

A Study On Production And Inspiration Of Coir Products In Pudukkottai District

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ABSTRACT

The economic development of any country demands industrialization. Though it has got recognition in our country, it is high time we thought about balanced regional development, an important component of industrialization. Rural development forms a key component in a nation's progress towards economic freedom and equality. But the migration of rural people to cities and the ineffective utilization of rural resources stand as hurdles to rural development. Hence it is very important to develop and to encourage rural industry by considering its significance on the socio-economic front of the country. Rural or traditional industry, one of the sub-sectors of small-scale industry, has a direct and important influence on sustainable economic development.

I. INTRODUCTION

“Encouraging setting up of rural industries in the small area is an instrument for not merely attaining political freedom, but an instrument for economic freedom and a foundation of a new social order” It is a matter of common knowledge that India is a land of villages and two-thirds of its population live in rural areas. The future of India lies in these teeming rural million. It is only from a progressive, growing and dynamic rural society that India could put herself on the desired developmental path. Rural small-scale industries play an important role under the peculiar Indian conditions. They contribute about half the gross value of output originating in the manufacturing sector. At present it contributes 40 percent to exports in the country and provides employment to 13 million.

THE HISTORY OF COIR

How coir industry evolved and reached great heights is an interesting episode in itself. Coir epitomizes the concept of “wealth from waste”. Coir has been known and is in use in India for more than 1000 years. Coir industry prospers well only in areas where coconut production is abundant because coconut husk is the raw material for the industry. The development of coir industry began taking root in India alongside the coconut groves. So the history of coir industry can be dated back to that of the fruits of the coconut palm. The Philippines and the Caribbean may have been the early stars in the history of the coconut economy but in later years India made its mark. Coconut has a recorded history of 2000 to 3000 years in the coastal areas of Sri Lanka and South India.

IMPORTANCE OF THE STUDY

The agro-based traditional rural industry coir is spreading itself at a fast tempo in the southern parts of the country. Being strongly export-oriented from the very beginning, the windfall opportunity offered by the global concern for the environment generated a heat in the industry as its products are totally bio-degradable and eco-friendly. In the changed scenario, any study on this performing sector would be of immense help from a broader perspective. Analyzing cost and returns, resource-use efficiency, returns to scale and problems relating to production in the industry helps to assess the production efficiency of both the small and the medium size units and thereby indicates efficiency and profitability on their scale of operations. The identification of problems which apply brakes in the production of coir fibre would help the owners to take corrective measures wherever necessary. A detailed examination of marketing efficiency undertaken through marketing costs and margins for different channels showed imperfections in the marketing of coir fibre in the study area. The present study, by analyzing the practices, problems and satisfaction level of workers, would help the owners of the units to address the labour issues including working condition so as to make the industry labour-friendly. Therefore, the present study by exposing its potentiality for future growth could be help the industry make an indelible mark in the Pudukkottai district.

STATEMENT OF THE PROBLEM

India being a land of villages with more than two-thirds of her population living in rural areas, rural industrialization could play a key role in the country as it produces forward and backward linkages in the rural economy. In this context the Rural Small Scale Enterprises (RSSEs) based on local raw materials, skills and technology have been identified as one of the key sectors in the country. Among the rural small-scale industries, coir industry is the oldest agro-based rural industry, which has got the attention of both the enterprising entrepreneurs and the government alike today.

II. OBJECTIVES OF THE STUDY

1. To study the human resource practices of the industry in the study area and to measure the level of satisfaction of the workers on the prevailing working conditions across their socio-economic factors.
2. To study the major problems in production, marketing and managing human resources of the units in the study area.

III. METHODOLOGY OF THE STUDY

The methodology of the study the based on analytical tools are important for a meaningful analysis of any research problem. And the reasons for the choice of the study area, the collection of data, the sampling design and the Tools of analysis are described.

CHOICE OF THE STUDY AREA

The study area of the present research work is Pdukkottai District, Tamil Nadu though it is predominantly an agricultural district, now, it stands at the ninth place in the state in terms of industrial production.

