# Organizational Setup & Human Resource Profile of Handicraft Industry of District Saharanpur

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#### Abstract

Saharanpur is famous for its wood-carving industry. The Shivalik range provides the raw material for the industry. Woodwork of Saharanpur is exported to various countries like Germany, U.K., USA, Canada, Kuwait, Sweden, Singapore etc. Alike other handicraft industries, skilled craftsmanship are the principal feature of wood-carving industry of Saharanpur. On the other hand, a major part of wood-carving industry is in the hands of the middlemen. As a tradition, most of them carry their small-scale units and work on contract basis. They constitute a real link between the artisans, the exporters and the foreign buyers. Hence, the progress of wood-carving industry of Saharanpur primarily depends upon the craftsmanship of artisans along with professional skill of middlemen and exporters.

Key Words: Handicraft Industry-The Life-Blood of Saharanpur District.

# 1. ORGANIZATION OF HANDICRAFT INDUSTRY OF DISTRICT SAHARANPUR

In handicraft industry of District Saharanpur, mostly small scale units exist but there are few organizations which run their business at large scale. Export houses and marketing firms are also a part of this industry.

The conceptual aspect of organization is an important function of management. Organization is not simply a structure or a chart, virtually it is the mechanism through which management directs, coordinates and controls the whole industrial unit. Generally when one talks about a structure, it images the physical setup of business that means departmentation.

It means the word 'Organization' carries the following two functions-

- Physical setup of various departments i.e.
   Departmentation
- Delegation of authorities and responsibilities of people working in the industrial units i.e. Managerial hierarchy

#### 2. DEPARTMENTATION

An organization makes provision for departmentation to improve the level of efficiency. There are a number of functional responsibilities to be performed to run an industrial unit effectively. It is not possible for all the employees to perform all the responsibilities efficiently and effectively. This makes it essential that only the efficient group of personnel is made responsible to discharge the defined functional responsibilities. The concept of departmentation is based on grouping of common functions performed by a particular group of people and making a particular department responsible for that. Since all the departments of an industrial unit have a common objective i.e. the uninterrupted progress of industrial unit along with their particular departmental goals which should be in phase of common objective. This necessitates the strong coordination among different departments.

The perception of departmentation in wooden handicraft industry is due to the variation in the nature

of services. The manufacturing and marketing services of wooden handicrafts require specialization of different types. Both of them need cooperation and correlation. Different types of work like; designing, carving, moulding and polishing need specialization and expertise. All these functions are performed by different departments having specialized staff working there in.

#### 3. MANAGERIAL HIERARCHY

Organization is a group of people working together to attain the desired objectives. People in an organization do not start working together automatically unless they are provided with some mechanism of co-ordination and control. One of the mechanisms is managerial hierarchy. It reveals who has authority over whom in the organization. It provides an invisible framework to integrate all the people working together towards a common goal. Managerial hierarchy is essential for making control of command.

Individuals can give their best to the industrial unit, but when they come to work together as a group they need to be educated regarding their authorities and responsibilities in the organization. The complex organizations like wooden handicraft industry need a special emphasis on techniques of group dynamics. The managerial hierarchy of an organization stems from the detailed study and application of organization's basic objectives.

An organization comes into existence when there are a number of persons worked together and are willing to contribute towards a common objective. The persons who form the organization must be in a position to communicate with each other. Further, they must also be willing to co-operate with each other for the achievement of their goals or objectives. The objectives must be common for which the organization comes into existence. Lastly, rules and regulations lay down the formal working structure of an organization and also define the authority and responsibility relationship among various individuals in the organization.

With the help of above study the process of organizing may be shown in the following way:

#### CHART NO. 1

#### PROCESS OF ORGANIZING

#### **FIRST**

To Identify and Classify the different Activities of Industrial Unit



#### **SECOND**

Grouping of Common Activities in different Departments to attain Organizational Goal



#### **THIRD**

Deputation of Efficient Staff in each Department having defined the Authorities and Responsibilities of each Member Clearly



#### **FOURTH**

Effective Coordination among different Departments Horizontally and Vertically

The aforesaid facts make it clear that organization is a managerial process to make possible coordination and control of the activities of different levels of human resource engaged in the industrial unit. In the context of woodcraft industrial unit, organization is the process of clarifying various functional responsibilities to different human resource associated with it, analyzing the requirement of number of personnel at different levels and pointing out the required qualification and expertise of working people to make possible smooth discharge of responsibilities assigned to them.

