

EFFECTIVENESS OF 360 DEGREE APPRAISAL ON THE GROWTH OF EMPLOYEES

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ABSTRACT

Performance appraisal is an objective evaluation of the work effectiveness of the people employed in an organisation. There are traditional methods and modern methods available to appraise the work of a person. 360 degree appraisal is one of the widely used modern method of performance appraisal. In 360 degree appraisal the feedback would come from all sources such as from subordinates, peers, managers, customers, suppliers and other interested stakeholders. Review of literature helped me to know about the 360 degree appraisal in depth. The result from the analysis of data collected reveals that it has a positive impact on employee's performance since the employees get awareness about how they are perceived by others and also facilitates for continuous improvement.

Keywords: Performance appraisal, 360 degree appraisal, Stakeholders.

INTRODUCTION

One of the mostly accepted modern methods of performance appraisal is 360 degree appraisal. The organisation is the combination of different stakeholders like employees, employer suppliers, customers etc. They are all equally important for the organisation. Among the stakeholders, employees are the centre point who connects all others to the organisation. So while the appraisal of employees all the stakeholders in the organisation can contribute some since they all are in touch with employees. 360 degree appraisal means collecting feedback about the employees from various interested groups in the organisation. This will help the organisation to have a complete awareness about the employees.

REVIEW OF LITERATURE

General Perception on 360 Degree Performance Appraisal

360 degree performance appraisal includes input from many individuals at different levels in a company who interact with the employees and sometimes from the external customers also. Its main objective is to assess the training and the development needs of the employees and to provide competence-related information for succession planning, promotion or pay increase. Following are the review of research articles pertaining to

general perception.

Edwards, M.R and Ewen A. J (1996) found that appraisal using multiple sources, namely superiors, peers and subordinates has a positive impact on employees compared to information from single source namely immediate supervisor. The employees consider that the multi-source feedback is accurate and it motivates them to change their work attitude to get respect from their supervisors.

Rivera. R (1996) the purpose of the research is to evaluate the existing performance appraisal system practised at the fire service department and to determine the effectiveness of the system. The author found that multi source evaluations are much better than single source evaluations of the employees.

Maxine A. Dalton (1997) insisted in his study that Multisource feedback system is a scientific tool and must not be used as a blunt instrument in any organisation and the data collected for such purpose should be of high quality so that the results of assessment are accepted by the employees.

David A. Waldman (1997) though his study generalised the idea of the respondents preference for 360 degree performance appraisal and management of group level performance. The author found that there is a significant level of variance at the group level performance management.

Linda de Leon and Ann J.Ewen, (1997) in their study said that Performance appraisal is decisive requirement for an effective human resources management in any organisation. The study Multi-source assessment including ratings from peers, supervisor and the employee is far better while comparing the results before and after implementation of Multi-source assessment. The employees also perceived that multisource appraisal is fair and effective.

Thomas R.Parker (1998) examined the effectiveness of 360 degree performance appraisal among fire fighter engineers and officers. The author concluded that 360 degree performance appraisal, the modern method of appraisal certainly helps for the overall development of the organisation and individual employees.

Sita C. Amba-Rao et.al (2000) conducted a study to analyse the performance appraisal practice and management values in domestic and foreign firms in India using ANOVA, mean and multiple comparison test with a sample size of 116 questionnaires. The author assessed the managements practice in relation to human resource management, leadership and

management values.

Terry Beehr et.al (2001) examined the relationship between the performance and selection predictors of relationships. The authors found that the 360 ratings by peers and managers were related to performance appraisal and noted that the manager and peer ratings were positive with selection test and the correlations of 360 degree self-ratings with selection test was negative.

Judy P Strauss (et.al) (2001) analysed the similarity of personal assessment with that of peers and supervisors ratings. The study indicated that there is a minimum support for the relational personality-performance creating relationship and there is a complicated interaction between interpersonal similarity and the performance ratings Patrick C.

