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PERFORMANCE APPRAISAL SYSTEM AND ITS EFFECT ON CORPORATE PERFORMNCE: WITH SPECIAL REFERENCE TO MCL, BURLA, SAMBALPUR, ODISHA

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ABSTRACT

Performance appraisal system is the practice of actively using performance data from employees to improve an organization's performance. This practice involves strategic use of performance measures and standards to establish performance targets and goals, to prioritize and allocate resources, to inform managers about needed adjustments or changes in policies or program directions to meet goals, to frame reports on the success in meeting performance goals, and to improve the overall quality of work in any organization. In the same line, it has been helped a lot to the public and private organisations to meet the challenges of increased competition. Hence, generally it is a practice to actively measure employee's performance without management faulty. In this context, the study also focused to measure the perception level of executives and non- executives related to performance appraisal mechanisms exists in the organisation as well as measure the perception of the junior and senior employees through cross tabulation. Also, this study focused to find out the loading factors using factor analysis and measuring correlation among the factors which has been found through factor analysis.

KEYWORDS: Performance Appraisal and its Systems, Correlation and Factor Analysis

INTRODUCTION

A new performance culture is being created with greater emphasis on the importance of the motivation, development and optimal utilisation of human resources, towards the achievement of a client focused and results oriented system. In this context, economic liberalization in 1991 played a key role in redefining Personnel Management as Human Resource Development due to transitioned from a manufacturing to knowledge-based economy. The repercussions have been many, not the least of which has been in the area of Performance Management. Also, the same line, it will be analysed that the Performance Management System (PMS), has been drastically shifted from old to new generation. In the 1950's, no one really knew what a PMS was. It was all about hard work and piece rate of pay in relation to the kind of work one performed. But Post liberalisation, as more companies were established, the term 'performance appraisal' was added to the corporate lexicon. It focussed on how the individual performed during the year. This was a time when employees believed in "equal pay for equal work." and performance of individual should be linked to the promotion which would establish result oriented system. In addition to the above summary, with the entry of multinational companies (MNCs) and a large pool of youth have joined in the new workforce, as a result Performance Management replaced Performance Appraisals. By definition, a Performance Management System focuses on the individual's performance and development plans. However, in India performance management is structured around identifying what is negative rather than what is positive. This is further aggravated with generational diversity forcing organizations to understand how to tie performance management to the needs and expectations of their multigenerational workforce.

REVIEW OF LITERATURE

Studies Done Abroad

As per the study of Stewart and Stewart (1977) on performance appraisal system in a large number of firms in U.K., performance appraisal is having strong linkage with induction and training. It provides data to determine promotion and transfer.

It is suggested in Yager's (1981) study that supervisors need to motivate, encourage, build, train, enforce and modify behaviour of their subordinates. This happens if there is regular and frequent interaction between superiors and their subordinates. This interaction process is seen as performance appraisal because in each interaction process some comments were exchanged on the tasks in hand. In the same line, the Cederblom (1982) has offered the following general guidelines such as appropriate appraisal formats would be specific behavioural measures made by the superior for personally dependent employees in routine jobs, goal based appraisals for moderately independent employees in fairly non routine jobs, and multiple objective judgments for highly independent employees in very non routine jobs. As defined by Lansbury (1988) performance appraisal is "the process of identifying, evaluating and developing the work performance of the employee in the organization goals and objectives are effectively achieved while at the same time, benefiting employees in terms of recognition, receiving feedback, and offering career guidance". The terms performance assessment, performance evaluation, performance management are also used to make the process desirable.

Performance appraisal system accomplishes three major purposes. Firstly, it provides employers with a basis for recording and monitoring the performance of employees. Secondly, it helps employers to identify and evaluate key behaviors of employees. Thirdly, it can provide a forum for management and employees to jointly diagnose current or potential business problems. All of these business purposes can be accomplished through the system of performance appraisal review. The potential organizational benefits of effective conduct of performance appraisals are widely recognized (Cascio, 1986).In this context,   Cleveland, Murphy & William (1989) stated that propagation of performance appraisal system is motivated by a broad range of concerns including promotions, terminations, salary administration and the development of adequate competence and expertise. Performance appraisal may be useful both in the cross sectional dimension for comparison between individuals and for the time dimension for comparison of individual performance over time.

In their analysis, to evaluate the overall performance of the branches, Chan and Lynn (1991) have used the following; effectiveness, employee morale, productivity, marketing effectiveness, operating effectiveness, heeling effectiveness, employee morale, customer satisfaction, product, technology innovation and operating efficiency and argued that the traditional performance evaluation model based upon single measurement inferior (which is most of return on investment) ignores several factors that are important for performance evaluation. In the same line Gbadamosi conducted a survey on perceived stress, performance appraisal discomfort and core self-evaluation in a non-western context which was an exploratory investigation of the relationship among perceived stress, performance evaluation discomfort and employees self evaluation. The author collected data from 167 public and private sector employees in Gabbrone, Botswana, with about 81% from public sector. Respondents were 51.5% males, 45% unmarried and 54% having over 10 years work experience. Respondents were well educated with 70% possessing basic university degree or higher and over 65% earned over $1500.00 monthly indicating a fairly well paid African sample. In addition to that data were collected using structured questionnaires with 47 standardized items from four scales (perceived stress – 10, performance appraisal discomfort – 20, performance appraisal beliefs – 5 and core self-evaluation – 12). The major finding of the study was the emergence of core self-evaluation and performance appraisal discomfort as significant predictors. It should not be a matter of surprise that

core self-evaluation and performance appraisal discomfort were related to perceived stress of individuals who experience a high level of performance appraisal discomfort and also have a low core self-evaluation, and such people are likely to be unhappy in both situations and possibly experience internal self-strain and a higher perception of stress. On the other hand, the study found that performance appraisal discomfort is directly correlated with performance appraisal belief, while it is inversely correlated with perceived stress and core self evaluation. Similarly the study found that having strong linkage between the discomfort that may be experience from performance appraisals and the potential effect on the individual's self-evaluation including their self-esteem, mood and morale should also be a source of concern to the HR manager.

To correlate performance appraisal systems in small business Rich and J. Magjuka conducted a survey. The author in above study shows that there are significant differences among industries in the patterns of usage of appraisal systems by firms. Secondly, there are no significant organizational effects associated with patterns of usage of performance appraisals. However, the study further reveals that an individual can affect a strong influence on the pattern of use of appraisal systems in firms having strong link between employer's beliefs and the presence of a potential appraisal system in a firm.

