



A STUDY ON INFLUENCE OF EMPLOYEE'S FACTORS ON PERFORMANCE OF TEXTILE INDUSTRIAL UNITS

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ABSTRACT

Employees are the most valuable asset for all industrial organizations, but employees also represent the most difficult resource for organizations to manage. Unlike physical assets, employees have their own needs and aspirations which should be met and behaviour which must be managed if they are to contribute to organizational performance. The expertise, attachment, enrichment and benefits are the employee's factors that influence the performance of textile industrial units. There is significant difference between socio-economic profile of employees and employee's factors that influence the performance of textile industrial units. The enrichment, expertise, attachment and benefits are significantly and positively influencing the performance of textile industrial units. The textile industrial units should improve technical, communication, problem solving and risk management skills of employees through recurrent and effective trainings. The management must encourage teamwork and better interpersonal relationship among employees and it should motivate employees and ensure safety and security for employees.

Key words: Employee's Factors, Performance, Textile Industrial Units.

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1. INTRODUCTION

Organizations have a significant role in daily lives and thus, successful organizations symbolize a key element for development of nations and organizations are considered as an engine in deciding the social, economic and political progress of many countries. Continuous performance is the center idea of any organization because only through best performance organizations are able to grow and progress further (Gavrea et al 2011).

Employees are the most valuable asset for all industrial organizations, but employees also represent the most difficult resource for organizations to manage. Unlike physical assets, employees have their own needs and aspirations which should be met and behaviour which must be managed if they are to contribute to organizational performance. They are individuals who bring their own perspectives, values and attributes to organizational life, and when managed effectively can bring considerable benefits to organizations (Akhtar et al 2008).

The capability of organization to ally resources and employees to work that are strategic for achieving the higher level of performance in right and ethical means that eventually directs to long term competitive advantage. The employee's factors are the most important internal factors for the performance of organization. Therefore, an attempt is made to study the influence of employee's factors on performance of textile industrial units in Coimbatore district.

2. REVIEW OF LITERATURE

Mohd et al (2010) concluded there was a positive association between firm financing, entrepreneurial value, market practice, management, and growth performance of SMEs. The result also confirmed that government policy had a major role as a full moderator in those associations.

Hassim et al (2011) indicated that innovativeness and entrepreneurial orientation had a positive impact on business performance of firm whereas, market orientation showed an adverse impact on performance of firm. The external environmental factors had a moderating impact on the association between market orientation and performance of firm.

Alkali and Isa (2012) found that both internal and external environments of business affected the performance of organization. The business plan, access to information, technology, competition and marketing were affecting organizational performance. The financing also showed that access to capital and support from government was significantly influencing the performance of organization.

Akinruwu et al (2013) concluded that education, funds, government policy, managerial skills, entrepreneur competencies and infrastructure were significantly influencing the performance of SMEs, whereas, raw material, customer, technology, political environment and distribution channels were not significantly influencing the performance of SMEs.

Anga (2014) showed that business or communication, skills, risk-taking, and capability to take a decision had no significant impact on the performance of SMEs. Finance, market of the product and government policy showed an adverse effect on the performance of SMEs and ICT and infrastructure had a positive association with the performance of SMEs.

Kebede and Simesh (2015) revealed that technological environment financial and infrastructure environment and factors related with entrepreneurial commitment had significant relation with performances of MSEs.

Oluwadare and Oni (2016) found that technological capacity, SME's owner / manager and competitive intensity had positive and significant impact on performance of small and medium scale enterprises.

Nikpour (2017) concluded that organizational culture had direct and significant impact on performance of organization, while, organizational commitment of employees had mediation impact on organizational performance.

3. METHODOLOGY

The present study is carried out in Coimbatore district. The employees of textile industrial units in Coimbatore district are selected by using simple random sampling technique. The data are gathered from 922 employees of textile industrial units in Coimbatore district through pre-tested and structured questionnaire. The percentage analysis is done to know the socio-economic profile of employees of textile industrial units. An exploratory factor analysis is carried out for identifying the employee's factors that influence the performance of textile industrial units. The ANOVA (Analysis of Variance) test is used to examine the difference between socio-economic profile of employees and employee's factors that influence the performance of textile industrial units. The multiple linear regression is applied to study the influence of employee's factors on performance of textile industrial units.

4. RESULTS AND DISCUSSION

4.1. Socio-Economic Profile of Employees of Textile Industrial Units

Nearly three fifth of (57.27 per cent) employees are males and nearly one third of (31.89 per cent) employees belong to the age group of 26 – 35 years. One fourth of (25.38 per cent) employees have educational qualification of higher secondary and more than one third of (36.99 per cent) employees are working in the functional area of production. More than half of (51.52 per cent) employees are workers and more than one third of (34.71 per cent) employees have work experience of 7 – 9 years.

4.2. Employee's Factors that Influence the Performance of Textile Industrial Units

Table 1 Identification of Employee's Factors That Influence the Performance of Textile Industrial Units

Factor	Item	Rotated Factor Loadings	Eigen Value	% of Variation	Factor Name
I	Technical skills	0.67	3.83	27.06	Expertise
	Problem solving skills	0.62			
	Communication skills	0.66			
	Involvement in decision making	0.61			
	Risk	0.68			
II	Teamwork	0.69	2.85	23.71	Attachment
	Motivation	0.70			
	Interpersonal relationship	0.65			
	Safety and security	0.60			
III	Training	0.63	1.38	16.19	Enrichment
	Empowerment	0.71			
	Learning and career development	0.64			
IV	Pay and assistance	0.69	1.31	12.48	Benefits
	Work flexibility	0.67			
	Performance appraisal	0.72			
	Cumulative % of Variation	-	-	79.44	-
	Cronbach's Alpha	-	-	-	0.85

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Rotation converged in 9 iterations.