Stubblebine (2001) analysed the difference between individuals perceptions about peer evaluation Vs. supervisor evaluation on six different dimensions of performance appraisal viz. acceptance, accuracy, trust, quality of evaluation, opportunity to observe performance and friendship bias and found that quality, trust and friendship bias are the 19 predictors of peer evaluation and supervisor evaluation was predicted by accuracy, opportunity to observe and trust.

Bracken.D et al., (2001) analysed the effectiveness of 360 degree performance appraisal system and found that 360 degree feedback enhances changes in organisational culture, a tool for changing behavioural attitude of employee, increase the skills of the employees and ultimately leads to career development and reward decisions.

Peiperl, A. M (2001) examined the usefulness of 360 degree feedback system in organisations and found that feedback is mostly aimed at determining reward for individual performance.

Todd J. Maurer et al., (2002) examined the influencing factors of 360 degree feedback system and their degree of inducement in on the job and off the job development activity of the employees after appraisal. The author also assessed the effect of feedback rating of multisource on the individual characteristics and perceived characteristics of the employees and their involvement in development activities. The author witnessed a positive relationship between feedback ratings and employees attitude.

STATEMENT OF THE PROBLEM

Performance appraisal is needed in every organisation in order to evaluate the performance of employee. It helps an organisation to determine whether an employee is eligible for promotion or what is the salary hike he actually deserves. Since the traditional methods of performance appraisal have so many shortfalls, organisations are following modern methods to evaluate their employees' performance. Among the modern methods 360 degree appraisal is one of the mostly accepted and adopted methods. So the study of effectiveness of 360 degree appraisal on the growth of employees is relevant in this scenario.

OBJECTIVES

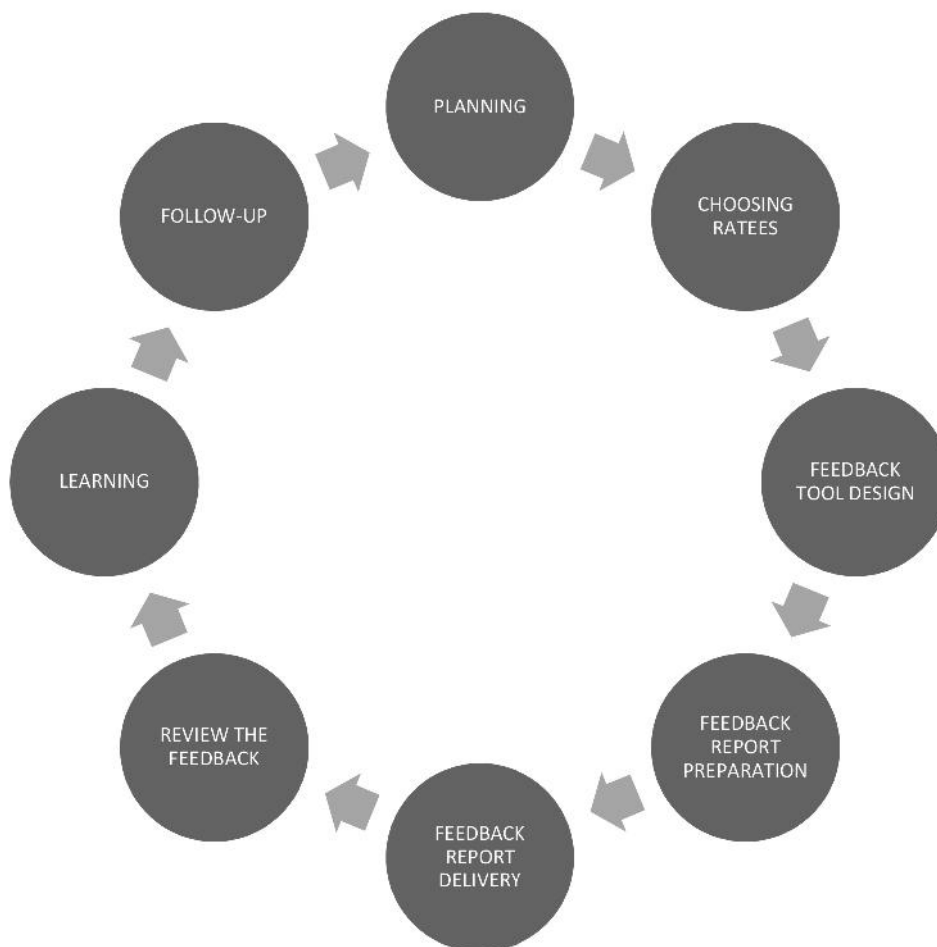
- To know about the applicability of 360 degree appraisal among employees
- To know about the perception of employees about 360 degree appraisal
- To know how employees and organisation benefited from 360 degree appraisal

