Chapter 7

7.1-Attainment of Objectives

7.2-Testing of Hypothesis

7.3-Findings

7.4-Conclusions
7.1-Attainment of Objectives of The Present Study

Performance appraisal system is an important part of human resource development, which is used to take various decisions on the basis of its result. Efficiency and productivity of employees is evaluated through performance appraisal system. Thus, this system assists the organization to achieve the desired goals.

Every study has got some objectives and aims; in order to make the study successful. It is very important for the researcher to know, whether the aims and objectives of the study are achieved or not. The following objectives and aims were set for the study.

- To critically evaluate the existing performance appraisal system in the selected heavy engineering industrial units of Haryana.
- To study the difference in P.A practices between selected heavy engineering industrial units of Haryana.
- To study which traits/attributes are given more importance by appraisers while appraising the performance of lower and high level staff also to study which traits/attributes are given more importance according to appraisees.
- To study how successfully the self-appraisal and MBO system is working.
- To study the reaction of employees to the performance appraisal system.
- To study how far the decisions regarding promotion, transfers, increments, identification of training needs and selection of executives for meritorious service depend upon the result of performance appraisal.
To study the influence of personal bias and leniency on appraisal.

Here is an attempt to verify how far these objectives are attained.

1. **To critically evaluate the existing performance appraisal system in the selected heavy engineering industrial units of Haryana.**

Performance appraisal is done annually in all the selected heavy engineering industrial units. There is a provision of separate criteria and forms to evaluate the managerial/supervisory and non-supervisory staff.

Appraisal is a continuous process but it was found that only 61 percent employees know about the performance appraisal and its true meaning. It is found that most of the employees are not aware about the parameters and criteria on which they are appraised. Most of the employees considered it as a form filling exercises. It is an opinion of the majority of the employees that appraisers should have wider knowledge about the evaluation of performance. A manager writing a report should be given proper training and taught about the value of each qualitative factor given in appraisal format.

As per the appraisees, reviewing officers take their appraisal reports very lightly and do not fill the reports seriously either because of the lack of time or lack of interest. It is found that lack of interest on appraisers part is always affected the performance appraisal. Some of the appraisees said, maximum what they do is add one work or deduct on work from the rating given by reporting authority. They do not take trouble in going details of the report. The main source of information on which appraisers rely most is personal information of the employees.
2. To study the difference in P.A practices between selected heavy engineering industrial units of Haryana.

Different types of performance appraisal practices are used by the selected companies. Every organization has got its own period of appraisal, appraisal forms (separately for the managers, supervisors and workers), different traits/attributes, place for the self appraisal and MBO system, feedback and counseling, various decisions based on PA and stages for evaluating the appraisal forms.

Present study covered the different aspects of the performance appraisal practices of the selected companies. Each and every topic concerned with the performance appraisal is studied in detail to compare and to know the difference in performance appraisal system adopted by selected companies. Every company has set the different criteria to assess the performance of employees in order to meet the required information for the various decisions based on the performance appraisal system. Performance appraisal systems of selected heavy engineering industrial units are studied and compared with other. Necessary recommendations and suggestions are also given for the improvement and amendment in the present appraisal system.

3. To study which traits/attributes are given more importance by appraisers while appraising the performance of lower and high level staff.

Traits and attributes used in performance appraisal system to measure the performance of managers, supervisors and workers in order to evaluate their personal, technical, professional and behavioural aspects. In the present study 'work knowledge' has been given the first
rank by the appraisees and appraisers of selected companies to evaluate the performance of workers and managers. 'Ability and skill to control peers independently’ has been given priority while appraising the performance of supervisors.

'Contribution towards work planning and setting up of targets for the department, self and subordinates’ has been given the first rank while appraising the 'Managerial skills’ of managers. 'Knowledge of trends, development and new techniques pertaining to employee's field of work and specialisation’ has been given the first preference by appraisers of all companies while measuring the job skills of managers. 'Understands people and creates in them enthusiasm for work’ is given first rank by the appraisers to measure the behavioural skills of managers.

