360 Degrees Performance Appraisal

Mrs. Neeshu
Lecturer Government College, Gurgaon (HR)

ABSTRACT:
360 Degree Performance Appraisal is an Industrial Psychology in Human Resource Management. It is also known as multi-rater feedback, multi-source feedback, or multi-source assessment, is feedback that comes from members of an employee's immediate work circle. Most often, 360-degree feedback will include direct feedback from an employee's subordinates, peers (colleagues), and supervisor(s), as well as a self-evaluation. It can also include, in some cases, feedback from external sources, such as customers and suppliers or other interested stakeholders. It may be contrasted with "upward feedback," where managers are given feedback only by their direct reports, or a "traditional performance appraisal," where the employees are most often reviewed only by their managers. The results from a 360-degree evaluation are often used by the person receiving the feedback to plan and map specific paths in their development. Results are also used by some organizations in making administrative decisions related to pay and promotions. When this is the case, the 360 assessment is for evaluation purposes, and is sometimes called a "360-degree review." However, there is a great deal of debate as to whether 360-degree feedback should be used exclusively for development purposes,[1] or should be used for appraisal purposes as well.

INTRODUCTION:
Any Member associated with Industry, organization or a Company is having a solo objective of ‘Making More & More Money. Each Organization is surviving to attain the Profits, growth and to become the leader. Similar to the objectives of Organization, a Person working in the Organization is also having the objective of Making More & More Money. To receive more money from the organization, person has to be appraised through his/her performance during a period of time. In normal practice the Appraisal is driven by the superiors / seniors as they are the best judge of their performance. However apart from seniors, the feedback from other sources like Peers, Subordinates, Suppliers and even Customers are also as important.

PERFORMANCE:
What does the term performance actually mean? Employees are performing well when they are productive. Productivity implies both concern for effectiveness and efficiency, effectiveness refers to goal accomplishment. However it does not speak of the costs incurred in reaching the goal. That is where efficiency comes in. Efficiency evaluates the ratio of inputs consumed to outputs achieved. The greater the output for a given input, the greater is the efficiency. It is not desirable to have objective measures of productivity such as hard data on effectiveness, number of units produced, or percent of crimes solved etc. and hard data on efficiency (average cost per unit or ratio of sales volume to number of calls made etc.). In addition to productivity as
measured in terms of effectiveness and efficiency, performance also includes personnel data such as measures of accidents, turnover, absences, and tardiness. That is a good employee is one who not only performs well in terms of productivity but also minimizes problems for the Organisation by being to work on time, by not missing days, and by minimizing the number of work-related accidents.

APPRAISAL:
Appraisals are judgments of the characteristics, traits and performance of others. On the basis of these judgments we assess the worth or value of others and identify what is good or bad. In industry performance appraisal is a systematic evaluation of employees by supervisors. Employees also wish to know their position in the organization. Appraisals are essential for making many administrative decisions: selection, training, promotion, transfer, wage and salary administration etc. Besides they aid in personnel research.

PERFORMANCE APPRAISAL:
Performance Appraisal thus is a systematic and objective way of judging the relative worth of ability of an employee in performing his task. Performance appraisal helps to identify those who are performing their assigned tasks well and those who are not and the reasons for such performance.

Definitions:
Performance appraisal has been defined by different scholars in various ways. Some of the important definitions are as follows:

**Dale S. Beach**, "Performance appraisal is systematic evaluation of the individual with respect to his or her performance on the job and his or her potential for development".

**Randall S. Schuler**, "Performance appraisal is a formal, structured system of measuring and evaluating an employee’s job, related behavior and outcomes to discover how and why the employee is presently perfuming on the job and how the employee can perform more effectively in the future so that the employee, Organisation, and society all benefit."

**Heyel**, "It is the process of evaluating the performance and qualifications of the employees in terms of the requirements of the job for which he is employed, for purposes of administration including placement, selection for promotions, providing financial rewards and other actions which require differential treatment among the members of a group as distinguished from actions affecting all members equally."

**Dale Yoder**, "Performance appraisal includes all formal procedures used to evaluated personalities and contributions and potentials of group members in a working Organisation. It is a continuous process to secure information necessary for making correct and objective decisions on employees."

**360 Degrees Performance Appraisal**
The 360 evaluation feedback method was first used in the 1940s. Analogous to the multiple points on a compass, the 360 method provides each employee the opportunity to receive performance feedback from his or her supervisor, peers, staff members, co-workers and customers. 360-degree feedback or multi-source feedback is an appraisal or performance assessment tool that incorporates feedback from all who observe and are affected by the performance of a candidate.