#### 4. ORGANIZATIONAL EFFECTIVENESS

Organizations are social systems with predefined objectives. Therefore, effectiveness of organization is a measure of its ability for goal attainment. Hence, for the effectiveness of an organization clarity of objectives is most important. For example a woodcraft industrial unit which has an objective of manufacturing world class wooden handicraft items and which successfully meets the requirements of their national and international customer, would be considered as an effective organization.

There are numbers of determinants through which indicate towards the present state of the organization, the capability of the organization to keep up with the changing environment and the capacity of the organization to meet unforeseen situations. The core determinants which contribute towards organizational effectiveness are

- (a) **Productivity:** Productivity deals with the present state of the organization in terms of output. Effective organizations are those that produce more and higher quality outputs most efficiently. Thus, maximization of output and minimization of input will be a measure of the efficiency of an organization. But the output must contribute towards goal attainment. In case of wooden handicraft industry, the output could be anything such as standardization of products, quality of products, quantity of products etc.
- (b) Adaptability: No organization can operate under static conditions. There is constant change in the environment. The ability of an organization to monitor this change and keeping pace with this change would be a measure of its adaptability. Long lasting existence of any organization depends on its adaptability. Adaptability does not only mean coping with changes but also anticipating changes. In the present era of competition, wooden handicraft industry is required to make continuous change in their structure according to the latest innovations in handicraft sector worldwide.
- (c) Flexibility: Another important determinant of organizational effectiveness is flexibility in the structure to meet the challenge of uncertain situations. Situations do not occur as these are expected. Not only the arrivals of situations are random but the very nature of situations may differ from each other. For example, any prime change in government handicraft policy may force the wooden handicraft industry to

mold them according to that on priority basis. It would require the flexibility of wooden handicraft industry to cope with all the unusual required changes. Therefore, it is necessary to be inbuilt flexibility mechanisms within the organizational structure.

Thus productivity is concerned about the present state, flexibility is concerned about the potential of an organization to handle unpredictable situations in the future and adaptability is the line joining the present and the future adaptability would safeguard the very survivability of an organization.

# 5. DIFFERENT TYPES OF ORGANIZATIONS ASSOCIATED WITH WOODEN HANDICRAFT INDUSTRY OF DISTRICT SAHARANPUR

There are different types of organizations associated with handicraft industry of District Saharanpur from procurement of raw material to delivery of finished wooden handicraft items to ultimate user. These units may be presented discussed with the help of following chart no. 2.

A brief study of organizational structure of different organizations may be studied with the help of following headings:

(a) Large Scale Manufacturing Units: Woodcraft industries of District Saharanpur which carry more than or equal to 25 people in their regular payroll and having a capital base of more than or equal to Rs. 25 lakhs are considered as large scale manufacturing units. As the area of District Saharanpur, is not too much advance in education, hence numbers of woodcraft manufacturing units of area are unregistered and are running by artisans as a family business.

As per government records, only 194 registered handicraft manufacturing firms exits in District Saharanpur in the year 2012-13 among which about 150 units are associated with woodcraft sector of the district. According to Saharanpur Woodcraft Manufacturers Association, more than 150 large scale handicraft manufacturing units are run by the individuals and artisans.

CHART No. 2

### DIFFERENT TYPES OF ORGANIZATIONS ASSOCIATED WITH WOODEN HANDICRAFT INDUSTRY OF DISTRICT SAHARANPUR

Manufacturing Units					
Large Scale Manufacturing Units	<b>←</b>	Small Scale Manufacturing Units			
	Marketing Units				
Marketing Firms	<b>→</b>	Marketing Agents			
	Trading Units				
National Level Trading Units	<b>→</b>	Local Level Trading Units			
	<b>Export Houses</b>				

Having considered the large number of items in woodcraft sector, these large scale manufacturing units prefer to get prepared semi-finished from small scale woodcraft manufacturing units of District Saharanpur on contract basis and make the finishing job themselves.

