

## **Performance Appraisal System and Employee Productivity: A study based on selected State Banks in Gampaha District**

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### **Abstract**

Performance appraisal is one of the most important human resource practices in organizations which help to assess the employees and enhance their performance. However, there are various problems pertaining to performance appraisal systems in organizations especially with regards to the public sector. Though there are research conducted on performance evaluation and employed productivity there is a lacuna of research with regards to public banking sector. This research intends to fill this gap by identify the relationship between performance appraisal system and the productivity of the employees of two state banks. Further study aims to identify the drawbacks of the existing appraisal systems of state banks and how to improve it to enhance the productivity of the employees. Primary data was collected from 95 respondents from both banks using two types of structured questionnaires. One questionnaire will be distributed among the employees to know their views of the current performance appraisal system of their bank and the other for the managers in order to know their views on internal service quality of their employees based on the performance appraisal carried out in the previous year i.e. 2015. The simple random sampling method was used to select the respondents and data will be analyzed through SPSS version 24 by using multiple regression analyzing tool. It is hoped that this study will primarily be important for state banks and they will be in a position to identify the strengths and weaknesses of the current performance appraisal system and to improve the systems while considering it as a tool to improve the productivity of the employees. Also this study may be of assistance to all other public sector organizations in Sri Lanka in general for the purpose of improving their performance appraisal systems.

**Keywords:** *Employee Productivity, Performance Appraisal, Public Sector, Service Quality*