

Making the Textile and Garment Industry Sustain

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Abstract

Projections are being made indicating a giant leap in the textile and garment industry in the years to come. What is to be done to sustain the developments and not allow the mills and garment factories to become a victim of periodic recession is addressed in this article. Implementation of Work quality Management and assess the activities using Five Golden Questions are discussed.

Key Words: Textile and Apparel, Challenges, short of dedicated and skilled man power, Top management, Work Quality. Work management, Work Quality Management, Sickness in the industry, Recession, Five Golden Questions.

I. Present Scenario of Textile and Apparel Industry in India

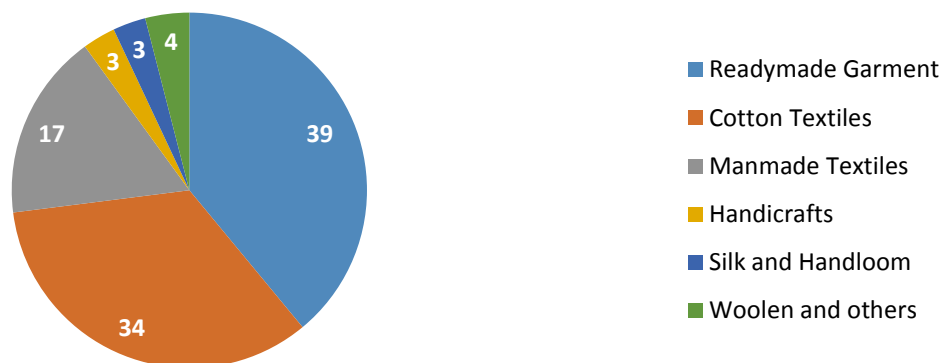
Textile and apparel manufacturing is the oldest trade practiced by humans. When we talk of India, Textile and Garment industries is the maximum employment givers after agriculture, and is the maximum earner of foreign exchange after IT. The sector contributes for over 14% of industrial production, 4% of Indian GDP and 13% of country's export earnings, giving employment to 4.5 million people directly and 60 million people indirectly. According to India's 12th five-year plan, from 2012 to 2017, total planned investment in India's textile and garment industry is likely to increase by \$ 29.5 billion, direct employment opportunities by 3,000,000. The Indian textiles industry, currently estimated at around US \$108 billion, is expected to reach US \$ 141 billion by 2021. According to study by Wazir Advisors, the Indian textile industry has the potential to grow five-fold over the next ten years to touch US\$ 500 billion mark on the back of growing demand for polyester fabrics. The US\$ 500 billion market figure consists of domestic sales of US\$ 315 billion and exports of US\$ 185 billion. As per the ministry of textiles, government of India, the domestic textile and apparel industry is estimated to reach 100 Billion US Dollars by 2016-17 from 67 Billion US Dollars in 2013-14. Exports are expected to reach 65 Billion US Dollars by 2016-17 from 40 Billion US Dollars in 2013-14. Total fabric production is expected to grow to 112 Billion square metres by 2016-17 from 64 Billion square metres in 2013-14. The fibre production is likely to reach 10 million tonnes by 2016-17 from 7 million tonnes in 2013-14 as predicted in Table 1.

Table – 1 Projected growth of Textile and Apparel industry in India

		Base	Projected	% growth
		2013-14	2016-17	
<i>(Make in India campaign by Government of India)</i>				
Domestic Textile and Apparel industry	Billion USD	67	100	49.25
Exports of Textiles and Apparels	Billion USD	40	65	62.50
Total Fabric Production	Billion Sq Mtr	64	112	75.00
Fibre production	Million Tonnes	7	10	42.86

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted foreign direct investment (FDI) worth US\$ 1,522.51 million during April 2000 to December 2014. The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route. Each state government are also making their own Textile policies to attract investment in their states. The present break up of various textile products are as shown in figure 1, indicating readymade garments and Cotton Textiles leading the Textile consumption.

Fig 1 - Percent Contribution of different products in Textile consumption



(Ref <http://makeinindia.com/sector/textiles-garments/>)

II. Challenges

Although there are lucrative estimations indicating very good potential for growth of textiles and apparel industry, we cannot ignore the fact that number of mills and garment units are struggling to survive. Unless we understand their problems and make them robust, we cannot ensure that new investments shall really reap the fruits as anticipated and the new investments shall be in vain. We should first work for sustaining the present established industry and make them robust. Let us understand the challenges being faced.