Studies Done in India

Shetty (1970) has done a comparative survey of 12 American and 9 Indian companies. According to the survey, all the 12 American and 9 Indian companies were found to be using performance appraisal for determining wage increase. The second rank was given by both the samples to promotions and transfers. Identifying supervisory personnel was rated as the third most important objective. The fourth rank was shared by training and development and informing the employees where they stood. In the same line, Bolar (1978) conducted the survey of 89 Indian manufacturing and sales companies which revealed three broad objectives of managerial performance appraisal such as; to determine salary increments, to facilitate organizational planning in the areas of planning placement according to suitability, promotion, transfer, demotion or termination and to identify training and development efforts. According to the study done by Monappa & Saiyadain (1979) performance appraisal is aimed at (a) identifying employees for salary increase, promotion, transfer, layoff or termination of services; (b) identifying training needs; (c) motivating employees by showing them where they stand and (d) establishing a database on appraisal to help them to take personnel decisions. In their study, Pereek and Rao (1981) viewed the objective of performance appraisal differently. According to their findings, appraisal system needs to overcome weakness of employees, enable performance improvement, generate feedback and guidance, contribute to growth and development of an employee, help in goal setting, provide inputs to reward system, help in creating manpower information, helping HRD, improve efficiency and effectiveness of employee. The mutual objective was concerned with mutual goals, growth and development, harmony, effectiveness and profitability.

Monga (1983) stressed that all appraisal systems should emphasize individual objectives, organizational objectives and mutual objectives. The individual objectives may contain such areas as personal development, satisfaction, involvement of the individual and the perception of fair and just compensation. As far as the organizational objectives are concerned, performance appraisal should generate manpower information, help in human resource management, improve efficiency and effectiveness as well as employee relations. Talking of mutual goals, such items as growth and development, harmony, effectiveness and profitability were emphasized. In their study Kalpan and Norton (1992) have stated that there are three distinct ways in which the performance management process can be approached (Neely et. al., 1995): First, it can be approached from the perspective of individual measures which indicate performance on a single set of criteria, often on the basis of product, service quality or time cost. Second, it can be approached from work designed to understand the relationship between different types of information. The most famous example of this sort

of systematic perspective is the widely adopted balanced score card approach (Kalpan & Morton, 1992). Third, performance measurement can be understood from the point of view of how the performance measurement system interacts within a wider context, whether that is an internal organizational context, an external stake holder or market context. In another study conducted by Mishra (1994) data was collected from 66 male bank officers. The result showed that bank officers considered performance appraisal as an important tool to enhance the strengths of the employees. They did not consider it as a punitive system.

NEED OF THE STUDY

Today Industries in world have been facing stiff competition due to globalization as well as by liberalization of the domestic market. As a result MNCS and global players have entered in India keeping in mind the availability of resources and the potential of the market across the country. Therefore the domestic players faced different challenges to compete with the world best companies' to ensure competent, potential and good performer employees by creating a competitive advantage over others and achieve its ultimate business goal through employee's satisfaction. This study is an attempt at understanding the system of performance appraisal in MCL. Also, it makes a sincere effort to measure the employees' perception on about existing systems and procedures in the core aspects of performance appraisal which has been considering the best tool with the hand of management to established world class organisation. In addition to the above need, also the study would like to determine the factors of performance appraisal with the help of factors analysis. In the same line, the study also focused whether any correlation exists among the different factors through using correlation and regression analysis

Research Objectives

To keep in mind the fast changing environment, the followings main objectives of the study are:

- To assess the organizational performance appraisal system and its impact on company performance, especially perception of employees in the existing systems

- To study the level of correlation between different factors within the performance appraisal system.

- To assess the existence of performance level of employees in MCL

Research Hypothesis

- Based on extant literature review and objectives of the study, the following null hypothesises were formulated.

- Significant differences do not exist in the perception regarding performance appraisal system in the MCL between executives and non-executives.

- Significant differences do not exist in the perception regarding performance appraisal systems in the MCL between any work group and all level scores.

- Significant differences do not exist in the perception regarding performance appraisal systems in the MCL between different hierarchical levels.

- Significant differences do not exist in the perception regarding performance appraisal systems in the MCL between any hierarchical level and all level scores.

- Significant relationships do not exist in the perception regarding among the various factors within the performance appraisal system in the MCL.

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RESEARCH METHODOLOGY

Data

Full time employees belonging to MCL, Burla constituted the respondents of the study. The present study being a problem identification research, a sample size of 100 was targeted from managerial and non managerial employees, and finally a sample size of 60 was achieved. The technique of quota sampling was employed to ensure a representative all section of the employees. During the sample design some of the control categories/characteristics (based on the nature of population) were developed/ identified like work groups, hierarchical levels, age, length of service and function and the quotas were assigned so that the proportion of the sample elements possessing the control characteristics will be the same as the proportion of population elements with these characteristics.

Instruments of HRD Climate and Job Satisfaction

In this study, we have used standard research questionnaire with proper discussion by the academician, industry person who have been working respective fields. This research questionnaire containing 39 items having two parts on a 4 point scale. First part of the questionnaire having 24 items ranging from 4 (Very True) to 1 (Not True) and subsequently, the second part of the questionnaire having 15 items ranging from 4(Excellent) to 1 (Poor) to measure the elements of performance appraisal process and systems which can be helped to find out successfully the perception of employees about the performance appraisal system of the MCL

Demographic Profile of Sample

The demographic profile of respondents for the performance appraisal system is presented in Table-1

Table 1: Demographic Profile of Respondents-Performance Appraisal

Demographic Profile of Respondents (N=60, Profile of Respondents-Performance Appraisal			
Base: All Respondents = 60		**Frequency**	**Percentage**
Work Groups	Executive	34	57%
	Non-Executive	26	43%
Hierarchical Levels	Junior & Middle Management	31	52%
	Sr. Management	29	48%
Education	Graduation	34	57%
	Post Graduation	26	43%
Age Profile	less than or Equal to 40	30	50%
	More than 40	30	50%
Total		**60**	**100%**

Final Reliability Analysis

By convention, a lenient cut-off of 0.6 is acceptable in exploratory research. The data was tested for reliability and yielded a Cronbach alpha score mention below. The below table-2 indicates a very high internal consistency. Hence, it has been proved that the collected data is fit for further study.

Table 2: Reliability Analysis: Cronbach ALPHA

Reliability			
Scale: ALL VARIABLES			
Case Processing Summary			
		N	**%**
Cases	Valid	60	100.0
	Excluded	0	.0
	Total	**60**	**100.0**
a. List wise deletion based on all variables in the procedure.			

