A STUDY ON HRM APPROACHES TO INDUSTRIAL SECTORS IN COIMBATORE DISTRICT

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ABSTRACT

The industrial and technological landscape of Tamil Nadu is significantly influenced by Coimbatore, the state's second-largest economy after Chennai. The city, which has a GDP of about Rs. 45 crore has established itself as a diverse center for the production of textiles, engineering, IT/ITES, cars, and defense. Known as the "Manchester of South India," Coimbatore is home to more than 25,000 industries that make a substantial contribution to export revenue and job creation. The city's integration into the services economy is further demonstrated by the fact that it ranks second in Tamil Nadu for software production and IT/BPO exports. Digital connectivity, Smart City projects, and Special Economic Zones (SEZs) all draw in both foreign and domestic investment. The purpose of this article is to evaluate Coimbatore's economic impact, list its potential and problems, and offer solutions for maximizing its economic contributions to Tamil Nadu. In order to better integrate Coimbatore into Tamil Nadu's policy and economic planning, the essay addresses the shortcomings of the present district-level data collection, combines state data with city-level proxies, and ends with strategic recommendations. This story is supported with a methodical analysis that includes obstacles, possibilities, table interpretation, literature research, results, recommendations, conclusion, and references.

KEYWORDS: Economy, Industrial, Development, Growth, Manufacturing Hub, GDP, FDI

INTRODUCTION

Coimbatore is recognized as one of Tamil Nadu's economic centers due to its strategic location in the western part of the state. Manufacturing, IT/IteS, engineering, and defense are just a few of the industries it works in, and it makes a substantial contribution to the state's Gross State Domestic Product (GSDP) and export results. Building on its history in the textile industry, the city's industrial economy has developed into a contemporary production hub with

a sizable population of MSMEs and multinational enterprises. With a GDP of about Rs. 45 crore in 2021, the city was Tamil Nadu's second-largest contributor to the state's economy, behind Chennai. With its growing prominence in the IT sector—software exports in 2018–19 exceeded Rs. 15,000 crore—and its integration into defense manufacturing through the Tamil Nadu Defense Industrial Corridor, Coimbatore's influence goes beyond traditional sectors. Its attractiveness as a location for FDI and strategic public investment is explained by its diverse industrial base. Coimbatore also benefits from strong urban infrastructure development and is one of Tamil Nadu's 12 Smart Cities. There are four Special Economic Zones (SEZs) in existence in the city, which support export-driven growth and job creation. However, rigorous microeconomic analysis is hampered by the fragmented or outdated district-level GDP, employment, and export data, despite its economic scale. There are no annual updates for even crucial indicators like district-level FDI and industrial productivity.

CHALLENGES OF INDUSTRIAL SECTORS

Data Availability and Transparency: A major limitation for Coimbatore's economic analysis is the absence of regularly published district-level economic data. While Tamil Nadu releases state-level GSDP and employment figures, Coimbatore-specific updates are often based on estimates or one-time surveys, limiting detailed economic assessment.

Urban Infrastructure Stress: With increasing population and industrial concentration, pressure on Coimbatore's existing roads, water supply, waste management, and transport systems is evident. Though Smart City initiatives address some gaps, the pace of infrastructure development often lags behind industrial expansion.

Skill Mismatch and Labor Issues: Despite being an industrial hub, several industries face a shortage of skilled technicians and engineers. This gap stems from outdated vocational training systems and limited synergy between academia and industry requirements.

Environmental Degradation: The city grapples with challenges such as air and water pollution, caused partly by an unregulated industrial expansion and lag in environmental compliance mechanisms.

Regional Disparity in FDI: While overall FDI in Tamil Nadu has grown, Chennai and coastal cities receive a disproportionate share. Coimbatore, despite its industrial base, struggles to attract an equivalent flow of foreign capital due to weaker branding and connectivity.

OPPORTUNITIES OF INDUSTRIAL SECTORS

Electronics & IT Expansion: Coimbatore's digital and IT infrastructure is growing rapidly, positioned as Tamil Nadu's second software hub. With SEZs like ELCOT and KGISL expanding, the city can further attract tech companies, especially in embedded software and electronics design.

Defense and Aerospace Corridor: Being a part of the Tamil Nadu Defense Industrial Corridor opens up significant investment and OEM partnerships. Local industries can diversify into defense manufacturing and precision engineering.

