Performance Appraisal System in Sugar Industry

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Abstract

Sugar industry is one of the largest agro-based industries in India and plays an important role for the development of the country. The primary object of sugar industry is to promote the welfare of the member or employees of the sugar industry. Uttar Pradesh is the leading state in production of sugar and sugarcane in the country therefore there are a lot of people are engage in this field and it require human resources.

The effectiveness of staffing function needs to be ascertained by evaluation the performance of employees in terms of the job requirements. Performance appraisal or employee appraisal in the systematic process of measuring and evaluating employees with respect to their performance on the jobs and there potential for development. In this research paper researcher find out the comparative study of performance appraisal system in different sector sugar mills. This study is based on primary & secondary data which are collected at the location.

Key Words: Performance appraisal system, Training, Human Resources Management Practices

1- Introduction

The effective human resources utilization and human resources Management become very essential. It is the primary task of any management in the organization. Human resources are the assets or wealth of the country that it can rely upon at any time .The need of the hour is to develop these resources.

The major challenge faced by Indian Sugar Industry is in the field of Human Recourses Management .In order to involve the employees as active participants, HRM activities must be consistent with the development efforts of the organization, only then, will be the enthusiasm and creative potential of the employees can be mobilized. The Sugar Industry has given HRM the opportunity to be more creative.
Performance appraisal is expected to serve various purposes in an organisation structure. Broadly speaking performance appraisal is necessary.

- To monitor the efforts of individuals;
- To integrate and co-ordinate Endeavour;
- To provide protection and feed back to individual;
- To provide a means of correcting or commending the efforts of Individuals;
- To provide an equitable and consistent basis of distribution rewards and Penalties;

1.1- Sugar Industry an Overview

India holds a very sweet position in the Global Sugar Industry with the top slot for sugar consumption and the second in sugar production after Brazil. India produces 34,818,700 tons of sugar annually. Cultivation of sugarcane is the main source of sugar production in India and it is called cane sugar. 70% of sugar is produced from sugarcane and the remaining 30% of sugar comes from sugar beet. The Indian sugar industry so far, has success fully met the domestic demand despite the highest sugar consumption and not a single grain has been imported during the last few years. On the contrary India seems to become a lucrative export hub for sugar in future. The

Trade figures of India correspond to the mark of 1.5 million tons. The climate and soil condition in some parts of India are favorable for sugar cane cultivation. The sugar production up to 31stMarch, 2012, is 232 lakh tons. This is about 27.5 lakh tons higher than the production of 204.5 lakh tons last year, Indicating an increase of 13% over last year. Uttar Pradesh has already produced 66.35 lakh tons up to the end of March 2012, U.P. alone accounts for 24% of the overall sugar production and Maharashtra's contribution can be total led to 20%. There are about 599 sugar mills all over India. Maharashtra itself accounts for 194 factories .The sugar industry has a brighter side in respect of its by-products e.g. .Cogeneration. The principal by-
products are molasses which are utilized in the production of bio-fuel, ethanol and other products in distilleries used for other commercial purposes.

My research emphasis on performance appraisal system on public, private & co-operative sector sugar mills in Indian Sugar Industry. Deliberately I have chosen the highest productive state Uttar Pradesh in India, because the collection of primary data is convenient for me. This sampling method involves purposive or deliberate selection of particular units of the universe for constituting a sample which represents the universe. When population elements are selected for inclusion in the sample based on the ease of access, it can be called convenience sampling. I consider two industries from each Public, Private & Co-operative sector given as follow.

Public Sugar Mills-
2. U.P State Sugar Corporation Ltd Rohana Kalan Distt Muzaffarnagar

Private Sugar Mills-
1. Mawana Sugar Works Mawana District Meerut.
2. The Dhampur Sugar Mills Ltd Dhampur Distt Bijnor

Co-operative Sugar Mills.
2. Baghpat Co-operative Sugar Mills Ltd Baghpat Meerut

1.2- Performance appraisal

In Indian sugar industry performance appraisal play an important role because at large number of employees are working. Performance appraisal is the process of assessing the performance and progress of an employee or of a group of employees on a given job and his potential for future development. It consists of all formal procedures used in working organizations to evaluate personalities, contributions and potentials of employees. It is the process of obtaining, analyzing & recording information about the relative worth of an employee. Performance
appraisal & merit rating are used synonymously. But strictly speaking performance appraisal is a wider term than merit rating.

