

Managing Small Businesses in the face of Economic Slowdown-A study of Tailoring shops in Bangalore.

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Abstract: This study aims to focus on the challenges and the economic problems of the tailors who wanted to pull up their businesses in a big way. Since the last three years that is from 2020-2022 covid-19 has impacted the global economy so hard that almost all the economies are facing an economic slowdown and despite certain countries feeling that they have come out of this scourge unscathed the ground realities were totally different. It's mostly the larger tailoring shops and embroidering groups, handcrafting boutiques, stitching and selling readymade clothes and taking bulk orders who faced the brunt of the economic slowdown. Post covid-19 period have they recouped or not? To the general public and to a particular group of clients or customers these small businesses are special as they cater to all their tailoring demands. They are usually based in a big hall or shop employing more than twenty sewing machines and having not more than twenty to thirty workers comprising of tailors, embroiderers and seamstresses. Today's world of youth prefer fashion and glamorous ready-mades leading to a spurt in the growth of small scale tailoring businesses which tomorrow may lead to a growth in the garments businesses and rise of big tailoring warehouses and boutiques. The methodology followed was to collect both primary and secondary data. The total sample size taken is often shops small (5) and big tailoring shops (5) and one hundred and fifty tailors were taken as sample sizes. The major challenges taken here was to understand those small businesses who were struggling to manage to run a business in the post pandemic season forms the crux of the analysis. Age of the business number of employees, average monthly turnover of the shops. Work place ethos is some of the issues considered. The review of literature picked out the research gap which indicated that the problems encountered by these tailors before the covid-19 season was rising costs of textiles, threads, electric sewing machines, rise in employment of labour followed by mismanagement of resources & finances. Was it only due to managerial neglect? So the point is did the same problems persist still or were there new issues to be dealt with? The findings showed that most of the tailoring shops had shut down and some big tailoring warehouses only managed to carry on businesses albeit in a fractured way. Management problems were the main issue because post pandemic more than fifty to hundred tailors were employed to bridge the gap between supply and demand of readymade clothes and to earn huge profits. Their net profit was almost negligible due to lockdown measures and the changing styles of dressing and the craze of youth to wear foreign branded style of clothing. Post pandemic saw the fast paced organizing of marriages functions and other ceremonies and group events but still there was no market demand due to the mismanagement of finances and increase in the size of employment, labour problems and lack of market research. The solution lay in overcoming these problems.

Keywords: Management Problems, Small businesses, Tailoring houses, Post pandemic.

1.INTRODUCTION

One of the most important small businesses today is the garment business. Small businesses are those trades that involve small investment and don't employ more than fifteen to twenty members. Their sales is less and mostly they are sole proprietorships or partnerships. There are many tailoring shops which have mushroomed in and around Bangalore. Mostly they are family oriented but employ many tailors' seamstresses, embroiderers, from outside. With the demographic dividend in India pointing out to a youthful population who are high on fashion and use both ethnic wear of western wear there is a burgeoning demand for it. Beside school uniform, sports uniform there are other tailors add on to businesses brought out the prominence of garments industry which has seen a spurt in its growth wherein lay the smaller tailoring shops which are small time and take bulk orders depending on the availability of tailors in their shops. Prior to the global pandemic their earnings were very less. That is for gents wear formal shirt and pant were charged a price of rupees 650 but post lockdown the same clothes were stitched for 850 rupees per set. Even during pandemic times the tailors downed their shutters and kept stitching and fulfilling all the orders. They took orders on phone or online and even during the calamity they never shut shop. But the problem here was schools and wedding halls were all shut and cancelled. During the off season that is post lockdown last year fresh orders were taken. The

biggest difficulty was met by the embroiderers who needed sunlight to embroider dresses_ but due to the prevailing covid-19 situation couldn't manage and thus this resulted in loss of income. Ultimately it was the supply demand dynamics gone wrong. Though there were many clients wishing to stitch fancy wear due to the hand embroiderers and other designers gone to their native places supply was not met on time as other embroiderers and tailors had to be found often for a very exorbitant price. Basically the proprietor was the manager of the tailor shop. He was the one who took the orders hired labour, managed accounts and took care of the building and premises. So during post covid-19 times managers went to hire more labour to offset the huge demand. With the reopening of schools and functions allowed which brought back business to these many tailoring shops. There was still a problem. This was because labour was hired left and right doing small jobs such as cutting clothes and even stitching buttons and hemming clothes all in the hope of earning income but instead of reading the signals of an economy in depression taking on bulk orders with untrained workers was the problem faced by many a shop owner. Business rivalry and horse trading of labour also prevailed as such was the competition. Working overtime, being paid less, working for long hours in shops with shutters down yet facing financial problems bespoke of mismanagement of resources by shop managers. Thus post pandemic it was quite a struggle for many tailoring shops to sustain themselves. This led to the close of many small to medium shops. Only big tailoring houses managed to keep their heads above water but they also had to cut down on labour (tailors) here as they had no additional finance to invest in businesses. With credit and finance drying up many small businesses faced closure. With proper management of finances and labour and (sewing machinery, thread, capital, etc) many a loss could have been averted but with foreign brands becoming a favourite with youth tailoring businesses have to find innovative and new ways of enticing their customers.

