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Wage Structure in the Tirupur Textile Industry

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Abstract: Around 35 million employees are presently working in the textiles and apparel industry among the 6 million employees in the Indian garment sector. The employees working in and around Tirupur textile industries are paid reasonable wages in knitting, dyeing, cutting, tailoring, printing, embroidery, ironing and packing areas. The employees are working in both export and domestic units. Due to increase of job opportunities day by day for unskilled labour more number of small unit emerged in and around Tirupur which became the textile industries export hub. Under the minimum wage act of 1948, the employees are now exceeding the specified working hours of eight hours and double wages should be paid for over time employees. Wage structure play an important in QWL (Quality of Work Life) of employees and improve their performance and production. It is right time to study the impact of wage structure of employees working in the Tirupur textile industry based on their personal and occupational aspect. The study shows that wages structure of Tirupur textile industry vary from section to section and also differ based on their experience in the concerned field. Over time wages vary from unit to unit. Hence employers should take necessary steps to facilitate the need of the employees to reward financially those who work during overtime which removes the employees distrust.

Keywords: Export hub, wage structure, over time, QWL.

I. INTRODUCTION

Tamil Nadu is one of the main states for the development of Textile Industry in India. The textile units are the back bone of Industrial developments in Tamil Nadu and they have magnificent impact on the national economy. Tirupur is the largest and fastest growing district in Tamil Nadu providing enormous employment opportunities for millions of people in Tamil Nadu, Kerala, Orissa, Bihar and North East States. Tirupur cluster comprises of around 5000 units which are involved in one or the other activities of Textile value chain. Tirupur is a textile hub and a vast generator of employment for unskilled temporary workers. It is an important trade centre of India. Tirupur has gained universal recognition as the leading source of hosiery, knitted garments, casual wear and sportswear. Tirupur has emerged as the knitwear capital of the country for more than three decades. The potential of this industry depends only on the quality of the employees. QWL factors includes the following areas factors like job satisfaction, work life balance, stress management etc. achieve through wage structure. Based on the wage structure, the industry may grow up. Employees earn wage automatically improve their family standard of living, motivate to reduce turnover and absentees .Benefits are more for industry providing reasonable pay and fair wage structure to their employees enhancing their relationship between employer and employees , production and performance.

II. REVIEW OF LITERATURE

Annelies E.M. Van Vianen, Irene E. De Pater, Myriam N. Bechtoldt and Arne Evers (2011) conducted a study on “The strength and quality of climate perceptions”. The purpose of this study was to investigate whether and how climate strength and quality are related to employee commitment above and beyond individual climate perceptions. Data were collected from 48 work units in organizations from different branches of Industry. A total of 419 employees completed a questionnaire. Climate

quality was related to commitment above and beyond individual climate perceptions. However, this concerned the climate dimensions of cooperation and innovation, but not reward. Climate strength moderated the relationship between individual cooperation and innovation perceptions, and commitment.

Christian Korunka, Peter Hoonakker and Pascate Carayon (2008), in their study titled "Quality of Work Life and turnover intention in Information Technology work", find that high turnover has been a major issue in Information Technology organizations. A conceptual model to explain turnover was developed and tested in two national samples of Information Technology and Information Technology manufacturing work. The model postulates that Quality of Work Life mediates the relations between job, organizational characteristics and turnover intention. The American sample consisted of 677 employees from an International 19 production company. A similar questionnaire was used in both studies. Model was tested with path analysis. A core model with main pathways between job demands and supervisory support to emotional exhaustion, and between emotional exhaustion and job satisfaction to turnover intention was confirmed in the national samples and in subsamples of demographics and job types.

III. OBJECTIVES OF THE TYPE

The study was undertaken with the following objectives:

- To study the personal and occupational profile of the employees' of Textile Industry in Tirupur
- To study the employees' Work Structure with reference to job related aspects in the Textile Industry

IV. SCOPE AND SIGNIFICANCE OF THE STUDY

Wage structure also an opportunity for employees at all levels to have substantial influence over their work environments by participating in the decision-making process relating to their work and thereby, enhancing their self-esteem and overall satisfaction from their work. The Textile Industry in Tirupur would be in a position to know the wage structure of employees. This study describes the factors determining the wage structure in the firms located in Tirupur and this may hold good for all the firms in Textile Manufacturing Industry operating with a similar culture. Hence, the researcher has made an earnest attempt to study the wage structure prevailing in the Textile Industry of Tirupur and attempts to provide an insight into the issue of the wage structure of the Textile Industry employees.

V. METHODOLOGY OF THE STUDY

A survey approach was used in conducting the study. Data was collected through questionnaire. The sample size is 500 respondents. Simple percentage analysis, mean, standard deviation, t test and f-test used to analysis the respondent's data. Primary and secondary data are used for analysis.