4. To study how successfully the self-appraisal and MBO system is working.

Self-appraisal system and MBO system is not much successful in the companies selected for the research. Self- appraisal is applicable for the managerial and supervisory level staff only. There is no appraisal for the workers in the companies selected for the study. Self appraisal is not a part of performance appraisal system at Oriental. A value and objectives of self appraisal are not realized by the management of the company. Appraisees believes that self appraisal is just a formality; usually appraisers do not bother to go through all the details written by the appraisees. Appraisers of these companies are of the view that self appraisal provides an opportunity to highlight the achievements and difficulties faced by the employees and it helps the appraiser to make proper assessment. They responded that it is done only as a formality as no importance is given by the appraisers to such self appraisal.
Management by objectives provides sound criteria for evaluating the performance of employees and helping the organization to plan strategies, goals and targets. A study found that MBO system is not successful in the selected organizations. Appraisees are of the view that meaningful and time bound targets are set for them but there is no involvement or participation in determination of the targets. It is very necessary that goals once set in the beginning of the year should be reviewed periodically according to the changing needs of the organizations. Goals are not reviewed periodically because appraisers do not give importance to review the set goals. They do not feel any need to do so in time. Implementation of MBO in the true spirit helps the management to take various decisions.

5. To study the reaction of employees to the performance appraisal system.

Appraisal system is considered useful system for both the employees and organization because all the important decisions regarding employee’s career and organization progress are based on it. Employees believe that performance appraisal system is a method used to carry out the tasks. Performance appraisal system plays a significant role in helping subordinates to improve their present performance, to improve communication, self development, setting higher goals for the future and to deal more directly with work related problems. Most of the employees of the selected organizations are satisfied with the performance appraisal system because it plays an important role in generating employee motivation to increase output, employee satisfaction and promotions.
6. To study how far the decisions regarding promotion, transfers, increments, identification of training needs and selection of executives for meritorious service depend upon the result of performance appraisal.

Most of the decisions regarding promotion, transfers, increments, identification of training needs and selection of executives for meritorious service are based on the performance appraisal results. Decisions on the salary, increments and promotions are generally based on the performance appraisal results in the selected companies. Salary increases or increments are not given until the performance appraisal report of the employee is received from his superior.

Training and development needs are identified to develop employees through appropriate mechanism. Decision for 'identification of training needs' is always based on performance appraisal results. Organizations reward their employees by giving them special assignment and higher responsibilities. More power and authority is delegated to high performing employees. Outstanding performers are issued appreciation letters. Such rewards highly motivate the employees to perform better. Decisions for meritorious services are sometimes taken on the basis of performance appraisal results.

7. To study the influence of personal bias and leniency on appraisal.

Employees are appraised on various qualitative traits, therefore bias cannot be stopped from entry into evaluation system. It is not possible for the appraisers to evaluate the appraisees in a true spirit. It is found that sometimes appraisers evaluate the personal loyalty of the subordinates rather than the actual job performance, appraisers hesitate
in rating an individual as 'below average'. Personal relation between appraiser and appraisees plays big role while doing appraisal, likes and dislikes of the appraisers influence the ratings, last few months before the appraisal are crucial in influencing the assessment of appraisees and many more.

Leniency is also present along with the bias in the performance appraisal system. There is a presence of leniency in the self appraisal system. Appraisers and appraisees are lenient while writing their appraisal reports. It is seen that leniency is there while writing on various dimensions like training, planning, job knowledge, work performance, decision making and communication.
7.2-Hypothesis Testing

Hypothesis of the Study

- ‘Work Knowledge’ is given priority by both the appraisers and appraisees as compared to other traits/attributes while appraising performance.
- Personnel relationship of appraiser with appraisees influences the rating.
- Self-appraisal is a causative factor of leniency in rating.
- ‘Negative feedback’ is a causative factor of ‘Job dissatisfaction’.
- Performance appraisal is a causative factor of improving the present performance of employees.
- Increment decisions are mostly based on performance appraisal results.