HUMAN RESOURCE DEPARTMENT IN COIR UNITS OF THE STUDY AREA

SL. NO	THE STATE OF PRESENCE	NUMBER OF UNITS		TOTAL
		SMALL	MEDIUM	
1.	Present	17(53.13)	8 (33.33)	25 (44.64)
2.	Not Present	15(46.87)	16(66.67)	31(55.36)
Total		32(100.00)	24 (100.00)	56 (100.00)

Source: Primary data

TABLE NO1

It is understood from Table - 1 that out of the 52 units, 17 (53.13 per cent) have a separate Human Resource Department whereas 31units (55.36per cent) did not have such a separate department. Among the 24 medium units only 8 units (33.33 per cent) have a separate human resource department and 16 units (66.67 per cent) did not. In respect of the 32 small units, only 17 (53.13 per cent) have a separate department and the remaining 15 units (46.87 per cent) do not.

STATE OF HUMAN RESOURCE POLICIES

The formulation and execution of well-defined human resource practices ensure a harmonious employer-employee relationship in the organization. As a majority of the coir units did not possess a separate Human Resource Department, it could be observed that the formulation and execution of well-defined human resource policies generally do not exist. The responses and opinions collected from the entrepreneurs showed that though a well-defined human resource policy did not exist, they plan and execute policies informally. Table -2 shows the state of the human resource policies followed in the coir units of the study area.

STATE OF HUMAN RESOURCE POLICIES IN COIR UNITS OF THE STUDY AREA

STATE OF HUMAN RESOURCE POLICIES	NUMBER OF UNITS		TOTAL
	SMALL	MEDIUM	
Formal	17(41.46)	8(61.53)	25(46.30)
Informal	24(58.54)	5(38.47)	29(53.70)
Total	41(100.00)	13(100.00)	54(100.00)

Source: Primary data

TABLE NO-2

It is clear from Table -2 that out of the total 54 units, 25 (46.30 per cent) have formal human resource policies but the remaining 29 units (53.70 per cent) follow human resource policies informally. Further, the table shows that among the 8 medium units, 8 (61.53 per cent) formulate and execute human resource policies formally in their units, whereas 5 units (38.47 per cent) do not show interest in the formal formulations and execution of such policies. All the small units of the study area also followed know well-defined human resource policy to guide their units on matters concerning their human resources.

RECRUITMENT AND SELECTION

Employees well-selected and well-placed would not only improve the operational efficiency of the organization but offer significant potential for future replacement. The efficiency of a worker depends upon the quality of the process of recruitment and selection followed and hence a sound recruitment and selection process is vital for the industry. It is to be noted here that workers being mostly casual, a scientific and well planned system of recruitment and selection

was not in use in the coir units of the study area. Table- 3 shows the sources of recruitment of workers in the industry.

SOURCES OF RECRUITMENT OF WORKERS

SL.NO	SOURCES	NUMBER OF UNITS		TOTAL(25 UNITS)
		SMALL (17UNITS)	MEDIUM(8UNITS)	
1.	Through existing workers	29 (89.66)	24 (100.00)	49 (94.23)
2.	Through Supervisors	32 (96.55)	29 (95.65)	50 (96.15)
3.	Through friends and relatives	9 (6.90)	5 (4.35)	14 (5.77)
4.	Through Partners	12 (6.90)	7 (30.43)	19(17.31)
5.	Direct application	25(6.90)	9 (26.09)	34(15.38)

Source: Primary data

TABLE NO-3

Table 6.3 shows the sources of recruitment of workers in the industry. It is seen from table that all the coir units exploit all the five sources available for the recruitment of workers. However a majority of the units recruit their work force with the help of the existing workers (94.23 per cent) and through their supervisors (96.15 per cent). Other sources are minimally used. The direct application method is the last source.

TRAINING

Training is an all-pervasive and universal process taking place all the time and in all organizations. Training is a tool for imparting skills to workers. A worker needs skills to operate machines and to use other equipment with least damage and risk. Training is imparted to both new and old employees.

NATURE OF TRAINING TO WORKERS

NATURE OF TRAINING	NUMBER OF UNITS		TOTAL
	SMALL	MEDIUM	
On the job training	28 (82.35)	14 (48.27)	42 (66.66)
Off the job training	6 (17.64)	15 (51.72)	21(33.34)
Total	34(100.00)	29 (100.00)	63 (100.00)

Source: Primary data

TABLE NO 4

It is evident from Table - 4 that out of the total 63 units, 42 (66.66 per cent) provide on the job training to their workers which means workers have undergone training after they are placed. 21 units (33.34 per cent) give off the job training before they are placed; however it is not systematic.

