

A STUDY ON INFLUENCE OF ORGANIZATIONAL FACTORS ON PERFORMANCE OF TEXTILE INDUSTRIAL UNITS

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ABSTRACT

In the current business atmosphere, it is essential for organization to enhance their capacity so that they could survive in ferocious turbulence market competition. Fast technological changes and availability of vast information become important factors to do well in the competitive business world. It increases awareness of organization to discover the most efficient mean in achieving its goals. The organizational climate, efficacy and harmonization are the organizational factors that influence the performance of textile industrial units. There is significant difference between socio-economic profile of employees and organizational factors that influence the performance of textile industrial units except designation and organizational factors that influence the performance of textile industrial units. The organizational climate, efficacy and harmonization are positively and significantly influencing the performance of textile industrial units. The management of textile industrial units must create good organizational culture and structure and it should encourage sharing of knowledge among employees and also different functional areas. In addition, management must encourage employees at all levels in decision making process of textile industrial units.

Key Words: Organizational Factors, Performance, Textile Industrial Units

1. INTRODUCTION

Organizational performance includes strategic planning, operations, financial, legal, and organizational development. Organization may achieve its goals when each of the employee understand their roles and responsibilities for the organization, and there should be continues communication between management, leader and employee to set performance expectations, monitor programmes and achieve a good results (Katou, 2008).

Therefore, it is critical for the industrial organizations to strategize their competitive and benefits plans in order to attract appropriate talent, maximize return on human capital and increase employees' job performance through better

human resource management practices and in turn organizational performance. Besides, industrial organization tends to adopt the technology if the consistency with their culture, values, preferred work practices and the availability of the infrastructure (Aluko, 2003).

In the current business atmosphere, it is essential for organization to enhance their capacity so that they could survive in ferocious turbulence market competition. Fast technological changes and availability of vast information become important factors to do well in the competitive business world. It increases awareness of organization to discover the most efficient mean in achieving its goals. Hence, this present study is carried out to examine the influence of organizational factors on performance of textile industrial units in Coimbatore district.

2. REVIEW OF LITERATURE

Munizu (2010) revealed that the performance of MSE sector was affected by both the internal environment and external environment. The internal environmental factors like human resource, technical, financial, production and marketing aspects were influencing the performance of MSE sector and the external environmental factor such as cultural, social and political aspects, policies of government and government support were also influencing the performance of MSE sector.

Jasra et al (2011) stated that there was a positive and significant relation between business success and its determinants. The findings also showed that financial resources were important factors for the success of the business as viewed by small and medium enterprises.

Adeoye (2012) revealed that the task environment consisted of raw materials, labour, financial institutions, suppliers and customer that had direct impact on the performance of organization.

Oginni and Adesanya (2013) found that technology, capital, infrastructural facilities, organizational policies, competition, financial credits and government policies had direct impact on performance of manufacturing sector, while, government

policies, raw materials and inflation had indirect impact on performance of manufacturing sector.

Ilmiani et al (2014) found that business strategy, innovation competency, production competency and marketing competency had affected positively the performance of business organization.

Yılmaz and Bulut (2015) concluded that human resources planning, education, recruitment, training and career management had positive relation with organizational performance.

Mutuku et al (2016) indicated that there was a significant relationship between financial constraints, management constraints and innovation constraints on performance of small manufacturing firms. There was a need for the government to foster innovation amongst SMFs through making of a business environment suitable for entrepreneurship.

Luqman et al (2017) found that size of firm in terms of total assets had a negative impact on performance, while in terms of total sales, size of firm had a positive impact on the performance of Nigerian non-financial companies. Meanwhile, there was a positive relation between working capital and leverage.

3. METHODOLOGY

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

4. RESULTS AND DISCUSSION

4.1. SOCIO-ECONOMIC PROFILE OF EMPLOYEES OF TEXTILE INDUSTRIAL UNITS

The results show that 57.27 per cent of employees are males and the remaining 42.73 per cent of employees are females. The results indicate that 31.89 per cent of employees belong to the age group of 26 – 35 years, 22.02 per cent of employees belong to the age group of 21 – 25 years, 20.93 per cent of employees belong to the age group of 36 – 45 years, 19.09 per cent of employees belong to the age group of 46 – 55 years and 6.07 per cent of employees belong to the age group of more than 55 years.

The results reveal that 25.38 per cent of employees have educational qualification of higher secondary, 19.74 per cent of employees have educational qualification of secondary, 16.70 per cent of employees have educational qualification of diploma, 16.27 per cent of employees have educational qualification of graduation, 12.36 per cent of employees have educational qualification of primary and 9.55 per cent of employees have educational qualification of post graduation.

The results show that 36.99 per cent of employees are working in the functional area of production, 28.85 per cent of employees are working in the functional area of operation, 15.94 per cent of employees are working in the functional area of marketing, 10.52 per cent of employees are working in the functional area of finance and 7.70 per cent of employees are working in the functional area of human resource.

The results indicate that 51.52 per cent of employees are workers, 32.43 per cent of employees are supervisors and 16.05 per cent of employees are managers. The results reveal that 34.71 per cent of employees have work experience of 7 – 9 years, 22.99 per cent of employees have work experience of 4 – 6 years, 17.24 per cent of employees have work experience of 10 – 12 years, 13.56 per cent of employees have work experience of more than 12 years and 11.50 per cent of employees have work experience of 1 – 3 years.