Testing of Hypothesis

1. Personnel relationship of appraiser with appraisees influences the rating.
   For testing of hypothesis chi-square test is applied.
   Suppose:-
   \( H_0: \) (Null Hypothesis): Personal relationship of appraiser does not influence the rating.
   Vs
   \( H_1: \) (Alternative Hypothesis): Personal relationship of appraiser influences the rating.
Chi-square formula for testing hypothesis:

\[ x^2 = \sum \sum (O_{ij} - E_{ij})^2 / E_{ij} \]

**RESPONSES**

<table>
<thead>
<tr>
<th>COMPANIES</th>
<th>YES</th>
<th>NO</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>122</td>
<td>16</td>
<td>138</td>
</tr>
<tr>
<td>B</td>
<td>11</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>C</td>
<td>12</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>D</td>
<td>18</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>E</td>
<td>11</td>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>174</td>
<td>36</td>
<td>200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Oij</th>
<th>Eij</th>
<th>Oij - Eij</th>
<th>(Oij - Eij)^2</th>
<th>(Oij-Eij)^2 / Eij</th>
</tr>
</thead>
<tbody>
<tr>
<td>122</td>
<td>120.066</td>
<td>-1.4</td>
<td>+1.96</td>
<td>0.0163</td>
</tr>
<tr>
<td>11</td>
<td>13.0500</td>
<td>2.05</td>
<td>4.2025</td>
<td>0.3220</td>
</tr>
<tr>
<td>12</td>
<td>13.0500</td>
<td>1.05</td>
<td>1.1025</td>
<td>0.0844</td>
</tr>
<tr>
<td>18</td>
<td>17.4000</td>
<td>-18</td>
<td>+324</td>
<td>18.6206</td>
</tr>
<tr>
<td>11</td>
<td>10.4400</td>
<td>-0.56</td>
<td>+0.3136</td>
<td>0.0300</td>
</tr>
<tr>
<td>16</td>
<td>24.8400</td>
<td>8.84</td>
<td>78.1456</td>
<td>3.1459</td>
</tr>
<tr>
<td>4j</td>
<td>2.7000j</td>
<td>1.3</td>
<td>1.69</td>
<td>0.6259</td>
</tr>
<tr>
<td>3j</td>
<td>2.7000j</td>
<td>11.1600</td>
<td>0.3</td>
<td>0.09</td>
</tr>
<tr>
<td>2j</td>
<td>3.6000j</td>
<td>1.6</td>
<td>2.56</td>
<td>1.4062</td>
</tr>
<tr>
<td>1j</td>
<td>2.1600j</td>
<td>1.6</td>
<td>1.3456</td>
<td>0.6229</td>
</tr>
</tbody>
</table>

\[ \sum \sum (O_{ij} - E_{ij})^2 / E_{ij} = 25.0242 \]
Thus from the above we have calculated value of $x^2 = 25.0242$

Now, critical value of $x^2$ statistic for $(r-1) (s-1)$ is denoted by $x^2 (r-1) (s-1)$, a

Where $(r-1) (s-1)$ are degrees of freedom and is a level of significance.

$r = \text{number of levels} = 2$
$s = \text{number of levels} = 5$

Degree of freedom = $(r-1) (s-1)$, $= (2-1) (5-1)$, $= 5-1$, $= 4$

Coincide level of significance $a = 5\%$

Therefore, from statistical table critical value of Chi-square static for 4 degree of freedom at 5\% of significance is $= 9.49$

Here, we have calculated chi-square value $= 25.0242 > 9.49$

Therefore, Reject H0 and Accept HI

Hence, the 'Personal relationship' of appraiser 'influences the rating'.

2. 'Negative feedback' is a causative factor of 'Job dissatisfaction'.

For testing of hypothesis chi-square test is applied.

Suppose:-

**H0: (Null Hypothesis):** Negative feedback is not a causative factor of 'Job dissatisfaction'

Vs

**H1: (Alternative Hypothesis):** Negative feedback is a causative factor of 'Job dissatisfaction'

Chi-square formula for testing hypothesis:-

$$x^2 = \sum \sum (O_{ij} - E_{ij})^2$$
### RESPONSES

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>109</td>
<td>8</td>
<td>11</td>
<td>18</td>
<td>10</td>
<td>166</td>
</tr>
<tr>
<td>NO</td>
<td>29</td>
<td>7</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>34</td>
</tr>
<tr>
<td>Total</td>
<td>138</td>
<td>15</td>
<td>15</td>
<td>20</td>
<td>12</td>
<td>200</td>
</tr>
</tbody>
</table>

