

# Work autonomy and performance appraisal system of sugar mill employees in Tamil Nadu

■ S. PRAVEENA AND K. MAHENDRAN

Received : 23.10.2012; Revised : 15.01.2013; Accepted : 16.02.2013

## ABSTRACT

This study focuses on the work autonomy and performance appraisal system of the sugar mill employees in Tamil Nadu. Two mills from each public, private and co-operative were selected for the study. A sample of 15 employees from each mill was taken for the study. The tools of analysis used in the study were percentage analysis, Garrett ranking and factor analysis. Factor analysis was used to find out the important factors influencing work autonomy of the employees. Garrett ranking was used for the opinion about the performance appraisal system among the employees. The findings revealed that most of the private sector employees were satisfied with the performance appraisal system. In public and co-operative sector, employees were dissatisfied with the performance appraisal system.

**KEY WORDS :** Factor analysis, Performance appraisal, Work autonomy, Job satisfaction

**How to cite this paper :** Praveena, S. and Mahendran, K. (2013). Work autonomy and performance appraisal system of sugar mill employees in Tamil Nadu. *Internat. J. Com. & Bus. Manage*, 6(1) : 23-27.

India is the second largest producer of sugar over the globe. The bulk of the rural population in India depends on this industry. The sugar industry is the second largest agricultural industry, followed after or by the textile industry. Sugar industry in India is well maintained and is growing at a steady pace. The sugar industry provides direct employment near about to 5 lack peoples

The sugar industry in Tamil Nadu plays a vital role in the economic development of the state and particularly in rural areas. Tamil Nadu is one of the leading producers of sugar in the country and its contribution is about 7 per cent of country's total sugar production. The sugar industry in Tamil Nadu is an important agro-based industry next to textile

industry. It plays a major role in the economic development of rural areas in Tamil Nadu. The sugar industry generates large-scale direct employment, apart from providing indirect employment to thousands of persons in rural areas who are involved in cultivation, harvesting, transport of cane and other services. There are 43 sugar mills in this state of which 16 are in Co-operative sector, 2 are in Public sector and 25 are in Private sector. The Department of Sugar was formed in the year 1969, in order to devote special attention to the development of sugarcane and to regulate and oversee the establishment of sugar mills in the co-operative and private sectors. Sugar industry produces certain by products. The important by products are molasses, bagasse, which are used for production of chemicals and alcohol. Bagasse is utilized as a fuel in the boilers and also used as a raw material in the paper industry, pressmud also mixed with another residual output of the distillery viz., spent wash and used as biomanure. A sugar mill can thus have multiple streams of revenue. The total production of sugarcane in Tamil Nadu and India is given in Table A.

## MEMBERS OF THE RESEARCH FORUM

### Correspondence to:

S. PRAVEEN, Department of Agricultural and Rural Management, Central Agricultural and Rural Development Studies, Tamil Nadu Agricultural University, COIMBATORE (T.N.) INDIA  
Email: sspriyamba@gmail.com, mahenan@gmail.com

### Authors' affiliations:

K. MAHENDRAN, Department of Agricultural and Rural Management, Central Agricultural and Rural Development Studies, Tamil Nadu Agricultural University, COIMBATORE (T.N.) INDIA

### Work autonomy and performance appraisal:

Work autonomy is the feeling of personal control over

**Table A : Comparison of Tamil Nadu sugar production with India**

Crushing season (from October to September)	All India sugar production (in lakh tonnes)	Tamil Nadu total sugar production (in lakh tonnes)	% of sugar produced in Tamil Nadu compared to all India
2005-2006	193.21	21.38	11.06
2006-2007	282.00	25.39	9.00
2007-2008	263.28	21.41	8.13
2008-2009	146.00	15.95	10.92
2009-2010	188.00	12.70	6.76
2010-2011	245.00	16.39	6.69

Source: www.tncsf.net.in

one's job. Environment is associated with a variety of personally and organizationally valued outcomes. Performance appraisal is a process of evaluating an employee's performance of a job in terms of its requirements. Performance appraisal has been considered as a most significant and indispensable tool for an organization, for the information it provides is highly useful in making decisions regarding various personal aspects such as promotions and merit increases. Performance appraisal is done to maintain individual and group development by informing the employee of his performance standard, to suggest ways of improving the employee's performance when he is not found to be up to the mark during the review period, to identify training and development needs and to evaluate effectiveness of training and development programmers and to plan career development, human resources planning based on potentialities. Fedor *et al.* (2001) in their study stated that performance appraisal is very important as employees recognize that negative appraisal feedback is provided with a constructive intention *i.e.* to help them overcome present difficulties and to improve their future performance.