General organizational structure of large scale manufacturing units of woodcrafts sector of District Saharanpur may be studied with the help of following chart no. 3.

The general observation of the chart clears the fact that the large scale manufacturing units of woodcrafts sector of District Saharanpur are of mediocre size having Chairman, Board of directors, General Manger, Mangers of different departments, Accountants, Artisans, Unskilled labour, Distributors, Marketing agents etc.

The given chart doesn't present a rigid structure of large scale manufacturing units of woodcrafts industry of area of study. It differs from unit to unit. There may be separate purchase department in the

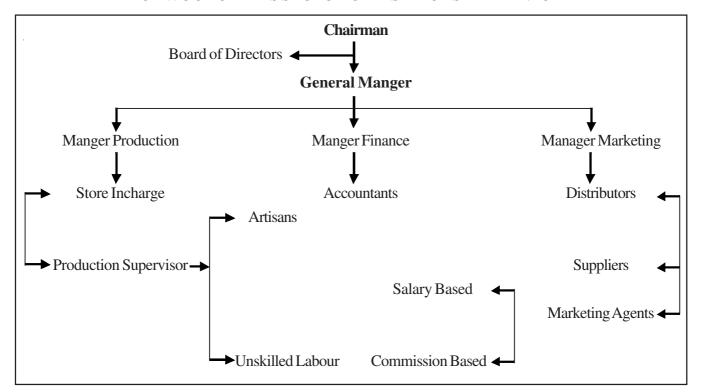
organization or sometimes General manger himself bears the responsibilities of different departments. Generally human resource department is managed by General Manager.

# (b) Small Scale Manufacturing Units: Woodcraft manufacturing units, which don't fulfill the terms of large scale manufacturing units, are considered as small scale manufacturing units. According to Saharanpur Woodcraft Maufacturers Association, Woodcraft industry of District Saharanpur carries more than 1200 small scale handicraft manufacturing units which are mostly run by artisans as family business.

These units get the order of semi-finished goods from large scale manufacturing units of woodcrafts sector of the area on contract basis or directly produce small items for suppliers, marketing agents, marketing firms etc. Generally these units remain financially dependent on the big production houses or marketing firms hence don't carry sufficient bargaining power. As a result, different intermediaries of woodcraft sector exploit the artisan group wooden handicraft at different levels.

#### CHART No. 3

### GENERAL ORGANIZATIONAL STRUCTURE OF LARGE SCALE MANUFACTURING UNITS OF WOODCRAFTS SECTOR OF DISTRICT SAHARANPUR



- (c) Marketing Firms: There are few numbers of marketing firms found in woodcraft sector of District Saharanpur. These firms either associated with large scale manufacturing units of woodcrafts sector or get prepared the woodcraft items from small scale manufacturing units of the area as per their requirements. Generally these marketing units work as a middleman between producers and exporters or national level traders. The people working in these firms are the educated persons of the woodcraft industry.
- (d) Marketing Agents: There are numbers of marketing Agents associated with the woodcraft sector of District Saharanpur. These marketing agents either work for particular production house, marketing firm or exporters or work as free launcher who are free to work for anyone. These agents generally work on commission basis. These people normally have strong relationship with the widely spread small manufactures of woodcraft sector and artisans. The

uneducated artisans group feels comfortable to deal with them in comparison to sophisticated marketing or exporting firms.

(e) National Level Trading Units: As India itself has a big market of woodcrafts within the country generally at tourist centers, there are few numbers of national level trading units found in woodcraft sector of District Saharanpur. These firms either run by the large scale manufactures or any other person.

These firms also works as marketing firms for exporters but the prime difference between these firms and marketing firms are that marketing firms first acquire the order from exporters and after that get prepared the required woodcraft items from the manufacturing units. These firms are strict in respect of quality control. On the other hand trading firms purchases different types of woodcraft items from woodcraft manufacturing units and sell that at national level.

