A Study on Comprehensive Method of Performance Appraisal – 720 Degree Feedback System

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Abstract
Performance appraisal is the process of obtaining, recording and analyzing information about an employee in order to evaluate their performance. Performance appraisal is very important because it plays a vital role in the human resource framework of an organization. Multiple outcomes are achieved by managing individual & team performance that aim towards the objectives of an organization.

Performance appraisal is an important tool in the hands of management because it accomplishes the main objective of the organization’s department that deals with development of people by appraising the worth of an individual. It is used in the organizations to measure the effectiveness and efficiency of their employees. Performance Appraisal system is required because employees have a different attitude to handle the work.

Performance Appraisal helps in improving the communication expectations, work performance, determining employee potential and aiding employee counseling. In today’s scenario, Multi-National companies in their performance appraisal seldom focuses on developing the employees skills based on the feedback of the previous appraisal. The main objective of research study is to analyze how effective the 720 Degree Performance Appraisal tool is for measuring the employee performance. This method helps to achieve the goals set for the employees. This method gives various inputs for succession planning process. “720 degree” feedback includes input from various sources such as leader’s family and friends, as well as business colleagues and direct reports. “The 720 degree approach gives people a very different view of themselves as leaders and individuals.

Key Words- 360 degree feedback, 720 Degree feedback, Performance appraisal, Improvement, Training and Development

INTRODUCTION

With the evolution of organizations and new techniques, the work has become complicated and it has become necessary to have a complex and integrated appraisal system. The 720-degree performance appraisal is needed for the improvement in performance of the people in their jobs and to ensure that the expectations of the employer, employee and the customers are met. It is a competent tool to refine and reward the performance of the employees. It helps to analyze employee achievements and assess his contribution towards the achievement of overall organizational objectives. 720 degree appraisal method aims at monitoring, mapping, giving feedback and encouraging the employees to achieve the goals of the Organization. 720-degree performance appraisal method is more development focused than performance alone, and supports training and development functions in a better way.

The organizations today, aim at achieving higher rate of employee satisfaction and clarity in the working environment. In order to achieve the goals, 720 degree performance appraisal would be an essential tool as it is used to appraise the performance of employees from different dimensions and helps to overcome the barriers of prejudice, bias and discrimination. It is an integrated method of
performance appraisal where, the performance of an employee is assessed from 360 degrees (Management, Colleagues, Self and also customers) and timely feedback is provided and performance is evaluated again based on the targets that are set.

The 720 degree is a performance Appraisal system in which 360 degree is implemented twice. Some managers feel that doing “one” comprehensive 360 degree is not complete in itself. There is a need of an effective procedure to measure improvements and receive feedback. This leads to the emergence of pre and a post intervention results. The pre-intervention results set the baseline. The development program is then framed in order to improve the participants’ behavior through training /development/ education. The post intervention appraisal then shows the scope of improvement in the participant.

In the degree feedback system of performance appraisal, the participation of people as performance raters differs in the following sequence:

In traditional 360 degree appraisal, raters include:
- Supervisor
- Peers – immediate & functional colleagues
- Direct reportees
- Colleagues and internal customers

Then, the 540 degree appraisal adds external customers and suppliers. In the 720 degree feedback the data is also collected from stakeholders & family.

Various traditional and modern techniques listed for performance appraisal:

- Ranking method, Critical incident method, Graphic rating scale, Narrative essays, Management by objective, Behaviorally anchored rating scale, Human resource accounting, Assessment centers, 360 degree feedback and 720 degree feedback

Ongoing improvement of appraisal systems

In human resources, 360-degree feedback, also known as ‘multi-rater feedback’, ‘multi-source feedback’, or ‘multi-source assessment focuses on improvement of appraisal and taking appropriate feedback from raters. 720 Feedback provides a comparability of a participant's results over a period of time, often 12-18 months. This comparison informs participants of their developmental progress and gives them an opportunity to update and change their individual development plan.

The term 360 degree represents a full circle of feedback from all angles. Other names are multi-source, multi-rater, full-circle, group performance review, 180 degrees and, finally, the 720 degrees. Some organizations apply 720-degree approach which provides for two rounds of feedback (a pre- and post-test) or a feedback circle which is done again after nine to twelve months. The performance appraisal can be on an individual basis, a multi-rater process—either from an online assessment or through the structured interview process. Performance appraisals are done by companies to help to review the performance of the employees, their strengths, weaknesses and accomplishments during the year. Performance appraisal allows deciding the goals, objectives and the aspired performance standards for the employee for the upcoming year. There is no comprehensive formula for doing so. The overall rating is based upon a number of factors like the extent of goals achieved, the overall performance of the employee, his competencies etc.

