

Performance Evaluation Of Rajasthan Handloom Development Corporation (RHDC) With Respect To Jaipur District

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INTRODUCTION

Handloom industry is perhaps the most important one, among the hundreds of small-scale and cottage industries that have survived in the present day in India. Today, handloom production is the 2nd largest employment generating activity in the country after agriculture. Currently, it contributes about 14 percent to industrial production, 4 percent to the GDP, and 17 percent to our export earnings. Thus, the growth and development of this industry has a direct impact on the economy of the nation (Mittal, 2009). Rajasthan Handloom Development Corporation (RHDC) was established under the Companies Act, 1956 in March 1984. The corporation officially started working on 1st April, 1984. This Corporation was established for the development of traditional non-cooperative and individual weavers in the state of Rajasthan through the cluster approach by supplying yarn for production and provides market to the finished handloom products. Thus, the weavers working in clusters were totally dependent on this organization for procurement of yarn and marketing support.

In every state of India, the state handloom corporation was established by the government. The corporation head office is situated at Jaipur, which exercises administrative and financial control over all units and regional offices of the corporation. The corporation has 5 regional offices located in the following cities : Bikaner, Jodhpur, Ajmer, Kota, and Udaipur (Memorandum of Association, RHDC, 2005). The present study was carried out in Jaipur district. The head office of RHDC is situated here. It is also the central place from which all the government programmes and major decisions for the development of the handloom industry are implemented throughout the state. Thus, an attempt was made to assess the performance evaluation of the services of Rajasthan Handloom Development Corporation (RHDC). It would help us to identify the weakness and strength of the organization, thus working out certain strategies to build on the opportunities in this sector. For the success of any organization, intervention is required from time to time (Thakur, 2011).

RESEARCH METHODOLOGY

The present study was carried out in Jaipur district. To draw the information pertaining to the promotional activities, procurement of raw material, marketing of handloom products, & other related issues of the organization, different departments of RHDC were contacted & the administrative set up was explored. The data was collected both from primary and secondary sources. The primary source data was collected through the observation method, structured and semi-structured interview schedule. Secondary data was collected from annual reports and sale statements. Since the study was exploratory cum descriptive kind, therefore, to collect the data, qualitative and quantitative approach was adopted for the study. For the quantitative methods, structured interview schedule was used to draw information from 320 handloom weavers from 15 cooperative societies within the periphery of 50 km from Jaipur District. For the qualitative data, semi-structured interview, observation and analysis of documents, i.e. annual reports and sale statements were done. All the senior officials of RHDC (20) were interviewed using a semi-structured interview schedule. Observation was done by preparing a checklist for observing the handloom products, presentation of the products, no. of visitors and sales in the RHDC stall in various exhibitions.

This kind of data triangulation is required in analytical studies so that the two types of information are related and thus,

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are reliable and lead to the generation of valid results.

RESULTS AND DISCUSSION

An attempt was made to evaluate the performance of the services of the RHDC, for this, the administrative set up of the organization was explored.

❖ **Scenario of The Administrative Set up of RHDC In The Last 5 Years :** While initiating the interview schedule (in January 2008), it was found that in the past, 410 officers & subordinates were working in RHDC, but because of financial crisis and loss, RHDC introduced voluntary retirement scheme (to curtail the load of a large number of staff members), they merged the services of many people in other departments. This way, they brought down the number of staff members from 410 to 43. Till date, out of the 43 members, 50% of the staff is appointed on deputation in Panchayati Raj department as Gram Sewaks. The salary bill has come down approximately by 90%. Thus, the present number of the staff members is 20 members. The consequences of the mismanagement of the organization resulted in the changing of the Managing Directors frequently in three years (2007-2010) . Four Managing Directors were changed, which had an adverse effect in fulfilling the objectives framed by RHDC.

❖ **Performance Evaluation Of Services :** As change has become an inevitable part of our life, Indian organizations are no exceptions to these compulsions. Today, they face numerous challenges and complexities, operating, as they do in a highly volatile, political and economic environment (Tripathi & Tripathi, 2009) . All public service organizations provide services to other people and/or organizations, although not all provide services directly to members of the public. The performance evaluation of services is an important measure to ascertain the effectiveness of an organization. Hence, we need to evaluate the performance of RHDC services in terms of supply of yarn and marketing support.

