

Managerial Skill Gaps in Textile and Clothing Industry -A Review on Existing Studies

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ABSTRACT

The Indian textile industry has a significant presence in the Indian economy as well as in the international textile economy. However, technology obsolescence is one of the major issues faced by them. Tirupur has been exporting more than one hundred knitted garment product categories, mainly falling in cotton, semi-fashion, middle price segment of casual wear, with the main product categories being T-shirts, men's shirts, ladies blouses, ladies dresses and skirts. The major advantage of the sector is its employment potential at low capital cost.

Keywords: *The Indian textile industry, technology, employment potential.*

INTRODUCTION:

Skills shortages are said to exist where there is a lack of adequately skilled and/or qualified individuals available in the accessible labour market. Recruitment difficulties can be symptomatic of skills shortages, but they may also reflect or be compounded by, uncompetitive working conditions or ineffective recruitment practices.

Scholars define managerial skills as specialized technical knowledge in certain jobs that managers should have to execute their responsibilities and functions. Managerial skills are a set of behaviors that contribute to effective task performance and without them in many cases the knowledge of manager's does not suffer any effects.

Pakistan Hosiery Manufacturers Association (PHMA) (2001)¹, PHMA has its key office in Karachi and regional offices in Faisalabad, Lahore and Sialkot. [<http://www.phmaonline.com/home.asp>]. Hosiery and knitwear sector has 3,500 large, medium and small units, of which 85% are small, 10% medium and merely 5% bigger. The sector is employer of 700,000 people.

Katz (2002)² study aimed to analyze the accomplishments of an effective decision maker. The study defined managerial skills as the manager's ability to transform information and knowledge into practice.

Bawa (2002)³ study aimed to analyse system approach to sustainable development of apparel industry. The study found that 56% apparel manufacturing units train their work force as they understood that like all other resources, human resources needs to be properly managed, developed and motivated through training before it can be put to effective use. He remaining 44% of the units did not provide training to their workforce because either they considered training to be unneeded and expensive or even if they understood the benefits of training, they found it to be an expensive proposal.

Johanna et al., (2002)⁴ have done a research among garment industry in Chennai and the study found that low wages, long working hours, oppressive facts, socioeconomic conditions are primarily the cause for low labor productivity level in the diligence.

Chaturvedi (2003)⁵ study aimed to assess competitiveness level of Textile sector in India. The survey brought out that the Joint Secretary, Ministry of Textiles, Government of India identifies key reasons leading to fall in productivity level are India's eroding cost competitiveness across products, extremely fragmented nature of the industry, technological obsolescence. He likewise maintains that since textiles, especially garments are a labor intensive activity there is a screaming need to reform labor laws for achieving high productivity and to improve tight delivery schedules.

NPO, (2003)⁶ research paper found that all the reasons are manageable. Some of the causes can be handled through proper teaching and training of employers and employees, while another can be managed through bringing improvement in the backward linkages in the CVC. Evidence of manageability of these events is available. Out of 250 textile companies listed with the Karachi Stock Exchange (KSE), 25 textile companies have been good performers owing to the reasons like efficient use of resources (raw material, etc.), finance and human resource management practices, use of Total Quality Management (TQM) for

superior quality merchandise, effective marketing schemes, and continuous modernization and up gradation of production facilities.

Nordas, (2004)⁷ this study found that the Pakistani textile products lack exposure to diversified markets. Currently, exports are concentrating on fewer markets. For Pakistani products, USA is the largest marketplace. In 2005-06, Pakistan exported US\$ 4.19 billion worth of products to USA alone, of which cotton and textile products accounted for 88 percent. Share of Pakistan in the US market of textile rose from 3 percent in 1995 to 5 percent in 2002 while that in the European Union fell from 5 percentage to 4 percent during the corresponding point.

Aziz, (2006)⁸ this research paper found that Pakistan is facing fierce Competition in textile, material products and clothes. Knitwear market in the world has recently experienced a big boom. During January-September 2005, bed wear exports to EU from Taiwan increased by 1,165%, 663% from Cambodia, 235% from Laos, 226% from Philippines, 204 per cent from Sri Lanka and 65% from China.

