

Perceptions of employees on Performance Support Systems as an important ingredient in Employee Effectiveness- A Study on Software employees in Hyderabad

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Abstract

The present study was aimed to study the general impressions of employees on Performance Support Systems and its impact on employee effectiveness. To this effect, 101 participants were carefully selected from different software firms and who responded to the survey questionnaire. It was found that a substantial number of the employees had a very positive impression on the impact of Performance Support System on employee effectiveness. Hence, it can be said that employees' are of the impression that Performance Support Systems in the organization has a very positive impact on their effectiveness. While analyzing the impact of the demographic profiles it was observed that age and occupational status were found to be determinant of employees' perceptions. The chi-square test also proved the same. Gender and educational levels was tested on the variable of satisfaction in which no significant difference was observed. Hence, gender in this case may not differently impact the satisfaction of men and women employees. The output of regression was found to be positive and statistically significant at different levels. This indicates that all the four variables (OL, OC, OL&KM, OP) impacted effectiveness of performance management system significantly. Performance support systems play an important role in successful implementation of any systems which in turn helps in enhancing Employee development and commitment.

Key words: PSS-Performance Support Systems, OL-Organizational Leadership, OC-Organizational Culture, OL&KM-Organizational Learning and Knowledge Management, ID-Individual Development

1. Introduction

It is a well-known fact among businessmen and management professionals that success in business relies not just on excellence in planning and organizing but, to a very large extent on excellence in execution. Functions like new product, market development, strategic marketing and sales, financial acumen were always the traditional drivers of

corporate success; in this competitive environment corporate houses are looking at HR for that additional leverage. Human and material resources must be carefully re-organized so, as to achieve efficiency and effectiveness in business. Organizational performance is significantly influenced by management commitment; customer focus; and employee involvement (Muhammad Madi Bin Abdullah, Jegak Uli, Juan José Tarí, (2008). Integration of human resource function with business and corporate strategy is a must to reduce employee turnover rate and to enhance financial performance (Tamer Khalil Darwish, Satwinder Singh, (2013). Performance evaluation is critically essential for the effective management of the human resource of any organization and evaluation of staff also helps to develop individuals and improve organizational performance which in turn feeds into business planning (Imtiaz Ahmed, Ineen Sultana, Sanjoy Kumar Paul, Abdullahil Azeem, (2013). Participation of employees can be further enhanced if the organization has good human resource practices and culture that fulfills employees' expectations through appraisal and reward systems. Work culture and design of organizational policies greatly depends upon its Leader. Effective leadership is the need of the hour. Leaders who have a very great vision and exhibit courage and confidence based on holistic world view by cultivating flexibility and admitting diversity are the need of the hour (Hansen et al. (1999), Ruggles (1998) and Robertson and O'Malley (2000) Pandu Ranga Rao.C (2005)

Apart from good leadership a firm's competitiveness greatly depends upon its capacity to manage performance and also concentrating on improving and developing the skills and competencies of employees by creating a learning environment (Dev Raj Adhikari,(2010:306-324) which again greatly depends on the work culture therefore organizations must also concentrate on developing a performance culture which acts as a fertile soil bed for employee development.

In an uncertain business environment, human resource is the only asset that can make organizations survive, exist and succeed (Srinivas.R.Kandula(2004). In order to be successful in a knowledge based world, each organization must make full use of the available technologies (Richard I.Henderson(2004). The efficient and effective use of these technologies requires a work force that has the needed knowledge and skills in operating that technology (Chaudhuri.K.K (.2009). In-order to develop competencies of self and subordinates, certain factors are required which are three directional- KASH(knowledge, attitude, skill, health) level, soft Ss (staff, style, shared values) and Hard Ss (structure,

system, strategy) of the organization that shape the desired competencies that direct oneself towards goal achievements. The successful diffusion of performance enhancement measures and initiatives throughout the organization is necessary to achieve world-class competitiveness (G.S. Sureshchandar, Rainer Leisten, (2005) and for this it is required that employees should have a thorough understanding of the various systems of the organization.

2. Review of related literature

Components of Performance Support Systems

Adequate support is necessary in the organization so that employees can give their best. All the systems that are conducive and help employees deliver their best can be termed as support systems.

