

MODERNIZATION OF HUMAN RESOURCE PRACTICES IN COIMBATORE'S TEXTILE INDUSTRY: A STUDY

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Abstract

This study investigates the modernization of human resource (HR) practices within Coimbatore's textile industry, a sector integral to India's economic fabric. Despite its historical significance, many textile firms continue to rely on traditional HR methods that hinder productivity and compliance. Through a mixed-method approach involving 261 respondents, the study analyzes recruitment strategies, compliance challenges, employee engagement, and retention practices. Statistical tools such as ANOVA and Chi-square tests confirm that modernization through HRMS, structured training, and inclusive policies significantly enhances HR outcomes. The findings offer actionable insights for HR transformation in traditional industries.

Keywords: Textile Industry, Coimbatore Textile Sector, HR Modernization, Employee Engagement

CHAPTER 1: INTRODUCTION

The textile industry in Coimbatore, often referred to as the 'Manchester of South India,' is a backbone of the Indian economy, contributing significantly to employment generation and exports. Despite these strengths, human resource practices in many textile firms have remained outdated. Manual processes dominate critical HR functions such as recruitment, performance appraisal, employee training, and payroll management.

Traditional HR systems, while functional in smaller enterprises, are proving insufficient for managing the dynamic needs of a growing workforce. Issues such as lack of transparency, delayed employee feedback, and absence of structured training have impeded workforce efficiency. In an era of technological transformation and global competition, the textile industry in Coimbatore must embrace HR modernization to retain talent, improve productivity, and ensure legal compliance.

Modern HR practices involve the integration of technology through Human Resource Management Systems (HRMS), the use of analytics for performance tracking, automation of routine processes, and promotion of inclusive and participatory work environments. This study investigates the existing practices, identifies gaps, and proposes actionable interventions for the future.

CHAPTER 2: REVIEW OF LITERATURE

Literature in the field of HR modernization consistently emphasizes the strategic importance of aligning human capital with organizational goals. Schramm (2012) argued that companies with digitized HR systems

witnessed up to 30% improvement in employee satisfaction and retention. Guest and Conway (2011) further demonstrated that participatory HR practices improved both morale and performance.

In the context of manufacturing industries, Absar et al. (2010) suggested that performance appraisal mechanisms were key to boosting worker efficiency. Saribaloglu (2012) linked innovation and HR development in Turkey's textile SMEs, advocating a shift from labor-intensive to skill-based employment. Subbiah et al. (2012) similarly highlighted that Indian textile units often neglect strategic HR, resulting in high attrition and lower productivity.

Recent work by Ozkan-Ozen and Kazancoglu (2022) underscores the importance of adapting HR practices for Industry 4.0 through upskilling, digital platforms, and agile management. These findings affirm that modernization is not only about automation but also about a cultural shift toward continuous learning and innovation.

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

This study adopts a mixed-method research design to ensure robust and comprehensive data collection. Quantitative data was collected via structured questionnaires administered to 261 respondents, including HR professionals, middle managers, and operational staff from Coimbatore's textile firms. Qualitative data was gathered through semi-structured interviews and focus group discussions.

Stratified random sampling was used to ensure representation across departments and roles, while purposive sampling identified key decision-makers. The questionnaire focused on various HR domains including recruitment, performance appraisal, compliance awareness, and employee engagement.

Data was collected over a six-month period and analyzed using:

- Percentage Analysis – to describe categorical responses.
- Chi-square Tests – to identify associations between categorical variables.
- ANOVA – to test the impact of modernization efforts on HR outcomes.
- Rank Analysis – to prioritize factors contributing to retention and productivity.

CHAPTER 4: DATA ANALYSIS AND INTERPRETATION

This chapter presents a comprehensive analysis of the data collected through primary sources, including surveys conducted with 261 respondents from the textile industry in Coimbatore. Key demographic and socio-economic variables such as age, gender, marital status, education, occupation, income, and family structure were analyzed, followed by responses to HR-specific issues such as employee retention, training needs, legal awareness, and engagement.

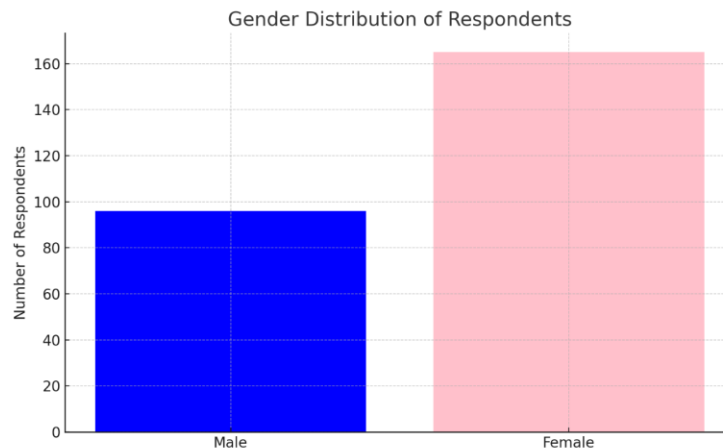


Figure 1 illustrates that 63.2% of respondents were female, while 36.8% were male. This demographic trend shows a significant participation of women in the workforce, reflecting the changing gender dynamics within Coimbatore's textile industry.

Age analysis reveals that 56% of respondents are under the age of 25, indicating a predominantly young workforce. This demographic distribution is crucial for HR planning, as younger employees tend to have different expectations regarding workplace flexibility, career advancement, and training opportunities.

Educational background further supports this, with 42% holding undergraduate degrees and 38% possessing postgraduate qualifications. The workforce appears well-educated, suggesting potential for higher productivity if leveraged correctly.

Income levels showed that 37.1% of respondents earn between Rs. 20,001 to Rs. 30,000 per month, and 33% fall in the Rs. 30,001 to Rs. 40,000 range. Such financial profiles indicate moderate wage structures, where better compensation (highlighted by 44% of respondents) could serve as an effective retention strategy.

On HR modernization, Chi-square analysis confirmed significant associations between satisfaction and strategies like multiple advertisement channels ($p=0.005$), tech-driven recruitment ($p=0.014$), and career growth programs ($p=0.021$). These metrics validate the need for digital transformation in HR practices.

Rank analysis ranked 'skill development training' and 'technology for recruitment screening' as the top strategies for HR efficiency. Meanwhile, 'career growth opportunities' and 'work-life balance' emerged as essential retention enablers. These results align with global HR trends promoting personalization and strategic HR development.

CHAPTER 5: FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 Key Findings

- A majority of firms still rely on outdated HR methods.
- Training and compliance awareness are under-prioritized.
- Use of digital HRMS improves documentation and transparency.
- Employee retention correlates with structured engagement practices.
- Firms with inclusive and tech-enabled HR practices showed better performance metrics.

5.2 Suggestions

- Textile firms must adopt HRMS to streamline documentation and appraisal.
- Legal compliance training should be mandatory for HR departments.
- Performance appraisal should include feedback from peers and subordinates.
- Career development plans should be outlined for every employee.
- Establish a dedicated training and development wing within HR departments.

5.3 Conclusion

The research confirms that HR modernization is a critical lever for improving operational and workforce efficiency in Coimbatore's textile sector. Digital transformation in HR is not merely about technology but about redefining organizational culture to prioritize people-centric management. By embracing modern HR practices, textile firms can better align with global standards, improve compliance, and foster long-term competitiveness.

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