Table 3

Reliability Analysis: Cronbach ALPHA	
Performance appraisal system	Cronbach's alpha
Over all performance appraisal system (39 items)	.952

Statistical Instruments Used for Measures

The role of statistics in research is to function as a tool in designing research, analyzing its data and drawing conclusions there-from. In this study, to analyse the results, various statistical measures have been used such as Mean, Standard Deviation and large sample test have be used to measure the significance difference between the groups as well as all level means. Also in the same line, we have used Correlation and Regression to find out the relationship exists among the various factors within the performance appraisal systems. To measure all the above, we have used SPSS 16 and MS Excel 2007.

ANALYSIS AND RESULTS OF PERFORMANCE APPRAISAL SYSTEM IN MCL

The question wise mean scores of the total sample of 60 employees in MCL at Burla are presented in the table- 3. Since the questionnaire used 4 point scale, average mean score of 2 indicate a moderate level of performance appraisal systems. Scores around 3.5 indicate a fairly good degree of performance appraisal existence. Here the overall score is 2.82 which indicate that effect of performance system is just below the good and above the average. It indicates that there is scope for further improvements

Perception of Executives and Non- Executives about Performance Appraisal System

The 39 questions have been used in the present study to measure the effect of performance appraisal system in the MCL to understand the perceived level of importance of the employees regarding the factors influencing the performance level of employees as well as organisational output. The mean scores of each variable in the instrument could theoretically range from 1 to 4. The mean scores have been converted and ranked as per merit for analyzing the influencing factors. (Table -3). As per the employees' perceptions, few important factors contributing negatively to the performance system of the organisation. Generally, it means a few items out of 39 do not have good score as compare with all level mean (2.82) i.e. item no, 4, 7, 9, 10, 12, 15, 17, 18, 31, 33, 34, 38 and 39 having individual mean 2.7, 2.6, 2.3, 2.6, 2.7, 2.7, 2.6, 2.6, 2.7, 2.7, 2.7 and 3.6 respectively which are significance difference with all level means. It has been proved that there are lots of scopes for further development in area of performance appraisal system in MCL

Analysis of data from two work-groups i.e. executives and non-executives in MCL has revealed a few more insights to understand the findings. It has been observed from the study that the non-executives do give significantly less importance to "performance appraisal provide an opportunity for self-review and reflection" having mean value (2.6) as compared to the executives as their mean value (i.e. 3) where as there is no significance deference exists between the top box percentage of both the group as well as top2box.It has been revealed that only few items having difference perception between the executive vs. non- executive. Also, the study revealed that non- executives are significantly less satisfied the existing systems related to performance appraisal with compare of executives i.e., "the appraisal procedure allows appraise to express his development needs", "Do you feel that your abilities and skills are utilized in optimum manner in MCL", "Is performance gradation system in MCL a standard one," "Does the employee of your MCL give ongoing feedback?", "Is peer evaluation used in MCL for performance appraisal?", "Is perception of Ratees (Appraisee) positive regarding performance appraisal", "Is there uniformity in performance appraisal system at different levels?", "Achievement Orientation and Enthusiasm of the Employee", "Need of Employee Supervision", and "Decision Making Skill, Conceptual

Knowledge, Interpersonal Relations, Business Development Skill, Communication Skill of the Employee", having individual mean value i.e. 2.6, 2.7, 2.5, 2.5, 2.5, 2.6, 2.7, 2.4, 2.4, and 2.5 respectively with compare of executives individual mean values like. In the same line, in this study revealed that there is no significance deference exist between the groups on the basis of top box wise, whereas, the study found that non-executives are significantly lower satisfied (84.6%) in compare with executives (69.4) on the basics of top2 box in an one item having "Are you happy about present Performance Appraisal System?. However, it has been proved that keeping the above problems in view, still scope are there, for improvement the performance appraisal systems for more effective one and increase the performance level of employees through identifying the right training programmes.

Table 4: Descriptive Statistics (Executive vs. Non-Executives)

