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## Research Paper

## EMPLOYEE PERFORMANCE AND IMPACT OF DEMOGRAPHICAL FACTORS IN INDIAN SUGAR INDUSTRY: A DIAGNOSTIC STUDY

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## ABSTRACT

**P**erformance appraisal is a procedure of assessing an employee's performance of a job in understandings of its necessities. It is a "practice of appraising / judging the value, excellence, potentials or status of specific purpose, person or thing". Performance appraisal has been measured as a most significant and essential tool for any organization, for the evidence it makes accessible is extremely worthwhile in making decisions concerning several personal qualities such as promotions and merit increases. The Government of India is taking a large number of steps to growth of the sugarcane yield, guaranteeing better milling and retrieval, increasing investment for running mills By-products, revitalization and restoration of closed and sick mills and above all for providing quick and better compensation to sugarcane growing farmers. It also considers about the several issues that effects the appropriate employment and successive running of the performance appraisal system that is executing by the company. In each organization, job satisfaction acting as a substantial role. Employees are likely to satisfy if they meet their needs, wants, requirements and most of all job recognition and reinforcement from the top management to anticipated so their work has to be appreciated by a technique of performance appraisal. However, by improving these appraisal practices, it supports in level of job satisfaction and vigorous work atmosphere. Performance appraisal is done to maintain individual and group development by appraising the employee of his performance standard, to recommend ways of enlightening the employee's performance when he is not found to be up to the mark during the appraisal period, to recognize training and development requirements and to appraise efficiency of training and development programmers and to plan career development, human resources planning based on potentialities.

**KEYWORDS:** Employee's performance, Sugarcane Yield, Job Satisfaction

## BACK DROP

The effective human resources deployment and its Management become very indispensable. It is the primary task of management in any organization. Human resources are the properties or capital of the country that it can depend on upon at any time. These source can be developed on the requirement of the hour. Indian sugar industries major challenge is effective

management Human Resources. In order to encompass the employees as enthusiastic participants, Human Resource Management actions essential reliable with the development efforts of the organization, merely, will be the interest and creative impending of the employees can be equipped. The Indian Sugar Industry has given Human Resource Management, the opportunity to be



more creative. Performance appraisal is generally to serve several purposes in an organization structure. Mostly speaking performance appraisal is indispensable.

1. To monitor the endeavors of individuals.
2. To incorporate and coordinate Endeavour;
3. To provide safeguard and feedback to the individual.
4. To facilitate a means of rectifying or commending the hard work of Individuals.
5. To provide an unbiased and stable basis of distribution rewards and Penalties.

According to McGregor "Formal performance appraisal strategies are designed to encounter three needs, one for the organization and the other two for the individual, specifically;

- I. They offer systematic decisions to back up salary increases, transfers, terminations.
- II. They are means of telling a subordinate how he is performing and suggesting needed changes in his attitudes, skills or job knowledge. They let him know "where he stands" with the boss.
- III. They are used as a base for educating and counseling the individual by the superior .

On the basis of merit rating or appraisal procedures by various companies in India, the basic objectives of employee performance appraisal are:

- i. To empower an organization to maintain an inventory of the number and quality of all managers and to recognize and meet their training requirements and aspirations.
- ii. To determine increments rewards and provide a consistent index for promotions and transfers to positions of superior responsibility.
- iii. To uphold individual and group development by apprising the employee of his performance standard
- iv. To recommend ways to enlightening the employee's performance when he is not found to be up to the mark in the review period.
- v. To identify training and development requirements and to appraise effectiveness of training and development programmers.
- vi. To design career enlargement and human resources planning based on potentialities.