The services provided to its beneficiaries by RHDC were supplying the yarn and providing market support to the finished product, and these services are discussed below:

❖ **Supplying Yarn :** RHDC was providing yarn to the weavers working in clusters. Probing into the situation, it was revealed that after July 2007, RHDC stopped supplying yarn to the individual weavers due to the financial crisis, loss and shortage of staff members. Twenty officials of RHDC were interviewed about the constraints faced in procuring yarn. The Table 1 shows the responses, these were the shortage of funds (10 respondents), shortage of infrastructure for storage of yarn (5 respondents), and lack of accountability (5 respondents).

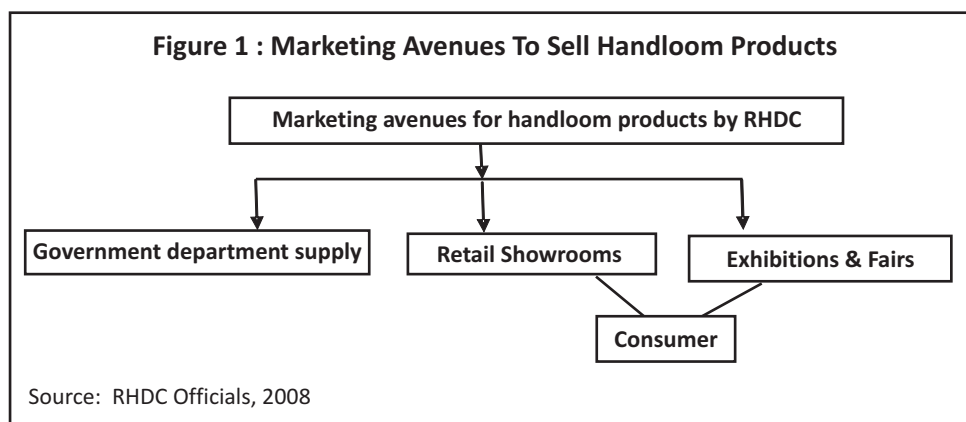
Table 1: Constraints Faced In Procuring Yarn		n=20
S.No.	Constrains	f (%)
1	The shortage of funds	10(50%)
2	Inadequate infrastructure for storage of yarn	5(25%)
3	Lack of accountability	5(25%)
Source: RHDC Officials, 2008		

The RHDC, which was set up to supply yarn and other raw materials at a reasonable cost to the individual weavers, could not continue to do so. However, no efforts have ever been taken to salvage the poor yarn procurement and distribution to the weavers, which is the prime necessity for production. Lack of accountability on the part of the RHDC as a service provider has been largely responsible for prevalence of such a situation.

The Manager, Production and Administration, in his own words expressed: *“Subsidy from the centre was stopped due to certain changes in policies of the government. Subsidies have started to decrease. The required amount of fund allocation was not sanctioned by the central government. There was a continuous rise in the prices of yarn, and the organization was unable to purchase yarn and supply it to the weavers.”*

This reflects that due to lack of adequate financial support, the organization was compelled to stop procuring yarn and supply the same to the weavers. At present, weavers working erstwhile in clusters have merged into cooperatives, the procurement of yarn is done by RRBSS (an organization working for weavers in the cooperative fold).

❖ **Marketing Support To Handloom Products** : To provide market to the handloom products, three channels are being used by the RHDC for the products to reach the consumer as revealed by the middle management officials. As depicted in the Figure 1, handloom products are supplied to the government departments and other channels through which the products reach the consumers through retail showrooms, exhibitions and fairs.



❖ **Government Supply** : One of the major channels to sell the finished products is to supply to government departments such as government hospitals, social welfare departments, government schools, and other government organizations. The products that are supplied to them are Durries Patti, Gauge bandage, Bed sheets and Suiting material. The costing for the handloom products, which are to be supplied to the government departments, is decided by the CSPO (Central Stores Purchasing Organization). CSPO is the central purchasing agency of the state government. CSPO is attached to the Handloom Corporation. The government rates which are fixed for various products were revised after 10 years in 2010.

❖ **Supply To The Retail Showrooms:** The RHDC has its 2 retail showrooms in Jaipur, where all the products woven throughout the state are displayed and sold. The selling price of the products for retail showrooms and exhibitions & fairs is determined by taking into account the cost of the yarn, weaving charges, finishing charges, packing charges, selling overheads of 10% and profit.