MOTIVATION

Motivated employees always look for better ways to do a job and improve their efficiency. The types of motivation used by the owners of coir units are presented in Table -5.

TYPE OF MOTIVATION ADOPTED IN COIR UNITS

Sl. No	Type of Motivation	Number of Units		Total
		Small	Medium	
1.	Financial	31 (79.49)	24 (82.76)	55 (80.89)
2.	Financial and Non-financial	8 (20.51)	5 (17.24)	11 (19.11)
Total		39 (100.00)	29 (100.00)	68 (100.00)

Source: Primary data

TABLE NO 5

It is understood from Table -5 that out of the total 68 units, 55 units (80.89 per cent) and 13 units (19.11 per cent) follow financial and both financial and non-financial methods of motivating workers. The Table also shows that 31 small units (79.49 per cent) and 24 medium units (82.76 per cent) follow the financial type of motivation to induce their workers.

WORKING CONDITIONS

The conditions under which workers have to work got a marked influence on their health, efficiency, attitude and the quality of the work they do. It is not possible to carry on hard work under unhealthy surroundings. It is a matter of common knowledge that a healthy, bright and inspiring atmosphere leads to work more than a dirty, sullen and unhealthy atmosphere. As per the Factories Act 1948, industrial units are expected to provide facilities like rest rooms, drinking water, ventilation, sanitary arrangements, and lighting and lavatory facilities. The prevailing state of working conditions in the coir units of the study area is presented in Table -6.

PREVAILING STATE OF WORKING CONDITIONS IN COIR UNITS

SL.NO	WORKING CONDITIONS	NUMBER OF UNITS		TOTAL(52 UNITS)
		SMALL (29UNITS)	MEDIUM(23UNITS)	
1.	Provision of Masks	29 (100.00)	23 (100.00)	52 (100.00)
2.	Fire Protection guard	25 (86.21)	21 (91.30)	46 (88.46)
3.	Disposal of Effluents	11 (37.93)	17 (73.91)	28 (53.85)
4.	Rest rooms	-	12 (52.17)	12 (23.08)
5.	Uniforms	15 (51.72)	23 (100.00)	38 (73.08)
6.	Drinking Water facilities	29 (100.00)	23 (100.00)	52 (100.00)
7.	Lavatory facilities	12 (41.38)	19 (82.61)	31 (59.62)

Source: Primary data

TABLE NO 6

Figures in brackets are Percentages to the respective total

Table- 6 shows that all the units of the study area provide masks and drinking water facilities to their workers. 88.46 per cent, 93.08 per cent, 59.62 per cent, 53.85 per cent and 23.08 per cent units provide fire protection guard, uniforms, lavatory facilities, disposal of effluents and rest room facilities respectively. The table also shows that 86.21 per cent of the small units and 91.30 per cent of the medium units provide fire protection guards. 51.72 per cent of the small units and all the medium units provide uniforms to their workers.

MARKETING COST INCURRED BY MANUFACTURERS

The coir units in the study area sold their coir fibre through different channels. Usually, the manufacturers paid the cost of loading, transporting, octroi and unloading. The marketing cost incurred by the manufacturers per 100 k.g of fibre in all the three channels was worked out for both the small and medium units and the results are presented in Table -7

**MARKETING COST INCURRED BY THE MANUFACTURERS
(SMALL AND MEDIUM UNITS)(RUPEES PER 100 KG)**

ITEMS OF COST	SMALL UNITS	MEDIUM UNITS		AVERAGE	
	CHANNEL II	CHANNEL II	CHANNEL III	CHANNEL II	CHANNEL III
Loading & Unloading	15.32 (9.24)	15.32 (10.64)	15.32 (8.53)	15.32 (9.01)	15.32 (7.71)
Packing Cost	5.60 (3.38)	5.60 (3.89)	5.60 (3.11)	5.60 (3.29)	5.60 (2.82)
Weighing Charges	7.37 (4.44)	7.37 (5.12)	7.37 (4.11)	7.37 (4.33)	7.37 (3.71)
Transport Cost	65.41 (39.44)	58.03 (40.33)	69.16 (38.53)	61.70 (36.27)	66.16 (33.28)
Commission	32.11 (19.36)	28.19 (19.59)	36.97 (20.59)	33.02 (20.03)	39.02 (19.63)
Rejection Loss	27.75 (16.73)	19.38 (13.47)	30.82 (17.17)	34.07 (20.03)	39.02 (19.63)
Incidental Charges	12.28 (7.40)	10.00 (6.95)	14.27 (7.95)	13.03 (7.66)	23.12 (11.63)
Total	165.84 (100.00)	143.89 (100.00)	179.51 (100.00)	170.11 (100.00)	198.79 (100.00)