Increase in Costs: There is continued rise in the costs like raw materials, power, labour and transportation. In developed western countries number of manufacturers begun to move outside their country to find a more cost-competitive destination, and attempted to find "the next country" and India got the advantage. But now, in India also the costs are increasing and number of competitors has developed in other Asian countries like Bangladesh, Vietnam, Cambodia, Thailand, Indonesia, Malaysia, Pakistan and China. **Lower Purchasing Power:** Indian retail market is still underdeveloped; around 7% of the population are depending only on used clothes and 70% of the population try to use their clothes for a long time without disposing, or procuring new, till they are worn out.

Use of e-Commerce: The global apparel industry recognized the advantage of e-commerce with social networking sites and invariably using it. In India the development of e-commerce has faced a series of challenges and crimes online and fraud. This retarded the growth of market. Majority of people involved in textile and garment trade in India are not very familiar with the use of ecommerce.

Lack of Interest in Entrepreneurs: Till very recently, the textile trade was practiced as family business and community trade. People of particular communities were involved in the production of yarns and cloth. As the science and technology are developing, numbers of new industries are coming up. There are lots of opportunities for people to earn and they need not depend on their traditional family business. Now people do not prefer to work in or work for textile mills. Although majority of entrepreneurs and industry houses started their business with textile industry, they later diverted to other industries neglecting the mother industry.

Short Term Policies: The textile industry is mainly controlled by merchants and family business people, rather than professionals. In case of short of funds, they first cut the raw material expenses and the maintenance expenses and do not provide required critical raw materials and spares. The policies are mainly of short term, and they demand quick results without providing adequate support. Because of this mentality loyalty to the company is reducing, and everyone is interested to make some short term gains and leave the company in the middle in case of any crises.

Short of employees: The textile industry, one of the oldest trades on the earth, is highly competitive. The profit margins are low. Further, the work is of repetitive and monotonous type. The working conditions, especially in cottage and decentralized industries are very poor. In the mill sector also, there are still a number of old units with poor working conditions. The jobs do not demand use of educational knowledge and hence there is no difference in treatment between educated and illiterate workers. As the primary education is compulsory and all have an opportunity to read further, the youth do not prefer to work in this field. They prefer other fields like hotels, shopping malls, cab drivers, IT sector, hospitals, etc. to working in textile mills. The industry is facing acute shortage of skilled labour. **Poor image:** Another problem faced is the image. People are proud and are respected if they work in a government organization or a multinational company, whereas they do not get the same recognition while working in a textile or garment factory or in a cottage industry. Youngsters feel it below their

dignity to work in the traditional textile field even though they can earn more. A number of youngsters, who are even diploma or degree holders in textiles and having their own weaving shed also are trying to work elsewhere and not joining hands in their community business. Hence the traditional small weaving units are getting closed.

Lack of Interest among Young Engineers: There are number of textile engineering colleges providing bachelors and master's degree in textile engineering. However, the present trend is that the qualified textile engineers do not prefer joining textile industry or garment industry in production areas. They prefer marketing, merchandising, raw material procurement and administrative jobs. The production area is served by less qualified people, who have come up with their practical experience and have no exposure to the developments that are taking place worldwide. Further, these less qualified people lack self-confidence and hesitate to take decisions in complicated cases as they are always suppressed because of their lack of qualification.

Employee Attrition: There is not only shortage of people to work in textile and garment industries, but also the men joining the industry are not sticking to their jobs. Even in very good garment companies where the employees are treated very well, the attrition rate is 10 to 15% per month. Hence the Human Resource Department is always on their toe to bring employees, not only from the same city or nearby villages, but also from different states. This is a negative factor for survival and sustenance.

Short of skills: The Textile and garment industries are considered as labour intensive and the governments support these industries with a view to overcome the problem of unemployment. However due to various reasons, the textile industry is gradually getting itself changed to a capital intensive industry. In the garment sector also, mechanization is taking place, but still it remains as a labour intensive industry. The main reasons for this change is the higher labour cost, non-availability of skilled labour, the unfavourable attitudes of the government and politicians towards the labour related problems faced by the industry. The shortage of skilled labour is one of the major challenges the industry is facing, not only in India, but all over the world.