On the other hand, performance appraisal focuses on the performance and future potential of the employee. Its aim is not simply to decide salary increments but to develop a rational basis for personnel decisions. Merit rating measures what the person is (traits) whereas performance appraisal measures what the person does (performance).

1.3 - Advantages of Performance Appraisal

Performance Appraisal basically offers the following main Advantages to the organisation and its employees.

(i) Employee’s performance: It provides a yardstick by which both accomplishment and needs for further improvement in respect of an individual can be measured. The use of system of performance appraisal contributes towards more effective and improved performance on the part of many individuals.

(ii) Employee Development: It is used to highlight needs and opportunities for growth and development of employee by focusing attention on that deficiencies and potentials, it is particularly useful in discovering needs of training to employees.

(iii) Wages and salary adjustment: It is also used by certain organisations to grant merit increases in pay to employees in certain categories of jobs.

(iv) Evaluation of supervisor and manager: Performance appraisal also provides valuation yardstick to measure the effectiveness of supervisors and managers in developing the team members who work under their direction.

In addition to the above, performance appraisal make available the relevant information to management for purposes of employee transfer, promotions counseling, determination of training needs human resources planning etc. so that
they should be able to frame suitable personnel policies to optimally utilize human and other resources and achieve organisational goals.

2- Objectives of the study

1 To study the existing performance appraisal system in public, private & co-operative sector sugar mills.

2 To study the impact of performance appraisal system as on motivational level of the employees in public, private & co-operative sector sugar mills.

3- Research Methodology

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In it we study the various steps that are generally adopted by researcher in studying his research problem along with the logic behind them. Research methodology comprises defining and redefining problems, formulating hypotheses or suggested solutions, collecting, organizing and evaluating data; making deductions and reaching conclusions, and at last carefully testing the conclusions to determine whether they fit the formulating hypothesis.

3.1-Hypotheses

H0 -There is no significance difference in existing performance appraisal System in public, private & co-operative sector sugar mills.

H1- There is significance difference in existing performance appraisal system in public, private & co-operative sector Sugar mills.

H0: Performance appraisal does not has a significant impact on employee Motivation.

H1: Performance appraisal has a significant impact on employee motivation
3.2- Research Design

The research study is descriptive in nature as the focus of the study is to find out the perception of different aspects of different sugar mills employees. The sugar industry is universally important in all over India. There are many high productive states like Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh, Gujarat, and Haryana but Uttar Pradesh is one of the largest sugars producing state. Therefore, the study is restricted to the Uttar Pradesh with special focus on the district Muzaffarnagar, Meerut, Bijnor, Baghpat which are known for their agrarian nature

3.3- Universe and Survey Population

My topic is human resources practices in Indian sugar industry A Comparative Analysis among Public, Private & Co-operative Sector. I have collected the data from the population is top level, middle level and junior level employees working in selected sugar mills.

3.4- Collections of Data

To get the relevant information, required data was collected by primary as well as secondary method. There are different methods from collecting the primary data I have collected my data through this resources.

- The Primary data was collected through administration of structured questionnaires and personal interviews of the respondents.
- The secondary data was collected from internet, reports, journals, research papers books, magazines, PhD thesis etc.

3.5- Scaling Techniques

The questionnaire starts with the demographic profile of the respondents measured on the nominal scales and there are many related factors including the question asked on the Likert rating scale of one to five where one stands for strongly disagree and five stands for strongly agree. I also use rank base questions in which respondents have to allot the rank according to their preference. There are two set of
questionnaire the first set make for employees and second set built for HR Manager for all six sugar mills

3.6- Sample Size

The sample size taken from Public, Private & Co-operative sector sugar mills of Uttar Pradesh. Random sampling is used to check the representation of a group in each & every selected sugar mills. A simple random sample is meant to be an unbiased representation of a group, which will give a true and unbiased picture of the population. Utmost care has been taken to make sure that there is immaterial sampling error and the results of the sample study can be applied, in general, for the universe with a reasonable level of confidence. Data collected from the following sugar mills.

Almost care has been taken to make sure that there is irrelevant sampling error and the result of the sample study can be applied in general, for the universe with a reasonable level of confidence. 30% of Senior, Medium, Junior level employees have taken for the sample of all three Public, Private & Co-operative sector sugar mills.

4- Data analysis & interpretation

In order to understand the profile of sample data was analyzed with the help of SPSS 20.0. and after that result are as follows.