❖ **Exhibitions And Fairs:** Another channel of marketing is participation in exhibitions and fairs. At the national level, the products are displayed and sold in cities such as Jaipur, Delhi, Kolkata, Bangalore, Mumbai, and Chennai. The

Table 2: Details of Participation of RHDC In Exhibitions Held In Jaipur			
S.No.	Duration	Name of the Exhibition Held In Jaipur	Sales Turn over(in lacs)
1.	3rd-17th March, 2008 21st Jan-4th Feb, 2009 21stDec, 09-3rdJan, 10 17-31 Jan,2010 17thJan-6thFeb, 2011	National Handloom Expo Organized by: Office Commissioner Industries, Rajasthan And Development Institute, Jaipur Sponsored by: DC HANDLOOM, Ministry of Textiles, Govt.of India, New Delhi	₹ 1.5-2 lakhs /expo
2.	27th Sept, 2011	National Level Buyer Seller Meet & Exhibition Cum Sale Organized by: Rajasthan State Handloom Development Corporation Ltd., Jaipur Sponsored by: DC HANDLOOM, Ministry of Textiles, Govt.of India, New Delhi	
3.	21st Dec, 11 -3rd Jan, 12	Special Handloom Expo (Silks and cotton) Organized by: Office Commissioner Industries, Rajasthan And Development Institute, Jaipur Sponsored by: Association of Corporations and Apex Societies of Handlooms (ACASH)	₹ 1 lakh
Source: Authors' Research and Information Provided By RHDC Officials			

organization is being sanctioned every year ₹ 5 lakhs for the participation in Melas & Exhibitions.

The researchers attended seven (7) exhibitions and fairs in 4 years. Each exhibition was observed by the researchers for 3-4 days at peak hours. In each handloom expo, the sales turnover was ₹ 1.5-2 lakhs, which was a meager amount and would hardly contribute to any profit (Table 2).

It was observed by the researchers that at the peak hours (5-7 p.m.) and even on Saturday's and Sunday's, a majority of the exhibitions had very few customers, the same opinion was reflected in the informal discussion with the salesperson present at the stalls. Instances were there that sometimes, there were no customers and hence, no sales in the stall of RHDC. Customers at the exhibition had the opinion that there was not much variety in their products and display was unappealing to the viewers. The same was observed by the researchers during informal discussion with the customers. At present, the major customers are the government departments and to capture more customers and to be competitive, there is a need for having a fresh look at the system of marketing. The sales mechanism needs to be restructured to make it rational, active and dynamic to meet the challenges in the open market.

Sales of the organization represents the success or failure of the organization. The Table 3 reveals the comparative sale statement of the last 10 years of RHDC.

Table 3: Comparative Sales (in Lakhs) of The Last 10 Years of RHDC		
S.no.	Year	RHDC
1.	2001-02	688.83
2.	2002-03	317.20
3.	2003-04	661.68
4.	2004-05	340.00
5.	2005-06	37.00
6.	2006-07	51.20
7.	2007-08	88.15
8.	2008-09	925.00
9.	2009-10	727.00
10.	2010-11	
Source: Annual Sales Statements (Of The Last 10 years, RHDC Reports)		

The data reveals that in the year 2005-06, 2006-07 & 2007-08, the sales went very low due to which, the organization stopped procuring yarn and switched over to the consignment basis of working. The major reason for this was that there was a shortage of working capital, production was almost nil, the organization didn't have funds to pay the salaries, different centrally sponsored government schemes were withdrawn by the government, and subsidy given on handloom products was withdrawn by the government. Through an interview schedule, the responses were collected on the constraints faced in undertaking promotional activities and a total of 4 categories of responses were found. They are summarized in the Table 4 along with the frequency and percentage.

Table 4: Constraints Faced In Undertaking Promotional Activities		n=20
S.No.	Constrains	RHDC*
1	The entire production programme was based on imprecise reports of the showroom managers.	5(25%)
2	Absence of scientific market research.	5(25%)
3	Insufficient budget.	20(100%)
4	Improper planning of the promotional activities.	10(50%)
*Multiple responses		
Source: RHDC Officials, 2008		

The major constraint faced by all senior officials was an insufficient budget. For 50 percent of the respondents, it was

improper planning of promotional activities, and there was an absence of scientific market research (25 percent), and the entire production programme was based on imprecise reports of the showroom manager (10 percent).

The Inspector, Marketing in his own words expressed : *“There was lack of interest and awareness about the latest market trends among the officials. The reason is that the staff didn't get the salary from many months, they are not interested in working efficiently. The weaver has to try on his behalf, government organizations can help, but the weaver has to make an effort on his behalf - they are making the cloth which can be easily woven, weavers don't strive to make new products.”*

This reflects that there was a lack of interest among the marketing personnel due to which the desirable advancement in the techniques and production of handloom products was not seen. On the one hand, marketing officials think that self-motivation is needed for the weavers, and they should strive to make new products, the government can help, but the major role is of the weaver. On the other side, weavers think that they are not efficient enough to survive without the support of the government or any other organization.