Lack of Effective Quality Management Systems: The mills produce good quality as far as a good technician is monitoring, and in his absence people do not know the method of modifying the process to get the best out of the available raw materials and technology. The gap is felt when a dedicated technician leaves the job. Although number of mills claim as having accreditation to Quality management System like ISO 9001, they are not following the guidelines religiously, but are concentrating only on avoiding nonconformities being raised by auditors. The procedures are not reviewed by senior technical staff periodically and are not amended considering the changed environment. The records are not maintained properly which they can refer and take action. It is seen that the records are manipulated and created only to show to auditors and not for correcting the gaps in their own company. The top management does not review the activities keeping Quality management System Guidelines as the base. They are interested only in getting a certificate to show to their customers and bankers. By this attitude of management, there shall not be active involvement of people in the activities of the company.

Sickness within industry: Number of textile and garment industries is closing down year by year as they are not able to compete and sustain in the present economic environment. They are termed as sick units. While analysing the reasons for sickness in Textile industry, Anubhai Prafull observes that sickness in any industry can be caused by an amalgam of factors like:

- (i) Environmental – macro level policy, aggregate demand problems, etc.;
- (ii) Industry specific – technology or product related or regional problems; or
- (iii) Unit specific – management, financial or industrial relations problem.

He further analyses and opines that the problems of the composite sector in the older textile centres as predominantly due to structural and environmental factors:

- (i) Competition from power loom sector or decentralised sector
- (ii) Unequal competition with the state sector units supported by direct and indirect subsidies from the public exchequer.
- (iii) High incidence of indirect taxes
- (iv) High locational cost because of State and local government imposts coupled with locational immobility
- (v) Rationalisation hurdles and exit barriers
- (vi) Long history of restrictive policies relating to use of fibre, export of yarn, expansion etc.;
- (vii) High and fluctuating cost of raw materials

Besides the above structural and environmental factors, the perceptions, and attitudes of management, which did not adapt to the changing environment were also the reasons for sickness.

Periodic Recession: Textile industry is witnessing periodic recession which is repeating every 8 - 10 years. The industry spends a lot for modernization and expansion in the boom periods, which results in surplus in the market leading to a recession. What we are seeing as a boom now may change as recession in 2017-18. Indian Textile industry has witnessed boom and recession as shown in table-2 in last 50 years

Table 2 - Cycle of boom and recession in Textile industry in India

Boom period	Recession period	Recovering from recession
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1963 - 65	1966 – 69*	1970 - 72	*130 Mills were closed and NTC was formed
1973 - 75	1976 – 79*	1980 – 82	*Affected number of mills in Tamilnadu
1983 - 85	1986 – 89*	1990 - 92	*Number of mills got closed in Mumbai
1993 - 95	1996 – 99*	2000 - 2002	*Number of mills in Ahmadabad got closed
2003 - 05	2006 - 09	2010 - 12	
2013 - 15	2016 - 2019*		*Expected

III. What is needed to be done?

Providing soft loans, subsidies, tax holidays are the normal help announced by governments to support their ailing industries. But it cannot make the industry robust to face the challenges. The industry should not be vulnerable to changes that are taking place, but should be able to resist and face the situation. It should be made strong enough to face the situation, fight and come out as a winner. It is rather easy to get funds for modernization and expansion compared to getting the required quality and productivity from the installed machines and men employed, and providing products of consistent quality to the customers in time at the prices affordable to them. It needs skilled and dedicated people following religiously established quality management systems at all processes starting from planning, procurement of raw materials, manufacturing, packing and up to the supplying and servicing the customers, dealing with suppliers, employees and other stakeholders. In order to make the textile industry robust and to sustain in the competition, it should attract eminent and dedicated people to work for the industry. We need to recognize the people supplying clothes to masses as we recognize the farmers giving us food. The skilled people working in textile and garments should get due recognition for their skills. They should be treated at par with other skilled employees in engineering or computer industries. People should feel proud for working in a textile mill or garment factory. The Textile and garment industry, which were once the backbone of advanced countries have lost their base and are shifted to developing countries. India being the cradle of civilization and mother of textiles naturally has an edge, but still the industry is not doing well. The managements are blaming staff and workers and the employees are blaming management. The managements want the workers to give more efficiency but are overloading them with continuous working, unstable administration and are not respecting them as a part of their industry. All are trying to achieve quality and productivity by installing latest technology and paying huge salaries to the top persons in the organization, but are not addressing the basic requirements of clean administration, improving the quality of work, developing harmony among the staff and workers, and bringing a feeling of oneness among all. The people with power are carried away by the short term plans as it looks lucrative and are not making any efforts to make the base stronger. The industry should emphasise on work quality management to come out of this vicious circle.