2.REVIEW OF LITERATURE

1.Priya Dwivedi and U.V.Kiran (2013) carried out a study to assess the job strain and health problems among tailors. The study sample comprised 160 tailors in Lucknow District. The result shows that the majority of shop based tailors had high level of job stress in comparison to home based tailors. As far as health related problems were concerned both the home based and shop based tailors had vision related problem, respiratory problems and skin related problems. Majority of the tailors reported high job strain faced by them which may be reduced through proper training programmes, well designed stitching equipment, and electronic sewing machines.

2.Mambo Hassan Mwita (2014) carried out a study on analysing the contribution of tailoring business in Zanzibar economy: a case of urban west region zanzibar. The objective of this research was to analyze the contribution of tailoring business in Zanzibar economy. The study revealed that, Owners and Tailors have the important contribution to Zanzibar economy in terms of creating many jobs and reduce unemployment which eventually results into substantial reduction of poverty. The study found various factors that constraint the development of this industry. In overall, tailors and owners were suggested to value their profession by gaining their knowledge, skills and do what their customers want.

3.Neeta Nagori (2017) carried out a study on the functioning and problems of tailors of Gandhidham and Adipur region of Kutch. The survey of 100 tailors in study area, the researcher identified and described certain factors such as selection of needle according to weight of fabrics, brand of sewing machine, brand of needle, cost of needles, needle size, breaking of needles in a month, stitch problems and musculoskeletal pains faced by tailors. In this study tailors were suggested to use organic needles as its price is comparatively more but it breaks very less and ultimately it will be profitable for tailors as it saves time as well as minimizing ergonomic problems, such as eye strain, and increases productivity leading to proper functioning.

3.RESEARCH GAP

Problems encountered by small business tailors before the covid-19 season was rising costs of textiles, threads, electric sewing machines, rise in pay of wages to labour, followed by mismanagement of resources and finances. Was its due to managerial neglect? Did the same problems (pre-covid-19) season still persist post lockdown period or did new additional problems crop up?

4.OBJECTIVES

1. To study the impact of economic slowdown on management of small businesses in Bangalore.
2. To analyse the competition faced by small tailoring shops from big foreign brands.
3. To seek remedial measures to correct the imbalances in management of labour, finances, sewing machines supply, booking school orders or orders from boutiques and garment houses and orders from functions and youth clients.

5. RESEARCH METHODOLOGY

The following study has made use of both primary as well as secondary data. Primary data was collected by interview method and secondary data was obtained through previously published articles, books, government records and reports. Random sampling was used to collect data. Simple percentage method was used to collect and analyse data. Totally the tailoring shops were taken from different localities of Bangalore and sample size was 150. Five big shops and five smaller shops were taken for data collection.

6. DATA ANALYSIS AND INTERPRETATION

Table -1 A study on the impact of economic slowdown on management of small businesses in Bangalore

Sl no	Number of tailoring shops	No. of tailoring employees	No of helpers	In Rupees. wages per month		Overtime Work for permanent employees	Hours of work for helpers	Operating since
				Permanent tailors	Helper			
1	G.N.Fashion Ladies Tailor	10	05	Rs.1500	Rs.700	3 hrs	8hrs	(2018)4 years
2	Shiva Shakti Ladies Tailor	10	05	Rs.1500	Rs.600-700	3 hrs	8hrs	4 years
3	Relaiance Stitches	10	05	Rs.1500	Rs.600-700	3 hrs	8hrs	4 years
4	Fashion Touch Ladies Tailor	12	04	Rs.1500	Rs.600-700	3 hrs	8hrs	4 years
5	Shri Ganesh Fashion	15	0	Rs.1500	Rs.600-700	3 hrs	8hrs	4 years
6	Ravi Stitches	10	04	Rs.800	Rs.450	4 hrs	8hrs	(2021)1 year
7	Jagan Ladies Tailor	07	03	Rs.800	Rs.450	4 hrs	8hrs	1 year
8	Likitha Ladies Tailor	06	09	Rs.800	Rs.450	4 hrs	8hrs	1 year
9	Shree Raghevendra Men's Wear	10	05	Rs.800	Rs.450	4 hrs	8hrs	(2020)1 ½ year
10	New Sagar Stitch Wear	10	05	Rs.800	Rs.450	4 hrs	8hrs	1 ½ year
Total -10 shops		150	50					

Source –Field Data January 2022.

