PROBLEMS OF SMALL SCALE GARMENTS TEXTILE UNITS IN TIRUPUR CITY

M. Uma, M.Com., M.phil., PGDCA., (Ph.D).,*
R. Shiji, M.Com., M.phil., PGDCA., (Ph.D).,**
R. Vishnupriya, M.Com., MBA., M.phil., ***

ABSTRACT

The Textile industry occupies an important place in the Economy of the country because of its contribution to the industrial output, employment generation and foreign exchange earnings. The objective of the study was to study the problems faced by various Small Scale Garments and to find the various measures adopted by them to overcome from their problems. These objectives was analysed with 80 respondents and with the help of Simple percentage ,ANOVA, Chi- Square,T-test. The study reveals that Garment textile units facing problems like electricity, dyeing, hike of yarn price and issues like high taxes. It is further revealed that the production capacity is very low due to lack of training, skills, experience, and low educated employees.

Keywords: Textiles, employment, small scale industry

The Textile industry occupies an important place in the Economy of the country because of its contribution to the industrial output, employment generation and foreign exchange earnings. The textile industry encompasses a range of industrial units, which use a wide variety of natural and synthetic fibres to produce fabrics. The textile industry can be broadly classified into two categories, the organized mill sector and the unorganized mill sector. Considering the significance and contribution of textile sector in national economy, initiative and efforts are being made to take urgent and adequate steps to attract investment and encourage wide spread development and growth in this sector. The **Textile Industry** or **Apparel Industry** is primarily concerned with the production of yarn, and cloth and the subsequent design or manufacture of clothing and their distribution. The raw material may be natural or synthetic using products of the chemical industry

Tirupur is the seventh largest city in Tamil Nadu and is one of the fastest developing cities in the state. Popularly referred to as "Dollar City" or "Small Japan" or Banian City" it excels in knitted ready-made garments. Yet, at first glance, nothing about Tirupur can make one believe that this town earns and annual $1200 million plus in foreign exchange. This is because the state government and local municipal authorities

have been too slow to cope with this dynamic growth. The uniqueness of Tirupur's work culture has made it difficult for the big Indian textile giants to enter and capture a large market share.

The first Knitting factory in Tirupur was started in 1925. With the advent of electricity in 1931, more knitting and weaving factories came into existence. Initially, all the knitting machines were imported from Germany, Japan and New York. By 1942, there were 34 hosiery factories in all. By 1968 this increased to 250 and today sophisticated machines are being imported from Germany, Japan, Italy, U.S.A., Korea, Taiwan and many other countries.

As people in India has their life and work culture in a mix, people at Tirupur has the same. The growth of the industries in Tirupur has also faced many problems in its journey in terms of industrial organization, city infrastructure, natural raw material sources, workforce organization, pollution, electricity problem etc., and the industry has taken efforts at times to solve the problems. Still the industrial association and government are working to solve existing problems to make Tirupur a much better place to flourish. With these problems getting solved, Tirupur is awaiting its next giant leap soon.

STATEMENT OF THE PROBLEM

Textile sector is the most important and one of the largest manufacturing sector in the country and also it played a major role in exporting the products. But now the economic conditions of our country, the textile industries were highly affected and also the other problems are Mannual handling, Inflation, Government Regulations, Lack of innovation, Lack of Government support, Heavy Taxes and Duties, Often increasing yarn price, petrol and diesel prices, and electricity charges, Suddenly Closing of dyeing units, Often irregular electricity supply, high cost of latest technology machines, Labour Turnovers, Much procedure for getting Credit Facilities, Rate of interest was too high . These problems often faced by the textile industries and especially the Garment units experienced it lot. Therefore, this study attempts to find out the measures taken by the garments units regarding the problems.

SCOPE OF THE STUDY

The focus of the study is on the garment textile units facing problems and the measures taken by the garment textile units and extent of support provided by government regarding the problems. The factors which may create the problems for garment textile units are, Technology, Irregular electricity supply, Labour, Export duties, Closing of dyeing units and increase in yarn prices. This has been taken as the main focus for the study. The views of Proprietors belonging to different strata of Tirupur city are taken into account in this study.

