the value chain. The industry is also labour intensive and provides 6 to 8 jobs for every 0.1 million investments. Clothing sector mainly consists of knitted and woven textile spinning segments. The apparel industry is concentrated mainly in eight clusters: Tirupur, Ludhiana, Bengaluru, Delhi/ Noida/ Gurgaon, Mumbai, Kolkata, Jaipur and Indore. While Tirupur, Ludhiana and Kolkata are major centres for knitwear, Bengaluru, Delhi/ Noida/ Gurgaon, Mumbai, Jaipur and Indore are major hubs for woven textile spinnings.

Exporting over US 1.2 billion, the Textile Industry of Tamil Nadu has its significant presence in the National and State economy. It is the forerunner in Industrial development. Handloom, Power loom, Spinning, Processing, Textile spinning and Hosiery are the various sectors of the Textile Industry in Tamil Nadu and known for the largest economic activity next only to Agriculture in providing direct and indirect employment. Tamil Nadu has a strong production base and accounts for about 1/3 rd of Textiles production in the country. The net value addition in Textile industry in Tamil Nadu is about 37.5 per cent, the highest in the country. Tamil Nadu has the largest cotton textile industry cluster in India which contributes to 39 per cent of the total production in the country. Tamil Nadu accounts for 47 per cent of yarn production in the country with more than 1,000 small-scale spinning mills and 959 larger mills. The Textile mills are concentrated in Coimbatore, Tirupur, Salem, Palladam, Karur and Erode. Tamil Nadu has around 3,50,000 power looms
manufacturing cotton fabric. The Erode district in Tamil Nadu is well known for marketing of textile products of handloom, powerloom and textile spinnings. Chennai is another large cluster for woven textile spinnings. The country’s largest textile cluster, Tirupur, is also situated in Tamil Nadu. This cluster accounts for 90 per cent of the country’s cotton yarn exports. Tirupur with over 3000 Textile yarn exporters has made US$ 1400 million in 2013-14.

1.2 SWOT ANALYSIS OF THE TEXTILE MANUFACTURING IN TAMIL NADU

1.2.1 Strengths

Tamilnadu has large number of cotton based spinning mills which provides the supply for fabric manufactures and clothing sector. The state has a base of handloom and powerloom, which are expanding in recent times. Infrastructure required for the industry like transportation (Good connectivity by roads, railways and ports) and support industry like engineering (manufacture of textile machines) forms the backbone of the textile industry. Availability of skilled labour at lower cost, well established processing units of dyeing and printing industry provide strength to the textile industry. The small and medium sizes of units make short run and high fashion combined export orders more viable.

1.2.2 Weaknesses

The reservation of textile and clothing sector to SME for a very long time has fragmented the industry. The majority of the SMEs are tiny and cottage type units without sufficient capital back-up. Therefore they are unable to have sophisticated technology and are still being performed
manually on hand processors and traditional methods. The processing units face scarcity of water and also are pressurised by pollution control norms. The industry is predominantly cotton based and there is a huge fluctuation in the cotton prices. Diversification of the raw material from cotton to synthetic material and technical textiles are not significant. Recently the state also faces power shortage, increase in power tariff and fuel cost which has forced productivity losses.

1.2.3 Opportunities

With country’s market share at 3 to 4%, there is huge potential to scale up the market. New markets in Eastern countries such as Japan need to be explored. Also increase in European and other markets may benefit the powerloom industry and can expand substantially. There is a growth potential in yarn export segment for cotton made-ups and textile spinnings along with processed fabrics. Grey fabric export is continuing to grow and will show increasing trends. Value added products and traditional designs and craftsmanship will have greater demand and can command a greater market share for niche products.

1.2.4 Threats

The abolition of quota system has lead to fluctuations in the yarn export demand. The competition in spinning yarn exports from neighbouring countries like Pakistan and Sri Lanka has a direct impact on yarn exports from Tirupur. Increasing competition from other states/centres (like Surat) will be a major problem where the industries have come up afresh and are well developed and technologically more advanced. Neighbouring states like Andhra Pradesh, Karnataka and Kerala are capitalising on the power problem and the pollution control norms in the
state and are attracting Tamilnadu’s entrepreneurs to start units in their states. Marketing will be the most problematic area where improvements are called for. Continuous quality improvement will be the need of the hour for which urgent measures are called for from all stakeholders.