Sl. No.	Attributes/Descriptions	All Level (N=60)				Executives (N=34)				Non-Executives (N=26)			
	Work Groups -->	Mean	SD	TobBox%	Top2Box%	Mean	SD	TobBox%	Top2Box%	Mean	SD	TobBox%	Top2Box%
1	Are you happy about present Performance Appraisal System?	3.0	0.9	33.3	68.3	3.1	0.9	33.3	_69.4_	2.8	1.0	30.8	61.5
2	Are competencies required for performance improvement?	3.2	0.8	36.7	88.3	3.1	1.0	27.8	83.3	3.2	0.9	42.3	84.6
3	Are you trying to improve your performance?	3.4	0.9	58.3	86.7	3.4	1.0	61.1	77.8	3.4	0.6	50.0	92.3
4	Is job rotation practically followed in your Mcl?	2.7	1.0	25.0	55.0	2.7	0.9	27.8	55.6	2.5	1.0	19.2	50.0
5	Is your company promotion policies based on performance appraisal parameters?	3.1	0.9	38.3	80.0	3.2	0.9	41.7	75.0	3.0	0.9	30.8	80.8
6	Does the performance appraisal provide an opportunity for self-review and reflection?	2.8	0.9	21.7	66.7	3.0	0.8	27.8	69.4	2.6*	0.9	11.5	57.7
7	Is performance appraisal based on all round feedback i.e. 360 degree assessment?	2.6	0.9	16.7	50.0	2.6	0.9	13.9	55.6	2.5	0.9	19.2	38.5
8	Does the appraisal procedure allow appraise to express his development needs?	2.9	0.8	25.0	70.0	3.1	1.0	30.6	77.8	2.7*	0.8	15.4	53.8
9	Does the appraisal system provide for a frank discussion between the appraiser and the appraise?	2.6	1.0	20.0	55.0	2.6	1.1	19.4	55.6	2.5	1.0	19.2	50.0
10	Does your store use numerous rewards, including non financial, to motivate people?	2.3	1.0	15.0	41.7	2.4	1.1	22.2	44.4	2.2	0.8	3.8*	34.6
11	Are salary and other benefits renewed at least once in a year?	3.0	1.1	38.3	73.3	2.9	1.0	36.1	66.7	3.0	1.1	38.5	76.9
12	Does your company make good use of IT applications in performance appraisal systems?	2.6	1.0	25.0	48.3	2.6	0.8	22.2	50.0	2.5	1.1	26.9	42.3
13	Do you feel that your abilities and skills are utilized in optimum manner in Mcl?	2.8	0.9	26.7	65.0	3.1	0.7	30.6	72.2	2.5*	1.0	19.2	50.0
14	Do you believe that performance appraisal system is useful?	3.2	0.7	33.3	85.0	3.2	0.7	33.3	80.6	3.2	0.7	30.8	84.6
15	Is performance gradation system in Mcl a standard one?	2.7	0.8	15.0	65.0	2.9	0.7	16.7	72.2	2.5*	0.8	11.5	50.0
16	Does the employee of your Mcl give ongoing feedback?	2.8	0.9	21.7	63.3	3.0	0.9	22.2	69.4	2.5*	1.1	19.2	50.0
17	Is peer evaluation used in Mcl for performance appraisal?	2.7	0.9	18.3	61.7	3.0	0.9	22.2	69.4	2.5*	1.1	19.2	50.0
18	Do the Appraise and the Appraiser design performance appraisal system jointly?	2.6	1.0	23.3	51.7	2.7	0.9	25.0	55.6	2.5	0.9	19.2	42.3
19	Is perception of Raters (Appraiser) positive regarding performance appraisal?	2.8	0.9	26.7	66.7	3.0	0.8	30.6	69.4	2.6	1.0	19.2	57.7
20	Is perception of Ratees (Appraisee) positive regarding performance appraisal?	2.9	0.8	23.3	63.3	3.0	0.8	30.6	69.4	2.6*	0.7	11.5	50.0
21	Is there scope for improvement of performance appraisal system?	3.1	0.8	38.3	76.7	3.1	0.9	33.3	72.2	3.2	0.9	42.3	76.9
22	Is there uniformity in performance appraisal system at different levels?	2.9	0.8	23.3	68.3	3.0	0.9	27.8	72.2	2.7*	0.8	15.4	57.7
23	Is someone encouraging my development?	2.9	0.9	25.0	68.3	2.9	0.9	27.8	66.7	2.8	0.8	19.2	65.4
24	Are you satisfied about your job?	3.2	0.9	48.3	81.7	3.4	0.9	52.8	80.6	3.0	1.0	38.5	76.9
25	Quality of Employee's Work	2.8	0.9	25.0	63.3	2.9	0.9	27.8	66.7	2.7	0.8	19.2	53.8
26	Productivity of the Employee.	2.9	0.9	28.3	66.7	2.9	0.9	27.8	63.9	2.9	0.8	26.9	65.4
27	Attendance of the Employee.	3.0	0.9	35.0	78.3	3.0	0.9	30.6	72.2	3.1	0.9	38.5	80.8
28	Initiative of the Employee in Various Activities.	2.8	0.9	23.3	60.0	2.8	0.9	25.0	58.3	2.7	0.9	19.2	57.7
29	Vertical and Horizontal Co-operation of the Employee.	2.9	1.0	33.3	61.7	2.8	0.8	25.0	58.3	3.0	1.0	42.3	61.5
30	Dependability of the Employee on Others.	2.7	0.8	16.7	58.3	2.8	0.8	19.4	58.3	2.6	0.8	11.5	53.8
31	The Employee's Leadership and Team Building Approach.	2.6	0.9	13.3	60.0	2.6	0.9	8.3	61.1	2.5	1.1	19.2	53.8
32	Negotiation and Analytical Ability of the Employee.	2.8	0.9	23.3	61.7	2.9	0.9	27.8	61.1	2.6	0.9	15.4	57.7
33	Need of Employee Supervision.	2.7	0.9	18.3	56.7	2.8	1.0	22.2	61.1	2.4*	0.9	11.5	46.2
34	Achievement Orientation and Enthusiasm of the Employee.	2.7	1.1	26.7	60.0	2.9	0.9	30.6	63.9	2.4*	1.1	19.2	50.0
35	Participation in Training and Development.	2.9	1.0	38.3	56.7	3.0	0.9	41.7	61.1	2.6	1.1	30.8	46.2
36	Decision Making Skill, Conceptual Knowledge, Interpersonal Relations, Business Development Skill,	2.8	0.9	28.3	60.0	3.0	0.8	30.6	66.7	2.5*	1.0	23.1	46.2
37	Employee's Behavior towards Subordinates, Colleagues, Supervisors.	3.0	0.9	31.7	68.3	3.0	0.9	36.1	63.9	2.8	0.9	23.1	69.2
38	Emotional stability and Ability to Manage Stress of the Employee.	2.7	0.9	18.3	63.3	2.8	0.9	19.4	63.9	2.5	1.0	15.4	57.7
39	Fixation and Allocation of Work Load to Employee.	2.6	0.9	20.0	53.3	2.8	8.2	22.2	58.3	2.4	0.9	15.4	42.3
	NOTE"*"→ SIGNIFICANTLY DIFFERENT @ 95 LEVEL COMPARED WITH OTHER GROUP SCORE & "_" → SIGNIFICANTLY DIFFERENT @ 95 LEVEL LEVEL SCORED												

To keep the above factors in view, it may be advice to the management of MCL that several types of appraisal systems have been developed. McGregor has suggested that the superior and subordinate should agree on what the subordinate should achieve and the evaluation should be based on what is in fact achieved, also taking into account the reasons for failure to achieve some of the agreed tasks. There are several variations of this approach in developing the appraisal system, notably from Huse, Brown, and others (Whisler). A feature common to all these systems is that both the superior and the subordinate have knowledge of the measures to be used for evaluating the subordinate's work, and in most cases these measures can be applied with equal facility and understanding by both. As quantifiable elements in supervision and managerial tasks are few, the evaluator and the evaluatee should develop an understanding of the qualitative aspects of the work some of which thus become measurable.

Perception of Junior Management and Senior Management about Performance Appraisal System

For the purpose of study, we have further classified two categories of employees namely junior positions, middle and senior positions. The analysis across hierarchical level (Table 4) revealed that there were differences on many of the attributes among the employees based on their groups concerned. Also, it has been proved that having significance difference between the groups on basic of top box and top2 box percentage wise and few cases it has been proved to compare with all level mean. Analysis of data on the dimension between the junior management vs. Sr. management indicates that junior level employees are significantly less satisfied almost all areas with compare to senior management on the basic of individual group mean as well as all level mean by using the large sample test. At first, the study found junior employees are less satisfied (mean score= 2.4)) with compare to senior employees (mean score= 2.9) .Also it has been proved by compare with all level mean.