Table No-1

<table>
<thead>
<tr>
<th>S.No</th>
<th>Selected Dimensions</th>
<th>Frequency N</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Types of Organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Public Sector</td>
<td>41</td>
<td>15.30%</td>
</tr>
<tr>
<td></td>
<td>Private Sector</td>
<td>176</td>
<td>56.70%</td>
</tr>
<tr>
<td></td>
<td>Co-operative Sector</td>
<td>50</td>
<td>18.70%</td>
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<tr>
<td>2</td>
<td>Gender of Employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>248</td>
<td>92.50%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>20</td>
<td>7.50%</td>
</tr>
<tr>
<td>3</td>
<td>Position of employees</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A Study on Performance Appraisal (Questions for employees)

SD- Strongly Disagree DA-Disagree, N-Neutral, A- Agree, SA-Strongly Agree

<table>
<thead>
<tr>
<th>S.No</th>
<th>Selected Dimensions</th>
<th>Norms</th>
<th>Frequency N</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Performance appraisal system is considered necessary in the organization</td>
<td>S.D</td>
<td>144</td>
<td>53.70%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>D.A</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>N</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>A</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>S.A</td>
<td>124</td>
<td>46.30%</td>
</tr>
<tr>
<td>2</td>
<td>Satisfied with the obtainable performance appraisal system.</td>
<td>S.D</td>
<td>239</td>
<td>89.20%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>D.A</td>
<td></td>
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<td></td>
<td></td>
<td>N</td>
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<td>A</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>S.A</td>
<td>29</td>
<td>10.80%</td>
</tr>
<tr>
<td>3</td>
<td>The performance appraisal helps to win mutual aid and team work.</td>
<td>S.D</td>
<td>219</td>
<td>81.70%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>D.A</td>
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<td>N</td>
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<td>A</td>
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<tr>
<td></td>
<td></td>
<td>S.A</td>
<td>49</td>
<td>18.30%</td>
</tr>
<tr>
<td>4</td>
<td>The performance appraisal is supportive in reducing grievance &amp; unrest among the employees</td>
<td>S.D</td>
<td>268</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>D.A</td>
<td></td>
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<td>N</td>
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<td></td>
<td></td>
<td>S.A</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>5</strong></td>
<td>The performance ratings done frequently</td>
<td>S.D</td>
<td>D.A</td>
<td>N</td>
</tr>
<tr>
<td><strong>6</strong></td>
<td>The performance appraisal system helps to make out the strength and weakness of the employee</td>
<td>S.D</td>
<td>D.A</td>
<td>N</td>
</tr>
<tr>
<td><strong>7</strong></td>
<td>The performance evaluation is helpful for the management to provide employee Training</td>
<td>S.D</td>
<td>D.A</td>
<td>N</td>
</tr>
<tr>
<td><strong>8</strong></td>
<td>Promotion is simply based on performance appraisal</td>
<td>S.D</td>
<td>D.A</td>
<td>N</td>
</tr>
<tr>
<td><strong>9</strong></td>
<td>Performance appraisal score helps to fix increment.</td>
<td>S.D</td>
<td>D.A</td>
<td>N</td>
</tr>
<tr>
<td><strong>10</strong></td>
<td>Transfer, demotion, suspension and dismissal is based on performance appraisal</td>
<td>S.D</td>
<td>D.A</td>
<td>N</td>
</tr>
<tr>
<td><strong>11</strong></td>
<td>The desired goal of the organization is achieved through the performance appraisal</td>
<td>S.D</td>
<td>D.A</td>
<td>N</td>
</tr>
<tr>
<td><strong>12</strong></td>
<td>Performance appraisal increases moral or motivation of the employee</td>
<td>S.D</td>
<td>D.A</td>
<td>N</td>
</tr>
<tr>
<td><strong>13</strong></td>
<td>Appraisal method keeps on the major achievement and failure or success of work</td>
<td>S.D</td>
<td>D.A</td>
<td>N</td>
</tr>
</tbody>
</table>
Result - In the question of, Performance appraisal system is considered Necessary in the organization 144 respondents are agree & 124 are strongly agree. It means that all the employees of different sugar mill like performance appraisal system. In the question of, Satisfied with the obtainable performance appraisal system 239 respondents are agree 29 are strongly agree. it means employees are satisfied with their performance appraisal system In the question of, the performance appraisal helps to win mutual aid and team work. 219 respondents are agreeing 49 are strongly agreed. it means employees think that performance appraisal helps to win mutual aid and team work. In the question of, the performance appraisal is supportive in reducing grievance & unrest among the employees 268 all respondents are agreed. It means employees feel that performance appraisal is supportive in reducing grievance & unrest. In the question of, the performance ratings done frequently, 124 respondents are agreeing 144 are strongly agreed. It means public, private & co-operative sector sugar mills frequently measuring the performance appraisal of their employees .In the question of, the performance appraisal system helps to make out the strength and weakness of the employee124 respondents are agree 144 are strongly agreed. It means performance appraisal system helps to make out the strength and weakness of the employee. In the question of, the performance evaluation is helpful for the management to provide employee Training 251 respondents are agree 17 are strongly agreed. It means performance evaluation is helpful for the management to provide employee Training. In the question of, Promotion is simply based on performance appraisal 192 respondents is agreed 76 are strongly agreed. it means employees that promotion is simply based on
performance appraisal. In the question of, Performance appraisal score helps to fix increment 239 respondents are agree 29 are strongly agreed. It means that Performance appraisal score helps to fix increment. In the question of, Transfer, demotion, suspension and dismissal is based on performance appraisal 148 respondents are agree 120 are strongly agreed. It means that employees think that Transfer, demotion, suspension and dismissal is based on performance appraisal. In the question of, the desired goal of the organization is achieved through the performance appraisal 268 respondents are agreed. It means that desired goal of the organisation is achieved through the performance appraisal system. In the question of performance appraisal increase moral of the employees 268 respondents are agreed. It means performance appraisal increase moral of the employees. In the question of appraisal method keeps on the major achievement and failure or success of work 268 respondents are agreed. It means performance appraisal method keeps on the major achievement and failure or success of work. In the question of Have a separate committee to review the performance appraisal system 268 respondents is agreed. All public, private & co-operative sector sugar mills employees like separate committee to review the performance appraisal of the employees.