1.3 NEED FOR THE STUDY

The textile sector in Tamilnadu contributes well over one fourth of the country’s total textile manufacturing meant for domestic consumption as well as for yarn exports. As the strength of the Indian textile industry lies in cotton textiles, the performance of the Tamilnadu powerloom sector has a direct bearing on the textile economy in particular and country’s economy in general. Absenteeism is an indicator of employee’s morale, commitment and level of job satisfaction which have a direct bearing on productivity. The effects of high levels of absenteeism are wide ranging and affect everyone in the organisation. It cannot be purely regarded as a management problem. Employers, workers and their representatives have an obligation towards the organisation in ensuring that absence of workers do not jeopardise their prosperity or job satisfaction and or committed level of output.

As per the Annual Survey of Industries published in 2013, it is observed that the rate of absenteeism at all India level increased to 8.75 per cent during 2009 from 8.65 per cent during 2008. Out of 32 States/Union Territories, the rate of absenteeism was higher in 11 States than the absenteeism rating at all-India level during 2009. Absenteeism rate in Tamilnadu has also increased from 6.20% in 2008 to 6.26% in 2009. Though it is lesser than the Indian average, this more than the global average. However, the concern is on the increasing absenteeism rate. Industry-wise absenteeism rate amongst the directly employed regular
workers during 2009 shows that out of 79 industry groups, absenteeism rate was higher than at the all-India level in 33 industry groups.

Textile and clothing industry is fragmented and is highly unstructured. There is a lack of management practices. This makes the textile units difficult in controlling absenteeism. Therefore this study is required to understand the relationship between the performance management and the absenteeism.

1.4 STATEMENT OF THE RESEARCH PROBLEM

The rate of absenteeism varies from industry to industry depending upon various factors. After globalization variety of companies organized and also multinational companies established their centres wherever possible. The opportunities for the workers have also enriched providing competitive wages, perks and benefits. Employees use the demand for their advantage. Particularly in the textile industry the labour turnover is significant and also absenteeism is increasing tremendously day by day.

Absenteeism is a concern for the management. However, the question is that, what management does to reduce the absenteeism. Unorganised sectors lack proper organisational structure. Small enterprises have mostly owner- manager structure. They lack exposure to modern management systems and do not appreciate the benefits of the practices. Performance management is an important business system; it makes a difference in organizational performance; approaches to performance management are changing; and senior managers must be attentive to the performance management systems in their organizations. Recent studies
have identified trends in effective performance management systems and determined the impact of these systems on organizational success.

Performance management to be effective will require a great amount of planning, monitoring, measuring and feedback. A good performance management system influences many aspects of business. Performance management systems directly influence five critical organizational outcomes: financial performance, productivity, product or service quality, customer satisfaction, and employee job satisfaction.

This raises the question,

Does performance management have an influence on employee absenteeism in the textile industry of Tamilnadu?

1.5 ABSENTEEISM

(Kim & Garman 2003) highlighted that absenteeism has received a lot of attention in scholarly research and a number of theories and models have attempted to explain absenteeism. They argued that Steers & Rhodes model (Steers & Rhodes 1978) is the most cited model for employee attendance. They presented that various studies found that attendance was directly influenced by both employee motivation to attend and the ability to come to work. Attendance motivation was indirectly affected by pressure to attend and the job situation, including such factors as economic conditions, incentives, work group norms, personal work ethic, and organizational commitment. Personal characteristics, such as education, tenure, age, gender, and family size, indirectly affect one’s ability to attend work. Ability to attend work variables included illness and accidents, family responsibilities, and transportation problems.
(Kim & Garman 2003) discussed about the causal model of absenteeism developed by (Brooke & Price 1989). The empirical model offered the following as determinants of absenteeism: routinization, centralization, pay, distributive justice, work involvement, role ambiguity, conflict and overload, kinship responsibility, organizational permissiveness, job satisfaction, job involvement, organizational commitment, health status, and alcohol involvement. Results indicated that of these variables, kinship responsibility, organizational permissiveness, role ambiguity, alcohol involvement, negative direct effects of centralization, pay and job satisfaction had direct effects on absenteeism. Job satisfaction mediated the effects of routinization, work involvement, centralization, and role ambiguity.