**CATEGORY OF EMPLOYEES**

Usually, this tool is used for employees at middle and senior level. The complexity of their roles enables the Organization to generate sufficient data from all stakeholders for a meaningful assessment.

**ORGANISATIONS USING THIS TO ASSESS EMPLOYEE PERFORMANCE:**

Most organizations that focus on employee development use the 360-degree tool to assess performance and potential of staff and enable the employees to map their career path based on the feedback. Organizations take 360-degree feedback about an employee before taking a major decision about the professional's career.

The results from 360-degree feedback are often used by the person receiving the feedback to plan training and development. Results are also used by some organizations in making administrative decisions, such as pay or promotion. When this is the case, the 360 assessment is for evaluation purposes, and is sometimes called a "360-degree review."

360 degree feedback is the most comprehensive appraisal where the feedback about the employees’ performance comes from all the sources that come in contact with the employee on his job. This method is being used in the (MARUTHI SUZUKI Motors and HCL)

**STAKEHOLDERS IN DOING 360-DEGREE ASSESSMENT:**

360 degree respondents for an employee can be his/her peers, managers (i.e. superior), subordinates, team members, customers, suppliers/ vendors - anyone who comes into contact with the employee and can provide valuable insights and information or feedback regarding the “on-the-job” performance of the employee.360 degree appraisal has four integral components:

- Self-appraisal
- Superior’s appraisal
- Subordinate’s appraisal
- Peer appraisal.

Self-appraisal gives a chance to the employee to look at his/her strengths and weaknesses, his achievements, and judge his own performance. Superior’s appraisal forms the traditional part of the 360 degree appraisal where the employees’ responsibilities and actual performance is rated by the superior.

Subordinates appraisal gives a chance to judge the employee on the parameters like communication and motivating abilities, superior’s ability to delegate the work, leadership
qualities etc. Also known as internal customers, the correct feedback given by peers can help to find employees’ abilities to work in a team, co-operation and sensitivity towards others. Self-assessment is an indispensable part of 360 degree appraisals and therefore 360 degree Performance appraisal have high employee involvement and also have the strongest impact on behavior and performance. It provides a "360-degree review" of the employees’ performance and is considered to be one of the most credible performance appraisal methods. 360 degree appraisal is also a powerful developmental tool because when conducted at regular intervals (say yearly) it helps to keep a track of the changes others’ perceptions about the employees. A 360 degree appraisal is generally found more suitable for the managers as it helps to assess their leadership and managing styles. This technique is being effectively used across the globe for performance appraisals. Some of the organizations following it are Wipro, Infosys, and Reliance Industries etc.

Advantages of 360 degree appraisal:

- Offer a more comprehensive view towards the performance of employees.
- Improve credibility of performance appraisal.
- Such colleague’s feedback will help strengthen self-development.
- It increases responsibilities of employees to their customers.
- The mix of ideas can give a more accurate assessment.
- Opinions gathered from lots of staff are sure to be more persuasive.
- Not only manager should make assessments on its staff performance but other colleagues should do, too.
- People who undervalue themselves are often motivated by feedback from others.
- If more staff takes part in the process of performance appraisal, the organizational culture of the company will become more honest.

Disadvantages of 360 degree appraisal:

- Taking a lot of time, and being complex in administration
- Extension of exchange feedback can cause troubles and tensions to several staff.
- There is requirement for training and important effort in order to achieve efficient working.
- It will be very hard to figure out the results.
- Feedback can be useless if it is not carefully and smoothly dealt.
- Can impose an environment of suspicion if the information is not openly and honestly managed.

Ingredients of 360 degree performance appraisal

- Subordinates.
- Peers.
- Managers (i.e. superior).
- Team members.
• Customers.
• Suppliers/ vendors.
• Anyone who comes into contact with the employee and can provide valuable insights and information.

FACTS
Google, world's giant software corporation emphasizes a 360-degree appraisal where employees are assessed by peers, bosses and subordinates.

Using 360 feedbacks to your advantage:

Few modern management practices show as much promise and as few results as 360 feedback. Companies often look to 360s to improve a leader's behaviors, provide insight during leadership development courses and help build more effective teams.

They believe that 360 degree feedback will either change their managers' behaviors or at least increase those managers' motivation to change.

Unfortunately, those expectations are unrealistic and not supported by science. In fact, given what the academic research on feedback tells us, we should be surprised that today's 360 processes work at all! Let's start by addressing some erroneous assumptions we have about feedback:

Feedback does not directly lead to change: Many organizations believe handing a manager a 360 report will cause them to improve their behaviors with no additional action required. Research says when feedback is focused on our behaviors, rather than our skills, our willingness to change drops dramatically.