4.2. ORGANIZATIONAL FACTORS THAT INFLUENCE THE PERFORMANCE OF TEXTILE INDUSTRIAL UNITS

To explore the organizational factors that influence the performance of textile industrial units, an exploratory factor analysis is done and the results are presented in Table-1. The Kaiser-Meyer-Olkin (KMO test) measure of sampling adequacy (KMO = 0.752) and Bartlett's test of Sphericity (Chi-square value = 0.0040; Significance = 0.000) shows that the factor analysis method is appropriate. Three factors that are extracted accounting for a total of 72.88 per cent of variations on 15 variables. Each of the three factors contributes to 29.21 per cent, 25.52 per cent and 18.15 per cent respectively.

Table-1. Exploration of Organizational Factors That Influence the Performance of Textile Industrial Units

Factor	Item	Rotated Factor Loadings	Eigen Value	% of Variation	Factor Name
I	Organizational culture	0.66	3.71	29.21	Organizational Climate
	Management style	0.78			
	Decision making process	0.76			
	Knowledge sharing	0.67			
	Organizational structure	0.65			
	Assessment and feed back	0.74			
II	Strategic orientation	0.61	2.26	25.52	Efficacy
	Innovativeness	0.77			
	Resource availability	0.68			
	Advanced technologies	0.79			
	Competitiveness	0.72			
III	Leadership	0.62	1.11	18.15	Harmonization
	Efficient communication system	0.65			
	Quality	0.63			
	Governance	0.70			
	Cumulative % of Variation	-	-	72.88	-
	Cronbach's Alpha	-	-	-	0.87

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
Rotation converged in 7 iterations.

Factor - I consists of organizational culture, management style, decision making process, knowledge sharing, organizational structure and assessment and feed back. Hence, this factor is named as **Organizational Climate**.

Factor - II includes strategic orientation, innovativeness, resource availability, advanced technologies and competitiveness. Therefore, this factor is named as **Efficacy**.

Factor - III comprises of leadership, efficient communication system, quality and governance. Thus, this factor is named as **Harmonization**.

Cronbach's Alpha value of the scale is 0.87 revealing that each measure exhibits acceptable level of internal consistency. It is inferred that organizational climate, efficacy and harmonization are the organizational factors that influence the performance of textile industrial units.

4.3. SOCIO-ECONOMIC PROFILE OF EMPLOYEES AND ORGANIZATIONAL FACTORS THAT INFLUENCE THE PERFORMANCE OF TEXTILE INDUSTRIAL UNITS

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

Table-2. Difference between Socio-Economic Profile of Employees and Organizational Factors that Influence the Performance of Textile Industrial Units

Particulars	F-Value	Sig.
Gender and Organizational Factors That Influence The Performance of Textile Industrial Units	12.256**	.000
Age Group and Organizational Factors That Influence The Performance of Textile Industrial Units	2.473*	.043
Educational Qualification and Organizational Factors That Influence The Performance of Textile Industrial Units	2.891**	.013
Functional Area and Organizational Factors That Influence The Performance of Textile Industrial Units	8.782**	.000
Designation and Organizational Factors That Influence The Performance of Textile Industrial Units	.207	.813
Work Experience and Organizational Factors That Influence The Performance of Textile Industrial Units	8.136**	.000

** Significant at one per cent level

* Significant at five per cent level

The F-values are significant indicating that there is significant difference between socio-economic profile of employees and organizational factors that influence the performance of textile industrial units except designation and organizational factors that influence the performance of textile industrial units. Thus, the null hypothesis of there is no significant difference between socio-economic profile of employees and organizational factors that influence the performance of textile industrial units

is rejected.

Table-3. Influence of Organizational Factors on Performance of Textile Industrial Units

Organizational Factors	Regression Co-efficients	t-Value	Sig.
Intercept	13.172**	16.018	.000
Organizational Climate (X_1)	.941**	12.811	.000
Efficacy (X_2)	.819**	10.681	.000
Harmonization (X_3)	.584**	7.113	.000
R^2	0.69	-	-
Adjusted R^2	0.67	-	-
F	77.093	-	.000

** Significance at one per cent level

4.4. INFLUENCE OF ORGANIZATIONAL FACTORS ON PERFORMANCE OF TEXTILE INDUSTRIAL UNITS

To examine the influence of organizational factors on performance of textile industrial units, the multiple linear regression is done and the results are presented in Table-3. The coefficient of multiple determination (R^2) is 0.69 and adjusted R^2 is 0.67 showing the regression model is good fit. It reveals that 67.00 per cent of the variation in dependent variable is explained by the independent variables. The F-value of 77.093 is statistically significant at one per cent level indicating that the model is significant. The results show that organizational climate, efficacy and harmonization are positively and significantly influencing the performance of textile industrial units at one per cent level. Therefore, the null hypothesis of there is no significant influence of organizational factors on performance of textile industrial units is rejected.

5. CONCLUSION

The study reveals that majority of employees are males and most of them belong to the age group of 26 – 35 years. Most of employees have educational qualification of higher secondary and majority of them are working in the functional area of production. Majority of employees are workers and most of them have work experience of 7 – 9 years.

The organizational climate, efficacy and harmonization are the organizational factors that influence the performance of textile industrial units. There is significant difference between socio-economic profile of employees and organizational factors that influence the performance of textile industrial units except designation and organizational factors that influence the performance of textile industrial units.

The organizational climate, efficacy and harmonization are positively and significantly influencing the performance of textile industrial units. The management of textile industrial units must create good organizational culture and structure and it should encourage sharing of knowledge among employees and also different functional areas. In addition, management must encourage employees at all levels in decision making process of textile industrial units.

The textile industrial units should adopt advanced technologies and innovative methods in order to use their resources efficiently and it turn, it will increase their degree of competitiveness. The textile industrial units must have effective leadership, efficient communication system and good governance mechanism that will improve the performance of textile industrial units.

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