Absenteeism refers to the workers absence from his regular task where he is normally scheduled to work. (Watkins 1985).

Absenteeism means the failure of a worker to report for work when he is scheduled to work. Absenteeism is unauthorized, avoidable and willful absence from duty (Gupta 1998).

When a worker does not report for work after obtaining prior permission it is not absenteeism.

\[
\text{Rate of Absenteeism} = \left( \frac{\text{Number of man days lost due to absence}}{\text{Number of man scheduled to work}} \right) \times 100
\]

Vaid (1967) classifies chronic absentees into five categories
The entrepreneurs are those absentees who consider their jobs to be very small for their total interests. They are simultaneously engaged in several economic and social activities. The motive force behind all such activities is the desire for more money, status, power and the satisfaction arising out of achievement and social recognition. Dissatisfied with the status quo, and gifted with an energetic spirit and originality of thought, they are ever ready to assume risks, undertake the tasks of management and coordination of processes that are necessary for the improvement of the existing conditions.

The status-seeking absentees are those who enjoy or perceive a higher ascribed social status and are keen on maintain it. The shop floor status achieved by them is much lower than the one they enjoy outside. The discrepancy between the ascribed and the achieved status is the primary cause of deviant work behavior. Attitudinally, they draw satisfaction from their identification with need-oriented social groups. Their goal is to remain or to become and appear as men of status. They makeup for the loss of status arising from working in a mill by intensifying activities which help them to regain it. Work, job and money are no doubt important for them, but they are significant only to extent to which they help them to achieve their goal.

The epicureans are disinclined to undertake activities which call for initiative, responsibility, discipline and physical discomfort. They desire money, status and power but are unwilling to work for their achievement. The discrepancy between their aspirations and their concomitant abilities invariably results in belly-aches, withdrawals, or make believe. Their intrinsic dislike to work and the pressure of meeting their pecuniary needs make for an ambivalent attitude towards their job. They strive to organize their pecuniary activities and social roles in a
manner which brings them unavoidable trouble. Work is a frustrating experience and they seek to avoid it to the maximum possible extent.

The **family-oriented** become chronic absentees of their over identification with family affairs. The lack of balance between family involvement and job responsibility is the principle cause of their deviant work behavior. Chronic illness of one or other family member, litigation, delinquency, working wife, etc. impel them to be absent from work.

The **sick and old** type remains absent from work by reason of ill health, weak constitution, chronic disease or old age.

Within this broad classification, there can be some deeper causes for the high rate of absenteeism.

- **Causes of Absenteeism**

  Employees remain absent due to several factors (Gupta 1998) such as a) Nature of work, b) unhealthy working conditions, c) Sickness, d) unsatisfactory housing and transport facilities, e) Industrial fatigue, f) Social and religious ceremonies, g) Alcoholism, h) indebtedness, i) Poor management system, j) Lack of regular leave arrangement, k) lack of interest, l) rural ties, and m) Other miscellaneous causes like bad weather, other income earning activities, family responsibilities, religious and social functions, hobbies and sports etc and such factors.

- **Effects of Absenteeism**

  Absenteeism has the following effects on the factory and its employees. Regular flow of work in the factory is disturbed. Orders cannot be executed in time as the production schedule are upset and delayed.
Overall production declines as a result of absenteeism. There is a considerable increase in the overtime bill. Quality of work suffers because casual workers employed to maintain work schedules are not properly trained. Work pressure on employees who are present increases. Repairs and maintenance cost increases due to frequent break down of machinery operated by inexperienced workers. Incidence of industrial accidents increases. Workers loose wages for unauthorized absence from duty. Reduction in earnings increases indebtedness of workers. Workers who are habitually absent may be removed from services causing a great hardship to them and their families. Thus absenteeism is harmful to both the Factory and its workers.