Effective performance appraisal systems help to create a motivated and committed workforce. To be effective they require the support of top management to show their commitment and to translate organizational goals and objectives into personalized employee specific objectives for the implementation of performance appraisal and in particular the need for appropriate training for supervisors, raters and employees, a system for the frequent review of performance, accurate record keeping, a clearly defined measurement system, and a multiple rater group to perform the appraisal (Deborah F. Boice, Brian H. Kleiner, (1997). The most important aspect in any organization that should be discussed first is about the organizational leadership.

Job performance is positively correlated with organizational commitment, job satisfaction and personal and professional variables. Both job satisfaction and organizational commitment are strong predictors of nurses' performance. Job performance is positively related to some personal factors, including years of experience, nationality, gender, and marital status. Level of education is negatively related to performance (Hanan Al-Ahmadi, (2009). Effective worker performance feedback provides a strong base for a learning organization (Milton Mayfield, Jacqueline Mayfield, (2012)

2.1 Organizational Leadership

The first aspect that influences the entire organization is the organizational leadership. Good leaders are made not born. If you have the desire and willpower, you can become an effective leader. Good leaders develop through a never ending process of self-study, education, training, and experience (Jago, 1982).

To inspire your workers into higher levels of teamwork, there are certain things you must be, know, and, do. These do not come naturally, but are acquired through continual work and study. Good leaders are continually working and studying to improve their leadership skills; they are NOT resting on their laurels.

Before we get started, let's define leadership. Leadership is a process by which a person influences others to accomplish an objective and directs the organization in a way that makes it more cohesive and coherent. This definition is similar to Northouse's (2007, p3) definition — Leadership is a process whereby an individual influences a group of individuals to achieve a common goal.

Leaders carry out this process by applying their leadership knowledge and skills. This is called *Process Leadership* (Jago, 1982). However, we know that we have traits that can influence our actions. This is called *Trait Leadership* (Jago, 1982), in that it was once common to believe that leaders were born rather than made (Northouse, 2007, p5) the next aspect that the organizations have to concentrate are organizational policies because the entire organization only works on the basis of the organizational policies.

The study conducted by Barry Brewer, Bryan Ashenbaum, Jeffrey A. Ogden, (2013) suggest that firms with high commitment to growth and cost strategies tend to achieve cost-related performance at higher levels than firms with a lower commitment to same.

Clear vision and strategic directions are the major drivers for the performance of national organizations. Statistically, Top Management Commitment (TMC); organization culture and human resource focus; project management skills; and customer focus and market orientation have emerged as the critical factors for improving performance of national organizations in India (Jyoti, D.K. Banwet, S.G. Deshmukh, (2010) Therefore, it is required that whatever policies that the organizations adopt should have the support of the top management so that, successful implementation is possible.

According to the study done by Li-cheng Chang, (2007) agrees with institutional theorists' argument that the use of performance measurement systems should take into account politics and power faced by an organization.

Two main interpretations seem to be dominant: from one side Learning Organization is assumed as a rather humanistic idea concerning the participation of people to work and organizational life; on the other side, LO is a pragmatic metaphor covering structural exigencies related to effective uses of knowledge within organizations.

The first case is well represented by Senge's idea of an organization which learns insofar as it is able to encourage continuous learning at all levels and to create facilitation processes for circulating organizational knowledge and swiftly translating it into internal and external changes (Senge, 1990). Implementation of the policies is possible when the organizational members feel that the policies are beneficial for the organization. This is possible only through proper organizational learning initiatives and knowledge management initiatives.

2.2 Organizational culture

Organizational culture refers to a system of shared meaning and beliefs held by organizational members that determines, to a large degree, how they act (Robbins, 2006). An organization is composed of people from different backgrounds and thinking. Building a strong organizational culture is very important in realizing the shared vision and efforts. Schein (1990) recognizes that organizational cultures consist of two layers of concepts: visible and invisible characteristics. The visible layer means the outlook appearances or behaviors that can be seen. The invisible layer is the intrinsic value, norms and assumptions of organization members.