Table 5: Descriptive Statics

Sl. No.	Work Groups --> Attributes/Descriptions	All Level (N=60)					Junior Management(N=31)					Senior Management (N=29)			
		Mean	SD	TobBox%	Top2Box%		Mean	SD	TobBox%	Top2Box%		Mean	SD	TobBox%	Top2Box%
1	Are you happy about present Performance Appraisal System?	3.0	0.9	33.3	68.3		2.8	0.9	25.8	67.7*		3.1	0.9	41.4	69.0
2	Are competencies required for performance improvement?	3.2	0.8	36.7	88.3		3.1	0.8	32.3	87.1		3.2	0.8	37.9	86.2
3	Are you trying to improve your performance?	3.4	0.9	58.3	86.7		3.4	0.8	48.4	90.3		3.4	1.0	69.0	82.8
4	Is job rotation practically followed in your MCL?	2.7	1.0	25.0	55.0		2.4*	1.0	19.4	35.5*		2.9	1.0	31.0	75.9
5	Is your company promotion policies based on performance appraisal parameters?	3.1	0.9	38.3	80.0		2.9*	0.9	22.6*	74.2		3.4	0.7	55.2	86.2
6	Does the performance appraisal provide an opportunity for self-review and reflection?	2.8	0.9	21.7	66.7		2.5*	0.8	9.7*	51.6*		3.1	0.9	34.5	82.8
7	Is performance appraisal based on all round feedback i.e. 360 degree assessment?	2.6	0.9	16.7	50.0		2.6	1.0	22.6	45.2		2.6	0.8	10.3	55.2
8	Does the appraisal procedure allow appraise to express his development needs?	2.9	0.8	25.0	70.0		2.8*	0.8	19.4	61.3		3.1	0.7	31.0	79.3
9	Does the appraisal system provide for a frank discussion between the appraiser and the appraise?	2.6	1.0	20.0	55.0		2.6	1.1	22.6	54.8		2.6	0.9	17.2	55.2
10	Does your store use numerous rewards, including non financial, to motivate people?	2.3	1.0	15.0	41.7		2.2	0.9	12.9	25.8*		2.4	1.2	17.2	58.6
11	Are salary and other benefits renewed at least once in a year?	3.0	1.1	38.3	73.3		2.8	1.0	25.8*	74.2		3.1	1.1	51.7	72.4
12	Does your company make good use of IT applications in performance appraisal systems?	2.6	1.0	25.0	48.3		2.4	1.1	22.6	35.5		2.8	1.0	27.6*	62.1
13	Do you feel that your abilities and skills are utilized in optimum manner in Mcl?	2.8	0.9	26.7	65.0		2.5*	1.0	19.4	51.6		3.1	0.7	34.5*	79.3
14	Do you believe that performance appraisal system is useful?	3.2	0.7	33.3	85.0		3*	0.7	22.6	77.4		3.4	0.6	44.8	93.1
15	Is performance gradation system in Mcl a standard one?	2.7	0.8	15.0	65.0		2.5*	0.7	3.2*	58.1		3.0	0.8	27.6	72.4
16	Does the employee of your Mcl give ongoing feedback?	2.8	0.9	21.7	63.3		2.4*	0.9	9.7*	48.4		3.1	0.7	34.5*	79.3
17	Is peer evaluation used in Mcl for performance appraisal?	2.7	0.9	18.3	61.7		2.4*	0.9	9.7*	48.4		3.1	0.7	34.5*	79.3
18	Do the Appraise and the Appraiser design performance appraisal system jointly?	2.6	1.0	23.3	51.7		2.4*	0.9	9.7*	45.2		2.8	1.1	37.9	58.6
19	Is perception of Raters (Appraiser) positive regarding performance appraisal?	2.8	0.9	26.7	66.7		2.5*	0.9	16.1	51.6		3.1	0.9	37.9*	82.8
20	Is perception of Ratees (Appraisee) positive regarding performance appraisal?	2.9	0.8	23.3	63.3		2.6*	0.7	12.9*	45.2		3.1	0.8	34.5*	82.8
21	Is there scope for improvement of performance appraisal system?	3.1	0.8	38.3	76.7		2.9*	0.8	25.8*	74.2		3.3	0.8	51.7	79.3
22	Is there uniformity in performance appraisal system at different levels?	2.9	0.8	23.3	68.3		2.6*	0.8	12.9*	58.1		3.1	0.8	34.5	79.3
23	Is someone encouraging my development?	2.9	0.9	25.0	68.3		2.7	0.9	16.1	61.3		3.0	0.9	34.5	75.9
24	Are you satisfied about your job?	3.2	0.9	48.3	81.7		2.9*	0.9	29.0*	74.2		3.6	0.8	69.0	89.7
25	Quality of Employee's Work	2.8	0.9	25.0	63.3		2.5*	0.9	16.1	45.2		3.1	0.8	34.5*	82.8
26	Productivity of the Employee.	2.9	0.9	28.3	66.7		2.6*	0.8	16.1*	54.8		3.2	0.8	41.4*	79.3
27	Attendance of the Employee.	3.0	0.9	35.0	78.3		2.8*	0.9	19.4*	74.2		3.3	0.9	51.7	82.8
28	Initiative of the Employee in Various Activities.	2.8	0.9	23.3	60.0		2.4*	0.8	9.7*	45.2		3.1	0.9	37.9*	75.9
29	Vertical and Horizontal Co-operation of the Employee.	2.9	1.0	33.3	61.7		2.6*	1.0	22.6	48.4*		3.2	0.9	44.8	75.9
30	Dependability of the Employee on Others.	2.7	0.8	16.7	58.3		2.5*	0.7	6.5*	48.4		2.9	0.9	27.6	69.0
31	The Employee's Leadership and Team Building Approach.	2.6	0.9	13.3	60.0		2.4*	0.9	9.7	45.2*		2.8	0.8	17.2	75.9
32	Negotiation and Analytical Ability of the Employee.	2.8	0.9	23.3	61.7		2.5*	0.9	9.7*	54.8		3.0	1.0	37.9	69.0
33	Need of Employee Supervision.	2.7	0.9	18.3	56.7		2.4*	0.8	6.4*	45.2		3.0	0.9	31.0	69.0
34	Achievement Orientation and Enthusiasm of the Employee.	2.7	1.1	26.7	60.0		2.4*	1.1	19.4	45.2*		3.0	1.0	34.5	75.9
35	Participation in Training and Development.	2.9	1.0	38.3	56.7		2.5*	1.1	25.8*	48.4		3.2	0.9	51.7	65.5
36	Decision Making Skill, Conceptual Knowledge, Interpersonal Relations, Business Development Skill,	2.8	0.9	28.3	60.0		2.6*	1.0	22.6	48.4		3.0	0.9	34.5	72.4
37	Employee's Behavior towards Subordinates, Colleagues, Supervisors.	3.0	0.9	31.7	68.3		2.8	1.0	29.0	64.5		3.1	0.8	34.5	72.4
38	Emotional stability and Ability to Manage Stress of the Employee.	2.7	0.9	18.3	63.3		2.6	0.9	12.9	61.3		2.8	0.9	24.1	65.5
39	Fixation and Allocation of Work Load to Employee.	2.6	0.9	20.0	53.3		2.5	1.0	19.4	45.2		2.8	0.9	20.7	62.1