1.6 PERFORMANCE MANAGEMENT

Performance appraisal and performance management were one of the emerging issues since last decade. Many organizations have shifted from employee’s performance appraisal system to employee’s performance management system (Leena & Twinkle 2012). The term ‘Performance Management’ was coined by Aubrey Daniels in late1970’s (Aubrey 1982) to indicate a science imbedded in application methods for managing both behaviour and results within an organization. Behaviour and results are the two critical elements of what is known as performance. A formal definition of performance management, according to Daniels' (Aubrey 1982) is "a scientifically based, data-oriented management system. It consists of three primary elements-measurement, feedback and positive reinforcement".

Performance Management is a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them and developing capabilities of teams and individual contributors Armstrong (2009). Performance
management is concerned with agreeing expectations, making and implementing plans to meet them, and monitoring and reviewing outcomes.

In essence, performance management is a shared process of the day-to-day management of employees based on their agreement of objectives, knowledge, skills and competence requirements. The traditional performance management system was focused on ‘what gets measured gets done’. It was based on cost and accounting management techniques. It was carried out to meet the needs of expanding manufacturing industries during the 1980’s. Lately, enormous changes have taken place in technology and production techniques that have made traditional performance measurement systems obsolete. There has been a shift in focus on ‘how to manage what is measured’. This shift was caused for the need of new performance management system, which would assist in catering to the changing needs of the manufacturing sector (Sahoo & Jena 2012).

Bititci (1995) asserted that performance management should be viewed as a key business process which is central to the future well being and prosperity of any manufacturing enterprise. In this paper this view is further elaborated and a clear distinction is made between performance measurement and performance management. The performance measurement system is seen as the information system which enables the performance management process to function effectively and efficiently.

(Bititci, et al., 1997) argued that that the Performance Management Process defines how an organisation uses various systems to manage its performance. They identified Strategy Development and Review, Management Accounting, Management by Objectives, Non-financial performance measures - informal, Non-financial performance
measures - formal, Incentive / Bonus Scheme, Personnel Appraisal and Review as some of the systems.

Figure 1.1 The performance management process and the position of the performance measurement system

(Bititci, et al., 1997) described that at the heart of the performance management process; there is an information system which enables the closed loop deployment and feedback system. This information system is the Performance Measurement System which should integrate all relevant information from the relevant systems. Figure 1.1 summarises this view of the Performance Management Process.

1.7 OBJECTIVES OF THE STUDY

The principal objectives of the study are:

- To explore the genesis of the performance management and its benefits to the organisation
To examine the insight into perception of performance management in textile industry

To measure the effectiveness of performance management in textile industry

To examine the causes for the absenteeism and measure the effects of absenteeism in the selected industry

To develop a model for influence of performance management on absenteeism in textile industry

1.8 **HYPOTHESIS OF THE STUDY**

Given this study framework, the study specifically tested the following hypotheses:

H1 : There is a likelihood of reduced absenteeism when there is increase in favourable perceptions on performance management practices.

H2 : Work Place Conditions will alter the influence of Performance management on absenteeism.

H3 : Organisational Justice and Withdrawal Behaviour have an influence on the relationship between performance management and absenteeism.

Additional hypotheses will be framed to test the sub dimension of the constructs.
1.9 RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In it we study the various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them. It is said that research methodology has many dimensions and research methods do constitute a part of the research methodology. Research design is a detailed outline of how an investigation is carried over. A research design typically includes how data is to be collected, what instruments will be employed, how the instruments will be used and the intended means for analyzing data collected.

