

The amazing women of Lijjat Papad

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We celebrate International Women's Day on Wednesday, March 8. A time to salute our women leaders and their extraordinary contribution to society and business.

Shri Mahila Grih Udyog Lijjat Papad or Lijjat Papad for short (Lijjat in Gujarati means tasty.) began as a cottage industry in 1959, when a group of seven women realized they had to do something different to break out of the poverty trap. They did not really have any savings. The only marketable skill they had was cooking. So they began rolling papads on the terrace of a building in Girgaum, a densely populated, lower middle class locality in South Bombay. (Papad is a thin, round, Indian snack, which becomes a crisp wafer after frying in oil or roasting on a flame. A papad goes well with a typical Indian meal consisting of roti, rice, dal and a vegetable dish.) For the women, this activity made sense and was easy to manage as it did not interfere with their daily household work. They used the terrace of their apartment block to make papads in the afternoons.

Starting off with a capital of Rs 80, Lijjat expanded rapidly. Word of mouth and advertising in a local newspaper contributed to the rapid growth of the group. Membership increased from 7 to 300 during the first three years. By 1966, the sisterhood had grown to 500. The women registered themselves as a cooperative. And only in that year, the name Lijjat was coined. Lijjat's first branch outside the state of Maharashtra was established at Valod, Gujarat, in 1968. Today, Lijjat has more than 43,000 members in 82 branches all over India. Jaswantiben Popat, a founding member, was honored as Businesswoman of the Year at *The Economic Times* Awards for Corporate Excellence in 2002. Please see the moving YouTube video for more details.

<https://www.youtube.com/watch?v=CyeVzQu0dZo>

In the video you can also listen to the story of Jyotibhen whose mother died and her father lost his job when she was a small child. The young Jyoti, at the age of 16,

became the financial head of the family. Under pressure to earn a living, Jyoti worked in the day time making papads and attended night school. The stress was too much for her and she decided to quit school, after failing to clear her Class 10 exams. But this setback proved to be a blessing in disguise. Jyoti could now focus on her papad making job. She worked hard and rose to become the branch manager or *sanchalika*, then vice president and finally president of the cooperative.

Pratibhabhen's story is also covered in the video. Her husband worked in a printing press. The monthly income was not adequate to meet even the basic expenses. Pratibhabhen came to know about Lijjat and enrolled herself. On the first day, her hands pained and she felt like giving up. But one of the senior women, Leelabhen comforted her and told her "not to be afraid as nothing good comes out of fear." Leelabhen trained Pratibha for a couple of days. Prathiba found making Papads was much easier than she thought. Pratibha became a true professional and rose to occupy a very responsible position within Lijjat, the branch manager at Wadala. She ensured her son and daughter completed their education and found good jobs. Despite her success and seniority, Pratibha continues to mix with the other sisters and knows them personally. She visits their homes when they are in trouble and need help.

Lijjat has not only provided economic opportunities to lower middle class women but also enabled them to acquire confidence and enhance their status as they make money in a respectable manner. The more enterprising, responsible and experienced member sisters have climbed to the top of the organization.

Lijjat exemplifies a remarkable way of making extraordinary leaders out of ordinary women. The cooperative has pioneered several outstanding management practices. Whether it is gender diversity, shattering the glass ceiling, corporate governance or financial management, Lijjat is a fascinating case study.

The "glass ceiling" problem does not exist in Lijjat as only women can become members of Lijjat. These members, addressed as "sisters," own the organization. Any woman, irrespective of her religion, caste, or class, can become a member after

signing a pledge for earning an honest income through cooperative work. Initially, young girls could join, but the minimum age for entering Lijjat was subsequently established as 18 years. Men cannot become members, but they can join as salaried employees.

Lijjat's business philosophy is drawn from the father of the nation, Mahatma Gandhi and well known social reformer, Acharya Vinoba Bhave. The core of the philosophy consists of self-reliance, trusteeship, coownership and faith in the dignity of labor. All the member sisters have equal rights. Remuneration is the same for everyone, and profits and losses are shared equally among the sisters. Lijjat refuses to accept donations, but instead provides donations to the needy. For instance, after the devastating earthquake in Gujarat in January 2001, Lijjat gave a total donation of more than Rs 4.8 million, including Rs 1 million from the central office.

The branch managers, or *sanchalikas*, of various branches form a central managing committee that looks after Lijjat's overall activities and makes key decisions and administers the organization. The committee has 21 members, including a president, a vice president, two secretaries, and two treasurers, elected every three years.

Quality is a key focus area for the Lijjat women. The central office purchases the key ingredients from the best sources and then distributes them all over the country, to maintain the quality of the final product. For example, the lentil (*udad dal*) is imported from Myanmar, asafetida is imported from Iran and black pepper comes from Kerala. If a branch does not abide by the organization's philosophy of consistent quality, the central committee reduces the daily wages of its members by Re 1. The committee often makes surprise visits to the branches to ensure hygienic production conditions.

Lijjat has dramatically changed the lives of its sisters. The women have begun to enjoy social independence in a traditionally male-dominated society. They have become aware of the opportunities to move forward in life. The monthly earnings

of the Lijjat women are a valuable addition to the total family income. This has enhanced their status and power within the family. They now have a greater say in how money should be spent. As a result, the monthly income is being spent in the right areas such as the health and education of the children.

Initially, most of the Lijjat sisters were uneducated. A literacy campaign for sisters began through classes at Girgaum in June 1999. Later, the managing committee decided to start such classes in all its branches. The sisters can now confidently travel on their own as they can read the bus routes and train routes. They are no longer dependent on others for writing a letter or for maintaining a bank account. Lijjat also provides scholarships and awards to support and encourage the education of the sisters' children, especially the daughters.

Over time, Lijjat has diversified into other products, such as *Sasa* detergent and soap. However, papad has remained the core product. And papad rolling is the main activity. Member sisters across all branches of Lijjat recite an all-religion prayer before beginning their daily routine. The sisters are free to choose their activities, such as making the *masala* (blend of multiple spices), pounding the flour, weighing the flour, preparing the dough and the various activities that go into making papads- rolling, receiving papads after weighing, checking the quality and packing. Some of the women are responsible for distributing wages, and handling the accounts. Each activity is considered important. The sisters work as part of a large family in an atmosphere of harmony and cooperation. When a new branch of Lijjat opens, a neighboring Lijjat branch helps it by guiding and training new members.

Lijjat maybe a cooperative run by simple hardworking women without fancy qualifications. But their management practices are best in class:

- Lijjat shows extraordinary client focus. For instance, there is only a 0.5 rupee margin between the production cost and selling price of a 200-gram papad pack.
- There is high productivity as Lijjat follows a “piece rate” system, with sisters paid on the basis of the number of papads.

- No credit is given or taken. Every payment is done on a daily basis, except for raw material received from outside suppliers. Wages are also paid daily.
- Transparency in operations and a nonhierarchical structure have helped in establishing a high level of accountability at all levels of the organization.
- The monthly regional meetings, annual general meetings, and All-India conventions of branches keep the members aware of key events and developments. These forums are also used to discuss issues such as quality, productivity, the handling of accounts, and other everyday problems.

Lijjat Papad may not have scaled up spectacularly or created millionaires like the way the Indian IT services companies have done. But no praise can be too high for the way in which Lijjat has lifted thousands of women out of poverty and enabled them to lead a more meaningful and dignified life.