

Impact of Effective Performance Appraisal System on Employees' Commitment
(With Special Reference to Employees in People's Bank and Bank of Ceylon)

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ABSTRACT. The objective of this study was to investigate whether Performance Appraisal System significantly relates to Employees Commitment. To achieve this objective, researcher has selected three branches of Peoples' Bank and BOC such as Trincomalee Branch, Muttur and Kinniya Branch. To analyze the relationship, one hypothesis was formulated for this research study. Researcher has selected the Performance Appraisal System as an independent variable and Employees' Commitment as a dependent variable. Sample size of this research was 85 from both banks, which was selected by using simple random method. Structured questionnaire used to get the primary data collection. The univariate analysis and bivariate analysis were used to variable analysis through the SPSS (version 16.0) and Microsoft excel 2007. The pie chart, table and graphs are used to present the collected data. The study results revealed that, most of the employees agreed that, their commitment level is moderate and also there is a significant positive relationship between Performance Appraisal System and Employees Commitment. This study found relationship of correlation coefficient was 0.564 and 0.412 for Peoples Bank and BOC respectively and it was significant at 0.01 levels. This results implying that, though employees performance appraisal system in high level, should adopt a more systematic system of PA in the dimensions of policies of PAS, criteria and standards, forms and procedures, decision making and storing, review and renewal in order to improve employees commitment to very high level.

Key words: Performance Appraisal, Employees Commitment.

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