1.9.1 Operational Design

The research methodology adopted for this study is of a descriptive research. The major purpose of this research is description of the state of affairs as it exists at present. The method of research included in descriptive research is survey methods of all kinds, including comparative and correlation methods. In a descriptive research phenomenon study is not controlled or modified and is just measured and reported. In addition, the association between the studied variables can be tested and the relationships or causal effects can also be described. To measure the phenomenon of the study appropriate observation techniques has to be chosen. Interview or survey technique is the widely used technique for data collection when many numbers of samples are included. The questionnaire had been used as instrument in the present research and standard measures had been adopted for series of interviews with industry experts to validate the instrument. Five point Likert Techniques had been used for the analysis of the study.
A pilot survey is a methodological test intended to ensure that proposed methods and procedures are used before being applied in a large and expensive investigation. Pilot study provide an opportunity to make adjustments and revisions before investing in, and incurring, the heavy costs associated with a large study. The pilot study is carried over for a sample of 50 respondents. The pilot survey helped to reconstruct the questionnaire with slight changes as the respondents couldn’t understand few questions clearly, so those questions were reframed for easy understanding. Thus after pilot survey the final questionnaire was designed which comprises of six subsections with reference to objectives with a procedural flow.

### 1.9.2 Sampling Design

Sampling is a means of selecting a subset of units from a target population for the purpose of collecting information. This information is used to draw inferences about the population as a whole. Sampling design refers to a set of rules or procedures that specify how a sample is to be selected. The sample design encompasses all aspects of how to group units on the frame, determine the sample size, allocate the sample to the various classifications of frame units, and finally, select the sample.

#### 1.9.2.1 Universe / Population

The universe or population of the study is the textile units in Tamilnadu. There are 3069 large, medium and small spinning mills in India, of which, 1889 are located in Tamil Nadu. The spinning mills in the State comprise 18 Cooperative Spinning Mills (5 functioning), 17 National Textile Corporation Mills (7 functioning) and 1854 Private Mills (including 23 Composite Mills). Those spinning mills provide
employment for around 2.40 lakh persons (http://www.investingintamilnadu.com/tamilnadu/opportunities/textiles.php). The employees of the spinning mills were considered as the population for the study.

1.9.2.2 Sampling unit

The sampling unit taken for the study are employees working in Textile Spinning Mills in Tamil Nadu who are registered under South India Mills Association (SIMA), South India Spinners Association (SISPA) and Tamil Nadu Spinning Mills Association (TASMA). The address of each firm was obtained from the SIMA, SISPA and TASMA. As per the statistics, there were 1020 Textile Mills registered with them as on 30.06.2013. The details were received and a database created which was the sample framework from which the sample firms were picked.

1.9.2.3 Sampling method

A simple random sampling method was used for this study. The information about the textile firms obtained from SIMA, SISPA and TASMA were made into a database. Each record was given a unique number. Using the random number function in the MS Excel program, required number of random number was generated and the corresponding company was selected as the sample firm. In each of the sample firm, questionnaire was distributed through the competent authority and the response was obtained from the employees. To reduce the bias, employees within the sampled firm were asked to volunteer for the study.

1.9.2.4 Sample size

The sample size is the number of respondents who reply back to the questionnaire. In this research the population size is
2.4 lakhs and hence the following formula was used for finding the sample size with a standard deviation of 0.5 with 95 percent of confidence level \((Z = 1.96)\) and 3.77 percent as margin of error (Margin of Error is computed using sample size calculator from the following link, ttp://www.raosoft.com/ samplesize.html) and thus the sample size computed was 384 which is explained as follows:

\[
\text{Sample Size (} n \text{)} = \frac{Z^2 \cdot P \cdot q \cdot N}{e^2 \cdot (N - 1) + Z^2 \cdot P \cdot q} \tag{1.1}
\]

where

\[
Z = \text{ Corresponding Z score for 95 percent of confidence level (1.96)}
\]

\[
P = \text{ Sample Defective Population (0.5)}
\]

\[
q = 1 - p (0.5)
\]

\[
N = \text{ No. of sample (240000)}
\]

\[
E = \text{ Margin of Error (0.05)}
\]

\[
\text{The Required Sample Size (} n \text{)} = \left[ \frac{(1.96)^2 \cdot 0.5 \cdot 0.5 \cdot 240000}{(0.05)^2 \cdot (240000 - 1)} + (1.96)^2 \cdot 0.5 \cdot 0.5 \right]
\]

\[
n = 384
\]
1.9.3 Data Collection Method

The data collection was divided into two types as primary and secondary. Answer for certain research questions were explored through secondary sources which were already available in the form of annual reports of the company, industry and the government. Concepts and theories were referred from text books and research journals. Current industry scenario and trends were collected from magazines, websites and newspapers.