Performance Appraisal System (PAS) has been pragmatic by intellectuals and human resource Professionals as a valuable employment of human resource management. Till now effective PAS remains a practical challenge to management and employees,

outstanding to reasoning, intuition, perception, motivational and behavioral elements. An ideal Performance Appraisal System should be free from prejudice and cronyism which can substitute objectivity. (1)

## INDIAN SUGAR INDUSTRY- AN OVERVIEW

India has now emerged as the leading sugar producing country in the world, with a 22 percent of share of the global sugar production. Indian Sugar industry is the second largest agro-based industry in country. It ranks the third largest industry in terms of its involvement to the net value added by manufacture and employees about 3.50 lacks peoples, moreover generating widespread indirect employment to 45 million farmers of sugarcane grower, the various agencies of distributive trade and through auxiliary industries such as confectionary. The human resource is measured the backbone of any economic enterprise. In recent years, the economists have added "Human resource" besides land, capital, and technology as one of key factors for building and developing the nation.

The optimal consumption of natural resources and other the factor inputs of capital and technology depend on the size of use of human resources. Complementary other resources, this resource present its own unique characteristics of all resources, which are connecting to begin any economic enterprise. It is a fact that their survival of an association between human resource and business performance. The Indian economic scenario on account of LPG is undertaking a fundamental structural change affecting all walks of life. In the wake of the ever-increasing challenge, many of the conventional organizations are grappling to survival. Well again approaches to human resource management, consequently, assumes better importance in solving complex, social, economic, legal and ethical matters. Thus, through a well-organized human resource function, a company's human resources become essentially a strategic asset. The sugar industry is one of the few businesses that have plays significantly role towards the rural economy. It has done so by commercially exhausting the rural wealth to bump into the gigantic home-grown demand for sugar and by producing excess energy to come across the intensifying energy requirements in India. Moreover, the sugar industry has turn into the support of the liquor industry In common, sugarcane price accounts for approximately 70 percent of the ex-mill sugar price. The

segment also has a significant standing in the international sugar realm. The Indian domestic sugar market is one of the predominant markets in the world, in capacity terms.

Tamil Nadu has shown incredible progress with concern to sugar production throughout the last couple of years. High harvest per hectare of sugarcane, sophisticated sucrose content, high retrieval rate and long crushing season have endowed Tamil Nadu to achieve highest harvest of 9.53 tonnes of sugar per hectare in the country. As an outcome of these advantages, the state has developed as the third foremost producer of sugar, contributing above 9 per cent of the overall sugar production of country. This study in the Sugar Industry in Tamil Nadu will divulge some of the impetus elements, their application, and net consequence on the industry. It will also offer a review of application of the elements from the employee's viewpoint. It is only through this that the organization can achieve its objectives, hence; organization and employees having the common vision of towards the organization's objectives and work collectively for accomplishing them. If the employees are not well encouraged in their performance, the organization will be peculiarly affected and this can be observed through labor turnover, low confidence, strikes, absenteeism and collective performance. The determination of this study is to determine the level of employee impetus and job satisfaction among the employees in the Tamilnadu, Sugar mills in India.<sup>(2)</sup>

### **NEED FOR THE STUDY**

The drive of this research was to study the motivational Practices and evaluating the job satisfaction that have directed to low work morale and unprofessional tendencies in the sugar industry staffs in Tamil Nadu but aiming on sugar mills employees in Erode District. Low stimulus of employees was experienced in recent times when it attempt to curtailing the workforce, employees willing to go were probed to apply for an prompt retrenchment and to astonishment to the management more than fifty percent them were ready to live. This was a vibrant pointer that most of them are dissatisfied with their present circumstances. There are further immoral trends like theft, truancy, combined with absenteeism that is proliferating in Sugar company employees. Through this study, implications have been made and if put in place the fore mentioned problems amongst the Sugar Company employees will be minimized to acceptable levels if not entirely abolished. It will also help the government in general

policy maker's society and all participants in the Sugar industry in India and Tamil Nadu

### **OBJECTIVES OF THE STUDY**

To study the demographic profile of the employees in sugar industry and find out their relationship with motivation and performance of the employees in the sugar mills of erode district.