OBJECTIVES OF THE STUDY

The objectives of this study are as follows.

➢ To study the problems faced by various Small Scale Garments Textile unit in Tirupur.

➢ To find the various measures adopted by them to overcome from their problems.

METHODOLOGY OF THE STUDY

This study was carried out in Tirupur city and lasted for the period of six months. This study is based on questionnaire method; primary data has been collected from various proprietors whose capital was limited to 30 lakhs and less than 5 crores doing business in Tirupur city. The first draft of the questionnaire was prepared bearing in mind of research problem and objectives of the study. Secondary data was collected from books, journals, magazines and websites. A sample of 150 proprietors has been selected for the study by using the Purposive Sampling method.

Statistical tools used for the study

The following statistical tools have been used to analyze the primary data.

✓ Simple percentage

✓ ANOVA

✓ Chi- Square

✓ T-test

LIMITATIONS OF THE STUDY

The limitations of the study are.

➢ The sample group was restricted to Tirupur city only.

➢ The sample size was contented to 150 respondents only.

➢ The study has focused only those companies whose capital amount between 30 lakhs to less than 5 crores only.

REVIEW OF LITERATURE

Golam Mostafa.Md (2006)[2] in his study on **"Challenges, Opportunities and Threats of Textile Sector: A look into the Dacca Dyeing and Manufacturing Company Limited"** States that Textile sector is the most important one and the largest Manufacturing sector in the country. The Study focuses the present situation of the country's warrants a new vision to accelerate and sustain growth, alleviate poverty, take advantage of new opportunities, threats, and meet challenges of the future and how to play its rightful role in a competitive global market. The study was based on primary and secondary data and the primary data was

collected through questionnaires from Twenty Executives (ten from head office and another ten from the plant level). The tools adopted were Mean value, Standard deviation, Coefficient of Variance, Correlation, T-test, and Graph. This study covers the period of ten years from 1995-2004. The study found that the textile units should concentrate on installing latest technologies and should give training to labours and concentrate more on Research and Development and furthermore Government support is needed to textile sector. There is a bright future for the textile sector in upcoming years. And textile sector should focus their major part in Global market through consciousness, product development and diversification.

Venu Varukolu (2007)[3] in his study on **"Technology Adoption Of Indian Garment Manufacturing Firms"** insisted that Technology adoption has emerged as an important determinant of competitiveness in recent global trade. Specifically, this study focuses on the effect of firm size, export orientation, top management's commitment, cost of capital, technical skills, and competitive advantage. A survey methodology was employed to collect data. Garment manufacturing firms located in Tirupur, a town of the Tamil Nadu state in India were chosen as the sample for this study. A random sampling procedure was used to select firms those engaged in the manufacturing and production of garments. Six hypotheses are proposed regarding the effect of organizational factors on technology adoption. The data was analyzed using the SPSS (Statistical Package for Social Science) software package, version 14.0. A multiple regression analysis (MRA) was used to test the hypotheses. The results revealed that firm size positively influences and export orientation negatively influences the technology adoption level of a firm. The effect of competitive advantage was moderately significant. The negative effect of export orientation was unexpected, and a close examination showed that the effect was interrelated with other organizational variables. On the other hand, the results indicated that the top management commitment, cost of capital, and technical skills did not have significant effects on the technology adoption level.

Sanchita Banerjee Saxena, Berkeley Véronique Salze-Lozac'h, (2010)[5] in their studies on "**Competitiveness in the Garment and Textiles Industry",** revealed that the idea of "competitiveness" in the garment sector are based on the views of five key players in the industry: a) international garment and textile buyers, b) government officials, c) garment factory owners, d) garment factory middle managers, and e) garment factory workers. This study was conducted in two phases. The pilot phase, in late 2007 and early 2008, was used to test the interview questionnaire, make contacts with government officials and factories, and understand overall trends in the sector three years after the phase-out of the MFA. The second phase, in late 2008, took some key findings from the pilot phase, and incorporated additional questions into the questionnaire. The study found that at the time of the MFA phase-out, government officials and factory owners declared they were quite confident about the future of the garment industry in Bangladesh. Besides cost, quality and the

capacity of factories, including competence of the labor force, seemed to be important reasons for continuing to source in Bangladesh.