Smart City Initiatives: Coimbatore's inclusion in the Smart Cities Mission provides a unique platform for sustainable development, urban mobility, and digital governance enhancing urban business-ready infrastructure.

Export-Led Manufacturing Hub: The city's legacy in textiles combined with new capabilities in auto components and machinery makes it ideal for scaling export-intensive industries. Incentives through SEZs and state export promotion policies offer added leverage.

Green Industry Adoption: With increasing focus on environmental sustainability, Coimbatore's industries can adopt renewable energy sources, zero-liquid discharge processes, and eco-friendly textile techniques to become a national model for green industrialization.

RESEARCH PROBLEM

Coimbatore is the second-largest economic center in Tamil Nadu and has strengths in a variety of industries, including engineering, textiles, IT/ITES, and defense manufacturing, the city continues to struggle with data granularity and transparency at the district level. This study aims to evaluate Coimbatore's present economic impact critically, pinpoint obstacles to its incorporation into state development plans, and suggest focused tactics for long-term growth.

RESEARCH METHODOLOGY

This article employs a descriptive and analytical research methodology, relying primarily on secondary data collected from government reports, official statistics, industry surveys, and published literature.

RESEARCH PERIOD

The study covers the period **from 2019–20 to 2024–25**, reflecting changes and developments in Coimbatore's economic sectors, investment patterns, and public infrastructure over the past five years, with forward-looking recommendations based on the most recent data available as of July 2025.

REVIEW OF LITRATURE

R. Sathya & N. D. Sree Devi Andal. (2022). Pump sets come under the essential commodities category, having huge market in India and across globe. The Pump industry is the oldest growing industry in the city of Coimbatore, which contributes substantially to Coimbatore's GDP. Tamil Nadu and Gujarat are the major pump manufacturing states in India. Coimbatore of Tamil Nadu is called the 'Pump City of India' and it is home to all the leading pump brands like Aqua Pumps, Yathi Pumps, C R I Pumps, Texmo Pumps, KSB Pumps, Deccan Pumps and so on.

T. S. Kavitha & Dr. B. Thayumanavar. (2017). The SSI is an important pillar of Indian economy as it contributes greatly to growth of Indian economy. The Coimbatore city has more than 2000 registered and 10000 unregistered Small Scale industries functioning in and around Coimbatore, employing more than one lakh workers. an attempt has been made to study the issues and challenges in small scale pump manufacturers in Coimbatore. It is found that the Pump manufacturers are faced many Challenges on Various aspects

Rajasekaran, R and Esther Krupa, M. (2013). Coimbatore houses the largest number of pump manufacturers. Coimbatore exports pumps to United Arab Emirates, Europe, Egypt, USA, Italy, Greece and southern parts of African countries. By keeping this in mind, the researcher framed the objective to identif y the global marketing strategies adopted by the Coimbatore Pump Industry. For this study, a systematic research methodology has been adopted and the required data has been collected from various available sources.

Devakumar, G. (2013). In order to cater to the customers' needs and satisfy them, various strategies, viz., customer service cell with highly trained personnel, emergency services and quick after-sales service and support, etc., have been identified. This study aims to identify the level of customer satisfaction rendered through the quality of service by the dealers, sub-

dealers and retailers of the mini pump purchasers in Coimbatore city. This analysis was carried out using the input data collected from 250 respondents at various POP.

Muhammad Reyhan Yafi., & et al, (2025). Human Resources (HR) plays a central role in determining the competitiveness and success of companies in the industrial sector. HR planning is becoming increasingly complex with technological disruption, globalization, and changing market dynamics. This article discusses in depth the importance of HR planning in the industrial sector by reviewing various aspects such as industrial environment analysis, identification of workforce needs, employee development strategies, and challenges faced.

Maryam Rafique., & et al. (2021). Technologies are emerging and affecting our lives. Industry 4.0 or Fourth industrial revolution refers to developing an environment in which disruptive technologies and trends are changing the way we live and work. It builds on the foundations laid by the first three industrial revolutions. The fourth industrial revolution is the merging of the digital, physical and biological words through the emergence of extra ordinary technological advancements. These smart systems should integrate with organizations and people.