IV. What is Work Quality Management?

The quality awareness has increased world over. Everyone in the industry and also in the society is talking of quality. The technology is being developed to ensure quality with fool-proof methods. In majority of cases quality refers to the quality and services provided to a customer. There are some questions to be answered. What makes the quality? When same technology is adopted at different mills and similar raw materials and work conditions are used, whether all are getting the same quality all the time? Why there is big difference in quality between mills? Some are doing better and some are not doing. The reason is the difference in the Work Quality. Why Work Quality should differ from mill to mill? How one makes the people involved in their jobs and work by heart is more important for getting the quality. When people work by heart, the quality is achieved even with old machines; of course, the productivity may be less. It is the same machine, same setting, but when the work is done by heart, the mistakes are not there. Only good quality is produced. Producing a good quality product depends on ensuring good raw material, adopting appropriate technology, tuning the machines appropriately and handling the machines appropriately. With the advancement in technology, these things have become easy and anyone can produce good quality product; but how they are handled, preserved and maintained, presented properly to the user in time, modified as per customer's needs, and done with lowest possible cost to the company depends on the quality of work. Quality of work is different from quality of product. When a person does a work with interest, and ensures that the product meets all the requirement of the customer, the quality of work is bound to be good. A person with interest voluntarily verifies the quality and ensures it as meeting customer requirements instead of just adhering to the process sheet given to him. He will not wait till the quality inspector comes and verifies the quality. It may be checking the hank of sliver in draw frame or count of yarn in spinning or the pattern and ends and picks on loom. It requires support from the top management to keep the employees motivated in achieving the work quality by the fool-proof systems. The systems developed should ensure that the stress is reduced at

work may be in production or in administration, marketing, finance management, human resource management or any activity of the organization, whereas required productivity is achieved with quality and in time. A good system designed with judicial thinking and implemented with proper empowerment and whole hearted involvement of people can lead to achieve good work quality. Many employees these days feel they are working harder, faster, and longer hours than ever before and often complain of stress at work. Job-related employee stress can lead to lack of commitment to the company, poor productivity, and even leaving the company; all of which are of serious concern to management. Work quality management enhances work management. Fig – 2 gives the components of Work Management and Fig 3 gives the components of Work Quality Management.

Fig 2 – Components of Work Management

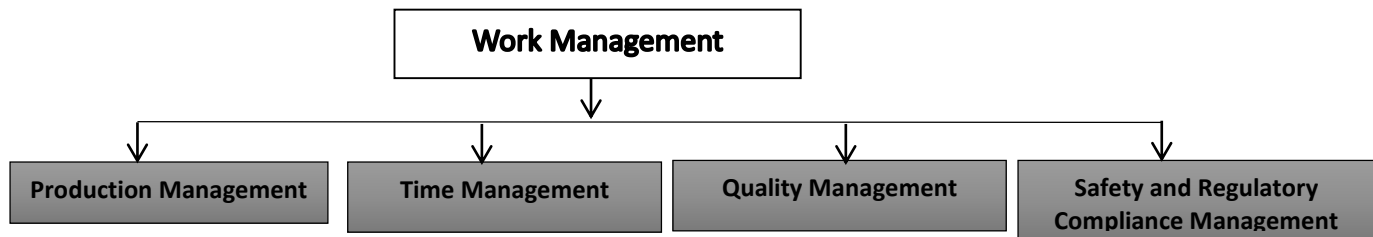
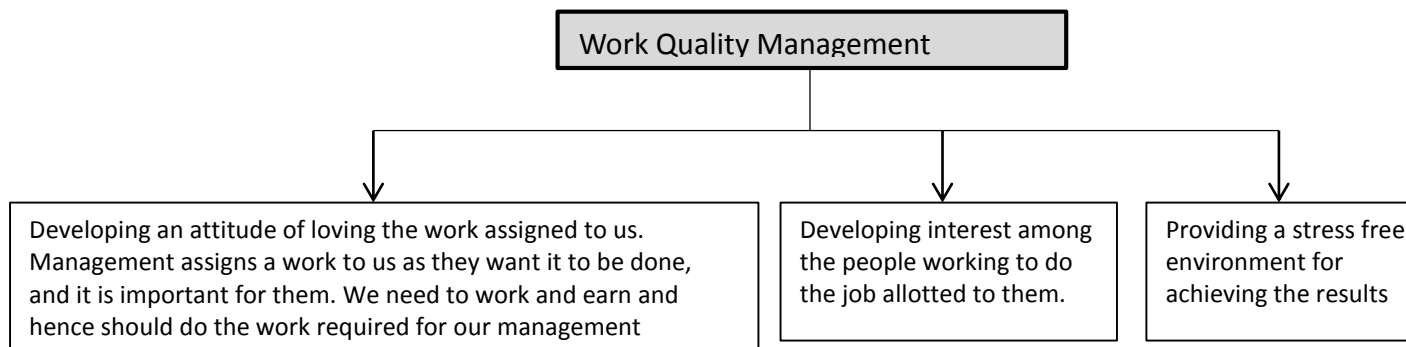