NOTE"*" → SIGNIFICANTLY DIFFERENT @ 95 LEVEL COMPARED WITH OTHER GROUP SCORE & "_" → SIGNIFICANTLY DIFFERENT @ 95 LEVEL LEVEL SCORED

Hence, we found some important factors contributing towards system of performance appraisal are namely, "Are you happy about present Performance Appraisal System?", "Are competencies required for performance improvement?", "Are you trying to improve your performance?", "Is performance appraisal based on all round feedback i.e. 360 degree assessment?", "Does the appraisal system provide for a frank discussion between the appraiser and the appraise?", "Does your store use numerous rewards, including non financial, to motivate people?", "Are salary and other benefits renewed at least once in a year", "Are salary and other benefits renewed at least once in a year?", "Is someone encouraging my development?", "Employee's Behaviour towards Subordinates, Colleagues, Supervisors.", "Emotional stability and Ability to Manage Stress of the Employee." And "Fixation and Allocation of Work Load to Employee." with their individual mean score for Items No.1 (3.1), Item No. 2 (3.2), Item No. 3 (3.4), Item No. 7 (2.6) , Item No. 9 (2.6), Item No.10 (2.4), Item No.11 (3.1), Item No.12 (2.8) , Item No.12 (2.8), Item No.23 (3) Item No.37 (3.1) , Item No.38 (2.8) and item no. 39 (2.8) was found to be higher than the individual mean of respective opposite group(junior management) which indicates that the employees in MCL are quite satisfied of aforesaid items with the existing performance appraisal systems to measure of employees performance. On the other side, the study found that the perception of employees between the groups having significance difference and the study also found (table -4) that the junior employees are quite dissatisfied almost most of the items and it has been proved compare with all level mean. So, it should be taken care by the top management to bridge the gap of perception using strong systems for successful of performance appraisal for greater effectiveness of systems.

In this context, also the study found that there are no significant difference exists between the group by calculating top box wise where as a little difference exists between the group on top2 box parameter wise. To keep the aforesaid methods (top box and top2box), we found that junior management is not satisfied on this item i.e. "Are you happy about present Performance Appraisal System?" with compare with senior management on the basic of top2 box having individual percentage is 67.7% as against of 69%. In the same line, it has been proved compare with all level top2 box (68.3%). Hence, above discussion came to conclusion over all lots of scope are there for further improvement.

RESULTS OF FACTORS ANALYSIS

Factor analysis is most frequently used to identify a small number of factors that explained most of the variance observed in a much larger number of manifest variables. Mathematically, factor analysis is somewhat similar to multiple regression analysis, where each variable is expressed as a linear combination of underlying factors. It is an interdependence technique in which an entire set of interdependent relationships are examined. Factor analysis assumes that underlying dimensions or factors can be used to explain complex phenomena. In the present study, the factors influencing performance appraisal systems have been explored by asking the respondents to evaluate their relative importance on each parameter on a semantic differential scale. These item evaluations may be analyzed to determine the factors underlying performance appraisal systems. But, before going for the factor analysis, it is always advisable to test the appropriateness of the factor model through the available data. Barlett's Test (BT) of Sphericity and Kaiser-Meyer-Olkin (KMO)

Measure of Sampling Adequacy are two statistics on the SPSS output, which provides information whether the data set is appropriate for carrying factor analysis or not. In addition to the above, also to test the sampling adequacy is essential for study before going further study, the reliability of data was checked with the help and Cronbach's alpha test the value of alpha for the data was 0.952 which is greater 0.6. It has been proved that data is reliable and suitable for further analysis. Table 5 below presents the KMO and BT results of the data. According to the Kaiser Mayer-Olkin (KMO) test (1974) recommends accepting values greater than 0.5 as acceptable. A measures >0.9 is measure "marvelous", > 0.8 is "meritorious" > 0.7, is "middling" > 0.6, is "mediocre", > 0.5 is "measurable" and < 0.5 is unacceptable. To keep the above factors, the study found through principal components analysis that the value was 0.638, which is greater than 0.5

showing that mediocre which indicates that the factor analysis is appropriate for these data.

Table 6: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.638
Bartlett's Test of Sphericity	Approx. Chi-Square	1950.566
	Df	741
	Sig.	.000

The resultant value of Bartlett's test was (p< 0.001); showing that it was significant. SPSS output revealed that the eigen values associated with linear component factor before extraction, after extraction and rotation. As defined by George and Mallemy, 2010), Eigen vales are designed to show the proportion of variance accounted for by each factors.

Table 7: Variance Explained

Component	Initial Eigen Values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	14.271	36.591	36.591	5.817	14.915	14.915
2	4.051	10.388	46.979	5.580	14.308	29.223
3	2.275	5.834	52.813	5.029	12.895	42.118
4	2.130	5.460	58.274	2.866	7.348	49.466
5	1.681	4.309	62.583	2.689	6.895	56.360
6	1.456	3.733	66.316	2.266	5.810	62.170
7	1.352	3.467	69.782	2.086	5.348	67.518
8	1.128	2.891	72.673	1.716	4.399	71.917
9	1.070	2.742	75.416	1.364	3.498	75.416
10	.980	2.512	77.927			
11	.884	2.267	80.195			
12	.856	2.195	82.390			
13	.760	1.949	84.338			
14	.687	1.760	86.099			
15	.606	1.555	87.653			
16	.569	1.460	89.113			
17	.490	1.256	90.369			
18	.429	1.099	91.469			
19	.390	1.000	92.469			
20	.340	.872	93.341			
21	.328	.842	94.183			
22	.284	.727	94.910			
23	.268	.686	95.596			
24	.243	.624	96.221			
25	.216	.554	96.775			
26	.184	.473	97.248			
27	.168	.432	97.679			
28	.159	.409	98.088			
29	.149	.383	98.471			
30	.123	.316	98.787			
31	.114	.293	99.081			
32	.079	.203	99.284			
33	.076	.195	99.479			
34	.058	.148	99.628			
35	.054	.139	99.767			
36	.033	.086	99.853			
37	.032	.082	99.935			
38	.016	.041	99.975			
39	.010	.025	100.000			

Extraction Method: Principal Component Analysis.

Hence, the SPSS has identified 39 linear components with the data set and also the study found all components with Eigen value greater than 1 are extracted which leaves of 9 factors. In the same line, the index of the present study accounts for 75.416 of the total variance for employee's satisfaction towards performance appraisal systems of MCL. The above description can be considered as a good extraction to reduce 9 factors out 39.