ANALYSIS AND INTREPRETATION

PERCENTAGE ANALYSIS

MEASURES FOR CLOSURE OF DYEING UNITS

	Measures		Yes	No	Total
A.	Financial help for upgrade the common effluent treatment plants	Respondents	29	51	**80**
		%	36.3	63.8	**100**
B.	Finance for Marine Discharge project	Respondents	27	53	**80**
		%	33.8	66.3	**100**
C.	Zero Disposals	Respondents	36	44	**80**
		%	55.0	45.0	**100**
D.	Others	Respondents	19	61	**80**
		%	23.8	76.3	**100**

From the above table it is clear that 36.3per cent of the respondents have got financial help for upgrade the common effluent treatment plants from the government in order to overcome the problem of closing of dyeing units, 33.8 per cent of the respondents have got finance for marine discharge project, 55.0per cent of the respondents are using Zero Disposal method introduced by the government in order to overcome the problem of closing of dyeing units.

Most (55.0%) of the respondents are using Zero Disposal (Reverse Osmosis) as a measure to overcome the problem of closing of dyeing units with the help of Government.

MEASURES FOR ELECTRICITY PROBLEM

	Measures		Yes	No	Total
A.	Various thermal project Establishment	Respondents	39	41	**80**
		%	48.8	51.3	**100**
B.	Financial incentives	Respondents	41	39	**80**

		%	51.3	48.8	**100**
C.	Others	Respondents	1	79	**80**
		%	1.3	98.8	**100**

From the above table it is clear that 48.8per cent of the respondents have benefited through thermal project establishment, 51.3 per cent got financial incentives from the government in order to overcome the electricity problem.

Most (51.3 %) of the respondents got financial incentives from the government in order to overcome the electricity problem.

MEASURES FOR YARN PRICE PROBLEM

	Measures		**Yes**	**No**	**Total**
A.	Reduced cotton price	Respondents	37	43	**80**
		%	46.3	53.7	**100**
B.	350 Crores financial incentives	Respondents	15	65	**80**
		%	18.8	81.2	**100**
C.	Advice to keep Buffer stock	Respondents	19	61	**80**
		%	23.7	76.3	**100**
D.	Allow duty free import of cotton	Respondents	26	54	**80**
		%	32.5	67.5	**100**
E.	Others	Respondents	0	80	**80**
		%	0	100	**100**

From the above table it is clear that 46.3 per cent of the respondents have got reduced cotton price in order to overcome yarn price problem, 18.8 per cent of the respondents have got finance under the scheme of 350 crores financial incentives, 23.7 per cent have got advice to keep buffer stock, 32.5 per cent of the respondent imported cotton at a free of duty with the help of government in order to overcome yarn price problem.

46.3% of the respondents have got reduced cotton price in order to overcome yarn price problem.

ANOVA

AGE Vs ELECTRICITY PROBLEM

ANOVA has been applied to find whether there is any significant difference between Age and Electricity problem. The following table gives the mean value and Standard deviation.

Age	N	Mean	SD
Less than 30	31	7.2903	1.21638
31-40	42	8.1429	0.92582
41-50	35	8.0571	0.96841
Above 50	5	7.0000	2.44949
Total	**150**	**7.8319**	**1.17186**

It is evident from the above table that the highest mean value of 8.1429 has been found among the age group between 31 to 40 years, so it is inferred that those respondent who are in the age category of between 31 to 40 years are highly affected by the irregular electricity supply

Hypothesis (H$_0$): "Respondents belong to various age group have on an average/same level of opinion on Electricity problems".