To identify the employee's factors that influence the performance of textile industrial units, an exploratory factor analysis is carried out and the results are presented in Table-1. The Kaiser-Meyer-Olkin (KMO test) measure of sampling adequacy (KMO = 0.768) and Bartlett's test of Sphericity (Chi-square value = 0.0052; Significance = 0.000) indicates that the factor analysis method is appropriate.

Four factors that are extracted accounting for a total of 79.44 per cent of variations on 15 variables. Each of the four factors contributes to 27.06 per cent, 23.71 per cent, 16.19 per cent and 12.48 per cent respectively.

Factor - I comprises of technical skills, problem solving skills, communication skills, involvement in decision making and risk. Therefore, this factor is named as **Expertise**.

Factor - II includes teamwork, motivation, interpersonal relationship and safety and security. Hence, this factor is named as **Attachment**.

Factor - III consists of training, empowerment and learning and career development. Thus, this factor is named as **Enrichment**.

Factor - IV covers pay and assistance, work flexibility and performance appraisal. So, this factor is named as **Benefits**.

Cronbach's Alpha value of the scale is 0.85 showing that each measure exhibits acceptable level of internal consistency. It reveals that expertise, attachment, enrichment and benefits are the employee's factors that influence the performance of textile industrial units.

4.3. Socio-Economic Profile of Employees and Employee's Factors that Influence the Performance of Textile Industrial Units

To examine the difference between socio-economic profile of employees and employee's factors that influence the performance of textile industrial units, ANOVA (Analysis of Variance) test is used and the results are presented in Table-2.

Table 2 Difference between Socio-Economic Profile of Employees and Employee's Factors that Influence the Performance of Textile Industrial Units

Particulars	F-Value	Sig.
Gender and Employee's Factors That Influence The Performance of Textile Industrial Units	13.488**	.000
Age Group and Employee's Factors That Influence The Performance of Textile Industrial Units	5.041**	.000
Educational Qualification and Employee's Factors That Influence The Performance of Textile Industrial Units	12.413**	.000
Functional Area and Employee's Factors That Influence The Performance of Textile Industrial Units	9.849**	.000
Designation and Employee's Factors That Influence The Performance of Textile Industrial Units	7.504**	.000
Work Experience and Employee's Factors That Influence The Performance of Textile Industrial Units	39.501**	.000

** Significant at one per cent level

The F-values are significant at one per cent level revealing that there is significant difference between socio-economic profile of employees and employee's factors that influence the performance of textile industrial units. Hence, the null hypothesis of there is no significant difference between socio-economic profile of employees and employee's factors that influence the performance of textile industrial units is rejected.

4.4. Influence of Employee's Factors on Performance of Textile Industrial Units

To study the influence of employee's factors on performance of textile industrial units, the multiple linear regression is employed and the results are presented in Table-3. The coefficient of multiple determination (R^2) is 0.73 and adjusted R^2 is 0.71 revealing the regression model is good fit. It is inferred that 71.00 per cent of the variation in dependent variable is explained by the independent variables. The F-value of 36.289 is statistically significant at one per cent level showing that the model is significant.

Table 3 Influence of Employee's Factors on Performance of Textile Industrial Units

Employee's Factors	Regression Co-efficients	t-Value	Sig.
Intercept	22.388**	14.018	.000
Expertise (X_1)	.592**	5.737	.000
Attachment (X_2)	.324**	4.415	.000
Enrichment (X_3)	.759**	7.020	.000
Benefits (X_4)	.266**	3.520	.000
R^2	0.73	-	-
Adjusted R^2	0.71	-	-
F	36.289	-	.000

** Significance at one per cent level

The results indicate that enrichment, expertise, attachment and benefits are significantly and positively influencing the performance of textile industrial units at one per cent level. Hence, the null hypothesis of there is no significant influence of employee's factors on performance of textile industrial units is rejected.

5. CONCLUSIONS

The foregoing analysis shows that nearly three fifth of (57.27 per cent) employees are males and nearly one third of (31.89 per cent) employees belong to the age group of 26 – 35 years. One fourth of (25.38 per cent) employees have educational qualification of higher secondary and more than one third of (36.99 per cent) employees are working in the functional area of production. More than half of (51.52 per cent) employees are workers and more than one third of (34.71 per cent) employees have work experience of 7 – 9 years.

The expertise, attachment, enrichment and benefits are the employee's factors that influence the performance of textile industrial units. There is significant difference between socio-economic profile of employees and employee's factors that influence the performance of textile industrial units. The enrichment, expertise, attachment and benefits are significantly and positively influencing the performance of textile industrial units.

The textile industrial units should improve technical, communication, problem solving and risk management skills of employees through recurrent and effective trainings. The management must encourage teamwork and better interpersonal relationship among employees and it should motivate employees and ensure safety and security for employees. In addition, the management could enrich employees through providing learning opportunities and work flexibility.

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