

THE EFFECT OF THE COVID 19 ON OVERALL FIRM PERFORMANCE IN SRI LANKAN APPAREL COMPANIES

Kavindi B.G.H,
Priyasath G.D,
Perera L.S.A,
Anuradha R.P.S,
Weligodapola H. W. M.C,
Karunarathna K.N.P

ABSTRACT

Covid-19 pandemic originated in China has rapidly spread across the world. The global damage caused by this disaster has not yet been confirmed. In this crisis, the respective authorities and governments put several efforts to control the pandemic outbreak. In the face of this emergency, different rules and regulations were enforced by different countries. The apparel industry significantly contributes to the GDP in Sri Lanka as it accounts for 15% of Sri Lanka's exports and provides over 300 000 direct employment and 600 000 indirect employment opportunities. Sri Lanka is no exemption when it comes to the effect of COVID-19. The apparel industry has a high demand from overseas buyers, and the raw materials used in its production are primarily imported from other countries. COVID - 19 virus has severely hampered the manufacturing process and the availability of raw materials from suppliers due to foreign transactions' restrictions. Besides, obtaining the labour required for the production process has been severely restricted due to the government's precautionary actions. This research's main objective is to recognise the impact of COVID 19 on Sri Lankan apparel companies and make recommendations for confounding the challenges posed by COVID 19. As a result of the literature review, five key variables were identified to determine the impact of COVID-19, Sri Lankan apparel companies such as finance cost issues, Lockdown limitations, workforce management issues, and research and product development. For this study, data collected from past literature reviews, reports, webpages. The impact of Covid-19 on the Sri Lankan apparel industry's sustainability is being explored here, as no such research has been conducted in Sri Lanka so far. Finally, the recommendations for overcoming the challenges faced by Sri Lanka apparel companies were suggested.

Keywords: Covid - 19, apparel companies, lockdown, firm performance

BACKGROUND OF THE STUDY

Covid-19 virus outbreak is a global pandemic that originated in Wuhan province, China. As of 2020 July, virus has spread throughout every continent except Antarctica. The World Health Organization named COVID-19 a "pandemic" Situation. (World Health Organization, 2020). COVID-19 has caused a massive health crisis and devastating effect on worldwide economies and manufacturing industries. Due to this pandemic situation, supply chain disruptions occurred in the manufacturing sector, which has created a butterfly effect on every other industry. Manufacturing companies cannot operate without supply chains, and they have to terminate or reduce production processes. Job loss is another main problem that arises with this COVID-19 situation as well. International Labour Organization show that "working hours fell 14 per cent during the second quarter of 2020 - equivalent to the loss of 400 million full-time jobs." (JAAFSL, 2020)

The apparel industry in Sri Lanka has more than 400 000 direct employments and has recorded exports of \$ 5.6 billion in the last financial year. Due to the COVID 19 in Sri Lankan Apparel companies, exports were \$ 1.5 billion for the three months from ending June, compared to the previous financial year. The damage does not stop there, as one expects more demand contraction, leading to a decline in garment exports (JAAFSL, 2020). Sri Lanka's garment industry has no peers in the island's economy, accounting for about 15% of Sri Lanka's total exports and 15% of the workforce. Companies such as Brandix, Mass Holdings and Hirdaramani are large multinational corporations, with offices and apparel factories throughout Asia, Europe and North America. Successful apparel companies in Sri Lanka have invested in research and development capabilities for decades. They have built a globally competitive specialty around innovative and high-end fabric manufacturing for brands. Among the other industries, the Apparel sector is one of the most affected industries by COVID-19. Governments implement strict rules and lockdowns to control the disease, and apparel companies have to stop production due to a lack of raw materials and customer orders. "This study has found that the apparel industry is one of the most affected industries among the other industries by COVID-19" (Sen, Sen, & Antara, 2020). As customers reduce apparel products' orders, some apparel companies moved to healthcare product manufacturing to stop the companies from going below the breakeven point. In a pandemic situation like COVID-19, the Sri Lankan apparel sector also has to bear the consequences of international supply chain disruptions and lack of demand for apparel products. To find out the impact of COVID-19 on Sri Lankan apparel industries. Sri Lanka's manufacturing industry was hit hard by a curfew imposed in all districts and a moratorium on raw material imports from China due to a workforce shortage. However, with the import banned on non-essential goods, the Export Development Board of Sri Lanka has exclusively ordered the ban on export inputs. It ensures that the supply of raw materials for export goods does not interfere with foreign suppliers' local regulations. Also, Garment manufacturers have responded to the crisis with new pay and job cuts and the elimination of various benefits and the imposition of working hours and productivity targets.