#### Calculation Table

<table>
<thead>
<tr>
<th>Oij</th>
<th>Eij</th>
<th>Oij - Eij</th>
<th>(Oij - Eij)^2</th>
<th>(\frac{(Oij-Eij)^2}{Eij})</th>
</tr>
</thead>
<tbody>
<tr>
<td>109</td>
<td>114.54</td>
<td>5.54</td>
<td>30.6914</td>
<td>0.2679</td>
</tr>
<tr>
<td>29</td>
<td>23.46</td>
<td>5.54</td>
<td>30.6914</td>
<td>1.3082</td>
</tr>
<tr>
<td>8, 15</td>
<td>12.46</td>
<td>4.46</td>
<td>19.8916</td>
<td>1.5964</td>
</tr>
<tr>
<td>7</td>
<td>2.55</td>
<td>4.45</td>
<td>19.8025</td>
<td>7.7656</td>
</tr>
<tr>
<td>11, 15</td>
<td>12.46</td>
<td>1.46</td>
<td>2.1316</td>
<td>0.1710</td>
</tr>
<tr>
<td>4</td>
<td>2.55</td>
<td>1.45</td>
<td>2.1025</td>
<td>0.8245</td>
</tr>
<tr>
<td>18, 20</td>
<td>16.60</td>
<td>1.4</td>
<td>1.9600</td>
<td>0.1180</td>
</tr>
<tr>
<td>2</td>
<td>3.40</td>
<td>1.4</td>
<td>1.9600</td>
<td>0.1180</td>
</tr>
<tr>
<td>10, 12</td>
<td>9.96</td>
<td>0.04</td>
<td>0.0016</td>
<td>0.0000</td>
</tr>
<tr>
<td>2</td>
<td>2.04</td>
<td>0.04</td>
<td>0.0016</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

\[ \sum \sum \frac{(Oij-Eij)^2}{Eij} = 12.1696 \]

Thus from the above we have calculated value of \(X^2 = 12.1696\)

Now, critical value of \(X^2\) statistic for \((r-1) (s-1)\) is denoted by \(X^2 (r-1) (s-1), a\)

Where \((r-1) (s-1)\) are degrees of freedom and \(a\) is level of significance.

- \(r = \) number of levels = 5
- \(s = \) number of levels = 2

Degree of freedom = \((r-1) (s-1), = (5-1) (2-1), = 5-1, = 4\)

Coincide level of significance \(a = 5\%\)
Therefore, from statistical table critical value of Chi-square static for 4 degree of freedom at 5% of significance is = 9.49
Here, we have calculated chi-square value =12.1696 >9.49
Therefore, Reject Ho and Accept H1
Hence, 'Negative feedback' is a causative factor of 'Job dissatisfaction'

3. Performance appraisal is a causative factor of improving the present performance of employees.

For testing of hypothesis chi-square test is applied.
Suppose:-
Ho: (Null Hypothesis): Performance appraisal is not a causative factor of improving the present performance of employees.
Vs
H1: (Alternative Hypothesis): Performance appraisal is a causative factor of improving the present performance of employees.
Chi-square formula for testing hypothesis:-

\[ x^2 = \sum \sum (O_{ij} - E_{ij})^2 \]

**RESPONSES**

<table>
<thead>
<tr>
<th>COMPANIES</th>
<th>YES</th>
<th>NO</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>133</td>
<td>58</td>
<td>191</td>
</tr>
<tr>
<td>B</td>
<td>20</td>
<td>02</td>
<td>22</td>
</tr>
<tr>
<td>C</td>
<td>20</td>
<td>05</td>
<td>25</td>
</tr>
<tr>
<td>D</td>
<td>13</td>
<td>12</td>
<td>25</td>
</tr>
<tr>
<td>E</td>
<td>24</td>
<td>13</td>
<td>37</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>210</td>
<td>90</td>
<td>300</td>
</tr>
</tbody>
</table>
Thus from the above we have calculated value of $X^2 = 7.2011$

Now, critical value of $X^2$ statistic for $(r-1) (s-1)$ is denoted by $X^2 (r-1) (s-1)$, $a$

*Where $(r-1) (s-1)$ are degrees of freedom and is a level of significance.*

- $r$ = number of levels = 5
- $s$ = number of levels = 2

Degree of freedom = $(r-1) (s-1)$, = $(5-1) (2-1)$, = 5-1, = 4

Coincide level of significance $a = 5\%$

Therefore, from statistical table critical value of Chi-square static for 4 degree of freedom at 5\% of significance is $= 9.49$

Here, we have calculated chi-square value = $7.2011 < 9.49$

Therefore, Reject H1 and Accept H0

Hence, Performance appraisal is not a causative factor of improving the present performance of employees.
4. ‘Self-appraisal’ is a causative factor of ‘leniency’ in rating.