Instead of getting 360 Degree Feedback from people who work with the employee (colleague), the 720 Degree concept is about collecting feedback from people within and outside organization i.e friends, family, spouses, and children. In addition, timely re-assessment of one's skills is widely regarded as an industry 'best practice', common among high-performing leaders. Comparing results over time is only effective if the instrumentation is psychometrically sound and accurate.

A sound 360 degree survey has the following attributes:
1. Expert authorship, with factor analyzed competencies, thus, ensuring measurement acuity.
2. Role-specific dimensions and questions.
3. Concurrent validity through third party research.
4. Research indicating which competencies drive success in each role.
5. A reliable and valid theory of leadership development called the **Task Cycle**
6. Support material and resources, such as feedback workshops, online development tools, and coaching to help maximize ROI.

720 degree assessment is a new concept which is a modification to the above. It is multi-period assessment.

**CONCEPT OF PERFORMANCE APPRAISAL**

“**Evaluate what you want – because what gets measured gets produced**” – James A. Belasco

Performance appraisal is an approach that started in the early 20th Century. It is the process of obtaining, recording information and analyzing about an employee to evaluate and improve their performance. Performance appraisal is evaluated in terms of quantity, quality, time and cost and also analyses the value that the employee adds to the goals of the organization. There are various methods of performance appraisal based on the type of organization, size of the organization and also the duration of when it is used. 720 degree performance appraisal is one of the most recently emerged concepts. As the name suggests, 720 degree performance appraisal is the assessment of the performance of an employee from all the aspects associated with giving timely feedback to ensure that the person is able to achieve the set goals before the next appraisal.

**REVIEW OF RELATED LITERATURE**

Velsor. V & Brittain (1991) Because of the publication of various multi-rater feedback instruments, a checklist has been created to attitude managers as they select the instrument to be used. Recommendations include the following; surveying what is available, comparing the purpose of the instrument with the characteristics of the instrument, technical considerations such as the consistency of the scores and the face validity, and the presentation of rater responses and the feedback display. The multi-rater process might be linked to the competencies expected of the employees needed to meet the organization's goals. Implementation of the 360° Feedback system involves educating those who will be involved with it and die determination of the feedback strategy.

Bernardin H.J., Redmon. D., et al., (1993) Attitudes of first-line supervisors towards the subordinate appraisals. This article discusses about a study of three different groups of supervisors in a large federal agency on the subordinate feedback expression of performance appraisal. The participants were first-line supervisors in the organization who were interested in finding alternatives to traditional appraisals. Questionnaires were filled that would provide feedback to supervisors and evaluate their attitudes towards appraisal. Group 1 received feedback from both managers and subordinates. Group 2 received feedback only from their managers. Group 3 received feedback from subordinates only.


Waldman D., et al (1998) in an article discussed about the **Organization Ready for 360 Degree Feedback**. Article reveals that 360 degree feedback can promote the individual development and even improves the individual performance, if the feedback is properly linked to developmental planning, goal setting, and organizational support (Karl, p.1). The four conditions that maximize the value of the 360 degree feedback process are as follows:
- The intervention is business-driven
- The organization clearly needs the measured behaviors to support a corporate strategy or goal
- The survey instrument and administration process are reliable and valid Conditions for learning new skills exist (Karl, p. 1)
Recommendations from practitioners of 360 degree feedback:

- Associate the attempt to a strategic initiative or a business need. "For 360 degree feedback to be effective as a stimulus for change, people need to understand its extended purpose" (Lepsinger, 1997, p. 41).
- Get senior management employees to participate in and drive the effort. "If the feedback is seen as something the top management tells the middle to do to the bottom, it is less likely to have the calculated effect" (Lepsinger, 1997, p. 42).
- Articulate clear and frequent communication related to the initiative’s purpose and implications for each member of the organization. "The more people understand about why 360 degree feedback is being introduced in the organization and how the information will be used, the more likely they are to support the effort" (Lepsinger, 1997, p. 44).
- Confirm that people see the behaviors that will be measured as important and in relation to their jobs. "It is much easier to get people’s commitment...if they believe the behaviors that will be measured are directly related to the effective performance of their jobs" (Lepsinger, 1997, p. 44).
- Provide continuous support and follow-up. "People need clarity about what is expected of them after they receive the feedback, as well as ongoing support, if what they have learned is going to lead to action or change" (Lepsinger, 1997, p. 45).