### **HYPOTHESIS**

Established on the purposes of the study, it is felt that the administering the null hypothesis is required to find out the degree of relationship held between the motivational practices adopted and the impact on performance. In this outlook, the following null hypothesis were framed.

There is no substantial relationship between the demographics of the employees' level of motivation and performance of sugar industry.

### **SOURCES OF DATA**

The data required for the examination is collected individually from primary and secondary sources. The primary source comprises a designed questionnaire and field visits and observation. The secondary sources consist of both print and electronic means.

### **DATA COLLECTION**

Source For the purpose of data collection, a structured questionnaire is outlined by reviewing the availability existing literature and by consulting the experts in the sugar industry. Current literature gives immense of scope on both on motivational practices and job satisfaction practices, its influence on the employee performance in sugar industry. Questionnaire Reliability exploration is conducted by using the Cronbach's alpha and the questionnaire is set up reliable with the high grade of alpha value.

### **SAMPLE METHOD- SIZE-UNIT AND PROFILE**

For the purpose of study, a simple random sample method is implemented. The random is drawn from the list of sugar mills chosen for the investigation. The major attention given to the sugar mills in erode district. Few targeted respondents were not supportive because the respondents are not available to debate and discuss on the questionnaire and to answer. The respondent's time and methodology becomes crucial restrictive factor to meet as per design. But, it is planned in a careful way and collected 722 samples as per target

**SCOPE FOR FURTHER RESEARCH**

The present study is piloted in the state of Tamil Nadu, The problems of prospecting of employees in the other states in the region and northern states can bring lot of intuition to the government to carry out a policy on employee motivational practices and job satisfaction elements. The motivational practices of third world war countries analysis in the light of Indian practices and evaluation can give an notion on what supplementary steps to be taken for the advancement of the situation. A macro analysis on national wide,

continent-wise HR policies, motivational practices, job involvement, job satisfaction, performance appraisal, self-evaluation practices and its effect on the work-related outcomes like productivity, production, overall performance, efficiency, quality of work employee turnover rate and other key variables relationship can be tested. This can help in understanding the industry viewpoint of issues and the steps in the form of policy can be set up and asserted the industry to implement in a phased manner. This can help in resolving the disputes in a harmonious way.

**DATA ANALYSIS AND RESULTS DISCUSSION**

Demographic variable	Frequency- (N)	Percentage-(%)
<b>Age in years</b>		
Less than 20 years	35	4.84
21 to 30 years	165	22.85
31 to 40 years	232	32.13
41 to 50 years	153	21.19
50 and above	137	18.97
<b>TOTAL</b>	722	100
<b>Place of Residence</b>		
Urban	124	17.17
Rural	350	48.63
Semi urban	246	34.20
<b>TOTAL</b>	722	100
<b>Educational qualification</b>		
Below SSLC	100	13.14
SSLC & ITI	226	31.30
HSC	366	50.69
Degree	30	4.15
<b>TOTAL</b>	722	100
<b>Marital status</b>		
Unmarried	94	13.00
Married	564	78.11
Widower/separated	64	8.89
<b>TOTAL</b>	722	100
<b>Monthly income</b>		
Below Rs.10000	82	11.35
Rs.10000 to Rs.15000	84	11.63
Rs.15000 to Rs.20000	124	17.17
Rs.20000 to Rs.25000	356	40.30
Above Rs.25000	76	10.52
<b>TOTAL</b>	722	100
<b>Working experience</b>		
Up to 5 years	120	16.62
6 to 10 years	295	40.85
11 to 15 years	59	8.17
16 to 20 years	180	24.93
Above 20	68	9.41
<b>TOTAL</b>	722	100

<b>Designation Grade</b>		
Grade I	90	12.46
Grade II	235	32.04
Grade III	156	25.30
Grade IV	184	25.25
Grade V	57	7.89
<b>TOTAL</b>	<b>722</b>	<b>100</b>
<b>Department of working</b>		
Administration	5	0.69
Cane	256	35.45
Engineering	93	12.88
Manufacturing	165	22.85
Distillery		28.11
<b>TOTAL</b>	<b>722</b>	<b>100</b>

