

Strengthening the human capital through HPWP for Indian Textile and Clothing Industry



KEYWORDS : Indian Textile Industry, Human Resource Practices (HRP), High Performance Work Practices (HPWP)

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ABSTRACT

The Indian Textile Industry is the second largest employment provider giving direct employment to over 45 million people and accounting to 21 percent of the total employment generated in the Indian economy. The estimates of the growth and opportunities in this sector see major augmentation in manufacturing, processing and garmenting sectors of the Textile and Apparel Industry. In order to sustain the continued expansion, the Human Resources Practices need to be strengthened and improved. The up gradation of the technology would require facilitating the technical skills of the manpower and greater financial implications on Human Resources Development. The applications of High Performance Work Practices (HPWP) help the organization achieve their mission, objectives, strategy, culture and enhance the reputation of the organization in the long run.

INTRODUCTION:

India ranks second in Global Textile and Apparel exports having an expected growth of US\$ 223 billion by 2021, according to Technopak Advisors. The Indian Textile and Clothing (T&C) Industry has a major contribution to the Indian Economy accounting to 14% of India's Industrial Production, 4% nation's GDP and 27% of the country's foreign exchange earnings. The Indian Textile Industry is the second largest employment provider giving direct employment to over 45 million people and accounting to 21 percent of the total employment generated in the Indian economy. The Indian Government is taking many initiatives for the growth of this sector, including "Make in India" campaign enabling it to achieve 20% growth in exports and sustain 12% growth rate in the domestic market till 2024-25 as suggested by the report of the expert committee on vision, strategy and action plan for Indian Textiles and Apparel Sector. The Indian Apparel market is currently valued at USD 40 billion and growth projections are at a CAGR of 13% with an estimated increase to USD 124 billion, by 2020 as reported by Wazir advisors. The estimates of the growth and opportunities in this sector see major growth in manufacturing, processing and garmenting sectors of the Textile and Apparel Industry. In order to sustain the continued growth of this, the Human Resource Practices (HRP) need to be strengthened and augmented.

OBJECTIVES:

1. To examine the need for improvement in Human Resources Development (HRD) in the Indian Apparel Industry.
2. To explore the role of High Performance Work Practices (HPWP) in accelerating the growth of the Indian Apparel Industry.

RESEARCH METHODOLOGY:

Research Methodology is comprised of a number of alternative approaches and interrelated and frequently overlapping procedures. The Research Design of the paper is mainly exploratory in nature aligned with achieving the objectives of analyzing Human Resource practices in the Indian Apparel Industry. The present study has been conducted on the basis of the secondary data collected from various sources published statistics, reports, research journals, websites etc.

ROLE OF HUMAN RESOURCE PRACTICES IN AN ORGANISATION:

Hameed & Waheed (2011) state that the employee performance has a major role to play in determining the success and failure of any organisation. The paper presents the paramount importance of Employee Development, investment in the human capital and various challenges incurred to upgrade the employees. Tiwari (2014) opines that maximization of revenue and profit is the ultimate goal of any organisation. Efficient and effective workforce is one of the vital tools to realise such goals

and objectives. Therefore, Training and Development activities have a major role to play in increasing the productivity.

Mittar & Mathew (2014) was to explore the Human Resource Management Practices in the Garment Manufacturing environment for the middle level management and to find out the positive effects of these vital practices on the employee performance. The study concluded that there is a positive correlation between Performance Appraisal and Employee effectiveness and Training and Employee efficiency. However, there is a negative correlation between compensation and employee turnover suggesting that with better compensation techniques, employee turnover is lower. Zhai, Liu, & Fellows (2014) emphasized the importance of intellectual capital, knowledge sharing, and group interaction for long term development of organisations. The results state the importance of organizational learning and signify it as a mediating variable between Human Resource Practices (staffing, training, rewards, and employment relations) and Organizational Performance. Ijigu (2015) discusses the positive correlation of employees Job satisfaction and HR Practices like Training and Development, Performance Appraisal and compensation packages. Tetteh (2015) states that the management of human resources as shared responsibility across organizations. With the changing market scenario, innovative Human Resource Practices are in demand leading to competitive advantage. The author discusses the increase of the integration of Human Resource Policies and Practices with business strategy at domestic as well as international level for better Organizational Performance.

HIGH PERFORMANCE WORK PRACTICES (HPWP) FOR INDIAN APPAREL INDUSTRY:

HPWP in Human Resources help in finding out and retaining competent personnel in line with the goals and objectives of an organization in the most resourceful and effectual manner. The process helps in abridging the gap between the employees' prospects and the organizational requirements of attaining pertinent strategies

HPWP include complementary work practices covering three major categories of HR practices:

- High Employees Involvement Practices
- Human Resources Practices
- Reward and Commitment Practices Ashton and Sung (2002) and Thompson (2002).

Theriou & Chatzoglou (2009) examined the linkages between HR Practices, Knowledge Management, Organisational Learning, Organisational capabilities and Performance empirically. The results indicate that organizations following the best HRM practices are able to achieve better performance through the interaction of the practices with Knowledge Management

and Organisational learning capability and creation of Organizational Capabilities. Klaas, Semadeni, Klimchak, & Ward (2012) examine the impact of HPWP in small and medium enterprises. The findings indicate the positive relation of leader perceptions of HR effectiveness with the usage of HPWPs. They also indicated this relationship to be moderated both by communication patterns between the small-business leader and the HR consultant assigned to the firm and the HR knowledge of the small-business leader. Tregaskis, Daniels, Glover, Butler, & Meyer (2013) suggest that the acceptance of HPWP is directly related to the organizations' performance. The results of the study showed that the implementation of HPWPs led to subsequent and sustained enhancement in productivity and safety performance.

An overview by Suttapong, Srimai, & Pitchayadol (2014) signify the importance of HRP in the overall growth and development of any organisation. The authors state that HR professionals recognize the value of learning from the experiences of other leading organisations so that they can identify the best HR practices that can drive the high performance necessary to flourish in the competitive and dynamic market. The best practices identified by the author are as listed below:

- High performers to be offered Job rotation.
- Employee skills can be developed by providing ongoing trainings
- Developmental Performance Appraisals may be conducted
- Information and knowledge sharing
- Career Opportunities need to be provided
- Employee participation to be encouraged
- Introduction of Performance-based incentives.

The applications of such practices help the organisation achieve their mission, objectives, strategy, culture and enhance the reputation of the organisation in the long run.

RECOMMENDATIONS:

The understanding of appropriate HR Practices that can help organizations in achieving their objectives is extremely important in the changing dynamics of Indian Apparel Industry. As stated, the Indian Textile Industry being the second largest employer after the agriculture contributes a lot with respect to Human Resources employed. Therefore, there is a great need to pay attention to develop the Human Resources and concentrate on the availability of trained and developed manpower to achieve the organizational objectives. With the expansion in trade and change in technology, management and development of Human Resources become crucial. Labour shortage and increasing wage rate would lead to automation further leading to higher productivity. The up gradation of the technology would require facilitating the technical skills of the manpower as well as adopting the best Human Resource practices for the retention of skilled manpower at technical and managerial level, thereby,

making it necessary for the organisations to concentrate of Human Resource Development.

CONCLUSION:

To sustain a diverse and competitive workforce, technological changes, expansion of trade, Apparel Industry needs to look for innovative approaches, strategy and action plan for their survival. Human Resources Management has gained immense significance and plays a very crucial role in the overall management of the organisation. High Performance Work Practices in organisations need integrated and strategized involvement for long term benefit. These practices need to work with all in tandem to achieve the goals and objectives of an organisation and making it competitive in the flexible business environment.

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