ANOVA FOR ELECTRICITY PROBLEMS AND AGE

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	18.390	3	6.130		
Within Groups	135.416	109	1.242	4.934	.003
Total	**153.805**	**112**			

The ANOVA table states that the calculated P value .003 is less than the table value 0.05 level of significance. So the respondents belong to various age group differ in their opinion with regard to Electricity problems. **Hence the Null hypothesis is rejected.**

CAPITAL AMOUNT INVESTED Vs DYEING PROBLEM

ANOVA has been applied to find whether there is any significant difference between Capital Amount Invested and Dyeing problem. The following table gives the mean value and Standard deviation.

Capital Amount	N	Mean	SD
Less than 30 lakhs	45	15.6667	2.15322
30 lakhs to 50 lakhs	73	16.2603	2.20497
50 lakhs to 1 crore	25	15.6800	2.19317
1 crore to 5 crores	7	15.0000	1.73205
Total	150	15.9267	2.17705

It is evident from the above table that the highest mean value of 16.2603 has been found among the Capital amount invested between 30 lakhs to 50 lakhs, so it is inferred that those respondent who are invested their Capital amount between 30 lakhs to 50 lakhs are highly affected by the dyeing problem.

Hypothesis (H_0): Respondents belong to various Capital Amount Invested group have on an average /same level of opinion on Dyeing problems.

ANOVA FOR CAPITAL AMOUNT INVESTED AND DYEING PROBLEM

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	18.699	3	6.233	1.324	.269
Within Groups	687.495	146	4.709		
Total	**706.193**	**149**			

The ANOVA table states that the calculated P value .269 is greater than the table value 0.05 level of significance. So the respondents belong to various capital amount invested group experienced same level of Dyeing problem. **Hence the Null hypothesis is accepted.**

ANNUAL TURNOVER Vs EXPORT PROBLEM

ANOVA has been applied to find whether there is any significant difference between Annual Turnover and Export problem. The following table gives the mean value and Standard deviation.

Annual Turnover	N	Mean	SD
Less than 10 lakhs	24	21.4583	3.92294
10 lakhs to 25 lakhs	66	21.0152	3.75599

25 lakhs to 50 lakhs	39	20.4872	3.35506
Above 50 lakhs	16	21.6875	4.39270
Total	145	21.0207	3.73696

It is evident from the above table that the highest mean value 21.6875 of has been found among the annual turnover group are above 50 lakhs, so it is inferred that those respondent who are in the annual turnover group are above 50 lakhs are highly affected by the export problem

Hypothesis (H$_0$): "Respondents belong to various annual turnover groups have on an average/ same level of opinion on Export problems".

ANOVA FOR CAPITAL AMOUNT INVESTED AND EXPORT PROBLEM

	Sum of Squares	**Df**	**Mean Square**	**F**	**Sig.**
Between Groups	22.814	3	7.605		
Within Groups	1988.124	141	14.100	.539	.656
Total	**2010.938**	**144**			

The ANOVA table states that the calculated P value.656 is greater than the table value 0.05 level of significance. It is concluded that the respondents belong to Annual Turnover groups have experienced same level of   Export problem. **Hence the Null hypothesis is accepted.**

MEASURES FOR INCREASING YARN PRICE

	Observed N	**Expected N**	**Residual**
Restricting Hoarding	34	39.8	-1.8
Buffer stock of Cotton	69	39.8	34.3
Insisting Central Government to Ban Export Cotton	41	39.8	1.3
Others	6	39.8	-33.8
Total	**150**		

From the above table comparing the Observed (O_i) and Expected (E_i) values it is concluded that majority of the respondents are keeping buffer Stock of cotton to avoid the problem of increasing yarn price.

Hypothesis (H$_0$): "There is no significant difference between the observed (O_i) and expected (E_i) frequencies".

Test Statistics:

	Measures
Chi-Square	58.283[a]
Df	3
Asymp. Sig.	.000

From the above table it is inferred that the table significance .000 is less than the 0.05 level of significance, there is a significant difference between the observed (O_i) and expected (E_i) frequencies. **Hence the Null Hypothesis is rejected.**

MEASURES FOR ELECTRICTY PROBEM

	Observed N	Expected N	Residual
Various Thermal project	39	40.0	-1.0
Financial Incentives	41	40.0	1.0
Total	**80**		

From the above table comparing the Observed (O_i) and Expected (E_i) values it is concluded that majority of the respondents are obtaining Financial Incentives for purchasing the Generators from the government to overcome the electricity problems.