The role of a supportive organizational culture in management development has been established by many researchers and draws attention to reduce the cost to the economy as a whole and reduce cost of poorly performing managers (Rosie Garwood, (2012)

a) Interpersonal Relations

The highly populated dimension of organizational culture (O'Reilly et al. 1991; Chatman and Jehn, 1994) identified seven important dimensions: innovation and risk taking, stability, people orientation, outcome orientation, attention to detail, team orientation and aggressiveness. As the research is on the mediating effect of organizational culture towards the dimensions of learning organization, four out of seven culture dimensions that demonstrated the impact on learning organization are chosen. The four are: innovation and risk taking, team orientation, people orientation and attention to detail.

b) Dyadic Relations

Leader-level Motivating Language (ML) significantly and positively affects follower performance. In comparison, dyadic-level ML significantly and positively affects both employee performance and job satisfaction (Jacqueline Mayfield, Milton Mayfield, (2010) Peer evaluations of performance increasingly are being used to make organizational decisions and to provide individuals with performance related feedback (Gary J. Greguras, Chet Robie, Marise Ph. Born, (2001). In a study conducted by Tanja Bipp, Ad Kleingeld, (2011) Using the German version of Locke and Latham's goal-setting questionnaire, 97 production employees judged the quality of the goal-setting program in their company with regard to content-related problems of goals (e.g. goal clarity), process in dyad (e.g. supervisor support), and setting-related aspects (e.g. rewards). Data were also collected on the participants' conscientiousness and neuroticism. The results showed that job satisfaction is predicted by content and setting-related aspects, whereas content-related aspects affected goal commitment. Conscientiousness explained variance in goal commitment independent of individual perceptions of the goal-setting program, whereas neuroticism affected job satisfaction indirectly via the perceptions of goal content.

2.3 Organizational learning/ Knowledge Management

Organizational learning means the process of improving actions through better knowledge acquisition, clearer understanding, and improved Performance. It is a method of detecting and correcting errors. The main issues in organizational learning are (three Ms)

- Meaning - Well groomed definition of learning organizations; it must be actionable and easy to apply.
- Management - Clearer guidelines for practice, filled with operational advice rather than high aspirations.
- Measurement - Better tools for assessing an organization's rate and level of learning to ensure that gains in fact have been made.

Peter M. Senge in his book, "The fifth Discipline": The Art and Practice of The Learning Organization, described a learning organization as "a place where people continually expand their capacity to create the results they truly desire, where new and

expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people continually learning to learn together”

The learning organization which has been popularized by Watskins and Marsick (1996) became a key concept in the last decade for the promotion of changes in management (especially HR management) and organization within companies.

Knowledge Management: The phrase knowledge management has come into vogue over the last several years and has become a powerful business mantra repeated often and everywhere. In the simplest term, it refers to strategies and processes for using knowledge to enhance competitive advantage or support professional communities.

2.4 Organizational Policies

Organizational policies that have direct influence on the performance of organizational members because whatever the manager should do is clearly mentioned in the policies of the organization which the manager cannot supersede. Hence, the policies are studied under the following heads:

a) Training and Development activities

The learning organization which has been popularized by Watskins and Marsick (1996) became a key concept in the last decade for the promotion of changes in management (especially HR management) and organization within companies. It has been largely used also as a conceptual reference for new visions, strategies and activities in the field of HRD. But such a reference has been far from being homogeneous, given the different meanings stratified inside it.

On the other side, good representatives of the structural approach are, for instance, Hayes and colleagues, who, at the very beginning of the LO movement, put attention to the links between learning and the diffused intelligence in organizations in order to generate continuous improvements in production processes (Hayes et al. 1988), Garvin who defined LO in terms of both knowledge creation-acquisition and of measurable behavioral change (Garvin, 1993), Nevis and colleagues who tried to use the concept of LO as a basis for new kinds of organizational analyses linked to change and competition issues (Nevis et al. 1995). Some other researchers tried to study the Leadership role and organizational culture as possible motivators for building a learning organization (Chang and Lee, 2007).

According to the research by Chang and Lee (2007), organizational culture and leadership can positively and significantly affect the operation of learning organization. In order to stay competitive in business, an organization needs to ensure that knowledge is being created, transferred and shared in the organization. To promote this, the organization's environment plays an important role. Many organizations like Xerox, and General Electric have pledged to build a Learning Organization where 'people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together' (Peter, 1990; Garvin, 1993). Stata (1989) stressed the point that "the rate at which individuals and organizations learn may become the only sustainable competitive advantage".

Christensen (2007) defined in his research that knowledge sharing is the process intended at exploiting existing knowledge, identifying existing and accessible knowledge, in order to transfer and apply this knowledge to solve specific tasks better, faster and cheaper than they would otherwise have been solved. He has done an empirical analysis that there are four types of knowledge that can be shared: professional knowledge, coordinating knowledge, object-based knowledge and know-who.