Source: Primary data

TABLE NO 7

It is understood from Table -7 that the manufacturers prefer different channels for marketing of coir fibre. They have to incur marketing cost when they skip the native traders in the channels of distribution. The total marketing cost incurred by the manufacturers who run small units worked out to Rs.165.84per hundred kilogram of fibre in channel II. Rs.143.89 and Rs.179.51 were incurred in channels II and III by the manufacturers of the medium-size units as they prefer both the channels with an overall average marketing cost of Rs.170.11 in channel II and Rs.198.79 in channel III.

MARKETING COST INCURRED BY THE NATIVE TRADERS

Those who operate near the production centers and buy fibre directly from the manufacturers are called Native Traders. They usually sell the fibre to the market traders after accumulating considerable stock in their possession. A majority of the small and medium units prefer them for selling their coir fibre. An analysis of the marketing costs incurred by them was done and presented in Table -8

MARKETING COST INCURRED BY NATIVE TRADERS (RUPEES PER 100 KG)

SL. NO	ITEMS OF COST	COST	PERCENTAGE
1.	Loading & Unloading	18.32	11.93
2.	Packing Cost	7.02	4.57
3.	Weighing Charges	8.14	5.30
4.	Commission	24.91	16.23
5.	Transport Cost	42.00	27.34
6.	Rejection Loss	19.42	12.64
7.	Establishment Charges	13.18	8.58
8.	Staffing	20.61	13.42
Total		153.60	100.00

Source: Primary data

TABLE NO 8

Table - 8 shows that the total marketing cost incurred by the native trader was Rs.153.60 per 100 kg of coir fibre. The highest marketing cost was incurred on transport which was 42.00 per cent followed by commission charges worked out to 24.91 per cent. Staffing and establishment charges accounted for 20.61 per cent and 8.58 per cent respectively.

MARKETING COST INCURRED BY MARKET TRADERS

The market trader is one who buys coir either through commission agents or from manufacturers directly and sells it to the wholesalers. Usually, he performs certain functions like drying and removing of pith from the coir fibre before selling it to the wholesalers. They own the title of the goods and bear the risk associated with it. The costs incurred by the market trader in marketing of coir were estimated and the results obtained are presented in Table -9

MARKETING COST INCURRED BY MARKET TRADERS

(RUPEES PER 100 KG OF FIBRE)

SL. NO	ITEMS OF COST	COST	PERCENTAGE
1.	Fibre cleaning & Polishing	43.62	24.50
2.	Drying and Bundling	11.54	6.48
3.	Loading & Unloading	17.07	9.59
4.	Transport	21.00	11.79
5.	Brokerage	36.32	20.40
6.	Rejection Loss	9.00	5.05
7.	Staffing	22.33	12.54
8.	Establishment Charges	17.20	9.66
Total		178.08	100.00

Source: Primary data

TABLE NO 9

It is understood from Table -9 that the total marketing costs incurred by market traders was around Rs.178.08 per 100 kg of fibre. The cost of Fibre cleaning and polishing with a share of 24.50 per cent was the highest amount of marketing cost incurred by the market traders. It was closely followed by commission charges with 20.40 per cent. Transport, staffing, drying and cleaning and establishment charges were other marketing costs incurred which had their share of 11.79 per cent, 12.54 per cent, 6.48 per cent and 9.66 per cent respectively.