<table>
<thead>
<tr>
<th>S.No</th>
<th>Null Hypothesis</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H0 1</td>
<td>There is no significance difference in existing performance appraisal system in public, private &amp; co-operative sector Sugar mills.</td>
<td>Retain the null hypothesis</td>
</tr>
<tr>
<td>H0 2</td>
<td>Performance appraisal does not have a significant impact on employee Motivation.</td>
<td>Null hypothesis rejected</td>
</tr>
</tbody>
</table>
5- Suggestions & Recommendations

Finally it can be suggested that:

- There should be a fair performance appraisal programme and no space for any type biasness. All the rewards and facilities have been provided on the basis of performance of the employees.
- An organization should organize training and development programme according to the need of the employees.
- The proper feedback should be taken from the employees on the different employees and organization related issues.
- There should be adequate communication between the employees and the supervisor. It is helpful to create belongingness behavior within the employees towards the organization.
- The competitive rewards should be provided to the employees according to their performance. It motivates the employees for better work and devotion towards the company.
- The organization should be paying a fair salary and other monetary benefits to the employees according to their ability and talent. Before determination of the salary the management should also consider the areas where an employee has to survive.
- Generally maximum employees prefer on the job or at work place training therefore, management organize training accordingly..
- There must be Training need analysis before scheming training program
- Transfer, demotion, suspension and dismissal is based on performance appraisal.
- Performance rating must be done frequently.
- Have a separate committee to review the performance appraisal system.
6- Limitation of the study

It is essential to emphasize the limitation of a work mainly in case of a research. The limitations help us to recognize and appreciate the work in proper perspective because sample is only sample, it never be cosmos’. This truth, in fact, is the actual cause of the limitation. There are number of limitations these are as follows

- This research is based on primary data assuming that the respondent share their actual view & experience with us. That is hundred percentages not possible.
- Employees felt uncomfortable to answer the questions.
- Employees didn’t respond properly due to unknown reason.
- Though care has been taken but judgmental error may have occurred.

- Some of the sugar mills employees might not be able to understand the questions due to language problem.
- For the success of any research adequate amount of time is required but it was difficult to me to manage the job with this project work.
- It was not possible to carry out interview with every employee, as most of them were busy with their routine work schedule. However, with due cooperation from the executives it was possible to convince most of the employee and obtain information through questionnaires.
- Some employees gave the information verbally but were reluctant to give in writing.

7- Conclusion

The researcher have taken public, private & co-operative sector sugar mills and analyze the performance appraisal system in these sugar mills ,they found that public & private sector sugar mills have a better setup than co-operative sector and all of follow performance appraisal system according to their rules. The use of system of performance appraisal contributes towards more effective and improved performance
on the part of organisations. The deployment of all resources in an organization depends on efficient utilization of human resources. Every organization needs to have well-trained and experienced people to perform variety of tasks that helps an organization to achieve its objectives.

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