Moreover, few studies have been conducted on the impact of covid-19 on Sri Lankan apparel manufacturing industries. As far as we know, other studies have failed to develop practical recommendations for overcoming the covid-19 challenges in Sri Lankan apparel companies. There is much to explore in this area that will benefit from taking precautions to an upcoming pandemic situation like covid-19.

Research Problem

Due to the rapidly spreading corona epidemic around the world today, the lives of all the people in the world are now in disarray. As a result, businesses around the world are facing a number of serious crises. As far as Sri Lanka is concerned, Sri Lanka also had to face a lot of problems with this corona. This has caused severe damage not only to the lives of the people but also to the existing economy of the country. The garment sector in Sri Lanka is one of the key sources of foreign exchange for Sri Lanka. In addition, there are a large number of job opportunities in this garment sector, which also maintains a large number of families in the garment sector. This apparel sector in Sri Lanka has also been severely affected by Corona. It has had a profound effect on every sector of the apparel sector and as a result the apparel sector is currently going through a very challenging period. Especially with the large suppliers and customers in this garment sector being overseas, the difficulties in dealing with those countries, the need to act hygienically due to the tightening of existing laws and regulations in the country, and the curfew conditions caused by emergencies in the country, some companies are not used to new technology also. So there is a serious question mark over the efficiency of the apparel sector during the covid-19 pandemic.

Finance cost, Workforce management, lockdown limitations, Product development and research are key areas focused on this research to measure the impact on firm performance.

Due to the covid-19 epidemic situation globally every industry is affected. Manufacturers have left with various problems to deal with for continuing their operations. Sri Lankan apparel industry is no other exemption in this scenario. So this research will primarily examine the limitations of apparel companies.

In this study we investigate the impact of covid-19 on apparel companies financial and workforce practices as well. We have identified two types of major financial costs affected by covid-19 by studying the past research, articles, institute working papers etc. So, we hope to study broadly these two costs to identify the impact and recommend the solutions for the problems that arise with the epidemic situation.

Human resources are the vital resource in every industry. Apparel industry is few of the industries that provide a major number of jobs in the country. It's important to identify the relevant workforce management practices that have to be taken to continue the apparel company's production processes. This research focuses on the issues in workforce management during the covid-19 pandemic and proposes possible solutions for eliminating the identified problems.

Covid-19 left every industry with at its stake. Even large-scale companies cannot eliminate the threats posed by covid-19. This research aims to identify the most common threats to apparel companies by covid-19 and suggests solutions and procedures to eliminate or reduce those identified threats. It will be a major relief for upcoming pandemic like covid-19 and expand the database of threats about Sri Lankan apparel companies. Investors, upcoming researchers, apparel companies will benefit from this research to get an idea of how the Sri Lankan apparel industry behaved in Covid-19 pandemic situation.

In the face of the Covid-19 situation, each sector underwent a number of different changes. This research shows how apparel companies in Sri Lanka seek solutions to these changes through the R&D department of their manufacturing companies. It mainly focuses on Online sales or e-commerce related practices and new products & trends. In the face of this covid-19 situation, this process has enabled the apparel companies to retain their customers and reach new customers.

Research Questions

When we focus on the how affect COVID 19 on overall Firm performances of the Apparel industries in Sri Lanka, we see several factors including Finance, Lockdown limitation, Workforce management, Product development and research which is vary from each other. To explore the above-discussed issues following research questions have been developed.

- 1) What are the lockdown limitations faced during Covid-19 crisis in Sri Lankan apparel companies?
- 2) What is the Covid-19 effect towards finance and workforce management practices?
- 3) What are the current challenges in apparel companies in Sri Lanka?
- 4) What are the product research and development strategies use in Sri Lankan apparel companies?

Research Objectives

They will be prepared once the research problem is over. They give meaning and give meaning to research papers. Goal is to find answers to the research problem. There are 01 main objective and 04 sub objectives. They are,

Main Objective

To identify the effect of the Covid-19 on overall firm performance in Sri Lankan apparel companies.

Sub-Objectives

- 1) To find out the impact of lock down limitations to apparel companies
- 2) To identify the effect on Finance and workforce management practices
- 3) To study the measurements taken to overcome covid-19 challenges.

