

## Overview of Human Capital Management Policies and Practices of the Textile Industry in Tirupur and Coimbatore Districts – A Study

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### Abstract

The commitment of Human capital of cooperative Textile units should be fixed at the maximum level. The role of industrial relation and bargaining moments in private sector textile units have been increased. The presence of the same should be ensured in order to make a good representation of the human capital on before top management and government. The job rotation and transfers of public sector employees strongly affect the work life balance of human capital. The process of transfer and job rotation should consider the personnel issues with the respect of the same. The Human capital outsourcing contract should be abolished in the study area. The Human capital Management strategies should be revised by the government, cooperative privates sector textile units to increase the Human Development Index (HDI) in the study area.

**Keywords:** Human Development Index (HDI), Human Capital Management, Co-operatives Textiles Mills (CTMs), Public Sector Textile Enterprises (PUSTEs), Private Sector Apparel Units' (PSAUs).

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## **Introduction**

The triangle Human Capital Management policies and practices have been implemented in the various folds of Textile industry. The Human capital Management policies of Public Sector Textile Enterprises (PUSTEs), Co-operatives Textiles Mills (CTMs) and Hand loom and Power loom Industrials Weavers' Societies (H &P IWCSs) consisting of power loom and hand loom industries have been guided by well advanced, fair and equitable nature of principles. The central and state government plays the two dimensional role in framing the human capital policies such as interventional role in order to promote the human capital development and employer role in order to enrich the banking operations with aiming the profit maximization and better services in all parts of India.

On the other hand, PUSTEs, CTMs, and H & P IWCSs which are controlled by the state governments follow the traditional approaches in framing the human capital management policies. The most of principles of human capital policies either framed by state government or approved by the same authority. The nature of CTMs, and H & P IWCSs' human capital management policies is based on the labour and cooperative orientation. The employees of CTMs, and H & P IWCSs' have been considered as a part of capital of cooperative banks. The policies also allow to human capital not only to provide the employment opportunities to members and members societies and general public but also to accumulate the capital and expand the business operation as a promoter role. The well technically advanced and superior level digitalized Private Sector Textiles Mills (PSTMs) including spinning, weaving process and Private sector Apparel Units' (PSAUs) Human capital management policies have followed the exploitative and non equitable nature of principles in order to boost up the capitalistic economic system.

## **Distribution of PUSTEs, CTMs and H & P IWCSs in Tirupur and Coimbatore Districts**

The National Handloom Development Corporation (NHDC), Tamil Nadu Silk Producers Federations limited (TANSILK) and Tamil Nadu Apex Hand Loom Weavers Corporation Ltd, National Textiles Mills Ltd are the major PUSTEs in the Tirupur and Coimbatore district. In addition to it, Apparel Export Promotion Council, Power Loom Export Promotion Council under the Textiles committee and SITRA are the promoting government and non government organizations to apparel industry in the study area. On the other hand, a lot The 86 H &P IWCSs are also functioning in this district very efficiently. On the other hand, Micro, Medium and Small level Apparel units consisting of fabrications, Dying, Knitting and Packing units are functioning in large numbers either in registered MSMEs or unregistered nature.

## **Statement of the Problem of the Study**

The categorization and appointment of human capital as permanent and temporary is key or sources of creation of problems in the human capital management. The same workload has been allotted to both permanent and temporary employees under a particular grade. But compensation, job security, provision of fringe benefits have been provided at different level. The exploitative nature human capital management policies and practices allow to sail the permanent employees in red carpeted roads and curse to sail the temporary workers in critical path. The procurement of more numbers of human capital under temporary nature is a continuous story in the pages of PSTMs and PSAUs.

The references and influences of politicians in the procurement practices of Human capital in PUSTEs, CTMs, and H & P IWCSs are also dilute the productivity/ efficiency oriented recruitment practices. The most of PSTEs, CTMs and H & P IWCSs allow the private human capital outsourcing practices in some kind of activities particularly in dying process, packing, procurement of raw materials and transportation process. It creates not only private participation in PSTEs, CTMs and H &P IWCSs and also spoil the utilization of human capital under wrong manner. The range of stand of living of such temporary workers is bracketed with question marks and thrusting for betterment. A study has been under taken based on this circumstances. The impact of the privatization and amalgamation of public sector Textile sector s in Human capital management have make very serious and fearful unrest among the human capital of Textile sector.

## **Scope and Limitation of the Study**

The study has focused on the analysis of pattern of formation of human capital policies and its practices in the Textile sectoring sector. The government intervention and guiding principles has also observed under LPG era. It also considered the perception of various kinds of human capital regarding the Human capital policies and practices in the Dindigul district. The period of study has pertained as one year i.e., 2019-2020.