Chandra (2006)⁹ the study found that fabric production the major point of the garment supply chain mainly consists of weaving and knitting process as well as the non- woven process, where the woven cloths are made by interlacing two threads in lengthways and widthwise directions. The knitting process involves the interlacing the loops of threads which are formed either mechanically or manually by the pair of knitting needles. The non-woven process consists of looping, fixing, knotting, plaiting or twisting the yarn in the way other than weaving and knitting, in society to make the material. The Indian garment industry has a diversity of players involved in textile production; nevertheless, the sector is principally split into two parts: The organized sector, including the big scale and techno savvy composite mills; while on the other hand, there is the unorganized sector, which consists of the small weavers and knitters including the handlooms mainly based on the household business, power looms and knitting machines.

Daily Star, (2006)¹⁰ study aimed to assess RMG workers' minimum wages. The survey found that the industry is acting out of Bangladesh as there are low wages, skilled labor and attractive rebates although Bangladesh is not a cotton growing state. In case of Bangladesh, minimum wage rates fixed at TK 1,662 per month, which includes basic pay, house rent and other adjustments for the entry-level workers equivalent to Rs. 1645 (1 TK = 0.99 Pak Rupee). On the other hand, minimum wage rates in Pakistan are Rs. 6,000 per month. Thus, labor appears to be more cost efficient in case of Bangladesh. Owing to very effective policies of the Bangladesh Government, export of RMGs increased from just US \$40,000 1978 -79 to US \$6.4 billion in 2004-05. The sector is offering employment to about 2 million workers, mostly women hailing from the rural areas. The experience of Bangladesh (non-cotton producing country) indicates that if the same model is adopted by any other developing country, competition for Pakistan may further increased.

Cotton Australia, (2007)¹¹, this research paper found that the Cotton value chain (CVC) is really long. Raw cotton is converted into cotton lint and seed through ginning. Cotton lint processes for the output of cotton yarn, which is in turn used for the manufacturing of fabrics / cloth, hosiery, apparel, canvas, tarpaulin. Cloth is processed to have processed or dyed/printed cloth. Printed cloth is used for the manufacturing of readymade garments (RMG) and bed wear. Other textile products include terry cloth (for making highly absorbent bath towels and gowns), denim (for producing blue jeans), chambray (for making blue work shirts), corduroy, seersucker, cotton twill, socks, underwear, T-shirts, bed sheets, crochet and knitting items etc. Nontextile products of cotton include fishnets, coffee filters, tents, gunpowder, cotton paper (originated in China) and bookbinding. By-products of cotton are cotton seed oil, cottonseed meal (as feed for livestock) and cotton sticks (for fuel and organic matter). Cottonseed oil is highly valuable by-product of cotton. It possesses various distinct characteristics, being cholesterol-free, high in poly-unsaturated fats and having high levels of antioxidants (Vitamin E) which prolong its shelf life.

Johri and Qazi (2007)¹² study aimed to analyse microeconomics of competitiveness of Textile cluster in Pakistan. The study identified several weaknesses in the textile sector, most predominantly the poor quality. Weaknesses at initial transfer points of CVC keep on appending to the magnitude of a problem towards later transfer points. So quality is one of the serious constraints of the valued added in the textile sector. Second major weakness of the CVC is the low productivity. Again the same rule applies here. Low productivity at initial stages of the CVC leads to compounding of the problem as we act towards the later stages of CVC. Third major weakness of the CVC is the old technology. This issue reinforces the first two weaknesses. It does not cause erosi in quality but also dents the productivity. Low productivity is attributed to lack of knowledge and skills, poor technology and poor managerial practices. On that point are four dimensions which can be applied to study the business environment in the Garments Sector, Context for firm strategy and rivalry, demand conditions, factor conditions and related / supporting industries, as presented in coined the term "Textile Diamond" for this theoretical account. So Textile Diamond was used for analysis of the business environment in the Garments Sector,

MEDI, (2007)¹³ study aimed to assess the markets for homebound women embroiderers in Pakistan. The study found that the RMG sector is the source of highest value addition along the cotton value chain. Towel sector currently has 700 towel looms. Handicrafts, garments, and embellishment are the sub-sectors of textile industry, having great potential for producing tasks for adult females. Grounds is available that textile industry can assist in enhancing the income of women to a substantial extent. For example, in a project of MEDI launched in Pakistan, average income of women increased from just Rs. 380/month to Rs. 1100/month.