There arises certain situation where secondary data alone is not sufficient to handle the study. At this juncture the primary data gave a helping hand. Primary data regarding the opinion and the views of the textile mills were collected through the questionnaire. Thus the study was carried over with the available primary and secondary data and analysed using appropriate techniques to fill the existing research gap.

1.9.4 Tools for Data Collection

The primary tool for data collection was questionnaire in which the questions are of open ended, closed ended and ranking method. The questionnaire was broadly classified into six sections, in which the first section was about personal information that investigate details about the respondent’s designation and educational qualification. The next section collected the organizational information which consisted of questions to get information like company ownership, organisational size etc. The section three comprised of the measurement of the availability of various performance management programmes. Section four measured the opinion on the effectiveness of performance management system. Section five collected the details about working conditions, Organisational Justice,
withdrawal behaviour in the textile units. Section six collected the self reported absenteeism.

1.9.5 Tools for Data Analysis

The data collected through the questionnaire were checked for its reliability and validity and then they were analyzed using SPSS (Statistical software Package for Social Sciences) and VPLS (Visual Partial Least Square). The analysis of the data is carried over with various tools like Percentage Analysis, Chi-square test, Partial Least Square Regression, Confirmative Factor Analysis, ANOVA, Jackknife Bootstrapping Technique and Path Analysis.

1.10 SCOPE OF THE STUDY

The leading scope of this research study was to emphasise the importance of absenteeism in the textile units in Tamil Nadu. The study focused on exploring the relationship between the performance management and absenteeism. The outcome of the study was development of a model for influence of effectiveness of performance management on reducing the absenteeism in the textile firms.

1.11 LIMITATIONS OF THE STUDY

The main limitation of the study was that it was confined to textile spinning mills located in Tamil Nadu and particularly registered under South India Mills Association (SIMA), South India Spinners Association (SISPA) and Tamil Nadu Spinning Mills Association (TASMA) only. Though the textile clusters are similar in business nature there may be specific factors like location, political climate etc. and therefore the findings of the study has to be carefully generalised to other
textile clusters across the country. The data collection was through questionnaire thus the researcher cannot bring the entire idea of the study. The survey method using questionnaire is prone to lower response rates. Few companies hesitated to give sensitive data such as financial data and employee information due to pressure from regulatory and compliance agencies. Therefore absenteeism and other performance variables were captured only through interval scales. The study was a cross sectional study and does not measure any trend.

1.12 CHAPTER SCHEME

This chapter has provided an introduction to the study and explains the need for the study. A detail about the textile industry in which the study is being conducted is presented and a SWOT analysis is done. This chapter also describes the research problem and then leads to the research question and objectives of the study. The research design is also presented. The Scope and limitations of the study are also set.

Chapter 2 depicts the review of literature in the field of Textiles Industry, absenteeism, performance management etc. The chapter comprises of both Indian and foreign studies which analyzes about the advantages of performance management systems, problems in reinforcing the system and the opportunity for global market.

Chapter 3 comprises the theoretical explanation about the study; the concepts and terminologies related to the topic, importance of performance management, their effect on economy. The chapter also explains the potentiality of managing absenteeism in textile spinning industries and the importance of integrating it with business processes.
Chapter 4 represents the results of data analysis; initially the analysis starts with the personal information and organizational information. The case summary of the study variables are also presented. This is followed by the validation of the data for normality, linearity, outliers, convergence, divergence and reliability. The inferential statistics are selected and are applied to fulfil the research objectives.

Chapter 5 begins with the findings for the primary data collected and the corresponding suggestions were given to the textile mills to revamp their performance management systems, reduce absenteeism and increase business performance and thereby improving the economy of the nation; the chapter ends with the conclusion and future enhancements of the study.

Appendix comprises of list of textile mills who have registered under SIMA, SISPA and TASMA, the questionnaire used for primary data collection and the source code for proposed model.