## **Objectives of the Study**

1. To comparatively analyze the public, cooperative and private sector human capital management policies and formation procedures of sample textiles units in Tirupur and Coimbatore districts.
2. To comparatively assess the public, cooperative and private sector human capital management practices of sample textiles units in Tirupur and Coimbatore districts.
3. To know the practical issues on Human capital management policies and practices faced by sample human capital procured in the various folds of textiles units in Tirupur and Coimbatore districts.
4. To suggest the enriching recommendation for present human capital management policies and practices followed by the various folds of textiles units.

## **Methodology**

It is an observation cum descriptive study. Both primary data which is collected from sample respondents of selected textiles units such as PUSTEs, CTMs, and H & P IWCSs and PSTMs and PSAUs by using interview schedule and secondary data which is collected from various government orders. Annual reports, Financial statements and policy notes of central & state governments and sample Textile sector units. In this connection, convenience sampling technique has been adopted for this study. 6 Textile sector including one state Textile sector and two cooperative sectors units and three private sector units in Tirupur and Coimbatore districts. In addition to it, 10 staffs member per sample unit have been selected as sample respondents by using simple random sampling technique. Total sampling respondents have been ascertained as 60 persons for this study. The collected data has properly analyzed by using statistical tools such as percentage, average and ANNOVA.

## **Human Capital Management Policies of Banking Sector in Tirupur and Coimbatore Districts**

The Textiles units consists of three folds such as Public sector, Private sector and Cooperative sector in study area. The Policies regarding the procurement of Human capital and system of compensation, job security, training and development programmes offered to human capital available for Textile sector units have been in variation manner from one kind of Textile sector fold sector to another kind of Textile sector fold. In this connection, job analysis and manpower planning, recruitment and selection process are formularized systematically and followed by Public sector Textile units without any deviation at national level. The textiles ministry of India and hand loom departments of state government are conducting the examination for selection of Human capital for the Public Sector and cooperative sector textiles units. But the private sector textiles units are far away from following this kinds of centralized recruitment policies. The private sector textile units simply conducts the interviews at unit level or corporate office level and select the employees on the base their own interest. On the other hand, Cooperative Textile sector have fixed the norms and regulation for procurement of Human capital at state level or district level. The guidelines and approval of state government is mandatory. They use the government employment exchanges as one of the sources of recruitment and general advertisement is also followed as sources of recruitment in this regard. The Most of employees are appointed permanently and rarely local peoples are appointed for basic work. The salary has been fixed and revised as per as central government norms and all kinds of welfare measures such as EPF, Health insurance, Gratuity and bonus are also provided to all kinds of employees. It uplift the standard of living of human capital working in public sector Textile sectors. On other hand, Private sector Textile units appoints human capital both permanent and temporary basis. The high grade officials only have been appointed in permanent manner. The middle level officials have been appointed at temporary basis and salary is always fixed lower than the employees of public sector Textile sector. The job security for the employees of private sector Textile units cannot be promised like as public sector. The fringe benefits only are offered to permanent workers and temporary workers have not been provided such benefits. So the standard of living of human capital in private sector Textile units do not ungraded and in exploitative manner. The intervention and policy formation on compensation package and welfare measures facelift the standard of living of human capital engaged in the cooperative Textile units. It shows that managing of human capital with adequate and above adequate level of standard of living by means of government controlled and intervened institutions.

**Table 1: Comparative Analysis of Human Capital Management Polices of Sample Textile Units in Study Area**

| Sl. no | Human Capital Management Polices                      | Public Sector Textile units                                                                                 | Co-operative Sector Textile units                                                                                                                               | Private Sector Textile units                                                                    |
|--------|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| 1      | Job analysis and Manpower Planning                    | A Separate and expert committee is fixed with the membership of Textile sectoring and government officials. | Following of the state government guidelines and regulation                                                                                                     | Fixation of Manpower strength by Top level management                                           |
| 2      | Recruitment and Selection polices                     | Through govt recruitment board or HR department of concerned units                                          | State Employment Exchange or Advertisement with direct interview or Board of Cooperative Textile sector s recruitment / Promotion from cooperatives societies / | Direct interview and Campus interview process                                                   |
| 3      | Wage and Salary administration polices                | As per as central government regulation and settlement arrived in bargaining with unions                    | As per as state government regulation based on the financial position of concerned Textile sector                                                               | Fixation by top level management at lower level when compare with other sector Textile sector s |
| 4      | Polices for Employees welfare measures                | All schemes are implemented to both permanent and temporary employees as per as law                         | Welfare schemes are implement to those permanent employees                                                                                                      | Discrimination policy followed in enrollment of employees in the welfare schemes                |
| 5      | Motivation, Training and Development of Human capital | Lack of high level motivation polices and ensuring the stress less employment                               | Cooperative based motivation policy                                                                                                                             | Motivation with more stress                                                                     |
| 6      | Industrial Relation and Bargaining                    | Workers participation in Management as the worker director                                                  | Employees have provided with share of Textile sectors. Labour oriented IR polices                                                                               | No more IR and Bargaining. Every is decided by top management and high level labour turnover    |
| 7      | Polices on performance evaluation of Human Capital    | Reachable standards are fixed and un punishable evaluation polices                                          | No more performance evaluation                                                                                                                                  | Un reachable standards of performance and punishable nature of evaluations policy               |