To find out the product research and development strategies in apparel companies

LITERATURE REVIEW

FINANCE COST

The impact of the COVID-19 pandemic on Sri Lankan textile manufacturers is unprecedented. They had to deal with several problems, such as falling sales, factory maintenance costs, and employee wage costs. The highest costs outweigh the costs of salaries and wages. As a percentage, the total cost is 70%

When studying financial costs, we can identify two types of costs. These are the direct cost and the secondary cost. The primary cost is the cost of production. It is the cost that directly affects the production process. Take, for example, the textile industry and the use of raw materials and wages. Raw material prices are rising due to the effects of the COVID-19 epidemic, in the secondary cost that indirectly affects the production process. Take, for example, Production overhead, Material overhead and Production cost.

- 1) Manufacturing cost

The primary reason for increasing manufacturing costs for Sri Lankan apparel companies is that the primary source of raw materials suppliers in China has been infected at first by the COVID-19. After the lockdown was declared in China immediately, the apparel industry's whole supply chain, entirely dependent on China, got disrupted. "This lead apparel manufacturing country in the global world: Bangladesh, Myanmar, Sri Lanka, Pakistan are mainly depended on China for their raw materials (Sen, Sen, & Antara, 2020) Being that COVID-19 crisis impacting shipment and receiving products on time due to shortages and logistics bottlenecks caused the failure of supplies and uncertainty in raw material supply. So the transportation of lower-cost raw materials from china forced Sri Lankan apparel companies to find new suppliers currently available within Sri Lanka. The new supplier's raw materials costs are much higher than the previous suppliers. So that is one reason for the increase in manufacturing costs of apparel products. Before the covid-19, buyers ordered apparel products in larger batch sizes. Currently, due to a lack of demand, buyers looking for apparel products in smaller batch sizes, and that leads to higher manufacturing costs. "The most significant changes are seen in a drop in order to the volume compared to previous orders or seasons, smaller volumes at the same price (Barrie, 2020).

- 2) Operational cash flow

COVID-19 pandemic has spread out all around the globe, causing lockdowns in every country. COVID-19 is having a critical impact on the manufacturing sector by minimising the demand for products. For instance, demand shock forced retailers to close the shops, and it directly affected manufacturing sectors like the apparel industry. So the demand for apparel products collapsed, and stock sales dropped dramatically due to buyers cancelling the orders. "Cancelled orders have left manufacturers with stock materials" (CBI, 2020)

"Another impact on the covid-19 on the apparel industry is deferred payments by the retailers" (Sen, Sen, & Antara, 2020)". Currently, all the money spent on raw materials does not generate a higher return. The buyers of this industry plan to postpone future orders and the current orders in processing. Suppliers said: "most" of their recent orders cancelled while 5.9 % had all of their process orders cancelled (Anner, 2020). Order cancellation from the retailers and brands' end is a significant impact on operational cash flow. Apparel manufacturers cannot keep on manufacturing due to a shortage of cash. "We are facing a huge challenge to manage operating costs because of a shortage of cash"(Chowdhury et al., 2020). This has caused a breakdown in cash flow. Lack of cash to further operation activities leads to immediate actions to secure the cash flow in apparel companies. So they have to limit their expenses as much as possible.

WORKFORCE MANAGEMENT

The International Labour Organization (ILO) estimates that the new coronavirus could create 24.7 million job losses. The eruptions of COVID-19 have forced countries to restrict the movement of citizens, and in some cases enforcing locks has led to a decline in global economic activity, especially in the manufacturing and services sectors (McKeever, 2020)".

The impact of this pandemic on the amateur industry in Sri Lanka has more than 400,000 direct employees and has recorded exports of \$ 5.6 billion in the last financial year. Compared to the previous financial year, Sri Lankan Apparel exports \$ 1.5 billion for the three months ending June. The damage does not stop there, as one expects more demand contraction, which could lead to a decline in garment exports (JAAFSL, 2020)".

The worst Covid-19 new waves in Sri Lanka have started in the Brandix apparel industry. The new corona cluster on October 4 emerged from a Brandix factory in the Minuwangoda area of Gampaha; of the 1036 employees employed and 360 of their close relatives, a total of 360 were confirmed positive. It is emphasized that this number is more than one-fourth of the number of infected

persons found in Sri Lanka. Brandix is one of the largest apparel exporters in Sri Lanka. It employs about 53,000 people. Initially, about 600 employees were infected with the COVID-19.