For testing of hypothesis chi-square test is applied.

Suppose:

**H₀: (Null Hypothesis):** ‘Self-appraisal’ is not a causative factor of ‘leniency’ in rating.

Vs

**H₁: (Alternative Hypothesis):** ‘Self-appraisal’ is a causative factor of ‘leniency’ in rating.

Chi-square formula for testing hypothesis:

\[
x^2 = \sum \sum (O_{ij} - E_{ij})^2
\]

**RESPONSES**

<table>
<thead>
<tr>
<th>COMPANIES</th>
<th>YES</th>
<th>NO</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>120</td>
<td>71</td>
<td>191</td>
</tr>
<tr>
<td>B</td>
<td>15</td>
<td>7</td>
<td>22</td>
</tr>
<tr>
<td>C</td>
<td>18</td>
<td>7</td>
<td>25</td>
</tr>
<tr>
<td>D</td>
<td>15</td>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td>E</td>
<td>0</td>
<td>37</td>
<td>37</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>168</td>
<td>132</td>
<td>300</td>
</tr>
</tbody>
</table>
Thus from the above we have calculated value of $X^2 = 54.1846$

Now, critical value of $X^2$ statistic for $(r-1) (s-1)$ is denoted by $X^2 (r-1) (s-1)$, a

Where $(r-1) (s-1)$ are degrees of freedom and is a level of significance.

$r =$ number of levels $= 5$

$s =$number of levels $= 2$

Degree of freedom $= (r-1) (s-1) = (5-1) (2-1) = 5-1 = 4$

Coincide level of significance $a = 5 \%$

Therefore, from statistical table critical value of Chi-square static for degree of freedom at 5 % of significance is $= 9.49$

Here, we have calculated chi-square value $= 54.1846 > 9.49$

Therefore, Reject $H_0$ and Accept $H_1$

Hence, ‘Self-appraisal’ is a causative factor of ‘leniency’ in rating.

<table>
<thead>
<tr>
<th>$O_{ij}$</th>
<th>$E_{ij}$</th>
<th>$O_{ij} - E_{ij}$</th>
<th>$(O_{ij} - E_{ij})^2$</th>
<th>$\frac{(O_{ij}-E_{ij})^2}{E_{ij}}$</th>
</tr>
</thead>
<tbody>
<tr>
<td>120</td>
<td>106.96</td>
<td>13.04</td>
<td>170.0416</td>
<td>1.5897</td>
</tr>
<tr>
<td>15</td>
<td>12.32</td>
<td>2.68</td>
<td>7.1824</td>
<td>0.5829</td>
</tr>
<tr>
<td>18</td>
<td>14.00</td>
<td>4.00</td>
<td>16.0000</td>
<td>1.1428</td>
</tr>
<tr>
<td>15</td>
<td>14.00</td>
<td>1.00</td>
<td>1.0000</td>
<td>0.0714</td>
</tr>
<tr>
<td>0</td>
<td>20.72</td>
<td>20.72</td>
<td>429.3184</td>
<td>0.2072</td>
</tr>
<tr>
<td>71</td>
<td>84.04</td>
<td>-35.96</td>
<td>+1293.1216</td>
<td>15.3869</td>
</tr>
<tr>
<td>7</td>
<td>9.68</td>
<td>5.32</td>
<td>+28.3024</td>
<td>2.9238</td>
</tr>
<tr>
<td>7</td>
<td>11</td>
<td>7.0</td>
<td>+49</td>
<td>4.4545</td>
</tr>
<tr>
<td>10</td>
<td>11</td>
<td>-4</td>
<td>+16</td>
<td>1.4545</td>
</tr>
<tr>
<td>37</td>
<td>16.28</td>
<td>-20.72</td>
<td>+429.3184</td>
<td>26.3709</td>
</tr>
</tbody>
</table>

$$\sum \frac{(O_{ij}-E_{ij})^2}{E_{ij}} = 54.1846$$
Performance appraisal system provides a vital link between an organization and its employees and enables them to determine the contribution that they could make for the achievement of the organizational goals and objectives. In every organization employees are now evaluated in order to take various decisions on promotions, transfers, salary increases, training and development need etc.