Gaps between self-perceptions and others' perceptions do not motivate change: It's a commonly held belief that if we see a gap between how we perceive ourselves and how others perceive us we will be motivated to close that gap.

In reality, research is clear that when we are confronted with that perception gap we diligently try to excuse it or explain it away. We aren't resisting feedback - we're experiencing "cognitive dissonance." Our minds work very hard to ensure that our carefully developed, largely positive self-image is preserved.

More information does not create better results: Typical 360 reports have 50+ pages filled with charts, graphs, norms, icons and comments. It's nearly impossible for a manager to tell (without hours of help from a coach or HR leader) which items are most important to focus on and how to improve those behaviors.

A feedback experience that leaves us confused or angry creates a huge barrier to taking action.
MAKE IT EASY TO USE Making 360s work means making it as easy as possible for the manager to take action on the results. Here are three steps that will help guarantee that managers will follow the advice in the 360: Don't rate - guide: The typical 360 rates managers as being good or bad at various behaviors. This doesn't help anyone change. Instead, use a scale that tells a manager to "Do More" or "Do Less" on that particular behavior.

Focus only on the top three behaviors: Busy managers don't have time to search through confusing 360 reports to identify their priorities for change. The first page of their 360 report should list the vital few actions for them to improve.

Tell the manager exactly how to change: A well-designed 360 report should include specific "start, stop or continue" suggestions from their raters that describe exactly how the manager should change those vital few behaviors.

Don't include norms or self-ratings: We do not like to be compared to other people, especially when the comparison isn't favorable. Self-ratings and external norms only increase our resistance to change if we score below our expectations but don't motivate us further if we score above our expectations.

DRIVE ACCOUNTABILITY The "old school" of human resource management used to insist that 360s were purely for development and that they should never be used to evaluate managers or help make organizational decisions. If we believe that how managers behave is important, then ignoring the best data we have about a manager's behaviors seems ridiculous. Properly gathered 360 data should be considered as one of many data points when making decisions about new roles, promotions or development.

When managers know their behaviors have consequences, they'll be much more likely to take action to change them. Getting 360 feedbacks doesn't have to be painful or unhelpful. By focusing on the core science and presenting information in a practical and easy-to-understand way, 360s can help managers to make important behavior changes quickly and easily.

History:

The German Military first began gathering feedback from multiple sources in order to evaluate performance during World War II (Fleenor & Prince, 1997). Also during this time period, others explored the use of multi-rater feedback via the concept of T-groups.

One of the earliest recorded uses of surveys to gather information about employees occurred in the 1950s at Esso Research and Engineering Company (Bracken, Dalton, Jako, McCauley, & Pollman, 1997). From there, the idea of 360-degree feedback gained momentum, and by the 1990s most human resources and organization development professionals understood the concept. The problem was that collecting and collating the feedback demanded a paper-based effort including either complex manual calculations or lengthy delays. The first led to despair on
the part of practitioners; the second to a gradual erosion of commitment by recipients.

Multi-rater feedback use steadily increased in popularity, due largely to the use of the Internet in conducting web-based surveys (Atkins & Wood, 2002). Today, studies suggest that over one-third of U.S. companies use some type of multi-source feedback (Bracken, Timmereck, & Church, 2001a). Others claim that this estimate is closer to 90% of all Fortune 500 firms (Edwards & Ewen, 1996). In recent years, Internet-based services have become the norm, with a growing menu of useful features (e.g., multi languages, comparative reporting, and aggregate reporting) (Bracken, Summers, & Fleenor, 1998).

Conclusion:
After writing this paper and after going through the available research & literature, I can conclude that The 360 Degree Feedback can be used as an addition to the conventional system of appraisal. It is not feasible to use it as a standalone system of appraisal because of its shortcomings. It is only a part in the development process and not the whole development process. It was also found that the system is not being used properly as its importance is not clearly understood by the companies but if it gets into the mind of people properly and if it is handled properly then it can actually lead to the improvement of organizations as well as individuals performance and it can reshape the internal & external communication. Active participation of all the sources can make a lot of difference. Like any other innovation, 360 degree feedback is also as good as the people who are operating it. Success of any new thing depends on the acceptance by the people who are going to use it. Similarly, the success of 360 degrees feedback depends on the employees and management and on how they perceive it and it can be successful only if it is followed by a desirable action of providing development training. The system should also measure the leadership competency of the managers only then it will be useful in providing the mangers with the useful feedback. If the criteria for measuring performance are not set in accordance with the organization’s mission then it will prove to be a sheer wastage of time.

REFERENCES
http://www.whatishumanresource.com/360-degrees-performance-appraisal
USING 360-DEGREE FEEDBACK IN ORGANISATION co written by John W. Fleenor & Jeffery Michael Prince.