In the face of the catastrophic situation, some garment factories have been forced to close, and management has decided to cut workers' wages in some factories. For example, 60% of management employees' salaries and 40 % of jockey machine operators' salaries have been cut. Also, on a more temporary basis, the workers were fired without any payment (Senaratne, 2020)

1) Cutting out benefits

Like other companies, apparel companies offer employees at all levels of their organization various benefits and salary. By providing such benefits and allowances, the institution expects employee attraction and motivation. Examples of benefits are fuel, bonus, and various discounts. He had to face various difficulties and various problems due to the garment factory owners' primary income network's breakdown. For example, bank loans, insurance, calls, vehicle, and internet connections and companies have given a grace period of 6 months for the payment of lease instalments on everyday used vehicles. The government has provided various reliefs to overcome such difficulties. One of the main demands of the apparel companies on the government is to suspend ETF and EPF funds for a certain period. Therefore, apparel companies have been pressuring the government for six months. However, the government is not responding to those demands.

"Most factories are trying to cope with this situation but are facing production shortfalls and run the risk of having to suspend production lines. The situation gives rise to the real risk of reducing immediate costs; manufacturers may start by reducing the number of workers they employ or start reducing the hours of their shifts. Both possibilities would result in a loss of income for the workforce that in Bangladesh counts for four million workers (Pavarini, 2020).

2) Salary cuts

Sri Lanka's small apparel industry and leading apparel, Covid19, is facing a wide range of problems due to the situation. About 15% of Sri Lanka's workforce is employed in the apparel industry. Statistically speaking, more than 400,000 were directly contributing to labour. Due to this crisis, the apparel companies came to various decisions. The main focus was on how to reduce the cost of institutions again. They did suspend capital expenditure and cut wages by 5% - 60% depending on employee salary levels—for example, Sri Lanka's leading apparel exporter Brandix Lanka Company. Has announced a series of cost-cutting moves, including pay cuts as high as 60% for executive cadre and Board members preceding compensation, as internal measures to manage the impact of the COVID-19 pandemic (Adittiya, 2020)".

3) Reducing OT hours

The average working hours of garment companies are 7.30 am – 5.30 pm. Nevertheless, it varies from garment to garment. However, during the COVID-19 time period, the company's management has decided to cut the employees' overtime. It varies from business to business. For example, with the relaxation of the curfews, the garment company began its operational activities. But employees were not used to overtime. This is due to the lack of orders to continue the business and the inability to market the finished garments produced, as well as apparel companies are not financially strong enough to pay overtime.

4) Shift basis work hours

Due to the crisis caused by COVID 19, the operations of all the garment businesses became inactive. Order receipts also stopped halfway. But due to the work that was stopped halfway and the corona, the business of marks sewing, which was a business opportunity, continued. The government introduced new rules and regulations for the use of health care practices in factories, as well as Examples of hygienic procedures that include keeping a meter gap, washing hands with soap, and always wearing a face mask. The authorities, therefore, ensured that all workers were employed on a shift basis without being called into the factory at once. Shift based working hours, regular sanitizing, procure the adequate amount of Personal and protective equipment for sufficiently handling the pandemic situation.

5) Implement health policies

Discourage workers from using other workers' phones, desks, offices, or other work tools and equipment, when possible. Maintain regular housekeeping practices, including routine cleaning and disinfecting of surfaces, equipment, and other work environment elements. When choosing cleaning chemicals, employers should consult information on the Environmental Protection Agency (EPA)-approved disinfectant labels with claims against emerging viral pathogens. Products with EPA-approved emerging viral.

6) Safety equipment and training

Everyone from the highest official to the lowest employee makes a considerable contribution to curbing the corona menace. Despite the Sanitary methods imposed by the government, the public is also very supportive of the move. Installation of sanitary ware prescribed by the PHI officer for business activities in the relevant area is the responsibility of managing that business workplace. Human labour is mostly used in garment factories. Therefore, great attention should be paid to prevent the spread of COVID19. We can see that all the garment factories in Sri Lanka are fitted with proper hygiene equipment and maintained to the required standards. For example, the sink for handwashing is installed in different places and can be seen near the Antiseptic room gate in the same garment factory. It also conducts lectures for employees and educates them on the action to combat the coronavirus, such

as enhancing their knowledge and educating them on how to eat individually without having to eat each other's food. You can also see top management managers being directed to do their work from home without calling the garment factory.

