

**Impact of Effective Performance Appraisal system on Employee Commitment (With Special reference to ZeroLim Company in Sri Lanka)**

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**Abstract**

The objective of this study was to investigate whether Performance Appraisal System significantly relates to Employee Commitment. To achieve this objective, researcher has selected three branches of ZeroLim (name changed) such as Kandy Show Room, Nugegoda Show Room and Dehiwela Head office. 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 92 which were selected by using simple random method. Structured questionnaire used to get the primary data collection. The Univariative analysis and Bivariative analysis were used to variable analysis through the SPSS (version10.0) and Microsoft Excel 2003. 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 high. There is significant positive relationship between Performance Appraisal System and Employee Commitment. This study found relationship of correlation coefficient was 0. 608 which is significant at 0.01 level. Though employees performance appraisal system is in high level results imply that it should adopt a more systematic system of PA namely in the dimensions of policies of PAS, criteria & standards, methods, forms & procedures, decision making & storing, review and renewal in order to improve employees commitment.

***Key Words: Performance Appraisal system, Employees' Commitment.***

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