(f) Local Level Trading Shops: As it is obvious that the artisan groups of woodcraft industry of District Saharanpur are exploited by the middlemen by and large, hence the artisans of area try to sell their items directly to consumers. There are large numbers of local level trading shops found in woodcraft market of District Saharanpur which are run by either artisan's family members or local people to meet out the local or nearby areas requirements of woodcraft items. These firms have limited financial resources and also work as collectors of woodcraft items for national level traders or marketing agents.

(g) Export Houses: Export houses are the marketing firms which trade at international level. The woodcraft items of District Saharanpur are popular in U.S.A., U.K., Middle East and many other countries. During personal survey of the area of study, it was found that there is no particular export house exists in District Saharanpur. Only a few large scale manufacturers try to export their items directly. But the exporters of metropolitans specially Delhi collects the woodcraft items from District Saharanpur with the help of marketing firms or agents and exports it on regular basis.

Now it may be said that the organizational structure of woodcraft industry of District Saharanpur is last from manufactures to trading units crossing the barriers of marketing firms, agents and export houses. There are different types of people associated with the woodcraft industry at different levels.

## 6. HUMAN RESOURCE PROFILE OF HANDICRAFT INDUSTRY OF DISTRICT SAHARANPUR

The actual figures of human resource engaged in woodcraft industry of District Saharanpur are not published by any Government or social service agency after proper counting. It may only be estimated. Therefore, it has been made an attempt to estimate the human resource working in woodcraft industry of District Saharanpur with the help of average figures of number of employees working in the industrial sector of Saharanpur taken from the office of District Industries Centre (DIC) and Woodcraft Manufacturers Association of Saharanpur through personal survey.

It is clear from the study of the above table that the estimated number of total employees in organized sector of woodcraft industry of District Saharanpur is 10200 among which 11.76%, 7.35%, 17.65%, 23.53%, 27.94% and 11.76% are associated with management wing, office administration, marketing, skilled artisans group, semiskilled artisans group and unskilled labour group respectively. Here it is important to note that number of skilled artisans is lesser than number of semi-skilled artisans. Besides, number of marketing personnel seems to be high as comparison to the total number of employees of organized sector. When researcher queried in respect of given problems during personal interviews of manufacturers of woodcraft industry of District Saharanpur, they explained that most of the semi-skilled artisans are the family members and relatives of their permanent skilled labour who are willing to learn the work of wood-crafting. These people are paid very low sometimes less than unskilled labour, they work hard and permanent artisans of manufacturing units feel comfortable to work with them. In the reply of second query they urged that the most of the manufacturing units outsource their production work through small scale manufacturing units and the marketing personnel of the company not only market their products in national and international market but also work as the liaison people between artisans of small scale manufacturing units and the company as a help to production department to meet out the required production targets.

The unorganized sector of woodcraft industry of District Saharanpur consists of small scale manufacturing units run by the artisans and their family members to earn their bread. In a small scale manufacturing units of woodcraft industry of District Saharanpur generally males are skilled artisans and females and children work as semi-skilled artisans and unskilled labour. These people hardly employ any outside person. Numbers of marketing persons, either they are associated with organized sector or are free-launchers, always remain in their direct contact to arrange the job-work contract to them and to market their products.

Table - 4 Human Resource Profile of woodcraft industry of District Saharanpur

Type of Human Resource	No. of Manufacturing Units	No. of Average Employees Per Unit	Total No. of Employees	%		
Organized Sector						
Management Wing	150	8	1200	11.76		
Office Administration		5	750	7.35		
Marketing		12	1800	17.65		
Skilled Artisans		16	2400	23.53		
Semi-Skilled Artisans		19	2850	27.94		
Unskilled Labour		8	1200	11.76		
Total			10200	100		
Unorganized Sector						
Skilled Artisans	1200	5	6000	26.31		
Semi-Skilled Artisans		5	6000	26.31		
Unskilled Labour		4	4800	21.07		
Marketing		-	6000	26.31		
Total			22800	100		

Source: Personal Survey.

#### 7. CONCLUSION

At last, it may be said that woodcraft industry of District Saharanpur is primarily based on artisans and marketing persons of organized and unorganized sector. Due to lack of opportunities in the career of artisans in the woodcraft industry of the District Saharanpur, they are passing their time with out any hope of getting rid of from the darks of their lives.

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