RESULTS OF ROTATED FACTORS ANALYSIS

Based on the factor loadings, the variables of performance appraisal systems in the present study can be compressed to six factors and on the basic of the nature of variables included in different factors, it can be designed as scope and policies of performance appraisal, facilities and opportunities, work culture and guidance, appropriateness of performance appraisal systems, competencies of employees and methods and fairness.

Factor-1: Scope and Policies of Performance Appraisal

From the factor analysis, the factor 1 shows there are nine significant loading variables are under this factor namely "Is your company promotion policies based on performance appraisal parameters?"(.423),

Table 8: Rotated Component Matrixa

		Component					
		SCOPE AND POLICIES OF PERFORMANCE APPRAISAL	FACILITIES AND OPPORTUNITIES	WORK CULTURE AND GUDIANCE	APPROPRIATENESS OF PERFORMANCE APPPRAISAL SYSTEMS	COMPEENCIES OF EMPLOYEES	METHODS AND FAIRNESS
FACTOR 1	Is your company promotion policies based on performance appraisal parameters?	.423					
	The Employee's Leadership and Team Building Approach.	.644					
	Need of Employee Supervision.	.546					
	Achievement Orientation and Enthusiasm of the Employee.	.699					
	Participation in Training and Development.	.825					
	Decision Making Skill, Conceptual Knowledge, Interpersonal Relations, Business Development Skill,	.777					
	Employee's Behavior towards Subordinates, Colleagues, Supervisors.	.773					
	Emotional stability and Ability to Manage Stress of the Employee.	.665					
	Fixation and Allocation of Work Load to Employee.	.778					
FACTOR 2	Does the performance appraisal provide an opportunity for self-review and reflection?		.519				
	Does the appraisal procedure allow appraise to express his development needs?		.630				
	Do you feel that your abilities and skills are utilized in optimum manner in Mcl?		.639				
	Do you believe that performance appraisal system is useful?		.477				
	Is performance gradation system in Mcl a standard one?		.684				
	Does the employee of your Mcl give ongoing feedback?		.884				
	Is peer evaluation used in Mcl for performance appraisal?		.711				
	Is perception of Raters (Appraiser) positive regarding performance appraisal?		.654				
	Is perception of Ratees (Appraisee) positive regarding performance appraisal?		.553				
	Are you satisfied about your job?		.618				

FACTOR 3	Quality of Employee's Work			.761			
	Productivity of the Employee.			.808			
	Attendance of the Employee.			.768			
	Initiative of the Employee in Various Activities.			.769			
	Vertical and Horizontal Co-operation of the Employee.			.710			
	Dependability of the Employee on Others.			.622			
	Negotiation and Analytical Ability of the Employee.			.628			
FACTOR-4	Does the appraisal system provide for a frank discussion between the appraiser and the appraise?				.734		
	Are salary and other benefits renewed at least once in a year?				.564		
	Do the Appraise and the Appraiser design performance appraisal system jointly?				.652		
	Is someone encouraging my development?				.657		
FACTOR-5	Are you happy about present Performance Appraisal System?					.705	
	Are competencies required for performance improvement?					.779	
	Are you trying to improve your performance?					.705	
	Does your store use numerous rewards, including non financial, to motivate people?					.793	
FACTOR-6	Is job rotation practically followed in your Mcl?						.681
	Is performance appraisal based on all round feedback i.e. 360 degree						.510
	Does your company make good use of IT applications in performance appraisal systems?						.390
	Is there scope for improvement of performance appraisal system?						.832
	Is there uniformity in performance appraisal system at different levels?						.719

"The Employee's Leadership and Team Building Approach.", (.644), "Need of Employee Supervision."(.546), "Achievement Orientation and Enthusiasm of the Employee." (.699), "Participation in Training and Development." (.825), "Decision Making Skill, Conceptual Knowledge, Interpersonal Relations, Business Development Skill, Communication

Skill of the Employee." (.777), "Employee's Behavior towards Subordinates, Colleagues, Supervisors."(.773), "Emotional stability and Ability to Manage Stress of the Employee."(.665) and "Fixation and Allocation of Work Load to Employee." (.778) are the factors having highest positive loading on this factor. The factor one having nine high loading factor are characterised as "Scope and policies of performance appraisal systems" generating a positive feeling of employees related to policies toward performance appraisal systems in MCL, Burla.

Factor-2: Facilities and Opportunities

The second factor consist ten higher positive loading significant factors having i.e. "Does the performance appraisal provide an opportunity for self-review and reflection?"(0 .519), "Does the appraisal procedure allow appraise to express his development needs?"(0.630), "Do you feel that your abilities and skills are utilized in optimum manner in Mcl?" 0(.639), "Do you believe that performance appraisal system is useful?", (0.477), "Is performance gradation system in Mcl a standard one?"(0.684), "Does the employee of your Mcl give ongoing feedback?" (0.884), "Is peer evaluation used in Mcl for performance appraisal?"(.771), "Is perception of Raters (Appraiser) positive regarding performance appraisal?" (0.654), "Is perception of Ratees (Appraisee) positive regarding performance appraisal?"(0.553), and "Are you satisfied about your job?"(0.618). Hence, factor two is termed as "Facilities and Opportunities of PA" which communicate all the employees about procedure, believe, feedback and evaluation systems have been using the management to get proper results about their performance.

Factor-3: Facilities and Opportunities

Also, the factor three consist of seven higher positive significance loading factors naming "Quality of Employee's Work" (0 **.761**), "Productivity of the Employee."(0.808), "Attendance of the Employee." (0.768), "Initiative of the Employee in Various Activities."(0.769), "Vertical and Horizontal Co-operation of the Employee."(0.710), "Dependability of the Employee on Others." (0.622) and "Negotiation and Analytical Ability of the Employee." (0 .628) which are focusing different areas of performance systems in MCL, burla characterised here as a "work culture and guidance of PA". However, this factor concentrates work life, dependability, negations ability of the employee which is the important aspects of employee's satisfaction toward the system to measure the actual performance.

Factor-4: Appropriate of PA System

Under the above factor, the loading factors are "Does the appraisal system provide for a frank discussion between the appraiser and the appraise?"(0 .734), "Are salary and other benefits renewed at least once in a year?" (0.564), "Do the Appraise and the Appraiser design performance appraisal system jointly?"(0.652) and "Is someone encouraging my development?"(0.657).The above factor namely as "Appropriate of PA system" is analysed the performance appraisal system, whether its uses are according to the policies of the company or any bias and management mistake are there.

Factor-5: Competencies of PA System

Also the above factor having the important loading factors i.e. "Are you happy about present Performance Appraisal System?"(0.705) "Are competencies required for performance improvement?"(0.779), "Are you trying to improve your performance?" (0.705), and "Does your store use numerous rewards, including non financial, to motivate people?"(0.793) having highest positive loading factors under the naming of "competencies of PA" which represents how employees giving importance for their improvement respective their fields as well as satisfied of the existing methods for measuring performance appraisal systems.