PRODUCT DEVELOPMENT & RESEARCH

When it comes to any organization, its primary goal is to outperform its competitors. Therefore, they try to do something special for the customer within the organization more than any other company. This R&D segment faces competition as they change their products more than other companies and create new products. Nevertheless, at this point, there is one more purpose. To obtain the number of orders required to maintain the production process of one's product. Due to the corona epidemic that is currently spreading worldwide, many changes are taking place in the garment sector: primary New Products and Online sales or e-commerce related sales.

1) Online sales or e-commerce related practices

At present many countries are still in a state of complete lockdown. Due to this lockdown, it has become difficult for consumers to physically visit the shops and fulfil their daily needs, especially apparel-related products. In some other countries, these restrictions have been imposed, but due to fear of this corona, they do not go to the shops and due to some decisions taken by the government, the restrictions on the shops' sales goods have been reduced. Moreover, the storage and transportation of these products have been greatly affected. For this reason, consumers are turning to the Internet for their needs, especially in the case of Before Corona, which is rarely happening today, but it is rapidly gaining popularity. The other point here is that most of the companies in the apparel sector have now adopted the "B to B" methodology, and today it is the "B to C" has evolved into a methodology (CBI, 2020). Companies made only large-scale orders in the past, but now, even small-scale orders are handled by apparel companies. As a medium used here, apparel also has a great opportunity nowadays in the e-market space of Amazon and Alibaba.

Another way to reach their chosen customers is Facebook, which is the best way to reach their customers quickly. Nowadays, almost everyone follows these methods, and the company can go to their customer, and the customer can easily see and choose the finished garment they want from home. For example, one of the primary buyers of our apparel is the US state, whereby 2020, compared to 2019, apparel-related products appear to have sold significantly through e-commerce (Berthene, 2020)".

2) New Products & trends

In the Sri Lankan apparel sector, in the past, they used to produce consumer-supplied goods. There was a large production of everyday clothing, and now due to the Corona epidemic, the number of orders received from those customers has decreased. So the garment manufacturers are now moving away from the clothing styles they came up with to create hygienic clothing, a new experience. Some of Sri Lanka's apparel manufacturers have been making hygienic clothing in the past, but they too are now changing their products and making innovations (CBI, 2020)". In addition, some manufacturing companies are now focusing on making antiviral clothing (Fashionatingworld.com, 2020). For example, Sri Lankan apparel manufacturers are currently making health-protective clothing and hygienic face masks to protect against the Corona epidemic. Face masks with innovative styles and designs that are different from the face masks available there, and health care suits can be seen in the way they are made, making them very easy to wear.

"Manufacturer, Hirdaramani group has partnered on what it claims is the world's first sustainably designed smart face mask to use respiration sensor technology. The manufacturing giant has collaborated with the Sri Lankan Institute of Nanotechnology (SLINTEC) and CirQ technology to develop the BreathTech-S3 Mask, which is manufactured using a combination of sustainably sourced, natural and biodegradable materials and features as features an advanced patent-pending graphene-based sensor that measures breathing rate, mask fit, carbon dioxide build-up and mask usage, all of which are accessible via a secure mobile app. (Wright, 2021)".

Due to this epidemic, factories have to face many problems in manufacturing due to the products. Apparel companies are conducting various investigations to address these issues. We all know that research and development in the garment industry and all other Sri Lanka industries have stalled during the recent lockout period. However, reports indicate that various businesses are currently conducting research and testing of their products to suit this epidemic. Soap and detergent companies, for example, have been tempted to adopt antiseptic methods (Unilever, 2020)". It can be seen that the raw material manufacturing companies engaged in the garment industry in foreign countries have focused on the production of sterile fabrics, work wear, and PPE (antibacterial face mask, medical protective clothing) in the local and international markets.

LOCKDOWN LIMITATION

The covid-19 pandemic poses excellent public health and economic challenges to countries around the world. Slowing down the spread of the pandemic requires implementing social distancing measures that disrupt economic activity. Simultaneously, some activities need to be maintained, which puts workers in these sectors at risk of contracting the virus. The ongoing COVID-19 pandemic is causing unprecedented disruptions to economic activities across countries, and Sri Lanka is no exception. The leading raw materials suppliers for Sri Lankan apparel companies are based in China. So, the lockdown in China affects the Sri Lankan apparel industry on a significant scale. In this research, we are studying the impact of COVID-19 on Sri Lankan apparel company's firm performances. We have taken a qualitative approach for this research. Raw materials costs are much higher than previous suppliers. So that is one reason for the increase in manufacturing costs of apparel products.