According to one of the reports of Report On Revival Plan of RHDC, 2009, the reasons for losses were:

❖ Loss on account of establishment of a process house due to lack of suitable technology and shortage of job work, it accumulated losses to the tune of ₹ 12.00 crore, and it was finally closed down following the experts report.

❖ The corporation had to undertake various promotional activities for the benefit of the weavers, for which it did not receive adequate administrative and financial support from the government.

❖ The funds to be received from the central government and the state government under various schemes implemented by the corporation were usually received very late, thus putting the working capital finances under pressure and the bank loan limit incurred heavy interest, adding further to losses (Report On Revival Plan of RHDC, 2009).

Due to the above-mentioned reasons, RHDC stopped supplying yarn to individual weavers after July 2007, and the cluster approach started crumbling in Jaipur District. By 2008, out of the total ten clusters identified earlier, 6 clusters - Amarsar, Amer, Andhi, Govindgarh, Jahota, Kotkawad were closed and the remaining 4 clusters - Badwa, Baskho, Kaladera, Khanipur were merged into cooperatives, and 11 cooperatives were newly formulated in the year 2007-08, making a total of 15 cooperative societies. In the present scenario, RHDC is working on a consignment basis i.e. giving contract of all the products to be woven to the newly formulated cooperative societies (erstwhile clusters), when these societies complete these orders, RHDC supplies it to different government departments (like Medical & Health, Social Welfare, Education, Adult Education, Nagar Nigam, and Forest Department, etc.). Certain Products were sold at the retail showrooms and in fairs and exhibitions. Thus, to keep the organization in working condition, the management made changes in their working pattern by stopping the supply of yarn, working on a consignment basis with cooperative societies, reducing the staff and extending the voluntary retirement scheme. In spite of all these constraints faced by RHDC, at present, the organization has a physical office and separate staff. The condition of the office of RHDC is appalling; it has been running in an old building which is not equipped with proper infrastructure and furniture. The physical condition and infrastructure of retail showrooms of RHDC were in a dormant condition, where no maintenance has been done from many months.

❖ **Perspective of The Service Receiver - The Weavers :** The recipients of any organization are the most important part through which one can get a better insight about the services provided by the organization. Thus, the beneficiaries

Table 5: Beneficiaries' Perspective On The Services Of The Organization n=320			
S.No	Perspective	Yes	No
1	Facilities provided by the organization were satisfactory.	96(30%)	224(70%)
2	Easy availability of yarn due to the organization's efforts.	32(10%)	288(90%)
3	Helped in improving the productivity of the weavers.	176(55%)	144(45%)
4	Technical upgradation provided was satisfactory.	64(20%)	256(80%)
5	Using new techniques of dyeing, weaving & designing.	64(20%)	256(80%)
Source: Handloom Weavers ,2008			

were administered a structured interview schedule. The responses of 320 weavers are grouped, classified, tabulated and presented in the Table 5.

The results reveal that 90 percent of the respondents felt that yarn was not available easily from the organization, 80 percent of the respondents were of the opinion that technical upgradation provided was not satisfactory and whatever upgradation was done was not useful, the reason being that they didn't had upgraded looms and infrastructure to utilize the training; 70 percent of the respondents were not satisfied with the facilities provided by the organization, and 45 percent of the weavers were of the view that the organization did not help in improving their productivity.

CONCLUSION

The Indian handloom has been the pride of India's tradition and is a representative of its cultural brilliance. In Rajasthan, for the development of traditional non - cooperative and individual weavers, the Rajasthan Development Corporation was established. The results show that the organization faced a financial crunch, and there was inadequate understanding of the officials' own roles, which brought a negative effect on the development of beneficiaries. The cluster approach crumpled and weavers working in clusters merged in cooperatives for their survival. From the above results, it can be concluded that the organization needs financial aid. Thus, there is an urgent need to revitalize the entire organization from the top level to the bottom, so that it can facilitate a maximum number of handloom weavers in their overall upliftment. The revival plan has already been implemented, and the major step was to work on a consignment basis with cooperative societies. Lessons can be learnt from other State Handloom Development Corporations (Maharashtra, Jammu & Kashmir, Kerala and Odisha). The website of the organization needs to be developed, showing regular updates. The Management institutions can help by giving their contribution in improving the managerial skills of the personnel of the organization. The organization needs to do a trend analysis every 6 months so that new products can be made, and value addition can be done to the existing products. Training programmes can be organized for the staff of the organization so that innovative products can be made, and proper marketing strategies can be developed. The corporation head office building is on rent; it is imperative that a minimum required office space should be provided (rent-free) in a government institution for the corporation's headquarters.

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