The study conducted by David C. Leonard, (2008) reveals that establishing learning goals is particularly important to the development of competencies. Subjects developed significantly more on competencies for which they set goals than on other competencies. They also demonstrated greater competency development when goals were remembered.

b) Reward and Recognition system

According to previous research, there are few factors shaping knowledge sharing attitudes and behaviors. Hansen et al. (1999), Ruggles (1998) and Robertson and O'Malley (2000) found that good human resource practices and culture that fulfill employees' expectation in appraisal, reward systems and satisfying work can influence employees' decision in knowledge sharing.

Managing performance is achieved by managing change and communication, motivating and developing, and equipping the organization with the skills needed to move forward successfully. Integrating into the overall strategy, performance links inextricably with reward, job design, workforce profiling, competences and development. To be a

learning company needs commitment to employee development - this, in turn, means commitment to managing human resources effectively, therefore managing reward and performance (Susanne J. Brierley, 1992)

The results of the research done by Jillian Day, et al (2013) show employee need is related to the allocation of rewards in organizational settings outside of collectivistic cultures or developing countries. Second, by demonstrating the role of employee communication with manager about need within the relationship between employee need and reward allocation.

Appraisal frequently creates actual and perceived injustice in terms of both procedures and rewards. It also generates tensions between managing performance and encouraging engagement. Caroline Ann Rowland, Roger David Hall, (2013) therefore careful implementation is required so as to achieve desired results

c) Organizational Communication

A survey of south-west organizations confirmed this increase in training activity. Managers, however, did not feel participation in training had contributed towards improving their performance. Respondents felt their organizations should give higher priority to other actions such as increased staff resources and better internal communication systems (Ian Chaston, (1993). Organizations should give higher priority to other actions such as increased staff resources and better internal communication systems (Ian Chaston, (1993)

Employee communications can mean the success or failure of any major change program. The Strategic Employee Communication Model with the best practice definitions, which are composites of effective employee communication examples collected from researching selected Fortune 500 companies, help management understand the strategic role of employee communication in a high-performing company (Deborah J. Barrett, (2002)

The study conducted by Marly Monteiro de Carvalho, (2014) suggests that firms should consider manners of developing the communication management process, as well as increasing the efficient use of performance report and communication tools to reduce detrimental conflict.

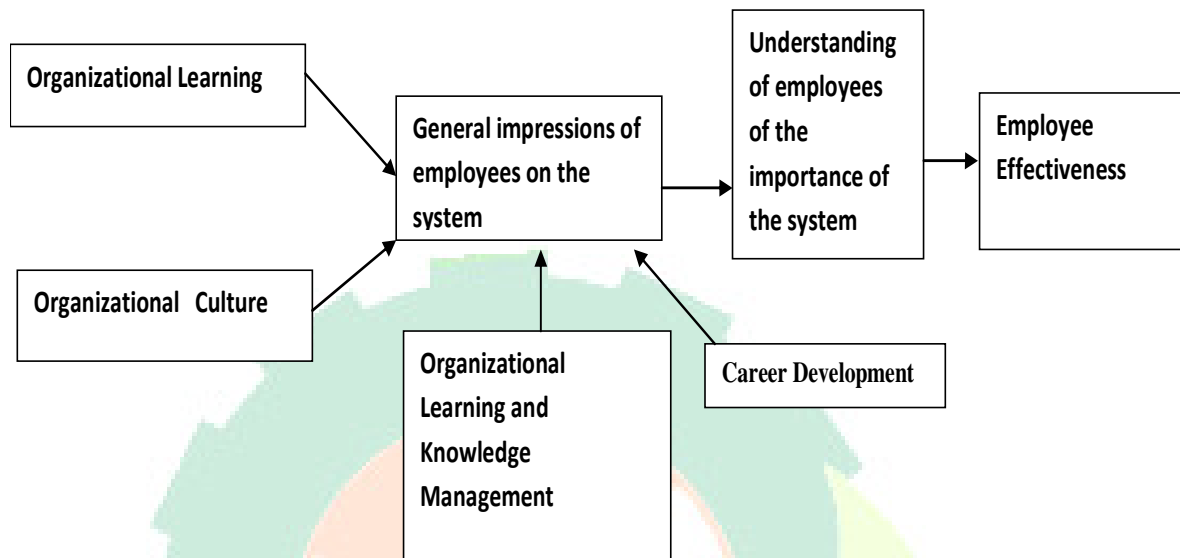


Fig: 1.1 Model of factors that influence General understanding of employees on PMS leading to employee effectiveness adopted from Angela Baron and Micheal Armstrong 2006