Fig 3 – Components of Work Quality Management



V. Objectives of Work Quality Management

Following are the prime objectives of Work Quality Management.

1. Achieving the required Company Objectives while keeping the people involved including the stakeholders happy at all levels.
2. Delighted customers because of timely supply of quality goods and services at appropriate time and all the time.
3. Delighted customers because of prompt and quick response to their enquiries.
4. Happy employees with no attrition, no absenteeism and no grievances.
5. Employees are willingly taking higher responsibilities and referring their friends and family members to join the company.
6. No expenses relating to fighting legal cases in the court, no notices received by any of the legal or statutory bodies for not meeting the compliance to any of the legal requirements.
7. No loss of production due to any reason like breakdowns, lack of programme, poor working, short of materials, lack of clarity in instructions and so on.
8. Reduced cost of manufacturing.
9. Increased sales turnover per employee.
10. Increased sales turnover per rupee spent in marketing
11. Reduced rejections.
12. No delay in delivery of any order, No material returned back from market for any reason.
13. Zero accidents, Zero fires, Zero overtime.
14. No complaint or grumbling from market not only regarding the product quality but also due to other reasons like poor response, not responding properly, not treating a customer properly, delays in transportation, poor transporter, discrepancies in sales documents, discrepancies in markings, shortage or excess supply, price charged higher than market rate, etc.
15. Highly proactive in getting information from the market and changing their strategies and products to meet the changing requirement and never blame recession for the losses if any.

16. Always being on toe to face competition and continuously stretch their targets after accomplishment of each target.
17. Being a benchmark for others.

VI. Poor Work Quality

Let us discuss some of the practices in the industry, which are all examples of Poor Work Quality. The mills and garment factories are facing short of skilled labour, but are not ready to treat the available skilled workers with dignity and as a part of their industry. In number of mills the workers are not appointed as regular workers, but are engaged as contract workers or as cash workers on daily wages, as the mills do not want to have risk of making them permanent. These workers are removed from the job and again reappointed so that they cannot claim gratuity or any leave benefits. The managements do not treat workers as their family members and hence, the workers also do not have any attachment to the company they are working. They are more loyal to the person who brought them and not to the company. If that person leaves the company, all the workers and staff brought by him also leave together and the company suffers for the want of workers and staff. The mills in their attempt to produce the materials at the lowest possible costs are not bothered in the safety systems to be followed and the welfare measures to be taken. The Owner keeps all powers with him and even the General Manager or the Chief Executive cannot decide the raw material he needs or the system he would like to implement. They never get the quality demanded by their customers and the staff and workers are blamed for this.