There are various techniques adopted by the industrial units to measure the performance of the employees. The employee's performance is appraised annually by all the selected industrial units on the basis of various traits/attributes. Different performance appraisal forms are used for workers, supervisors and managers to appraise their performance.

It is found that 'Work knowledge' is given priority by appraisees and appraisers while appraising the performance of workers and managers. Result of rank correlation highlights that there is positive correlation between the ranks given by the appraisers of selected units.

It is observed that while appraising the performance of technicians 'Knowledge ability and skill in taking down professional work' is given priority by appraisers of all the industrial units. Ranks given by appraisers to various traits measuring performance of managerial staff indicate that 'Work knowledge' has been ranked first by the appraisers of NHK, YGCL and UPEC, whereas appraisers at ISGEC and Oriental have given first priority to the planning and organizing.

Ranking is given to various 'Managerial skills' by the appraisers of selected industrial units. It is found that appraisers of NHK, YGCL and
UPEC have given the first rank to ‘contribution towards work planning and setting up of targets for the departmental performance appraisal, self and subordinates’. Appraisers of ISGEC, Oriental have given first rank to ‘speed and efficiency in decision making’ and problem solving. ‘Willingness to take calculated risks’ has been given the last preference by appraisers of all companies performance appraisal except UPEC. Perfect correlation is found between the marks given by the appraisers of ISGEC and Oriental. It is also found that there is low correlation between the ranks given by the appraisers of ISGEC and UPEC.

It is further found that appraisers of ISGEC, NHK, YGCL and UPEC have given first rank to ‘Assistance in the formulation of policies and specialization’ with regard to ranks to various ‘Job skills’. Appraisers of Oriental have given the first rank to ‘knowledge trends, development and new techniques pertaining to employee’s field of work and specialization.

Perfect correlation is found between the ranks given by appraisers of ISGEC and NHK, ISGEC and UPEC, ISGEC and Oriental, NHK and UPEC, NHK and Oriental, UPEC and Oriental.

It is found from the ranks given to various ‘behavioral traits’ by the appraisers that ‘sensitivity and tact in dealing with personal problems of peers, subordinates and clients’ has been given first preference by appraisers of UPEC and Oriental, whereas ‘understanding people and creating in them enthusiasm for work’ has been given first rank by appraisers of ISGEC, YGCL and NHK. Perfect correlation is found between the ranks given by the appraisers of ISGEC and NHK, ISGEC and Oriental, NHK and Oriental, YGCL and UPEC.
Performance of employees is measured through various methods and techniques. Annual appraisal systems are used by all the selected industrial units to measure the performance of their employees. They are appraised on their previous experience, duties assigned; leave record and the traits/attributes given in the appraisal performa. Different appraisal performas are used to evaluate the performance of managers, supervisors and workers. In ISGEC, NHK, Oriental, YGCL and UPEC there is an annual confidential reporting system for the workers and annual appraisal systems for the managers and supervisors. Separate performance appraisal forms, criteria and period are there to evaluate the appraisers and the appraisees.

In respect of awareness of PAS, it is observed that 68.6 percent appraisers are aware about the true meaning of performance appraisal. 65.0 percent appraisers responded that they are aware of the new annual appraisal report forms introduced in the organization.

The employee's performance is appraised on traits /attributes given in appraisal performa. Regarding various sources of information it is found from the results that 64.5 percent appraisers has been given priority to the 'personal records' and second to the 'self appraisal' last priority has been given to 'appraisers notes on critical incidents' by the appraisers of selected industrial units.

The most crucial aspect of performance appraisal is 'Bias in appraisal'. The element of bias in the selected industrial units is measured by asking questions to appraisers and appraisees on a structured interview schedule. Attempts have been made to identify better performance criteria and to devise appraisal methods and techniques, which could reduce subjectively.
It is found that only 38.0 percent appraisees and 60.0 percent appraisers believe that appraisers evaluate personal loyalty of the subordinate rather than his actual job performance. It is found that 87.0 percent appraisees and 54.54 percent appraisers are of the view that personal relationships of the appraisers influence his ratings. More than 54.54 percent appraisees and 67.0 percent appraisers are of the opinion that likes, dislikes and prejudices of the appraisers also influence the ratings. It is believed that those appraisees who are liked by the appraisers are given high ratings.