Hypothesis (H_0): "There is no significant difference between the observed (O_i) and expected (E_i) frequencies".

Test Statistics:

	Measures for Electricity problem
Chi-Square	.o50[a]
Df	1
Asymp. Sig.	.823

From the above table it is inferred that the table significance .823 is greater than the 0.05 level of significance, there is no significant difference between the observed (O_i) and expected (E_i) frequencies. **Hence the Null Hypothesis is accepted.**

Z – TEST

GENDER AND EMPLOYEES PROBLEM

Hypothesis (H₀): "There is no significant difference between gender and Employees Problem".

Gender	N	Mean	Std. Deviation	Z_0	df	Sig
Male	123	20.4715	3.90738	0.505	148	0.614
Female	27	20.0370	4.64494			

The mean ranges between 20.4715 and 20.0370. The highest mean value is found among male. They have highest Employee problem, implies that male are facing more employees problem when compare to female.

Since the table significant 0.614 is greater than the 0.05 level of significance, there is no significant difference between Employees problem and gender. **Hence the null hypothesis is accepted.**

SUGGESTIONS

- ✓ Government should concentrate further more on Research and Development and should provided Technology Upgradation Fund to make their product to good quality and innovative in order to compete in to the Global Trade.
- ✓ Dyeing problem is the major problem which may hinder the growth of economy for the past few years. The Measures have taken by the Government should be strictly followed by the Companies.
- ✓ Another problem is irregular electricity supply, due to this problems companies are not able to finish their production in time and resulted in cancel of various orders and leads to severe economical loss. So the government can take various remedies to overcome problems.

CONCLUSION

The analysis of Problem and Prospects of Small Scale Garments Textile Unit is a complex process because this involves human beings whose behavior is subject to swing. The study gives an idea about the problems faced by the small scale garments textile units and their prospects for a particular period of time. India is a country, marrying huge potential with profound and chronic challenges. The key risk identified in this sector is foreign exchange losses due to volatility in the rupee against the US dollar as well as higher interest costs and large portion of the processing capacity is obsolete. The study reveals that Garment textile units facing problems like electricity, dyeing, hike of yarn price and issues like high taxes. It is further revealed that the production capacity is very low due to lack of training, skills, experience, and low educated employees.

Therefore both Government and Proprietors should take necessary steps and measures to avoid above problems and develop the Garments textile units. There is an immense future for Garment Textile units in upcoming years.

References

- ❖ Golam Mostafa. Md (2006), "Challenges, Opportunities and Threats of Textile Sector: A look into the Dacca Dyeing and Manufacturing Company Limited", Daffodil International University Journal of Business and Economics, Vol.1, No.1, July 2006, pp 47-60.

- ❖ Sanchit Banerjee Saxena, Berkeley Veronique Salze-Lozac'h(2010),"Competitiveness in the Garment and Textiles Industry", University of California, Journal of Economics and Science,Vol 2, Occasional paper, no. 1, July 2010, pp1-50.

- ❖ Venu Varukolu (2007), "Technology Adoption Of Indian Garment Manufacturing Firms", International Journal Of Psycology, Vol-5, Number 3, 2013, pp1-65.

JOURNAL

- ❖ India Journal of Fibre and Textile Reasearch Vol.2, December to February 2013-14.
- ❖ Journal of Textile and Apparel, Technology and Management Vol.8, January 2014.

_____

* Assistant Professor, Department of B.Com (AF & BA), PSGR Krishnammal College for Women, Coimbatore- 04

 ** Assistant Professor, Department of B.Com (AF & BA), PSGR Krishnammal College for Women, Coimbatore- 04

*** Assistant Professor, Department of B.Com (BPS), PSG College of arts and science, Coimbatore 14.