Smith L.G (1998) The development and implementation of 360 Degree Feedback for administrators of a K-12 public school district in his dissertation submitted in Iowa State University revealed that a 360° Feedback system was developed and implemented by the administrators of the Waterloo (IA) School District. Surveys were designed, respondents were selected and surveyed, and the results were computed. The data were collated by the position of the participant and disaggregated by the positions of the respondents. Feedback conferences were held with every participating administrator. At the conclusion, the administrators also provided suggestions for improving the 360° Feedback system. Perceptual data was collected from every participant to determine their reactions to both the traditional supervisor-only feedback system and the multi-source feedback system. The data were studied as descriptive, as a paired-t test, and as a Wilcoxin Matched-Pairs Signed Ranks Test.

Bracken.D.W., Timmreck C.W., et al (2001). Declare in his article ‘360 Feedback from another angle’ a comprehensive model of factors that believe determine the “validity” (as defined by us) of a 360 feedback process. He contends that both proximal and distal factors can either bolster or adversely affect the validity of a 360 feedback process.

Binu.M., Dulababu.T, et al (2011) propose ‘The need of 720 degree performance appraisal in the new economy companies’. They described Performance appraisal is a concept that started in the early 20th Century. It is the process of obtaining, analyzing and recording information about an employee to evaluate and improve their performance. Performance appraisal is evaluated in terms of Quality, quantity, time and cost and also analyses the value that the employee adds to the goals of the organization. There are different methods of performance appraisal used based on the type of organization, size of the organization and also the period when it is used. 720 degree performance appraisal is one of the most recently introduced concepts. As the name suggests, 720 degree performance appraisal is the evaluation of the performance of an employee from all the aspects and giving timely feedback to ensure that the person is able to achieve the set goals before the next appraisal. The success of an organization depends on the performance of the employees and it is the human tendency to judge everything and everyone around them.

Thakur G.S.M., et al(2013) Performance appraisal system is used in the organizations to measure the effectiveness and efficiency of their employees. Performance Appraisal system is needed because every employee has a different attitude to handle the work. Performance Appraisal tends to improve the work performance, communication expectations, determining employee potential and aiding employee counseling. In this paper we present the review of some popular performance appraisal techniques along with their pros and cons. Ranking, Graphic Rating Scale, Critical Incident, Narrative Essays, Management By Objectives, Assessment Centers, BARS, 360 Degree and 720 Degree are some performance appraisal techniques.
Abernethy, M (2015) in his research paper ‘Self-reports and Observer Reports as Data Generation Methods: An Assessment of Issues of Both Methods.’ Concluded, both the self-report method and the observer report method are valid collection methods used by researchers however the self-report method is more common as a result of its effective use of resources. Each method is uniquely engineered to obtain a certain type and quality of information and thus lack the ability to acquire all types of data. Having a depth of understanding pertaining to the problems associated with either method as well as how to control for such problems researchers maintain the ability to make an informed decisions as to when to use one over the other. Furthermore, it should be seen that though the use of only one method can be a practical choice, the use of both self-report and observer reports should be used in tandem. I do believe my participation in ‘The Fire Starter Study’ has helped my come to understand these methods on a higher level then I previously did by leaning, in depth, the problems which need to be accounted for, how to control for those problems and the process of when and how to conduct either method.

RESEARCH METHODOLOGY
Taking into consideration the objectives of the study, the research design employed for the study is descriptive in nature. A viewpoint of few industry personnel was also taken into consideration through primary data collection, in order to have greater accuracy and in depth analysis of the research study. Available secondary data was extensively used for the study. Different news articles, Books and Web were used which were enumerated and recorded.

OBJECTIVES
- Need of 720 feedback system in the new generation of performance appraisal
- Diagnose the strength and weakness of 720 method of performance appraisal
- Suggestive model for 720 degree performance appraisal.
- To study the possible dimensions of 720 degree performance appraisal.

DISCUSSION
Need of 720 degree feedback system
The 720 degree feedback system is focused on overall development of the employee rather than performance alone, and provides training and development in a superior way. An important developmental tool as when conducted at regular intervals it helps to keep a track of the changes, others’ perceptions about the employees. Many organizations have started realizing that the skill base of their executives and managers does not match the perquisite of a rapidly changing environment. Without core competencies, executives and managers are less likely to be able to lead these organizations toward successful implementation of strategic changes.