VI. DATA ANALYSIS AND INTERPRETATION

Table 1 Discrete factors contributing to wage structure

S.No	Wage structure	N	Min.	Max.	Mean	S.D
1	The company provides fair and adequate wage	500	1.00	5.00	4.0080	1.1656
2	The company provides equal wage to the same cadre	500	1.00	5.00	4.1060	.9447
3	The wage plan is consistent with the other companies	500	1.00	5.00	4.3320	.7791

Hence, it can be concluded that among the various factors of the wage structure, the wage plan is consistent with the other companies more towards the wage structure.

Table 2 Distribution of factor base on wage structure for Different Category of employees Overtime

S.No	Variables	Group	Over Time (pay as single wage)	Over Time (pay as double wage)	No.
1	Size of Unit	Small	179	21	200
		Medium	113	87	200
		Large	09	91	100

Hence, it can be concluded that among the different category of employees overtime shows that large unit employees get double wage for overtime and small unit employees get only single wage as overtime.

Next, an attempt has been made to examine the association between the employees opinion towards wage structure with their personal and occupational profile. T-test and F-test have been applied to find the association by formulating the null hypothesis.

Ho: There is no significant association between employees' opinion towards wage structure and their personal / occupational profile.

- i) It portrays the mean values of employees' opinion towards wage structure for all independent variables that determine the personal profile such as age, gender, marital status, educational qualifications, family size, family income and family debt

Table 3 Distribution of respondents based on the association between personal profile and their opinion towards wage structure

S.No	Variables	Group	Mean	SD	No.	F test	T Test	df.	Table Value	Sig.
1	Age	18 - 25 yrs	12.99	1.79	113	27.647		499	3.357	**
		25 - 35 yrs	12.36	1.79	179					
		35 - 45 yrs	10.79	2.46	95					
		45 - 55 yrs	13.58	1.76	76					
		Above 55 yrs	13.14	1.75	37					
2	Gender	Male	12.33	1.64	289		1.447	498	1.968	Ns
		Female	12.61	2.64	211					
3	Marital Status	Unmarried	12.49	1.89	124	.630		499	2.623	Ns
		Married	12.33	2.25	248					
		Divorced	12.60	2.07	85					
		Widowed	12.70	2.12	43					
4	Educational Qualifications	Illiterate	12.52	2.49	58	.954		499	2.390	Ns
		Primary	12.57	2.02	283					
		Higher Secondary	12.21	2.20	137					
		Graduate	12.47	1.41	15					
		Diploma	11.57	2.70	7					
5	Family Members	1 - 3	12.67	2.28	120	.914		499	3.014	Ns
		4 - 6	12.39	2.14	315					
		Above 6	12.29	1.70	65					
6	Family Income	Rs.5001 - Rs.10000	12.85	2.03	33	.989		499	2.623	Ns
		Rs.10001 - Rs.15000	12.63	2.01	71					
		Rs.15001 - Rs.20000	12.29	2.24	222					
		Above Rs.20000	12.49	2.04	174					
7	Family Debt	No	12.91	1.85	88		2.263	498	1.968	*
		Yes	12.35	2.17	412					

Source: Primary Data

NS-Non Significant, * - 5 % level of Significance, ** - 1 % Level of Significance

T-test and F-test results shows that the calculated value is lower than the table value in the case of gender, marital status, educational qualifications, family size and family income at either 5 percent or 1 percent significance level. The hypothesis is accepted and therefore, there is no association found between these personal variables and the wage structure. At the same time,

the calculated value is higher than the table value at either 5 percent or 1 percent significance level in the case of personal variables such as age and family debt. Therefore, null hypothesis is rejected in these cases.

The respondents whose age is between 45 and 55 years are found to agree more on wage structure compared to the respondents whose age is between 35 and 45 years. The female respondents are found to agree more on wage structure compared to male group. The respondents who are widows are found to agree more on wage structure compared to married groups. The respondents who are educated at primary level are found to agree more on wage structure compared to respondents who are educated at diploma level. The respondents who have between 1 and 3 members in their family are found to agree more on wage structure compared to those who have above 6 members. The respondents between Rs.5001 and Rs.10000 family income are found to agree more on wage structure compared to those between Rs.15001 and Rs.20000 family income. The respondents who do not have family debt are found to agree more on wage structure compared to those who have family debt.

- ii) It portrays the mean values of employees' opinion towards wage structure for all independent variables that determine the occupational profile such as unit size, type of job activity, work experience, wage and work schedule.