1) Order Cancellation

The garment sector is heavily dependent on textiles, the supply of accessories from China, and the supply chain disruption. Micro-level apparel manufacturers also procure their raw materials in bulk from wholesale dealers, mainly from China and India, and have almost become inactive due to the breakdown of the supply chain, which has been added to the curfew-imposed restrictions. "Our customers have postponed some of the orders, and some have lost the orders while some have deferred payments for our exports. We are facing many financial issues. Given this situation, it is

Many physical stores were closed, and European and China buyers started the cancellation and suspension of supplier orders. Asian apparel manufacturers Outside of China, COVID-19 was initially considered an opportunity. As orders increased, buyers were looking for alternative sources. Destinations also began to face the negative economic impact of the virus. This dramatically affects the countries that produce garments. "Within a week, \$ 1.5 billion worth of orders were cancelled in Bangladesh, putting more than four million workers at risk (Kelly, 2020)". One million garment workers have already been sent to Bangladesh due to the repealed orders.

2) Shortage of Raw materials

When China stopped manufacturing upstairs apparel and textiles after the Lunar New Year, transport restrictions were imposed to prevent further Outbreaks appearing to be exacerbated by the virus, leading to a shortage of raw materials in Asia. Garment exporting countries, most of which are liquid inputs originating in China. While The COVID-19 eruption was initially confined to China by the end of February, it is estimated that it will take time before the Chinese factories start increasing their production capacity as supply levels recover. Lack of staff - due to travel restrictions, increased costs and shortage of raw Material - The manufacturers claim that they are completely disrupting the Resumption of operations (International Labour Organization, 2020)". Also, there are still severe traffic restrictions. Inhibition of raw material exports to produce other garments. Countries in the region, with customers staying home.

3) Transportation Issues

Many countries have restricted or stopped international flights and flights, causing delays in cargo handling. This has reduced the cargo capacity of existing and operational cargo aircraft. The shipping sector has also been hit by vessels' deployment under quarantine for weeks before entering the port. Shipping containers migrate to ports and state borders (Kumar, 2020)".

Border locking and sealing affect the first and last miles of freight within the local part of the supply chain. This affects rail and road transport as delays in supply increase the cost of goods. With the cancellation of domestic flights across the country, the rapid movement of e-commerce and the supply chain will be affected, and the e-commerce business will be delayed. In short, the demand-supply gap is expected to widen.

METHODOLOGY

In this research, we are studying the impact of COVID-19 on Sri Lankan apparel company's firm performances. We have taken a qualitative approach for this research. The methodology of this study shows that the objectives of the study are achieved. The approach of this study uses an inductive approach. The inductive approach, also known as inductive reasoning, starts with the observations and theories are proposed towards the end of the research process as a result of observations. The sampling technique of this study was purposive sampling. This is a technique where the sample is taken from the top level of different apparel companies' positions. We have selected the participants for the interviews using a purposive sampling technique to gather data. The questionnaire contained 32 questions. The first three questions of the questionnaire were prepared to get the respondents' demographic, and the rest of the questions are regarding four main variables. The data collection is done by the primary data collection method with the use of questionnaires and online interviews. Due to the COVID, 19 situation questionnaires were distributed electronically. Once the responses are received, they will be recorded in Excel sheets and categories according to the variables of the study and the English language used for the questionnaire. The questionnaire was developed based on past literature reviews and online interviews, articles and webpages. The questionnaire targeted collecting the data concerning the research variables such as Finance cost, Workforce management, Lockdown limitations, Product development and research. The data will be collected from the apparel industry's resource person, and the collected data will be analysed using NVIVO software.

DISCUSSION

The study of past literature reviews shows that the effect of the COVID 19 on the apparel companies is highly affected. Some apparel companies are mainly getting their raw materials from China. Their raw material supplier hub is in China. China was locked down in the 1st wave of the COVID 19. Many countries have restricted or stopped international flights and cargo handling'. Due to the result of this, we found out apparel companies faced lots of problems. Such as order cancellation, shortage of raw materials, factory workers losing their jobs and wages The most significant change is seen in a drop in order volume compared to previous orders or seasons, smaller volumes at the same price

Also, due to the lockdown, there were transportation issues. All those factors influence the apparel companies because their manufacturing processes were hampered. Due to that, the apparel company's sales declined due to raw materials shortages, order cancellations and low purchasing power. This has undoubtedly had an impact on Sri Lanka's apparel companies. The private sector is also not injecting investments in these pandemic times, which will lead apparel companies to a hard time raising capital for the operations.