**Table 1: Showing the Personal Demographical Variables Profile of Employees Working in Sugar Mills in Erode District**

- It is observed from the table 1, that the 32.13 percent of the employees working in sugar mills are belongs to 31-40 years age group and it is followed by 22.85 percent are belongs to 21-30 years age group. The 41 to 50 years aged employees are consisting of 21.19 percent and 18.97 percent in the age groups of above 50 years. This statistics shows that the sugar industry employs young persons in its manufacturing operations due to its complexity and hazardousness involved in it.
- Place of Residence of the employees working in the sugar factories in the sample area is observed as semi-urban and rural areas with 48.63 percent and 34.63 percent respectively. This indicates that the rural is more benefitted with the sugar mills in terms of employment opportunities and empowerment. The urban residents working in the sugar mills are only 17.17 percent in the sample.
- The educational profile of the employees, working in the sugar factories are higher secondary certificate level is maximum with 50.69 percent in the sample. It is followed by Industrial training institute certificate holders and secondary school level certificate holders with 31.30 percent and 13.14 percent correspondingly. This noticeably designates that moderate level of educational profile and basic technical skills are adequate to work in sugar factories when to compare to other industry requirements.
- 78.11 percent of the employees working in the sugar mills are married and the remaining 13

percent are unmarried and 8.89 percent are widower. Hence, motivating the underprivileged class of employees and allowing them with employment is possible in the sugar industry. In a way it is also worth to the companies, to uphold its cost at lower levels and by this means profits can be improved

- It is recorded that 40.85 percent of the sample are having a work experience of 6-10 years and 24.93 percent is having 16-20 years of experience and only 9.41 percent is found at above 20 years of work experience.
- In sugar industry most of the employees are working in cane department and it is represented with 35.45 percent in the sample, it is followed by 28.11 percent are working in the distillery, 22.85 percent in manufacturing, 12.88 percent in engineering and about 1 percent are working in the administration department.

### **SUGGESTIONS**

- ✓ The human resources planning manager should consider expansion, the retirement of employees, resignation, and periodical characteristics of the industry for the present and forthcoming periods and to equilibrium between supply and demand. In most of the sugar factories, there is overstaffing. Owing to the overload of wages and bonus payments the sick units are suffering substantial losses. These facts highlight the great urgency of optimization of human resources.
- ✓ The sample units do not fill up the vacancies make happen by retirement, and death of employees instantly. Therefore, the employees

in lower cadre are assigned with additional work without any appropriate monetary remuneration.

- ✓ Working environments refer to the mental, physical and social well-being of the workers in the industry. Improvement in output lies on better working conditions, reduced absenteeism, diminished industrial unrest and enriched employee morale. Therefore, it is suggested that every sugar factories should safeguard total Occupational Safety and Health Administration (OSHA).
- ✓ Employees at all grades should be consulted before most important decisions are taken. Besides, that will also endorse harmonious industrial relations, which is utmost indispensable for carrying out the practices of human resource management.
- ✓ To resolve the grievances of the employees “grievance redress cells” should be established in every sugar factories with representatives of both employees and the management.

## CONCLUSION

Sugar factories show a significant role in the development of India economy. Not only that. They also accomplish drastic societal changes and affect the livelihood of the people. The sugar factories have contributed to the upgrading of agriculture and a proliferation of agricultural products. In spite of their valuable contribution, the mills have their disadvantages. The

absence of a vigorous human resource department is the greatest weakness. So, it is recommended by the researcher that the sugar factories should take care of human resource development. Each mill should have a comprehensive human resource development department under a senior, loyal and dedicated manager. The manager should have a comprehensive insight of the whole situation working environments, employees motivation, job participation, employees job satisfaction, wages and salaries, motivating to workers by attitude and monetary benefit, refresher and re-orientation training of the employees to advance their standard, inferences of the modern technological developments and so on and so forth.

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