Table Analysis: The above table shows the bigger tailoring shops (first five shops) had the advantage as far as paying employees and helpers were concerned. The smaller tailoring shops(6-10) faced problems in paying wages as well as for work done and for overtime. The smaller shops couldn't pay decent wages, as wages were falling below minimum level or floor rate of wages. The helpers made a pittance for a living and a measly wage of Rs.450 was given for working extra hours. Accommodation is rare as most of the tailors are from the same locality or from surrounding areas. The latest amendment of minimum wages in India as on 12th 2021 April was Rs.4,576. So whatever was paid to tailors was way below the Minimum Wages Act of 2021.

Table -2-The competition faced by small tailoring shops from big brands.

Sl. No.	Tailoring shops	No. of full time tailors employed	No. of helpers	Minimum no. of orders obtained per month	Minimum orders supplied to big retail outlets	Competing Shops/money earned/sales turnover	Recovery of costs.
1	G.N.Fashion	10	5	200	200	60%	40%

	Tailor						
2	Shiva Shakti Ladies Tailor	10	5	250	250	50%	50%
3	Reliance Stitches	10	5	300	300	75%	25%
4	Fashion Touch Ladies Tailor	12	4	200	200	70%	30%
5	Shri Ganesh Fashion	15	0	350	350	60%	40%
6	Ravi Stitches	10	4	100	100	50%	50%
7	Jagan Ladies Tailor	7	3	150	150	55%	45%
8	Likitha Ladies Tailor	6	9	100	100	50%	50%
9	Shri Raghavendra Mens Wear	10	5	75	75	50%	50%
10.	New Sagar Stitch Wear.	10	5	100	100	50%	50%

Source:Field Survey January 2022.

Table Analysis: Non- recovery of cost is seen in small tailoring shops which are shown from .the 6th shop till the tenth shop.

Table -3-Assessing the effect of lockdown on tailoring shops.

Sl.No.	Tailoring Shops	No.of Tailors employed	No.of helpers	Demand for garments	Supply of garments	Losses suffered
1	G.N.Fashion Ladies Tailor	10	5	100%	40%	60%
2	Shiva Shakthi Tailors	10	5	100%	50%	50%
3	Relaiance Stitches	10	5	100%	35%	65%
4	Fashion Touch Ladies Tailor	12	4	100%	50%	50%
5	Shri Ganesh Fashion	15	0	100%	50%	50%
6	Ravi Stitches	10	4	100%	10%	50%
7	Jagan Ladies Tailoring	7	3	100%	25%	75%
8	Likitha Ladies Tailor	6	9	100%	15%	85%
9	Shri Raghavendra Mens Wear	10	5	100%	10%	90%
10	New Sagar Stitch wear	10	5	100%	10%	90%

Source:Field Survey January 2022.

Table Analysis: As demand was greater than supply initial cost was also not covered. Manpower/hours of work /wages /conditions of work were dismal as shown in the table. The main reason was the economic slowdown. Covid-19 regulations such as social distancing and contactless delivery were other minus factors which brought supply down.

7.LIMITATIONS

1. Communication with managers(here head tailor) can help in job growth and a simple management principle has been ignored by these small business groups
2. Working overtime well into the night by even women tailors has created many problems.

- Hiring and firing at will has created a fear psychosis among the male and female tailors (loss of job security) has created tension in the work spot.

8.CONCLUSION

Basic principles of management such as punctuality, maintain discipline and following other goals and work ethos was not in place which led to high labour attrition. Communicating with the head tailor and maintaining cordial relations with other co-tailors on the work place was not followed. This led to work friction with it already being corona period. With all other economic activities slowing down considerably only a few small businesses such as tailoring shops managed to get orders and give work for a few tailors and helpers. Mismanaging finance relates to not paying minimum wages to the helpers nor to the regularly working tailors. This indicates the many problems associated with the unorganised sector

SUGGESTIONS

- The unemployed tailors can try working in any other fulltime or part time job elsewhere by selling vegetables and fruits as all other small jobs were not in vogue due to it being covid -19 season.
- Tailors can also join any garment stitching outlets or factories to put their tailoring skills to better use to earn remuneration.:

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