RECOMMENDATIONS

Apparel companies, Suppliers, Stakeholders, Government, Trade unions have to formulate policies for the future to ensure workers' lives in this kind of emergency. In addition, it proposes to explore the entire supply chain of the apparel industries. In this covid-19 situation, buyers of this industry plan to postpone future orders and the current orders in production. Compared to 2019, apparel related products appear to have sold significantly through e-commerce. Many physical stores were closed and European, and China buyers started to order cancellation and suspension of supplier orders. Online stores, another way to reach your chosen customers is Facebook, which is the best way to quickly reach your customers and go for the "business to customer" methodology or "B to C" methodology.

Also, Apparel companies can shift to healthcare product manufacturing to stop the companies from going below the breakeven point in this pandemic. When it comes to the workers' view providing them with more benefits and allowances, the institution expects employee attraction and motivation. Examples of benefits are fuel, bonus, and various discounts. Also, this pandemic has greatly increased the stress of the employees working in these institutions. Only a minimal number of selected people work, and the workers capacity is very high. The solution to this situation is to change the work environment in which they work.

CONCLUSION

Apparel companies, Suppliers, Stakeholders, Government, Trade unions have to formulate policies for the future to ensure workers' lives in this kind of emergency. In addition, it proposes to explore the entire supply chain of the apparel industries. In this covid-19 situation, buyers of this industry plan to postpone future orders and the current orders in production. Compared to 2019, apparel related products appear to have sold significantly through e-commerce. Many physical stores were closed, and European and China buyers started to order cancellation and suspension of supplier orders. Online stores Another way to reach your chosen customers is Facebook, which is the best way to quickly reach their customers and go for the "business to customer" methodology or "B to C" methodology.

Also, Apparel companies can shift to healthcare product manufacturing to stop the companies from going below the breakeven point in this pandemic. When it comes to the worker's view, providing them with more benefits and allowances, the institution expects employee attraction and motivation. Examples of benefits are fuel, bonus, and various discounts. Also, this pandemic has greatly increased the stress of the employees working in these institutions. Only a minimal number of selected people work, and the work capacity is very high. The solution to this situation is to change the work environment in which they work. Governments offer various types of support, such as tax reduction and contributions to bank loans' interest. If they need support, governmental support is their best option as it is often cheap. It will allow them to keep paying their company expenses without facing bankruptcy. With the status of Covid-19, the e-commerce segment became rapidly gaining popularity around the world. In the face of this situation, Sri Lankan apparel companies have also invested heavily in this sector. Among the technologies, they have invested in are cloud computing, automation and data analytics.

CONTRIBUTION

There is plenty of research and articles about COVID 19 on overall firm performance in the Sri Lankan apparel industries. Therefore, this study aims to identify the current situation in the Sri Lankan apparel industries. For that, we collected data from selected few apparel company's experts to look at how they faced this pandemic. Through this, we gave some recommendations for how to act on further pandemics like this. Through this study, identify the main areas of Sri Lankan apparel companies affected by COVID 19. This study also helps to mitigate or reduce the risk of COVID 19 impact on apparel companies by acquiring new technologies and procedures. Moreover, few lessons can support the apparel companies and adjust and learn planning for future pandemics like this.

REFERENCES

- Adittiya, S. W. (2020, March 10). *Apparel-kicks-off-COVID-19-impact-evaluation-process*. Retrieved from [www.ft.lk: http://www.ft.lk/top-story/Apparel-kicks-off-COVID-19-impact-evaluation-process/26-697199](http://www.ft.lk/top-story/Apparel-kicks-off-COVID-19-impact-evaluation-process/26-697199)
- Pavarini, M. C. (2020, 03 20). *How the textile industry will evolve after Covid-19 - Part II*. Retrieved from [www.the-spin-off.com: https://www.the-spin-off.com/news/stories/Business-How-textile-and-fashion-industry-will-evolve-after-Covid-19-Part-II-15225](https://www.the-spin-off.com/news/stories/Business-How-textile-and-fashion-industry-will-evolve-after-Covid-19-Part-II-15225)
- Anner, M. S. (2020, March). *Abandoned? The Impact of Covid-19 on Workers and Businesses at the Bottom of Global Garment Supply Chains*. Retrieved from [Research Gate: https://www.researchgate.net/publication/340460592_Abandoned_The_Impact_of_Covid-19_on_Workers_and_Businesses_at_the_Bottom_of_Global_Garment_Supply_Chains](https://www.researchgate.net/publication/340460592_Abandoned_The_Impact_of_Covid-19_on_Workers_and_Businesses_at_the_Bottom_of_Global_Garment_Supply_Chains)
- Barrie, L. (2020, July 31). *Apparel suppliers face new cost pressures as orders resume*. Retrieved from [www.juststyle.com: https://www.just-style.com/news/apparel-suppliers-face-new-cost-pressures-as-orders-resume_id139290.aspx](https://www.just-style.com/news/apparel-suppliers-face-new-cost-pressures-as-orders-resume_id139290.aspx)