Morris et al., (2007)¹⁴ study aimed to analyse the changed global dynamics of the clothing and textiles value chains. The survey found that skilled labor and management as a decisive success factor which provides states with an advantage; therefore, on that point is a serious need to develop skills in the clothing and fabric manufacture.

Bharat Book Bureau, (2008)¹⁵ study aimed to assess the trends in Textile and Clothing trade. The survey found that the second trend relates to changing dynamics of world markets. For example, textile exports, from Asia to Africa and Europe rose by 19 percent and 11 percent, respectively, while from Asia to North America rose by just 9 percent in 2006. On the other hand, intra-North American textile trade contracted by one percent during the same year. Likewise, Asian clothing exports to Europe jumped by 39 percent, while in North America increased by barely 15%.

OTEXA, (2008)¹⁶, study aimed to assess Textile and Apparel Trade balance report. The written report found that during the aforementioned point, Pakistan also experienced declines on an overall basis, however, pattern of decline has been different. Export of Pakistani yarn, and textiles (which are a raw fabric for the textile industry) plummeted and that of making-ups, and apparel showed some improvement. Moreover, in the apparel sector, India has also shown negative performance (-1.51 percent) in the US securities industry during the same stop. Even total world export of apparel to USA has seen negative growth (-3.88 percent) during the same period.

Morris (2008)¹⁷ study aimed to analyse skill gaps and skill shortages in the clothing and textile industry. The survey found that the future of the clothing and textile industry will depend on two processes: Firstly, its ability to radically and rapidly increase production capabilities so that individual firms become internationally competitive, and secondly, create successful value chain alignment so as to achieve systemic competitiveness. Amongst other things this will require a radical rethinking of how to address the skills gaps and skills shortages currently manifesting themselves. Without this the clothing and textile industries will not be able to get the upward step along the ladder to international competitiveness.

Bedi (2009)¹⁸ study aimed to assess the views of Indian Textile and Clothing Industry. The study found that there is a massive gap between the availability of skilled manpower and the requirements of the industry, particularly in the weaving, dyeing, processing and garment segments. To bridge this gap requires massive expansion and modernization of training institutes/polytechnics across the nation.

Anbanandamet al., (2011)¹⁹ study aimed to evaluate supply chain collaboration. The survey found that the major identified variables affecting the supply chain collaboration in the garment sector in India are; top management commitment, data sharing, confidence among the supply chain partners, long term relationships and risk and reward sharing.

Zenetta et al., (2012)²⁰ this research paper performed a gap analysis to identify the skill gap among the employees of Tiruppur Knitwear so as to identify the areas for skill improvement. This publication carries an article on “Changing Role of Management Professor” instead of the CXO talk.

Srivastava et al., (2014)²¹ study aimed to analyse skill requirement at the production floor in RMG. The work found that Indian ready garment manufacturers have various categories of merchandise and to manufacture such varied products trained and skilled employees are required at the production level. The study of the research is focused to know the training aspect at operator level of employees of national branded apparels manufacturing units and international branded apparels manufacturing units and to find the differences in their skills. This is an empirical research and data is further analyzed to know the gap in skills of workers at the production level of national brand and international brand manufacturing unit.

Patwary(2015)²² study aimed to analyse skill gap in textile and RMG sector. The survey found that RMG accommodates direct employment to about 4.5 million people (BKMEA), 70% of whom are female majority. Different studies rounded up and showed about 40% workers are unskilled at the functional-level of RMG and Textile manufacturing units. Nevertheless, the workers attain the needed basic skills during their early phase of a job as on-job training and get used to the operational date. Also, about 5% are extremely skilled professionals at management or strategic level who operate the managerial affairs of the business. The top management are filled and sourced from different expertise and extremely skilled

professionals from neighboring rural areas at higher cost triggering a rise in cost of production. Established on the findings of the study, a comprehensive roadmap can be designed and institutionalized to develop 'trained and skilled workforce' at different occasions.

CONCLUSION:

Based on the above reviews the researcher decided to choose the textile industry for her further research. Thus, the researcher believes that current study will be useful to knitwear exporting firms operating in Tirupur.

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