

Sushila Creations: Stitching up the Threads of Life

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Abstract

The Case Sushila Creations: Stitching up the Threads of Life focus on the journey of an entrepreneur Mr. Rakesh Ratjotkar. The case highlights the challenges faced by a small and medium enterprise in the expansion and running the business. It focuses on managerial acumen of the entrepreneur. The case try to bring the problem of shortage of skill based labor in small manufacturing unit and problem related to labor retention in such units. The paper extensively researches the literature of labor problem in India and across world. The study also tries to provide some implacable strategies and solution to the problem.

Key Words: *Small and Medium Enterprise, Entrepreneurship, Labor turnover, Skill Labor, Training and Development, labor Retention Strategies, Expansion Challenges.*

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INTRODUCTION

It was the Diwali of 2012, Sushila Creation have received an order of a lot for manufacturing Hosiery and Jeans which means expansion. But due to Diwali the labor was not present. Mr Vivek (son of Mr.Ratjotkar), a recent pass out Graduate from one of the top institute of fashion designing in India, is very exciting for order and believe in bringing some skilled labor from outside with the help of a association. But Mr. Ratjotkar, owner of Sushila Creation, is trying to convince him as four of his loyal labor have promised him to complete the order, but his son insist to hire labor from outside, which was not possible in the festive season. If the order is completed, the company will have good profit and expansion, but if not, it can hamper the image and creditability earn by Mr. Ratjotkar in years. In the argument between young generation and old experience, labor availability and labor training and development remains the major problem.

ABOUT OF THE FIRM

Sushila Creations, small manufacturing unit located at Readymade Complex, Indore, was established in 1996. The industry comes in SME sector and has 20 employees working on 15 stitching machine and some other technical machines. The small industry is well managed by expert entrepreneur Mr. Rakesh Ratjotkar and his son Mr. Vivek Ratjotkar.

Mr. Ratjotkar is very humble and down to earth man having excellent creditability in the market. Mr. Ratjotkar has done ITI in Tailoring and Cloth Designing and Diploma in the Tailoring and Cloth Designing in 1985. Mr. Ratjotkar started working in some tailoring Shop to gain experience, after which he started his own tailoring shop with his friend, where they only provide alteration of the clothes. His elder brother inspired him to launch the readymade clothing and this changed his fortune. His new journey as an entrepreneur begins. Initially, Mr. Ratjotkar started with single sewing machine and presently owns the multiple manufacturing units. The labor problem and shortage of skilled labor remains the major problem in this industry. The problem become more crucial at the time of festive season when demands are high and labor turnover is maximum.

The Industry

The Indore city is also called as Textile hub of Central India. The industry majorly consists of cloth manufacturing and garment manufacturing. 2500 units of readymade Garment manufacturer operate in Indore city. The industry is working on marginal profit on 6%. The industry has also an association of readymade manufacturer, which look after the annual leasing amount payment, leasing renewal and selling and buying of plot in industrial area. But the manufacturers has complains about association that they are not taking strict actions for labor turnover, labor retention. Labor are freely moving from one factory to another as their wages are not fixed. The association is also focusing on training and development of skill labor force.

CONCLUSION

The problem of skilled labor remains the crucial issue in small manufacturing organization like Sushila Creation. In emerging economies like India, the problem is very difficult as economy is generating job but skill in employees are lacking which leads to more unemployment, The solution lies in giving and promoting skill based learning in schools and colleges and promoting more number of skill based institution. Other than this women worker should also be encouraged for works in industry which are previously been a male dominated industry.

QUESTIONS

Q1. If you would be in place of Mr. Ratjotkar, what would be your decision in addressing the problem in this case? Kindly consider the consequence of your decision on Sushila Creations.

Q2. What are the different reasons for shortage of skilled workforce mentioned in the case?

Q3. Do you think that government initiative like Skill India Mission (Pradhan Mantri Kaushal Vikas Yojana PMKVY) will be helpful in effectively dealing with the shortage of skilled workforce in India.

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