3. Methodology

Research Questions

Most studies confirmed that general understanding of an aspect has an impact on the perceptions. The failure rate of PM implementations has decreased in the past decade from 70 to 56 percent, and the most severe problems that organizations encounter are: lack of top management commitment; not having a PM culture; PM getting a low priority or its use being abandoned after a change of management; management putting low priority on the implementation; and **people not seeing (enough) benefit from PM**. (André A. de Waal, Harold Counet, (2009). There is no previous study done in Andhra Pradesh and that too in software industry. Hence, the following research questions were formulated for study.

- a) How do components of general understanding on Performance Management System correlate with employee effectiveness and what is the impact of these factors on effectiveness?
- b) What are the difference perceptions of employees belonging to performers and non performers' category in the organization?

3.1 Participants

Demographic Profile

The data of the respondents is analyzed according to the demographic features such as: age, marital status, gender, educational qualifications, years of service, and nature of work of the respondents. Most of the employees are very young and there are some freshers in the sample. Almost all the employees are technically qualified so, it becomes important to understand their aspirations and manage their performance accordingly. Managing knowledge workforce is the major challenge of this century. The age group of the respondents is ranged from 21 to 40 years. For the purpose of the analysis, the respondents are classified into three age groups i.e. below 30 years representing the young, 30 to 40 years (the middle aged) and above 40 years.

It is evident from Table 2 that 44.56 percent of the respondents are below 30 years, 55.45 percent of the respondents are in the age group of 30-40years and only 0.99 per cent of the respondents are above 40 years. Highest number of respondents are in the age group of 30 - 40 whose percentage is 55.45 and the lowest number of respondents are in the age group of above 40 years whose percentage is only 0.99. The situation regarding the marital status of respondents as shown in Table 1 indicates that majority of the respondents are married (59.41%). The rest of the respondents (40.59%) are unmarried. It is evident from table that 88.12 percent of respondents are male and 11.88 percent are women.

Table1 : Mean and standard deviation of respondents

Descriptive Statistics

	N	Mean	Std. Deviation
Personal Relations Development	101	3.38	1.039
Career development	101	3.73	.943
Self expectations and motivation	101	3.78	1.107
Individual Development	101	4.59	.935

Table 2 **Demographic statistics of gender, age, length of service, educational level and marital status**

		n =101			
Characteristics		Non-Performers		Performers	
		Frequency	Percent	Frequency	Percent
Age Group	21 to 25 years	18	17.8	0	0
	26 to 30 years	44	43.5	2	1.9
	31 to 35	16	15.8	11	10.8
	Above 36	2	1.9	8	7.9
	Total	80	79.2	21	20.7
Length of service	0 – 2	9	8.9	0	0
	3 – 5	31	30.6	0	0
	6 – 10	36	35.6	7	6.9
	10 – 15	3	2.9	14	13.8
	16 – 20	1	0.99	0	0
	Total	80	79.2	21	20.7
Educational Qualifications	Diploma	3	2.9	0	0
	B.Tech	65	64.3	13	12.8
	M.Tech	12	11.8	8	7.9
	Total	80	79.2	21	20.7
Marital status	Married	38	37.6	21	20.7
	Unmarried	42	41.5	0	0
	Total	80	79.2	21	20.7
Gender	Female	12	11.8	1	0.9
	Male	68	67.2	20	19.8
	Total	80	79.2	21	20.7

3.2 Instrumentation

Using specific tools to measure employee effectiveness which is one of the most important aspects of today's organizations. The researcher used questionnaire adapted from Performance Management authored by Michael Armstrong and Angela Baron (2009) and modified it according to the requirement, with the help of subject experts.

In order to adapt the standard questionnaire to the local cultural context requires the involvement of expertise in the field of study. The words or phrases need to be customized to the local context to ensure that questions are understood appropriately without losing the original meaning. The instruments were reviewed with a group of key subject matter experts and further refined with a small group of respondents before the actual test.