AN OVERVIEW OF CHANNELS AND PRICE SPREAD

Price spread analysis which shows the details of the industrial user's price, manufacturer's price, marketing margin and marketing cost in three marketing channels is consolidated and presented in Table -10

PRICE SPREAD UNDER DIFFERENT CHANNELS (RUPEES PER 100 KG OF FIBRE)

SL. NO	PARTICULARS	CHANNELS		
		I	II	III
1.	Industrial user's Price	1738.32	1738.32	1738.32
2.	Manufacturer's Price	860.69	962.78	711.02
3.	Price Spread	934.00	639.00	366.12
4.	Marketing Cost	591.17	569.02	483.16
5.	Marketing Margin	462.99	260.10	192.30

Source: Primary data

TABLE NO 10

It is found from Table -10 that the less price spread with Rs.366.12 per 100 kg of coir fibre was found in channel III because of less marketing cost and marketing margin. It resulted in the highest manufacturer's price in that channel. It is followed by channel II where the price spread was Rs.639.00 with the marketing cost of Rs. 569.02 and marketing margin of 260.10.

IV. FINDING OF THE STUDY

It is found that the growth of the coir units in Tamil Nadu showed a steady increase year after year and has been making rapid strides during the period under review. As on March 31, 2005, there were 1260 coir units functioning in Tamil Nadu. The researcher found that the trend of World Coir Production showed a decreasing trend during the period of study. The analysis of the compound growth rate showed a negative annual growth rate of 0.79 per cent per annum in world coir production during the study period. It is found that India is well ahead of all the other major coir producing countries in the world and ranked first in world coir production followed by Vietnam, Sri Lanka, Ghana and Malaysia. Its average contribution during the period under review was 460.58 thousand Metric Tonnes. It is found that coir production in India shows a decreasing trend. The compound growth rate indicated that the production of coir in India has decreased by 0.76 per cent per annum during the study period. It is apparent from the analysis that though India's share in world coir production shows a fluctuating trend, it ranged between 46.50 per cent and 47.16 per cent, and reached 50 per cent mark in the world's share. It is found that among the significant coir producing states; Kerala occupies a very prominent place, followed by Tamil Nadu, Karnataka, Andhra Pradesh and Orissa with the average production of 166.80, 104.86, 33.02, 23.65 and 20.24 thousand Metric Tonnes ranking first, second, third, fourth and fifth respectively. It is observed that coir fibre production has increased in Tamil Nadu from 82.98 thousand tonnes to 126.74 thousand tonnes. The increase was nearly one and a half times at the end of the study period than what it was in the beginning. The analysis of the

compound growth rate showed an annual growth of 5.05 per cent during the period under review.

The analysis of the marketing cost incurred by the manufacturers per hundred kilogram of coir fibre disclosed that the average marketing cost incurred was Rs.94.25 in channel II and Rs.89.01 in channel III. Among the total marketing costs incurred, irrespective of the channels, transport cost had a higher percentage with an overall percentage of 59.89 followed by rejection loss with 16.58 per cent and loading and unloading with 11.55 per cent. Further, the analysis showed that marketing channel III was found to be cheaper because of the non-payment of commission charges. The analysis disclosed that the marketing cost incurred by the native traders was Rs.101.62 per 100 kg of coir fibre. Among the different marketing costs incurred by them transport cost including loading and unloading and packing, commission and rejection loss together accounted for 80 per cent of total marketing cost. The analysis showed that the total marketing costs incurred by market traders was Rs.106.29 per 100 kg of fibre which was higher than that of the native traders. It was due to the cost of cleaning, polishing, drying and bundling of fibre incurred by them in the terminal market in order to realize a better price, which constituted 39.03 per cent of their total marketing cost. Workers, especially women, work under unhygienic working conditions.

V. CONCLUSION

The coir industry was chosen for study because of its social and economic importance to the area. The industry employs vast numbers of the disempowered social sections, mostly of the “lower castes” and “outcastes”, an overwhelming majority of them women. It employs more than six lakhs people directly and indirectly and earns foreign exchange to the tune of Rs.300 crores per annum. Coir and coir products make good progress in the domestic as well as international market because of their unique qualities of durability, bio-degradability and eco-friendliness. At present, the industry gets a phenomenal share of 89 per cent of the global market for the value added coir products. In the prevailing scenario of the industry, the present research is a humble attempt to throw light on certain specific areas of the working of the coir units located in Pudukkottai District of Tamil Nadu. The study highlights the problems confronting the industry of the study area. They are not amenable to any quick-fix solutions. Therefore, a right step forward in this connection by the parties concerned lies in the consideration of suggestions offered in the study both in letter and spirit.

VI. REFERENCE

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