Rajnalkar Laxman, & Shivananda Manyanaik, (2024). The industrial effects of 4.0 are expected to reflect in all areas of scientific progress. There are assumptions that HRM theories will need to rely on improving the environment, social responsibility and ethical dimensions as communities and workers demand that businesses increasingly respond to these global challenges more strategically, even though it is very difficult to predict certain facts. Companies who do not adapt to a changing environment may find it difficult to compete in the evolving "race" for talent, as employer branding becomes a crucial factor in choosing a young generation of workers.

Ina Aust., & et al, (2024). This introduction to the special issue Achieving Sustainable Development Goals through Common Good HRM: Context, approach and practice draws the links between the United Nations Sustainable Development Goals (SDGs), the concept of Common-Good HRM and the practice of human resource management (HRM) to extend intellectual and empirical insights into this important field. Particular attention is accorded to the collective social and environmental dimensions of SDGs and the place of HRM in contributing to the 'common good' within and beyond the workplace.

Kipkemboi Jacob Rotich, (2015). Various attempts have been made towards tracing the historical development of the discipline of Human Resource Management (HRM). However, these initiatives have largely been concentrated on certain specific periods of time and experiences of specific countries and regions such as Australia, the USA, the UK and Asia. This paper attempts to document the entire history of the discipline of Human Resource Management from a holistic perspective.

Sanjay Kumar Dixit. (2014). this paper introduces the development of Human Resource Management (HRM) from a historical perspective and explains the debate between HRM and Personnel Management. Thus, the paper identifies the historical developments and their impacts on HRM, outlines the development and functions of HRM, explains the differences between HRM and Personnel Management, evaluates „hard" and „soft" approaches to HRM, illustrates how diversity is an issue in Human Relations (HR) practice and finally considers HRM as an international issue.

Alpna Tiwari, (2025). Human resource management (HRM) is a collection of procedures used in businesses in a variety of industries, including state, commercial, service, and industrial, with the goal of improving working conditions and employee well-being while also boosting organizational financial success. The speed, dependability, efficiency, cost-effectiveness, and adaptability of HR operations have all improved as a result of the widespread adoption of digital technologies.
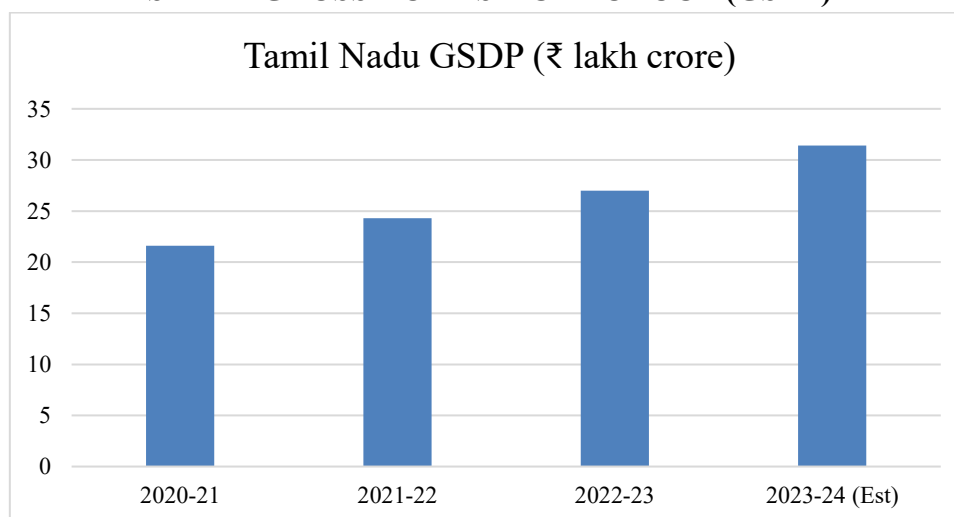
TABLE NO - 1
STATE GROSS DOMESTIC PRODUCT (GSDP)

S. No	Year	Tamil Nadu GSDP (₹ lakh crore)	YoY Growth (%)
1	2020-21	21.6	-
2	2021-22	24.3	12.5%
3	2022-23	27.0	11.1%
	2023-24 (Est)	31.4	16.3%

Sources: Economic Survey Tamil Nadu 2024-25

The above table shows that, Tamil Nadu's Gross State Domestic Product (GSDP) has experienced consistent growth over recent years, increasing from ₹21.6 lakh crore in 2020-21 to an estimated ₹31.4 lakh crore in 2023-24, reflecting a compound annual growth rate (CAGR) of approximately 10.9%. The state's economy has expanded robustly, driven by a diverse range of sectors. Coimbatore, a major industrial and commercial hub, contributed approximately $45 billion to the GSDP in 2021, underscoring its significance. However, detailed annual district-level data is not available, which limits insights into specific regional growth trends within Tamil Nadu. Overall, the state's economy remains on a steady growth trajectory.