3.3 Procedure

At first step eleven key subjects matter experts who are familiar with the field of study and who have proven expertise knowledge in articulating the performance management systems in local context have participated in the evaluation process. These subject matter experts are practicing HR managers from different organizations in south India and university professors of Andhra University.

The questionnaire was given to subject matter experts for detail comments and improvement to make questions understandable to the local culture. Then, the researcher organized the comments and produced the final draft questionnaire that again was used to conduct a pilot study. Thus, the questionnaire was judge-rated in the first step. 101 respondents were carefully selected from both performers and non performers' category were carefully selected and the questionnaire was administered. Once all the respondents provided their inputs, the note from each discussion on each item was pooled and organized. Based on the respondents' feedback, words or phrases were recorded. The questionnaire was then computed and organized into tables. Thus, the processed data was used for statistical testing and interpretation of the main findings.

3.4 Data analysis

For data analysis, the researcher used the software statistical package for social sciences (SPSS) version16. The scores have correlated for all constructs of general understanding of employees on the importance of the system and its impact on employee effectiveness. Descriptive statistics such as: arithmetic mean and standard deviation and tables are included. To infer the variability explained in effectiveness of performance management system result of general understanding of employees on the system is evaluated using regression analysis.

3.4.1 Correlations

Correlations analysis among the four components of general understanding of the system and employee effectiveness of the system is used to test the relationship between the predictors and the criterion variables. Pearson correlation is an important tool to examine the association or the relationship between the predictor and criterion variable for normally distributed graphs.

3.4.2 Regression Analysis

To evaluate the effects of each dimension of general understanding of employees on the importance of the system, and employee effectiveness the researcher used multiple

regression analysis. This tool is used to evaluate each Independent variable in terms of employee effectiveness. The Independent variables (four dimensions of general understanding of employees) are analyzed to predict the individual contribution of predictors and the summated effects of general understanding of the system over employee effectiveness.

4. Results

Research question one

- a) How do components of general understanding on Performance Management System correlate with employee effectiveness and what is the extent of their impact on effectiveness?

Correlations for factors affecting effectiveness of performance management systems

Pearson product-moment correlation coefficient used to investigate the relationships between factors affecting general understanding of the Performance Management System, and effectiveness of the system. The outcome of Pearson correlation coefficient found statistically significant correlations between each dimensions of general understanding of the system. Individual Development ($r = .567$, $n=101$, $p<.001$), Personal Relations Development ($r=.597$, $n=101$, $p<.001$), Self Expectations and Motivation ($r=.508$, $n=101$, $p<.001$), Career Development ($r=.575$, $n=101$, $p<.001$). All factors of general understanding have strong correlation with effectiveness of the system including the summated predictor variable (see table 3). Thus, it can be concluded that all the factors are equally effecting the general understanding of the system.

Individual development correlate with general understanding with $r^2=32.14\%$ explained the specific variance in the dependent variables. Personal Relationships Development has got $r^2=35.64\%$ variance in the criterion variable. Self expectations and Motivation accounted for a variance of $r^2=25.8\%$ in the general understanding variable. This factor contributed least in the general understanding variable. Career development accounts for $r^2=33.06\%$ in the variable. The summated r^2 value is more than the individual factors which accounts for 39.81% of the variance in the effectiveness of the system

Table 3. Correlations between components of factors affecting general understanding of performance management system and employee effectiveness

		Employee Effectiveness
Individual development	Pearson Correlation	.567**
	Sig. (2-tailed)	.000
	n	101
Personal relationships development	Pearson Correlation	.597**
	Sig. (2-tailed)	.000
	n	101
Self expectations and motivation	Pearson Correlation	.508**
	Sig. (2-tailed)	.000
	n	101
Career development	Pearson Correlation	.575**
	Sig. (2-tailed)	.000
	n	101
General understanding on performance management	Pearson correlation	.631**
	Sig.(2-tailed)	.000
	n	101

**correlations significant at the 0.01 level (2-tailed)

Regression result for factors affecting Employee effectiveness

The effects of general understanding include all its components and their summation. It is vital to address the individual component's effect on the criterion variables. Bass and Riggio, (2006) noted that even though we make a general statements it is important to understand how much the individual elements contribute to explain the dependent variable.

The output of the regression model summary describes whether the model is successful in predicting the general understanding of the system. Entre method is used to identify statistically determinant variables in predicting the dependent variable. R^2 is found to be .406. this value indicates that general understanding of the system contribute 40.6% of the variation in the understanding of the system (see table 4).