Niessen and Volmer (2010) defined work autonomy is the degree to which workers feel personal responsibility for their work. Pisal *et al.* (2011) suggested that right time to start the crushing season is also important for timely harvesting of the sugarcane which will reduce the cost of production cycle.

According to Chandra Sekhar (2011) work autonomy could improve organizationally relevant outcomes. It enhances the job satisfaction, job involvement in decision making and organizational commitment.

#### Objectives:

- To analyse the work autonomy of the sugar mill employees in Tamil Nadu.
- To measure effectiveness of the performance appraisal system among the sugar mill employees in Tamil Nadu
- To analyse the satisfaction level of the employees in performance appraisal system.

## METHODOLOGY

This study is based on the primary data collected from

the sugar factory employees. A well structured questionnaire was prepared and it was pre-tested. Two factories from each private, public and cooperative sector were selected. Totally six factories were selected for the present study. The private and co-operative sector companies were selected based on the market capitalization and volume of sales. Fifteen respondents were selected from each factory based on the experience of the employees. Persons having more than ten years of experience were considered for the study. Each respondent was interviewed personally by using the well structures questionnaire. The secondary data related to the study were collected from the various magazines, web sites and published reports. Percentage analysis, was used for the analysis of the present study.

## ANALYSIS AND DISCUSSION

The demographic details of the respondents like age, education, gender, monthly income and marital status of the respondents were analyzed and are presented in Table 1.

The results of Table 1 indicate that most of the employees were medium aged and they had a very good experience in sugarcane operations. Majority of the respondents' were male and they came under the medium income category. Most of the employees were well educated. In comparison to the public and co-operative sector employees, private sector employees were getting higher income.

From Table 2, it could be concluded that most of the private sector employees discussed with their superiors about the sugarcane operations monthly or weekly or daily. Only limited number of employees had a discussion with the superiors in the case of public and co-operative sector.

It could be concluded from the observations of Table 3 that most of the private sector superiors used to give counseling to employees about the sugarcane operations to improve the operational efficiency. In public and co-operative sectors, only lesser number of superiors gave suggestions to their subordinates.

From Table 4, it could be concluded that most of the respondents asked about the performance appraisal system of the sugar industry. Most of private sector employees felt that the performance system was good in private sector. In

**Table 1 : Demographic details of the selected sugar mills employees**

Demographic characteristics	Particulars	Number of respondents			
		Public	Private	Co-operative	Total
Age	<20 years	-	-	-	-
	21-30 years	5	8	3	16
	31-40 years	9	18	11	38
	41-50 years	13	4	15	32
	>50 years	3	-	1	4
	Total	30	30	30	90
Gender	Male	28	27	30	85
	Female	2	3	-	5
	Total	30	30	30	90
Marital status	Single	2	1	1	4
	Married	28	29	29	86
	Total	30	30	30	90
Monthly income	<5000	2	-	3	5
	5001-10,000	6	5	11	22
	10001-20000	20	15	15	50
	20001-30000	2	10	1	13
	>30000	-	-	-	-
	Total	30	30	30	90
Educational qualification	SSLC	4	-	3	7
	HSC	11	3	5	19
	Diploma	12	12	19	43
	Graduation	3	15	3	21
	Total	30	30	30	90

**Table 2 : Employees' discussion with the superior**

Discussion with superior	Number of respondents			Total no. of respondents
	Public	Private	Co-operative	
Yes	7	21	4	32
No	23	9	26	58
Total	30	30	30	90

**Table 3 : Superior counseling to the employees**

Counseling from the superior	Number of respondents			Total no. of respondents
	Public	Private	Co-operative	
Yes	3	28	2	33
No	27	2	28	57
Total	30	30	30	90

**Table 4 : Performance appraisal system**

Performance appraisal system	Number of respondents			Total no. of respondents
	Public	Private	Co-operative	
Good	9	22	8	39
Fair	11	8	18	37
Poor	10	-	4	14
Total	30	30	30	90

case of public and co-operative, the performance appraisal system was fair.

It could be concluded from the results of Table 5 that most of the respondents felt that the transparency in performance system should be highly important. It should be visible to the other employees.

It is clearly evident from Table 6 that most of the private sector employees were satisfied with the appraisal system in increasing the salary, bonus and incentives of employees. In public and co-operative sectors, most of the respondents were dissatisfied about the appraisal system in increasing the salary, bonus and incentives to employees.

#### Factor analysis:

Factor analysis is a multivariate statistical technique used to condense and simplify the set of large number of variables to smaller number of variables called factors. Principal component analysis and rotation method of varimax was used for extracting factors. Factor analysis was used to find out the

important factors influencing work autonomy of the employees. Among the 12 statements 5 were retained depending on component matrix, Eigen values and communalities.