- Berthene, A. (2020, April 29). *Online-sales-jump-49-bopis-grows-208-amid-coronavirus-pandemic*. Retrieved from www.digitalcommerce360.com: <https://www.digitalcommerce360.com/2020/04/29/online-sales-jump-49-bopis-grows-208-amid-coronavirus-pandemic/>
- CBI. (2020, 09 01). *How to respond to COVID-19 in the apparel sector*. Retrieved from CBI Ministry of foreign affairs: <https://www.cbi.eu/market-information/apparel/how-respond-covid-19-apparel-sector#minimise-costs-and-secure-your-cashflow>
- Fashionatingworld.com. (2020, August 14). *covid 19 spurs new fashion innovations as brands launch anti viral clothes*. Retrieved from www.fashionatingworld.com: <https://www.fashionatingworld.com/new1-2/covid-19-spurs-new-fashion-innovations-as-brands-launch-anti-viral-clothes>
- Gunawardana, D. P. (2020). *The Impact of Covid-19 on the MSME Sector in Sri Lanka*. Sri Lanka: May.
- Industri ALL Global Union. (2020, 07 23). *Mining During and After COVID-19: A perspective from IndustriALL Global Union*. Retrieved from www.igfmining.org: <https://www.igfmining.org/mining-during-and-after-covid-19-industrial-global-union/>
- International Labour Organization. (2020). *Recommendations for garment manufacturers on how to address the covid-19 pandemic*. Switzerland: International Labour Organization.
- JAAFSL. (2020). *Yearly performance*. Retrieved from www.srilankaapparel.com: <https://www.srilankaapparel.com/data-center/yearly-performance/>
- Kelly, A. (2020, 04 15). *Arcadia group cancels over 100m of orders as garment industry faces ruin*. Retrieved from www.theguardian.com: <https://www.theguardian.com/global-development/2020/apr/15/arcadia-group-cancels-over-100m-of-orders-as-garment-industry-faces-ruin>
- Kumar, A. (2020, April 17). *Covid 19 Effect of the Pandemic on Logistics and Supply Chain*. Retrieved from www.entrepreneur.com: <https://www.entrepreneur.com/article/349420>
- McKeever, V. (2020, 03 19). *Nearly 25 million jobs could be lost globally due to the coronavirus, UN labor organization estimates*. Retrieved from www.cnb.com: <https://www.cnb.com/2020/03/19/nearly-25-million-jobs-could-be-lost-globally-due-to-the-coronavirus.html>
- Sen, S., Sen, S., & Antara, N. (2020). The Unprecedented Pandemic "COVID-19" Effect on the Apparel Workers by shivering the Apparel Supply Chain. *Journal of Textile and Apparel , Technology and Management* , 3-11.
- Senaratne, D. (2020, 11 14). *The COVID-19 second wave and the apparel industry*. Retrieved from www.ft.lk: <http://www.ft.lk/opinion/The-COVID-19-second-wave-and-the-apparel-industry/14-708902>
- Unilever. (2020, 03 16). *unilever-announces-covid-19-actions-for-all-employees*. Retrieved from www.unilever.com: <https://www.unilever.com/news/news-and-features/Feature-article/2020/unilever-announces-covid-19-actions-for-all-employees.html>
- World Health Organization. (2020, 03 11). *COVID-19*. Retrieved from www.who.int: www.who.int
- Wright, B. (2021, 02 03). *COVID-19 Impact on sustainable production and operations management*. Retrieved from www.just-style.com: https://www.just-style.com/news/hirdaramani-group-develops-smart-face-mask_id140641.aspx

Kavindi B.G.H,
Sri Lanka Institute of Information Technology

Priyasath G.D,
Sri Lanka Institute of Information Technology

Perera L.S.A,
Sri Lanka Institute of Information Technology

Anuradha R.P.S,
Sri Lanka Institute of Information Technology

Weligodapola H. W. M.C,
Sri Lanka Institute of Information Technology

Karunarathna K.N.P
Sri Lanka Institute of Information Technology