(Compiled from secondary data)

#### Human Capital Management Polices of Sample Textile Units in Study Area

**Table 2: Comparative Analysis of Human Capital Management Practices of Sample Textile Units in Study Area**

| Sl. No. | Human Capital Practice                  | Sector wise Mean Score      |                     |                       | F Ratio | F Probability |
|---------|-----------------------------------------|-----------------------------|---------------------|-----------------------|---------|---------------|
|         |                                         | Public Sector Textile units | Co-op Textile units | Private Textile units |         |               |
| 1       | Appointment of permanent Staffs         | 3.6771                      | 3.5609              | 2.4708                | 0.3457  | 0.5114        |
| 2       | Appointment of Temporary Staffs         | 1.7710                      | 1.5026              | 3.9891                | 0.9225  | 0.5901        |
| 3.      | Job description and Job Commitment      | 3.9311                      | 3.5641              | 3.2201                | 0.9205  | 0.3871        |
| 4       | Promotion and Transfer                  | 3.8001                      | 2.9001              | 3.9117                | 3.2821* | 0.0514        |
| 5       | Job Rotations                           | 3.5258                      | 3.5562              | 3.4784                | 0.2212  | 0.7681        |
| 6       | On the job and off the job training     | 3.006                       | 3.2601              | 3.7608                | 3.3978* | 0.0505        |
| 7       | Wage for Temporary workers              | 3.5711                      | 3.7240              | 3.9140                | 2.2811  | 0.5689        |
| 8       | Salary as per as government regulations | 3.7333                      | 3.7233              | 1.1021                | 2.8674  | 0.2363        |
| 9       | Implementation of welfare measures      | 3.9622                      | 3.6121              | 1.8242                | 3.0801  | 0.5007        |
| 10      | Job security                            | 3.7104                      | 3.7211              | 1.7893                | 2.6152  | 0.5664        |
| 11      | Disciplinary procedures                 | 2.1121                      | 2.0001              | 3.9183                | 1.9120  | 0.3981        |
| 12      | Employees' turnover                     | 3.1934                      | 2.3915              | 3.6713                | 2.8713  | 0.1884        |
| 13      | Trade union movements                   | 3.8012                      | 3.7210              | 3.7013                | 3.2756* | 0.0521        |
| 14      | Strikes and Lock outs                   | 3.8744                      | 3.8224              | 1.5406                | 0.6123  | 0.6973        |

(Source: Compiled from primary Data Note: Significant difference – 5 percent)

The elements of human capital management process have been presented in the table-2 and perception of various kinds sample respondents working in public, Cooperative and private Textile units on human capital management process have also collected and presented in the one way ANNOVA table. The respondents belonged to “Public and Cooperative sector Textile units” have highly rated the following Human Capital Management process such as Appointment of permanent Staffs, Job description and Job Commitment, Salary as per as government regulations, Implementation of welfare measures, Job security, Trade union movements and Strikes and Lock outs, But all these practices have been poorly perceived by the private sector employees. It has been ascertained that the above said elements of human capital management practices provide the issues and problems to the private sector employees. The job security and refusal of implementation of all kinds of welfare measure to the private sector Textile units employees are the practical issues identified in the human capital management practices of sample Textile sector s in the study area. Significant difference of perception among the three groups of respondents were found in respect of Human Capital Management practices such as Promotion and Transfer, on the job and off the job training and Trade union movements.

## **Recommendations and Conclusion**

The commitment of employees of cooperative Textile units should be fixed at the maximum level. The employees should be advised to adhere the same. The role of industrial relation and bargaining moments in private sector textile units have been increased. The presence of the same should be ensured in order to make a good representation of the human capital on before top management and government. The job rotation and transfers of public sector employees strongly affect the work life balance of human capital and being as sources of stress and unrest of individual employees. The process of transfer and job rotation should consider the personnel issues with the respect of the same. The Human capital outsourcing contract should be abolished in the study area. The Human capital Management strategies should be revised by the government, cooperative privates sector textile units to increase the Human Development Index (HDI) in the study area.

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