CHART NO - 1
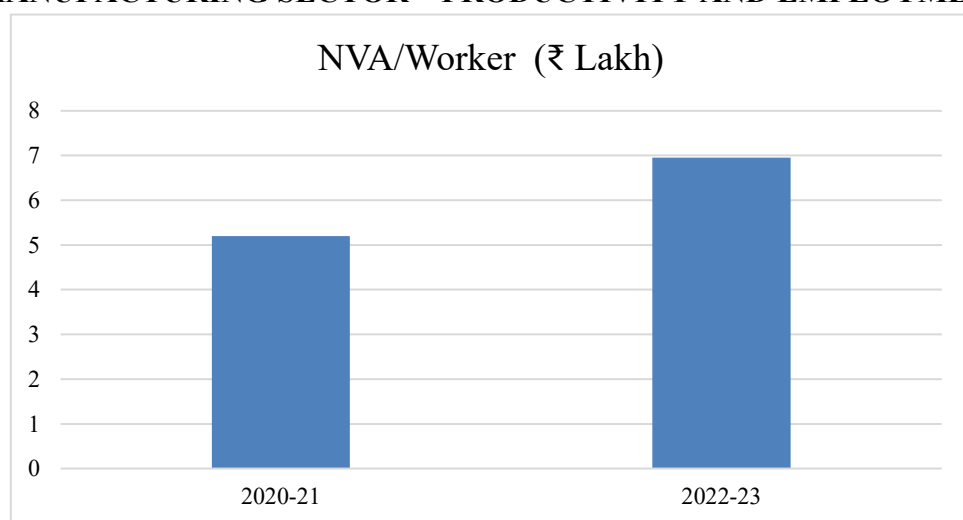### STATE GROSS DOMESTIC PRODUCT (GSDP)

TABLE NO - 2
MANUFACTURING SECTOR – PRODUCTIVITY AND EMPLOYMENT

S. No	Year	NVA/Worker (₹ Lakh)	Employment/Factory	CAGR of NVA (21–23)
1	2020-21	5.2	—	—
2	2022-23	6.95	88	15.7%

Sources: Tamil Nadu Industries Department Data 2024

The above table shows that, the manufacturing sector has experienced notable productivity growth, with net value added (NVA) per worker rising from ₹5.2 lakh in 2020-21 to ₹6.95 lakh in 2022-23, a CAGR of 15.7%. Employment per factory was recorded at 88 workers in 2022-23. The increase in NVA per worker indicates improved efficiency and output within the sector. Coimbatore, known for its strong manufacturing base, reflects or exceeds these regional averages, highlighting its role as a key manufacturing hub. This data underscores the sector's positive trajectory and its contribution to economic growth, based on sources from the Tamil Nadu Industries Department 2024.

CHART NO - 2
MANUFACTURING SECTOR – PRODUCTIVITY AND EMPLOYMENT

TABLE NO - 3
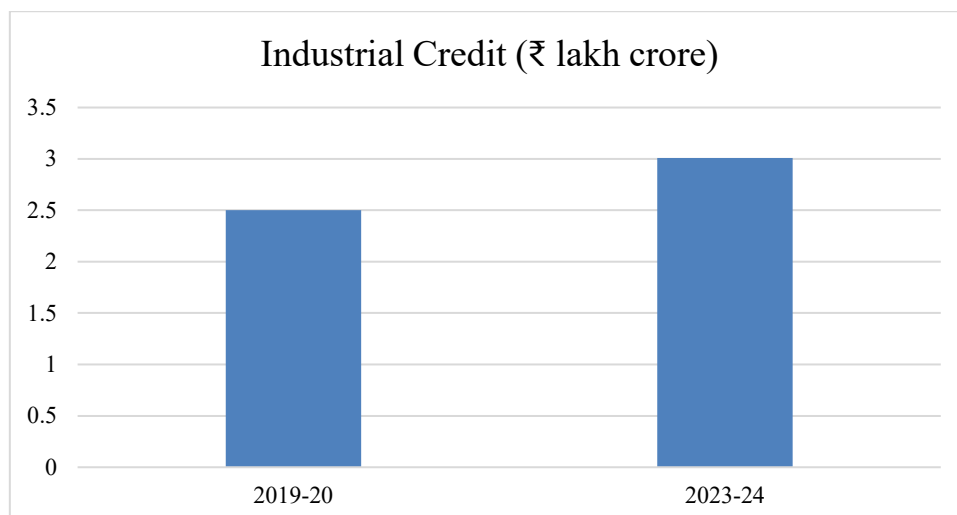**INDUSTRIAL CREDIT & FDI IN TAMIL NADU**