PROCESS OF 360 DEGREE APPRAISAL

Organisation can conduct a feedback survey to collect information about their employees' performance. Organisation can collect feedback about employees from manager, superior, colleagues, vendors, customers etc. This kind of 360 degree appraisal is carried on through different process. Those are as follows;

- 1) Planning is the first step which is to be done before anything else. Organisation have to decide why, when, whom and how the appraisal will carry on.
- 2) After planning, organisation has to communicate about the appraisal to various stakeholders. It has to communicate the process of 360 degree appraisal and how data will be collected and utilized.
- 3) After that, organisation has to select enough number of raters from various categories like senior manager, supervisors, colleagues, customers etc. so as to reach at accurate and reliable conclusion.
- 4) Then a questionnaire has to be prepared by the organisation so as to collect details about the employees.

- 5) The questionnaire must distribute to various raters with instructions on how to fill the same.
- 6) After completing questionnaire by various raters, the organisation start to analyse the data collected through it.
- 7) After the analysis it will produce a feedback report on employees' performance from various points of view. It will reveal the strength and weakness of employees.
- 8) The report will directly send to the employees. The feedback collected from 360 degree appraisal will become the basis for the improvement of employees by using training, coaching, workshop etc.
- 9) This process must happen in each year as a cycle so that we can understand whether the employee has any improvement compared to last year's performance.



SIGNIFICANCE OF 360 DEGREE APPRAISAL

360 degree appraisal means collecting feedback about an employee from various stakeholders of the company. Since the feedback is collected from different interested groups it becomes difficult to ignore. This method has an advantage of measuring the performance employees from different angle so that a 360 degree improvement for the employee is possible. This helps the organisation to get a perfect and honest working from the part employees. That is beneficial for the organisation.

HOW 360 DEGREE APPRAISAL BECOME USEFUL FOR THE ORGANISATION AND EMPLOYEES

ORGANISATION	<ul style="list-style-type: none">• Company can identify the training gap• It helps to take decision regarding employees promotion, salary increment etc.• Performance of employees will improve thereby the performance of the organisation will also improve.
EMPLOYEES	<ul style="list-style-type: none">• Self–awareness of employees will increase.• They can understand about how they are perceived by others.• It encourages the personal development of employees.• It improves the performance of employees.

CONCLUSION

360 degree appraisal of an employee can be done by conducting a feedback survey. Feedback can be collected by the organisation from manager, superior officer, colleagues, vendor, customer etc. This feedback survey helps the organisation to collect information about the employee's performance on his job. 360 degree appraisal helps the employees to improve their performance because they get clear idea about how they are perceived by others. They can identify the area where improvement needed in their performance. Organisation can identify the strength and weakness of their employees from the view point of different stakeholders. On the basis of that organisation can decide whether or not to promote their employees. Performance of the employees can be improved in 360 degree since they are aware about their performance is appraised by different stakeholders. So there is chance for continuous improvement. Employees' performance will improve so that the profit of organisation also improves with its perfect functioning.

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