The essentiality of 720-degree performance appraisal is the enhancement of the performance of the individuals in their jobs and to ensure that the expectations of the employer, employee and the customers are met. The main need of 720-degree performance appraisal can be summarized as follows:

a) 720-degree performance appraisal method is more development focused than performance alone, and supplements training and development functions in a better way.
b) Provide all the needed information about the performance ranks. It is helpful in taking decisions regarding salary fixation, confirmation, promotion, transfer and demotion.
c) Supplies appropriate feedback about the performance, set targets and make sure the performance based on the targets set.
d) Helps to check the effectiveness of employees’ procedures and practice i.e validation.
e) It is required to ensure that employees meet organizational standards and objectives.
f) To discover the work potential and to know the areas where training is required to guide the employees to perform their best.
g) To recognize the expectations of the employees and avoid grievances and in disciplinary activities.

h) Provide information to diagnose deficiency in the employee regarding skill, knowledge, determine training, and prescribe the means for employee growth and information for correcting placement.

i) Set targets, monitor the performance and provide timely feedback to ensure that the performance is improved.

j) These critical competencies are essential to assist the executives and managers to be able to lead these organizations toward successful implementation of strategic changes.

**THE STRENGTH AND WEAKNESS OF 720 FEEDBACK SYSTEM**

**Merits**
- Creates better work environment and co-operative teams.
- It helps in better analysis and improved feedback from different dimensions.
- Due to its capability of taking an all-round feedback, this system of performance appraisal is more transparent and quantifiable.
- Minimizes various appraisal barriers like prejudice, bias and discrimination

**Demerits**
- Appraiser consider this method to be a lengthy and time consuming method
- The cost involved in 720 degree performance appraisal method id relatively higher.
- A small percentage of appraisers feel that there might be quality problem as all the 7 dimensions of appraisal in 720 Degree performance appraisal method might not be accurate.

**SUGGESTIVE 720 DEGREE REVIEW MODEL**

Given below is the basic review model of 720 degree performance appraisal:

![720 Degree Review Model](image)

**DIMENSIONS OF 720 DEGREE PERFORMANCE APPRAISAL SYSTEM**

Organizations today aim to achieve greater employee satisfaction and transparency in the working environment. In this scenario 720 degree performance appraisal would be a vital tool as it is used to appraise the performance of an employee from different dimensions and helps to overcome the barriers.

**PRE APPRAISAL FEEDBACK:** This is the first and the foremost phase of 720 degree performance appraisal whereby performance is evaluated on the basis of set targets and an employee support system is created on the basis of feedback collected.
SELF APPRAISAL: The employee is provided with an opportunity to rate himself on the basis of his strengths and weaknesses. This makes him more conscious of his performance and he is then evaluated on certain desired criteria through a questionnaire.

PEER APPRAISAL: In order to have a better understanding of employee capability to work in a team, his ability to cooperate and coordinate within the given structure, a feedback is also collected from peer group.

END USER APPRAISAL: In order to keep pace with the competitive scenario, a feedback is also collected from the customer group of the organization. This makes the entire process even more transparent and quantifiable.

SUB-ORDINATES APPRAISAL: Various organizing skillset that are held by an individual such as motivating, communicating, delegating, leadership etc can only be analyzed by taking the feedback of the subordinates of the employee

MANAGERS/SUPERIORS APPRAISAL: In this, the performance, responsibilities and the attitude of the employee is evaluated by the Superiors or Managers. Managers who are in direct supervision to the employee are better able to judge the performance and on job behavioral characteristics of the employee.

POST APPRAISAL FEEDBACK: During the post appraisal stage, performance is appraised again in the second round of appraisal. This evaluation is done on the basis of targets that are set during the pre-appraisal feedback. This not only improves the overall performance of the employee but also enhance employee knowledge and motivation.

CONCLUSION

A well-structured performance appraisal system is a must for an organization in this competitive world. Setting up right standards has become very important so as to avoid any kind of informal standards that may bring negative impact on employee performance. The major setback in the previous methods of appraisal was that it did not guide the employee after the appraisal hence the 720 degree appraisal was introduced when the employees performance is measured, analyzed and targets are set in the first appraisal and after a short period his performance is measured again and proper feedback and guidance is given to ensure that the employee achieves the target. This system is very development oriented and leads to successful strategic decisions. Though the level of awareness about 720 degree performance appraisal tool is relatively low and would increase in the time to come, the appraisers are not satisfied with the current methods of appraisal and want to shift towards a better aspect. In such a scenario, 720 Degree performance appraisal is a best fit as it cannot be influenced by personal bias and is a method that suits the new economy companies as it gives feedback and follows up to ensure that the appraised reach the goal.

REFERENCES

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