S. No	Year	Industrial Credit (₹ lakh crore)	FDI (₹ crore)
1	2019-20	2.5	5,909
2	2023-24	3.01	20,157

Sources: RBI and DIPP Reports, 2024

The above table shows that, Between 2019-20 and 2023-24, Tamil Nadu experienced significant growth in foreign direct investment (FDI), increasing by a compound annual growth rate (CAGR) of approximately 36%, from ₹5,909 crore to ₹20,157 crore. Industrial credit also grew modestly by around 4.75%, from ₹2.5 lakh crore to ₹3.01 lakh crore. Access to credit in Coimbatore is crucial for sustaining micro, small, and medium enterprises (MSMEs) and export-oriented firms, supporting the state's industrial expansion. This steady increase in FDI and credit highlights Tamil Nadu's strengthening industrial landscape and its potential for further economic growth.

CHART NO – 3
INDUSTRIAL CREDIT & FDI IN TAMIL NADU

Industrial Credit (₹ lakh crore)

FINDINGS

Economic Scale: Coimbatore is the second-largest city economy in Tamil Nadu, contributing approximately Rs. 45 crore to the state's GDP as of 2021, with particular strength in textiles, engineering, and IT/ITES sectors. Sectoral Diversification: The city functions as a multi-sectoral economic hub, encompassing over 25,000 industries, and is actively involved in defense manufacturing, auto components, software exports, and aerospace engineering. Productivity & Growth: Tamil Nadu's manufacturing sector saw a 33.7% rise in worker productivity between 2020–21 and 2022–23, with Coimbatore expected to reflect or exceed these state-level trends due to its industrial concentration. Infrastructure & SEZ Development: The presence of four operational Special Economic Zones (SEZs) and Smart City investments contributes to Coimbatore's competitive advantage in industrial exports, digital infrastructure, and investment attraction. Data Limitations: A consistent constraint in analysis is the lack of annual district-level data for Coimbatore on GDP, exports, and employment, which necessitates reliance on proxies like SEZ output, IT exports, and industrial credit trends for assessment.

SUGGESTIONS

To harness Coimbatore's full economic potential, several policy and operational recommendations are proposed, District-Level Annual Data Publishing: Enable standardized reporting of district GDP, sectorial employment, industrial credit, and export performance. SME Credit Facilitation: Expand Coimbatore-specific access to industrial finance through dedicated channels or clusters. Skill Development Alliances: Foster industry-academia linkages to bridge the employment readiness gap. Sustainable Industrialization: Promote clean technology adoption via incentives and public-private green certifications. Branding for FDI: Market Coimbatore as an innovation and export hub to international investors, leveraging its industrial base.

CONCLUSION

Coimbatore's contribution to Tamil Nadu's economy is multifaceted, spanning manufacturing, IT services, urban development, and exports. It serves not only as a legacy hub for textiles but has diversified into defense production, software services, and electronics, placing it ahead of many peer cities in India. Nonetheless, integration into mainstream economic analysis is impaired by a lack of consistent, granular, district-level data.Future

economic planning should give due attention to Coimbatore, both in allocation, infrastructure investment, and policy focus. The city's strength in export-oriented and SME-led growth presents replicable models for other Indian cities. As the industrial ecosystem matures and infrastructure upgrades continue, Coimbatore can emerge as both a state and national growth anchor. Greater data transparency, urban sustainability, and investment facilitation would unlock its next stage of economic transformation.

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