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Factor-6: Methods and Fairness of PA System

At last of the factor analysis, it has been revealed that the following important positive loading factors i.e. "Is job rotation practically followed in your Mcl?"(0.681), "Is performance appraisal based on all round feedback i.e. 360 degree assessment?"(0.510), "Does your company make good use of IT applications in performance appraisal systems?" (0.390), "Is there scope for improvement of performance appraisal system?"(0.832) and "Is there uniformity in performance appraisal system at different levels?"(0.719) are naming methods and fairness of performance appraisal systems in MCL in Burla.

Correlations between Performance Appraisal Systems and its Factors

The study found comparing the mean score of among the parameters (Factors of performance appraisal systems) and come to conclusion that there is positive relationship exists between among the factors of performance appraisal systems of the organisation (Table-5). usually, correlation measures the degree of the association between two or more set of variables. However, there are three type of correlation namely; positive, Negative and Zero correlation exists. When two variables move in the same direction is called positive correlation and if two variables moves opposite direction is called negative correlation, that means if one variable increases, the other decreases and vice versa. On the other hand, Zero correlation is called when two variables is zero and when the variables move in no connection with each other. If the one variable increases, other variable may increase or decrease in some situation. Through above correlation analysis, we found the study that there is positive significant correlation exists among the factors of performance appraisal systems of MCle, Burla. In general, it has been proved on the above study showed that there exists a positive relationship between different components of performance appraisal systems. The correlation coefficient was .507 (Scope of performance appraisal *Facilities and opportunities), .690 (Scope of performance appraisal*work cultures), .533 (Scope of performance appraisal*appropriateness of PA), .787 (Scope of PA*Competencies of employees) and .847(Scope of PA* methods and fairness). Subsequently study found there are positive correlation exists with others factors if it will correlate with each others. Hence, it supports the hypothesis and makes clear that an improvement in performance appraisal systems is essential for improving the factors within the systems, which in turn will bring positive changes in Organizational Performance of the company.

Table 9: Correlation Results among Performance Appraisal Systems)

Correlations		SCOPE AND POLICIES OF PERFORMANCE APPRAISAL	FACILITIES AND OPPORTUNITIES	WORK CULTURE AND GUDIANCE	APPROPRIATENESS OF PERFORMANCE APPPRAISAL SYSTEMS	COMPTENCIES OF EMPLOYEES	METHODS AND FAIRNESS
SCOPE AND POLICIES OF PERFORMANCE APPRAISAL	Pearson Correlation	1	.507	.690	.533	.787	.847
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	60	60	60	60	60	60
FACILITIES AND OPPORTUNITIES	Pearson Correlation	.507	1	.487	.641	.753	.798
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	60	60	60	60	60	60
WORK CULTURE AND GUDIANCE	Pearson Correlation	.690	.487	1	.390	.788	.797
	Sig. (2-tailed)	.000	.000		.002	.000	.000
	N	60	60	60	60	60	60
APPROPRIATENESS OF PERFORMANCE APPPRAISAL SYSTEMS	Pearson Correlation	.533	.641	.390	1	.747	.797
	Sig. (2-tailed)	.000	.000	.002		.000	.000
	N	60	60	60	60	60	60
COMPTENCIES OF EMPLOYEES	Pearson Correlation	.787	.753	.788	.747	1	.950
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	60	60	60	60	60	60
METHODS AND FAIRNESS	Pearson Correlation	.847	.798	.797	.797	.950	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	60	60	60	60	60	60

CONCLUSIONS AND IMPLICATIONS

The present study provides information on the functioning of performing appraisal systems in MCL, Burla and its effect to the performance of employees. As it is a primary study, so result and suggestion purely based on the perception of employees and may not be treated as the final result of the esteem institution. In spite of the many difficulties and pitfalls of designing and operating performance appraisal systems, it is necessary and examines how the system can be improved. This paper reviews the three most important problem areas in performance appraisal: the technical problems relating to developing the system; problems relating to the appraiser; and those relating to the appraise. Secondly, some of the more common characteristics of people in organizations are discussed.

Suggestion of Performance Appraisal System

- MCL's top management needs to take necessary steps for developing resource plans, action plans and work environment plans and work accordingly in the process of policy implementation to reduce the perception gap between executive and non- executives related to the performance appraisal systems. Also, the top management should extra care about the systems that performance appraisal provide an opportunity for self-review and reflection and procedure allow appraise to express his development needs.

- In this context, also it is advice to the management that the few items i.e. performance gradation systems, feedback systems, perception of rate's uniformity in performance appraisal system at different levels and need of employee's supervision will give much more importance for better utilisation of allocated resources without further problems which makes organisation more effective one.

- In the same line, according the conclusion the study, we recommend that total management also extra vigilant to minimise the perception gap between the senior vs. junior employees to personally touch among the people as well as reforms of existing systems of measuring their performance. Also, the performance appraisal systems should be aligned to the promotion of employees which make motivated of employees replacing fear. In addition to the above take care; it is advised to the management that systems be implemented clear messaging to the interested stake holder which helps to them clear their understanding of existing systems and its merits and demerits.

Functioning of Performance Appraisal Systems

In this study, we found that there is considerable room for improvement in the performance appraisal systems mechanism

The following measures are suggested for strengthening the performance appraisal systems mechanism in MCL, Burla.

➢ The performance feedback system should be more fair and acceptable rather than becoming a threatening one. The task and target of the managers and supervisors need to be realistic, aimed at the company's objectives. They have to be difficult but achievable. The fulfilment of task and target should provide satisfaction to employees and create a sense of accomplishment. To avoid any threatening performance feedback the organization should adopt peer evaluation as a sub-system of employee evaluation. Employee's welfare activities system should be improved for the increasing interest and trust of the employees which would help increase employees performance levels in the esteem organisation.

➢ In the same line, it is being suggested to the management of MCL, Burla to formulate and implement strong policy for properly measure the actual performance of employees without biasness.

SCOPE FOR FURTHER STUDY

The outcome of this study is focused PSUs in India specifically MCL, Burla, but in general it can be applied to the other PSUs in India and abroad. However, this research study has substantial scope for extension – both in terms of breadth as well as depth.

The present study attempts to find out the actual performance measurement systems of MCL. Under the study, it clearly reveals that there is considerable scope for the development and implementation of appropriate performance measurements tools in MCL to measure the actual performance of employees as well as various other sectors in the country. By doing this, we can ensure enhancement of employee competencies, dynamism, motivation and effectiveness in a systematic and planned way.

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