

## **EXECUTIVE SUMMARY**

The Garment Sector plays a dominant and vital role in the Sri Lankan Economy with a contribution of 39% of the industrial production and 46% of country's export earnings.

The Quota Free Trade being effective since 1<sup>st</sup> January 2005 has made positive as well as negative impacts on the industry. However, the industry has been able to face the initial challenges in overcoming the quota free trade market situation. Further, it is evident that the small scale factories have not been able to withstand this transition and as a result 115 out of 271 factories have shut down during the period 2001 - 2006.

### **Employment**

The total number of Garment Factories recorded after the survey findings in 2006 is 979 as against 1,061 in 2001 of which 53% are located in the Colombo and Gampaha district.

The number of small scale factories in operation has drastically dropped to 156 as against 271 in 2001. In contrary to this large scale factories have risen to 220 as against 183 in 2001.

Though the number of factories in 2006 shows a decrease as against the 2001 figures, the total employment strength has rose to 486,632 as against 391,682 in 2001. Further, the total number of sewing machines installed has increased to 271,085 when compared with the 2001 figure of 230,976.

### **Gender Analysis**

The Gender Distribution is female biased with 84% of the Machine Operators and majority of the Helpers being females. Further, 68% of the Supervisors are female.

The Male representation is high in occupations such as Sewing Machine Mechanics – 100%, Electricians – 100%, Cutters – 88%, CAD Operators – 85% and Fabric Inspectors – 86%.

Males continue to dominate in Senior and Middle Manager categories accounting for 85% and 69% respectively.

### **Age Analysis**

The majority of Sewing Machine Operators were found to be in the age groups of 18-24 years (39%) and 25 – 29 years (44%), with 15% being in the age group of 30 – 39 years. The industry prefers the age group 18 – 24 years for Operators.

In most of the other operator categories the age was found to be between 25 – 29 years. But majority of the Production Technicians and Instructors were in the age group of 30 – 39 years. In the male dominant jobs such as Electricians, Mechanics and Cutters, the majority are in the age groups of 25 – 29 years and 30 – 39 years.

The majority of Executives were in the age groups of 25 – 29 years and 30 – 39 years. But most of the Senior Managers were found to be in the age group of 30 – 39 years, which amounts to 71% of the senior grade.

### **Education Level**

Education qualifications of most operator grades were found to be GCE (O/L). The majority in supervisor grade possess GCE (O/L). However, there were 42% who are GCE (A/L) qualified. Majority of Middle and Senior Level Managers were with GCE (A/L) qualifications. There were also 10 – 30% who had either a Diploma or a Degree.

### **Labour Turnover & Absenteeism**

Average Labour Turnover for the country in year 2006 was 5.6% as against 3.8% during 2001. The average Absenteeism for the country in year 2006 was 5.5% as against 3.9% during 2001, which show a negative impact on management.

## **Training**

In general the percentage of factories that believes in training the work force is around 10 – 20 percent. Skill required for Sewing Machine Operators are made available mainly through in-house training. Most of the Training and Re-training of operators is carried out by Instructors or Senior Operators of the factory.

Around 10% of the factories train their Supervisors, Middle Level and Senior Level Managers to become qualified through internal and external training.

## **Training Institutions**

The main training providers to the industry are Clothing Industry Training Institute (CITI), Brandix College of Clothing Technology, Department of Textile & Clothing, University of Moratuwa, Garment Industry Management Institute (GIMI), Vocational Training Authority (VTA), National Youth Services Council & Jasteca Institute of Management. In addition to these there are several other small institutions, which provides machine operator training.

University of Moratuwa, Brandix College of Clothing Technology and the Open University provides Degree and Diploma level and Certificate level programmes which cater to Middle and Senior Managerial grades. Further there are short term training focused on specific job categories. The Clothing Industry Training Institute whose output is around 2,500 persons per year provides Diploma and Certificate courses as well as short term programmes for the industry personnel. The remaining small scale institutions provide mainly operator level training on basic skills.

Further many in-house training programmes are conducted on request by these Training Institutions.

## **Training Requirements**

Taking into consideration the labour turnover the projected training figures for operator grades is around 26,000 for year 2007 of which Sewing Machine Operators accounts for 23,000. Training requirement for year 2007 in the managerial grades shows an excess of around 2600 persons. As such, the demand for training in these grades would be low in year 2007.

Since only a few institutions are involved in operator training, the companies themselves will have to train their operators in-house either by experienced operators or training instructors.

Another area of concern is the continuity of high labour turnover in the operator grade. By introducing an effective selection criteria accompanied by a systematic training, this situation could be restricted to an acceptable level.

Further, the analysis indicates scarcity of competent Sewing Machine Mechanics for which the training organizations have not been able to meet the demand. Since this is a skilled job, training providers should make a special effort to generate Sewing Machine Mechanics for the future.

Though at present an excess is shown in the managerial grades, a need for trained individuals is reflected for coming years.