Table 4

Regression result for factors affecting effectiveness of Performance Management System

n =101

Mode	Unstandardized Coefficients		Standardized Coefficients		
	B	Std Error	Beta	t	Sig.
(Constant)	.708	.280		2.525	.013
Personal relations Development	.300	.126	.294	2.385	.018
Career Development	.123	.136	.115	.905	.367
Self Expectations and Motivation	.033	.116	.030	.283	.778
Individual Development	.247	.096	.261	2.569	.011

a. Dependent variable: Employee Effectiveness

Adjusted R² = .406, p < .01

The output of the regression found positive and statistically significant at different levels. Personal Relationship Development (t=2.385, p=.018), Career Development (t=.905, p=.367), self expectations and motivation (t=.283, p=.778), Individual Development (t=2.569, p=.011). of the above four factors, only two of them only two of them ie, Personal Relations Development and Individual Development were found to be significant in influencing the general understanding of the system.

- b) What are the difference perceptions of employees belonging to performers and non performers' category in the organization?

Difference in perceptions between Performers, and non performers on general beliefs of Performance Management System

Data in the Table 5 shows the perceptions of respondents in which M1,S1 represents mean and standard deviation of non performers and M2,S2 represents mean and standard deviation of performers. According to the data there is not much difference between the two categories except for self expectations and motivation where the mean for non performers is slightly less when compared to performers.

Table 5
Mean and standard deviation of all variables

	Variable	M1	SD1	n =101	
				M2	SD2
1	Personal Relations Development	2.22	.917	2.38	.976
2	Career development	3.41	.977	3.98	.725
3	Self expectations and Motivation	2.96	1.21	3.47	1.17
4	Individual Development	3.40	1.13	3.53	1.17

M₁, S₁ = Mean & Standard deviation for non performers
M₂, S₂ = Mean & Standard deviation for performers

The data thus, leads to the conclusion that the performers have a positive opinion as against the non performers in General understanding of performance management Systems in the organization. This can be on account of a feeling of betterments for which they have been looking for. However, the non performers do not attach such importance as much as the performers do.

5. Discussion

Perceptions on general understanding of Performance Management System

One area of high importance is the organizational working conditions prevailing in the organization. The Perceptions on general understanding of Performance Management System or the general beliefs on the system have an influence on the perceptions of employees and impact their effectiveness. This is studied based on the following parameters 1) Individual development majority of employees agreed that PMS contributes to individual development, on the opinion on whether PMS would be used as a controlling device almost fifty percent agreed to the it and fifty percent of them disagreed with it, over the opinion whether PMS would help in 2) career development fifty percent of them agreed and fifty percent of them disagreed with this, more than fifty percent of them agreed and fifty percent of them disagreed with it, majority of the employees agreed that PMS helps in development of 3) relationships of the team and sprit among employees, majority of the employees agreed that PMS would help in 4) motivating the employees, majority of the employees agreed stating that the outcome of PMS would be used only by the HR department, a majority of the employees agreed that PMS would help in improving relationships, majority of the

employees agreed that PMS makes them work harder, and majority of the employees also agreed that PMS helps in deciding the pay of the employees.

It was observed that there was still gap in the understanding of the importance of performance management systems and its uses. Therefore, organization should concentrate on making the employees understand the importance of PMS and its benefits.

Perceptions of performers on Performance management system

Performers have a positive opinion as against the non Performers in general beliefs of Performance Management System in the organization. This can be on account of a feeling of betterments for which they have been looking for. However, non Performers do not attach such importance as much as the Performers do.

6. Conclusion, limitations and Implication for future research

In conclusion, this study found consistent result with the prior work of research indicating high correlations between components of general understanding of the system with effectiveness of the system. This is evident from the study conducted on performers' and non performers. Clearly it can be seen that employees having a positive impression are also performing well. It can be clearly seen that opportunities for individual development and opportunities for personal relationship development have significant contribution to achieve effectiveness of PMS system.

The summated r^2 value is more than the individual factors which accounts for 39.81% of the variance in the effectiveness of the system.

The following limitations are drawn from the study.

This study is limited to only IT industry.

The study only concentrated on general understanding of the system and effectiveness. Use of only one type of instrument also is one of the limitations. As a result further in-depth study should be conducted so as to increase knowledge in Indian context.

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