Marketing people blame the recession for the losses the industry undergoes, but are not proactively analysing the markets and advising the manufacturing for change of product mix in time. When market is good, they take the credit and when market is bad, they blame the technical staff working in the mills. This attitude is killing the industry. When market is good, the marketing brings orders without understanding the company capabilities in terms of quality and delivery and insists the people to deliver. The people are always under tension for giving timely delivery, and they are forced to work extra hours. A textile technician working in such company does not recommend anyone to study textile technology and join a textile mill. Neither employees are happy nor the management. The top management are not studying the trend of boom and recessions and plan their investments. They start investing when the boom period is experienced by all, and by the time the projects are complete, the recession would have started. This happens because the top management is always stressed and have not developed the attitude of thinking in a calm atmosphere. The management employs top level people by referring their achievements elsewhere and provide a lucrative pay package and perks. When the company makes a loss, the same experts are blamed as useless and not practical. Immediately search is made for another to replace this man. This mentality of top management is not allowing the people to develop a feeling of belongingness to the company. Dr. A. P. J Abdul Kalam always suggests people to be loyal to their profession rather than to the owners of the company where they are working. This advice helps people to work with their heart although the management is not giving full support, as individuals strive to achieve supremacy in their professional knowledge, skill and achievements. The poor work quality management by the top is killing the industry. The analysis for employee attrition in industries indicates that the main reason for an employee to leave a company is because of bad relations he had with his immediate boss and not with the policies or procedures of the company. Producing more than required, producing very much in advance and keeping stock, reworking to correct the products to meet specifications, spending money on inspections to ensure that the product produced meets the requirements, keeping very narrow tolerance to avoid rejections at customer's place, using a raw material of higher quality than required to avoid rejections, employing additional people or resources to ensure work is done in time, engaging people on overtime to ensure deliveries are done in time, spending more on advertisements and market promotion disproportionately to the value of materials being sold, polluting water and atmosphere, not adhering to safety and legal regulations, paying less than what was supposed to paid, harassing the suppliers and employees and not providing a clean work environment are all examples of poor Work Quality.

Quality in work can be achieved only when quality in work life is achieved. We have number of activities at home relating to our family, which we normally refer as our personal life. We spend more time in the factory we are working compared to the time spent with family. We work both at home and at factory, but we are free and relaxed at home and always with tension and stress at mills. We have a feeling that our home is ours, but the same feeling is not there with the mills we work, although we are depending on the mills to earn and manage our home. Why one should not feel as he is a part of the company and enjoy in the work also as he enjoys with his family members? Who is stopping us? If we accept the industry also as a part of our life, just like our home and take initiatives to develop it, the industry will prosper and we can be happier than what we are today. Our life, wherever it is, should be qualitative. There should be quality in work-life so that quality in work is guaranteed all the time.

VII. Advantages of Good Work Quality Management

Following are some advantages of having a good Work Quality Management system.

1. When people work by heart, the quality is achieved. They can tune even the old machines to perform its best.
2. It is the same machine, same setting, but when the work is done by heart, the mistakes are not there; only good quality is produced.
3. One, who is not having interest, shall not concentrate or neglect the steps resulting in poor quality and sometimes in an accident.
4. When a person does a work with interest, and ensures that the product meets all the requirement of the customer, the quality of work is bound to be good. He voluntarily verifies the quality and ensures it as meeting customer requirements instead of just adhering to the process sheet given to him. He will not wait till the quality inspector comes and verifies the quality
5. Person with interest shall not get tired or fed-up with the work.

Let us all work to develop and implement good Work Quality Management Systems and make the dream of the industry a reality.

VIII. Five Golden Questions

Everyone wants to succeed and survive in the competition and sustain their business. Each one may adapt a system which is felt as suitable; may or may not be successful. Following five questions help any business to sustain provided a sincere analysis is made.

1. Are we having a procedure?
2. How do we ensure it as the best?
3. How are we implementing it?
4. Did we achieve the result as anticipated?
5. How do we compare against our competitors?

For doing any work effectively, we need to plan and establish procedure. Therefore the first question one should ask is whether we have a procedure for doing the work effectively. One may develop a procedure, but need to verify whether it is the best suit for the situation, circumstances and environment. One has to modify the procedures as per the situation, the technology available, the resources, working climate, and so on. Hence the second question is how we ensure it as the best. Developing a procedure and validating it for the suitability are very easy compared to implementing it effectively. To get the required results, one has to implement the system as prescribed and do the work as per procedure. Hence the third question is about implementation. We may implement exactly as per the laid out procedure, but it is called as successful when the required results are achieved. Therefore verifying the results against the targets is very important which is addressed in fourth question. In a competitive industry like textiles and garments, one cannot be happy just by achieving the targeted results. The success depends on the performance of competitors. If my competitor is stronger than me, I shall lose the market. So we need to always have an eye on the activities of the competitors, and develop strategies to beat them or overtake them. The above five questions should be asked again and again while doing each activity and sincere efforts are to be made to achieve the results. Then only that organization can sustain.

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