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## Employees Demographic Factors and Its Relationship with Work Motivation and Performance of Employees in Sugar Industry

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### **Abstract:**

*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. Performance Appraisal System (PAS) has been observed by intellectuals and human resource professionals as a valuable implementation for human resource management (HRM). Hitherto effective PAS remains a hardheaded challenge to management and employees, due to reasoning, intuition, perception, motivational and behavioral factors. The purpose of this research was to investigate the demographic factors and its relationship with work motivation and performance of employees in the sugar industry in Tamil Nadu but focusing on sugar Companies' employees in Erode District.*

**Keywords:** *Intuition, behavioural issues, equality, fair wages, market environment*

### **1. Introduction to the Study**

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 nearly about to 5 lakh 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 52 sugar mills in this state of which 15 are in Co-operative sector and 37 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.

### **2. Review of Literature**

Performance Appraisal System (PAS) has been observed by intellectuals and human resource professionals as a valuable implementation for human resource management (HRM). Hitherto effective PAS remains a hardheaded challenge to management and employees, due to reasoning, intuition, perception, motivational and behavioral factors. An ideal Performance Appraisal System should be free from prejudice and cronyism which can replace objectivity. In a period where there is a requirement for wide-ranging development, the sugar industry is amongst the few businesses that have effectively contributed to the rural economy. It has done so by commercially using the rural resources to meet the huge indigenous demand for sugar and by producing surplus energy to meet the mounting energy needs of India. In addition to this, the industry has become the bastion of the liquor industry. The sector chains more than 50 million farmers and their families, and brings value addition at the farm side. In common, sugarcane price accounts for approximately 70 percent of the ex-mill sugar price. The segment also has a noteworthy reputation in the global sugar world.

### 3. Indian Sugar Industry: An Overview

In the 2014-15 crushing season, the sugar production of India has seen an increase of 11.5 percent. The Indian Sugar Mills Association (ISMA) says that as of 31st March, India had produced 24.72 million tonnes of sugar and this was an addition of 2.84 million tonnes to the sugar production of 2013-14. It is estimated that in the 2015-16 season, 24.8 million tonnes of sugar will be consumed. ISMA estimates that due to the increased production in the year gone by, there will be a carryover stock of 8.5 million tonnes. There will be 2.5 million tonnes more than what is thought to be the standard requirement in these cases. It is expected that in 2017, Indians will be consuming almost 28.5 million tonnes of sugar. Maharashtra is traditionally the leader when it comes to sugar production in India.

#### 3.1 Tamil Nadu

Tamil Nadu has shown phenomenal progress with regard to sugar production during the last few years. High yield per hectare of sugarcane, higher sucrose content, high recovery rate and long crushing season have enabled Tamil Nadu to obtain highest yield of 9.53 tonnes of sugar per hectare in the whole of India. As a result of these advantages, the state has emerged as the third largest producer of sugar, contributing over nine per cent of the total sugar production of India.

This study in the Sugar Industry in Tamil Nadu will reveal some of the motivation elements, their application and net effect in the industry. It will also offer a critique of application of the elements from the employee's perspective. It is only through this that the organization can achieve its goals hence management and employees share the same vision of the organization's goals and work together to achieve them. If the employees are not well motivated in their performance, the organization will be diversely affected and this can be noticed through labour turnover, low morale, strikes, absenteeism and general performance. The purpose of this study is to determine the level of employee motivation and job satisfaction among the employees in the tamilandu (Focused to Erode District) Sugar Industry in India.

### 4. Need for the Study

The purpose of this research was to investigate the motivational Practices and measures of job satisfaction that have led to low work morale and unprofessional trends in the sugar industry employees in Tamil Nadu but focusing on sugar Companies' employees in Erode District. Low motivation of employees was experienced recently when in a bid to down size the work force, employees willing to go were asked to apply for an early retrenchment and to astonishment of the management more than a half of them were ready to live. This was a clear indicator that most of them are not happy with their present situation. There are other unprofessional trends like theft, truancy, coupled with absenteeism that are rampant in Sugar company employees. Through this research, recommendations 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 totally eliminated. It will also help the government in general policy makers society and all stakeholders in the Sugar industry in India and Tamil Nadu

### 5. Objectives of the Study

1. 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.