Table 4 Distribution of respondents based on the association between occupational profile and their opinion towards wage structure

S.No	Variables	Group	Mean	SD	No.	F test	T Test	df.	Table Value	Sig.
1	Size of Unit	Small	12.39	2.40	200	1.476		499	3.014	Ns
		Medium	12.35	1.98	200					
		Large	12.77	1.77	100					
2	Type of Job Activity	Fabrication, Compacting and Calendaring	12.17	1.79	106	3.841		499	3.821	**
		Dyeing, Bleaching and Printing	12.38	1.99	52					
		Cutting, Sewing, Embroidering and packing	12.82	2.09	205					
		Composite unit	12.12	2.37	137					
3	Total Experience in Textile Industry	Less than 5	12.80	1.88	59	3.409		499	3.357	**
		5 - 10	12.10	2.31	250					
		10 - 15	12.75	1.90	122					
		15 - 20	12.87	2.26	15					
		Above 20	12.85	1.69	54					
4	Wage (p.m)	Below Rs.3000	12.10	2.77	10	4.957		499	3.357	**
		Rs.3001 -Rs. 6000	12.78	1.86	49					
		Rs.6001 -Rs. 9000	13.17	2.09	107					
		Rs. 9001 -Rs. 12000	12.19	2.59	155					
		Above Rs.12000	12.16	1.56	179					
5	Work Schedule	Day shift	12.62	2.56	165	1.431		499	2.390	Ns
		Afternoon shift	11.93	2.15	29					
		Night shift	12.56	2.51	9					
		Irregular shift on cal	12.70	1.71	93					
		Rotating shift	12.26	1.86	204					

Source: Primary Data

NS-Non Significant, * - 5 % level of Significance, ** - 1 % Level of Significance

F-test results shows that the calculated value is lower than the table value in the case of unit size and work schedule at 1 percent significance level. The hypothesis is accepted and therefore, there is no association found between these occupational variables and the wage structure. At the same time, *the calculated value is higher than the table value at 1 percent significance level in the case of occupational variables such as type of job activity, experience and wage. Therefore, null hypothesis is rejected* in these cases.

The respondents who are working in large units are found to agree more on wage structure compared to the respondents who are working in medium units. The respondents who are working in cutting, sewing, embroidering and packing units are found to agree more on wage structure compared to the respondents who are working in composite units. The respondents who have experience between 15 and 20 years in Textile Industry are found to agree more on wage structure compared to the respondents who have experience between 5 and 10 years in Textile Industry. The respondents who earn between Rs.6001 and Rs.9000 are found to agree more on wage structure compared to the respondents who earn below Rs.3000. The respondents who are working in irregular shifts are found to agree more on wage structure compared to the respondents who are working in afternoon shifts.

VII. FINDINGS

- The wage plan is consistent with the other companies more towards the wage structure.
- large unit employees get double wage for overtime and small unit employees get only single wage as overtime
- There is association of employees' opinion on the wage structure with age and family debt is found. the respondents whose age is between 45 and 55 years are found to agree more on wage structure compared to the respondents whose age is between 35 and 45 years. The respondents who do not have family debt are found to agree more on wage structure compared to those who have family debt.
- There is association of employees' opinion on wage structure with job activity, experience and income is found. Respondents who are working in cutting, sewing, embroidering and packing units are found to agree more on wage structure compared to the respondents who are working in composite units. Respondents who have experience between 15 and 20 years in textile industry are found to agree more on wage structure compared to the respondents who have experience between 5 and 10 years in textile industry. Respondents who earn between Rs.6001 and Rs.9000 are found to agree more on wage structure compared to the respondents who earn below Rs.3000.

VIII. SUGGESTIONS

- There is no association of employees' opinion on the wage structure with gender, marital status, educational qualification, family member and family income. Since wage contributes more towards employee job satisfaction. The firm should concentrate on gender, marital status, educational qualification, family member and family income while fixing the wage structure for employee at the time of joining and revising their scale for the employees to get satisfied in the job environment. Job satisfaction leads to better working environment which highly stimulate the production performance of the employees.
- There is no association of employees' opinion on the wage structure with unit size and work schedule. So employee should study the reason behind the dissociate of the wage structure with size of unit and work schedule. Employers can create better working environment by fulfilling's the basic needs of employees. It automatically improve their employee's performance that excels the QWL from the concerned firm.
- Employer should monitor the wage structure of all employees and watch their personal and family development after joining their firm. The employer review their personal and organization vision and help to achieve both that supports the

employees to balance their work and life which leads a satisfied work life. The mind set of employees boost productivity and increase image of the firm in the society.

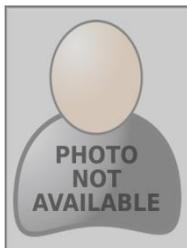
IX. CONCLUSION

The study reveals that with regard to wage structure, basic and other benefits differ from one firm to other firm. It is proved in the following factor, based on the size of unit benefits received by the employees vary for unit to unit. This makes the employees feel distrusted among them. When the employees are working exceeding eight hours during the order completion time by providing the reward and reasonable wages as prescribed norms for overtime. This efforts makes the employees feel satisfied even after working for more hours. The employers should provide better wage structure to get better QWL which in turn leads to increase in employee morale also supports to minimize attrition rate and checks labour turnover and absenteeism. There will be better communication and understanding among all employees leading to cordial relations. It enhances the brand image for the company and encourages new talent entry into the company.

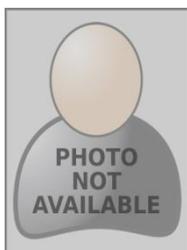
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