From Table 7, most of the communalities were above 0.5 indicating that good percentage of the variance in variables was explained by the factors. So, it can be concluded that these 5 factors were extracted from the 12 variables. These five factors were retained based on the communalities and it was given below: 1. More welfare measures needed 2. Motivation from the superiors 3. Free to decide about the work 4. Leisure time needed 5. Free to control over the schedule of the work.

#### Garrett ranking:

The respondents were asked to rank the opinion about the performance appraisal system and the results were given in Table 7.

It is evident from Table 8 that assessment level of

Transparency in performance appraisal	Number of respondents			Total no. of respondents
	Public	Private	Co-operative	
Important	19	8	13	40
Neutral	10	20	17	47
Not needed	1	2	-	3
Total	30	30	30	90

Satisfaction about appraisal	Number of respondents			Total no. of respondents
	Public	Private	Co-operative	
Satisfied	6	21	3	30
Neutral	6	4	18	28
Dissatisfied	18	5	9	32
Total	30	30	30	90

Sr. No.	Statements	Communalities
1.	Work environment of the employee	0.695
2.	Free to decide about the work	0.798
3.	Free to choose to carry out the work	0.648
4.	Free to take decision about the work	0.632
5.	Free to decide a particular work activities with team	0.579
6.	Allow to stay over time to finish the work	0.575
7.	Motivation from the superiors	0.842
8.	More welfare measures needed	0.887
9.	Leisure time needed	0.749
10.	Free to control over the schedule of the work	0.717
11.	Able to decide for myself what my objectives are	0.563
12.	Control over the sequencing of the activities in the team	0.679

**Table 8 : Opinion about the performance appraisal system**

Sr. No.	Statements	Garrett score	Rank
1.	Assessment level of performance appraisal to identify the training needs	80.12	I
2.	Identification of weakness and strength of employees by the superiors using performance appraisal system	61.87	II
3.	Performance appraisal in motivating the employees	58.39	III
4.	Self comparison of respondents performance with other employees	57.72	IV
5.	Performance rating is effective while making mistakes	53.76	V

performance appraisal to identify the training needs of the employees got the highest score of performance appraisal system followed by identification of weakness and strength of employees by the superiors using performance appraisal system, performance appraisal in motivating the employees etc.

### Conclusion and recommendations:

The Indian Sugar Industry will have a bright future, if its potential is fully developed and is allowed to bloom. The cost of production in Indian sugar industry is higher because it is labour extensive. Many sugar mills are shifting to mechanization and automation but the change is very slow. The pace of mechanization and automation will have to be accelerated. Sugarcane is the most versatile crop which provides tremendous potential to the sugar mills to diversify into various products based on its byproducts *i.e.* molasses, bagasse and pressmud. The recommendations are given below:

- The working environment should be improved and the top management should concentrate more on the influencing aspects of motivation and welfare measures of the employees to improve the operations.
- Maximum of respondents were not satisfied with their performance appraisal system. It is suggested to change the current appraisal system for the public and co-operative sector. Consistent and equitable system of rewards can be formulated.
- In order to improve the performance level of employees, the organization should create more awareness and to provide feedback regularly to the employees about performance appraisal system. Provide more opportunities for

the upliftment of the employees.

- Number of trainings should be improved by the top management in order to increase the knowledge level of the employees which will lead to increase the operational efficiency.
- Review of the appraisal system should be improved by the top management. Transparency on the appraisal system should be improved by the top management.

### REFERENCES

- Chandra Sekhar (2011). Correlates work autonomy. *IUP J. Organizational Behavior*, **10**(3) : 26-40.
- Fedor, D., Davis, W., Maslyn, J. and Mathieson, K. (2001). Performance improvement efforts in response to negative feedback: The roles of source power and recipient self-esteem. *J. Mgmt.*, **27** (1) : 79-97.
- Niessen, Cornelia and Volmer, Judith (2010). Adoption to increased work autonomy : the role of task reflection, *European J. Work & Organizational Psychol.*, **19**(4) : 442-460.
- Pisal, Dnyaneshwar, Kumar, Ajay, Kakade, Vikas and Chavan, Nilesh (2011). Computerized model for sugar cane harvesting for effective planning and control in co-operative sugar factories in Pune district, *J. Res. Commerce & Mgmt.*, **1** (9) : 125-133.

### WEBLIOGRAPHY

- [www.tn.gov.in/sugar/dept](http://www.tn.gov.in/sugar/dept)
- [www.tncsf.net.in](http://www.tncsf.net.in)