### 6. Hypothesis

Based on the objectives of the study, it is felt that the administering the null hypothesis is necessary to find out the degree of relationship held between the motivational practices adopted and the impact on performance. In this view the following null hypothesis were framed.

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

### 7. Sources of Data

The data required for the study is collected from both primary and secondary sources. The primary sources include a structured questionnaire and field visits and observation. The secondary sources include both print and electronic media.

### 8. Data Collection Instrument

For the purpose of data collection, a structured questionnaire is framed by reviewing the existing literature and by consulting the industry experts. Existing literature gives lot of scope on both on motivational practices, job satisfaction practices and its impact on the employee performance in sugar industry.

### 9. Reliability of the Data Collection Tool: Questionnaire

Reliability test is conducted by using the cronbach's alpha and the questionnaire is found reliable with the high degree of alpha value. The section wise alpha values are presented in the following table. The overall cronbach's alpha is recorded at 0.913, indicates 91.3 percent reliability for the various items loaded in the questionnaire.

### 10. Sample Method- Size-Unit and Profile

For the purpose of study a simple random sample method is adopted. The random is drawn from the list of sugar mills chosen for the study. The majority of the focus is given to the sugar mills in erode district. Among the identified target respondents many are not co-operative because the respondents are not easily available to debate and discuss on the questionnaire and to respond. The respondent's time and approach becomes key limiting factor to meet as per plan. However, it is planned in a meticulous way and collected 300 samples as per target.

### 11. Scope for Further Research

The current study is conducted in the state of Tamil Nadu. The problems of prospective employees in the other states in the region and northern states can bring a lot of insight to the government to bring out a policy on employee motivational practices and job satisfaction factors. The motivational practices of third world war countries reviewed in the light of Indian practices and comparison can give an idea on what further steps to be taken for the improvement of the situation. A macro analysis on country wise, continent wise HR policies, motivational practices, job involvement, job satisfaction, performance appraisal, self evaluation practices and its impact 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 perspective of issues and the steps in the form of policy can be deployed and insisted the industry to adopt in a phased manner. This can help in resolving the issues in an amicable way.

### 12. Data Analysis and Results Discussion

Demographic variable	Frequency- (N)	Percentage-(%)
<b>Age in years</b>		
Less than 20 years	32	6.4
21 to 30 years	179	35.8
31 to 40 years	93	18.6
41 to 50 years	90	18.0
50 and above	106	21.2
Total	500	100
<b>Place of Residence</b>		
Urban	119	23.8
Rural	188	37.6
Semi urban	193	38.6
Total	500	100
<b>Educational qualification</b>		
Below SSLC	101	20.2
SSLC & ITI	147	29.4
HSC	246	49.2
Degree	6	1.2
Total	500	100
<b>Marital status</b>		
Unmarried	125	25.0
Married	329	65.8
Widower/separated	46	9.2
Total	500	100
<b>Monthly income</b>		
Below Rs.10000	39	7.8
Rs.10000 to Rs.15000	216	43.2
Rs.15000 to Rs.20000	76	15.2
Rs.20000 to Rs. 25000	114	22.8
Above Rs.25000	55	11.0
Total	500	100
<b>Working experience</b>		
Upto 5 years	59	11.8
6 to 10 years	204	40.8
11 to 15 years	94	18.8
16 to 20 years	100	20.0
Above 20 years	43	8.6
Total	500	100

<b>Department of working</b>		
Administration	1	0.2
Cane	176	35.2
Engineering	63	12.6
Manufacturing	115	23.0
Distillery	145	29.0
Total	500	100
<b>Designation Grade</b>		
Grade I	64	12.8
Grade II	154	30.8
Grade III	55	11.0
Grade IV	103	20.6
Grade V	124	24.8
Total	500	100