It is found from the results that 42.06 percent appraisees and 61.5 percent appraisers are of the view that subordinates are also responsible for making the appraisals subjective by trying to win the favour of superiors.

Sometimes it happens that appraisers avoid negative ratings since they have to take work from their subordinates. It is found that 84.0 percent appraisers avoid negative ratings.

It is necessary to communicate appraisal result to employees to improve their future performance and overall quality of organizational performance. By and large, appraisers and appraisees are in favour of an open appraisal system. According to 83.0 percent appraisers feedback is only given to poor performers and 29.5 present appraisers are in favor of giving feedback to outstanding employees also.

It is further found that 60.0 percent appraisers are of the view that strong and weak points of the appraisees should be discussed. 47.0 percent appraisers are of the opinion that only remedial shortcomings should be communicated to the appraisees.
The study also reveals that appraisers generally avoid giving negative feedback to appraisees since they want to take work from them. They feel that negative feedback may generate disincentives among them. It is found that 70.0 percent appraisers believe that negative feedback results in frustration among employees and 83.0 percent are of the view that negative feedback results in job dissatisfaction.

It is found that from the responses of appraisers that they try to handle poor performers in the best manner. Appraisers usually do counselling to improve the performance of employees. 91.0 percent appraisers are of the view that they give negative feedback to their subordinates in appealing approach.

Self appraisal promotes self review and sets the stage for development. It provides opportunity to the appraisees to analyze the success and failure. Role of self appraisal in Indian industry is increasing day by day as an integral part of performance appraisal system.

It is found that 53.5 percent appraisers and 44.27 percent appraisers believe that self-appraisal is successful in the organization. It is a common belief that there is a tendency to be lenient on oneself. Results show that 64.0 percent appraisers and 56.0 percent appraisees believe that there is leniency in self appraisal.

It is found that 68.0 percent appraisers and 57.5 percent appraisees are of the view that self appraisal motivates to perform better and to take responsibilities to find out as to how often it happens that appraisees differ with rating in self appraisal.

Self appraisal can be a very useful component of a performance appraisal system, if viewed seriously by appraisees as well as appraisers
and used appropriately for generating more understanding about the appraisal.

Regarding the use of MBO in organization it is found that 81.0 percent appraisees and 93.5 percent appraisers feel that MBO system is adequately used. It is found that only 82.7 percent appraisees and 71.5 percent appraisers are of the view that there is no participation of appraisees in determination of their targets.

Perception of appraisers and appraisees regarding success of MBO, showed that 54.46 percent appraises of NHK believe that MBO is successful. In ISGEC, UPEC and Oriental more than fifty percent of appraisees responded that MBO is not successful in their organizations.

Performance appraisal system can be used in taking many decisions like promotions, transfers, increment, training and development of employees.

In selected industrial units, it is found that more than 65.0 percent appraisees responded that promotions are always based on performance appraisal results.
Industrial organizations have undergone tremendous change after the onset of globalization and liberalization. Multinationals poured into India, bringing with them diverse culture and work ethics. Organizations have also become unpredictable, in the age of cut-throat competition and increasing customer expectations.

In this scenario, the study of PAS is most vital and important for the survival of modern industry in India. From the perusal of the study and its findings, it is quite clear that different engineering units have performance appraisal systems in use in their organizations.

The PAS wherein 'Work Knowledge' is given priority, the systems free of personnel relations and leniency and importance given to MBO will certainly help to increase productivity by minimizing the wastage and optimum utilization of available scarce resources.

The units under study are advised to make sincere efforts for redesigning and executing performance appraisal system in vogue in their organizations so that proper development of the human resources can be ensured and their employees can contribute their best for achieving organizational as well as individual goals and objectives with maximum efficiency and effectiveness.

Individual units under study have to constantly motivate and promote a work-force, most suitable to its requirements. Perpetual performance appraisal will certainly help the industrial units to achieve the desired goals. It will prove to be a milestone in the history of HRD practices in Indian heavy engineering industry.