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 35.8 percent of the employees working in sugar mills are belongs to 21-30 years age group and it is followed by 21.2 percent are belongs to above 50 years age group. The middle aged employees are consisting of 18.6 percent and 18 percent in the age groups of 31-40 years and 41-50 years age groups respectively. 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 38.6 percent and 37.6 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 23.8% in the sample.
- The educational profile of the employees, working in the sugar mills are higher secondary certificate level is highest with 49.2 percent in the sample. It is followed by Industrial training institute certificate holders and secondary school leaving certificate holders with 29.4 percent and 20.2 percent respectively. This clearly indicates that moderate level of educational profile and basic technical skills are sufficient to work in sugar mills when compare to other industry requirements.
- 65.8 percent of the employees working in the sugar factories are married and the remaining 25 percent are unmarried and 9.2 percent are widower or separated from family. Hence, motivating the deprived class of employees and empowering them with employment is possible in sugar industry. In a way it is also good to the companies, to maintain its cost at lower levels and thereby profits can be improved
- It is noted that 40.8 percent of the sample are having a work experience of 6-10 years and 20 percent is having 16-20 years of experience and only 8.6 percent is found at above 20 years of work experience.
- In sugar industry majority of the employees are working in cane department and it is represented with 35.2 percent in the sample, it is followed by 29 percent are working in the distillery, 23 percent in manufacturing, 12.6 percent in engineering and only 1 percent are working in administration department.

### 13. Suggestions

1. The human resources planning manager should consider expansion, retirement of employees, resignation, and seasonal characteristics of the industry for the current and future periods and to balance between supply and demand. In most of the sugar mills, there is overstaffing. Due to the overburden of wages and bonus payments the sick units are incurring heavy losses. These facts highlight the great urgency of optimization of human resources.
2. The sample units do not fill up the vacancies caused by retirement and death of employees immediately. Therefore, the employees in lower cadre are entrusted with additional work without any suitable monetary benefits.
3. Working conditions refer to mental, physical and social well-being of the workers in the industry. Improvement in productivity lies in better working conditions, reduced absenteeism, minimized industrial unrest and improved employee morale. Therefore, it is suggested that every sugar mill should ensure total Occupational Safety and Health Administration (OSHA).
4. Employees at all levels should be consulted before major decisions are taken. Besides, that will also promote harmonious industrial relations, which is most essential for carrying out the practices of human resource management.
5. To solve the grievances of the employees "grievance redress cells" should be established in every sugar mill with representatives of employees and the management. These cells will consider the grievances of the employees and solve the problems immediately. This will improve the employees' morale.
6. Though industrial relations and HRM practices are found to be good, workers participation in management is not satisfactory. Therefore, it is suggested that sugar mills should encourage workers' participation in management, pave the way for sound and democratic functioning of trade unions and build an atmosphere of mutual trust between employer and the employees.

7. Employees should be free to their work at workplace, according to their own mind. There should be no interruption again and again through their supervisor or any other authority.
8. The proper feedback should be taken from the employees on the different employees and organization related issues.
9. There should be adequate communication between the employees and the supervisor. It is helpful to create belongingness behavior within the employees towards the organization.
10. 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.

#### 14. Conclusion

Sugar mills play an important role in the economic development of India. Not only that. They also bring about radical social changes and influence the lives of the people. The sugar mills have contributed to the modernization of agriculture and an increase in agricultural produce. In spite of their valuable contribution, the mills have their drawbacks. The absence of a healthy human resource department is the greatest weakness. So, it is suggested by the researcher that the mills take care of human resource development. Every mill should have a sound human resource development department under a senior, loyal and dedicated manager. The responsibilities of the manager of the human resource department defy any definition. They change from day to day, from hour to hour and from minute to minute. The manager should have a comprehensive view of the whole situation working conditions, motivation of employees, job involvement, job satisfaction of employees, wages and salaries, encouragement to workers by attitude and monetary benefit, refresher and re-orientation training of the employees to raise their standard, implications of the modern technological developments and so on and so forth.

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