



DEGREES OF PERFORMANCE APPRAISAL -

90, 180,270,360,540,720

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ABSTRACT

A systematic evaluation of the performance of employees is very essential to an organisation to identify their potential and to create a plan for their future growth and development by implementing additional training and imparting additional responsibilities. Performance appraisal helps an organisation to make reveal that what they expect from the employees and at the same time it helps to understand the expectations of employees from the organisation. So it is the responsibility of the management to take rational decisions regarding salary hike, promotion, job satisfaction, increasing morale of employees which in turns improve their performance thereby gaining competitive advantage to the firm.

KEYWORDS: Appraisee, appraiser, peer appraisal, self-appraisal, subordinate appraisal

INTRODUCTION

An organisation's main goal is to achieve their desired profit. If an organisation wants to achieve their desired profit, 5M is a necessary factor. Here plays the role of human resources of an organisation. The effectiveness and efficiency of HR boost an organisation to grab their intended goal. In modern business, HRM has an important role in determining the present and future of the organisation. It is the responsibility of any firm to keep their employees in a comfortable zone by giving a good working environment, extending both monitory and non-monitory benefits, formulating and implementing good HR policies, reviewing employee needs periodically, development of social welfare schemes and policies for improving labour management relations. Along with all these, it is the duty of the management to assess the performance of employees periodically and gives them a valuable feedback. So as part of the assessment they should analyse factors such as the behaviour of employees inside the



premises, whether the target given to them is fair and achievable, their expectations and individual goals, how they can perform more efficiently and effectively in future etc. For analysing all these, the organisation is conducting performance appraisal.

The development of a good appraisal system enhances the professional development of employees. So the companies adopted many methods to do the appraisal of employees. The development of performance appraisal methods such as 90, 180, 270, 360, 540 and 720 helps the management to get some critical information on employee performance, attitude etc.

90 DEGREE APPRAISAL METHOD

90 Degree Appraisal Method is considered as the basic form and the most common type of performance appraisal. It is a process of reviewing the performance of employees either by the appraisee himself (self-appraisal) or the appraisee's immediate superior person; mostly it will be the reporting manager. Superior is evaluating the appraisee by considering the appraisee's dedication, morale and motivation towards work, evaluating his talent, efficiency and responsibility in his work, the quantity and quality of output etc.

Self-Appraisal

It is a process of self-assessment in which appraisee is assessing his/her performance on the basis of their achievements or failures which helps them to make an evaluation of themselves. In this method there is not any other appraisal discussion. This method is not considering opinions of peers, subordinates or any other person in the firm who is having a close contact with the appraisee. The employee annual bonus and other incentives are based on the ratings and opinion of the appraiser.

Demerits of 90 degree appraisal method

1. 90 Degree Appraisal Method is not considered as a credible appraisal method. It's because this method is not including the employee's workplace behaviour with different group of employees.
2. Moreover if the employee is not having a good term with the appraiser (reporting manager), there will be a chance to get him a lower ratings thereby a chance of



skewing the results. So if organisations are practising this method regularly, it leads to frustration and lack of morale and motivation to the employees which leads to the dangerous factor ‘dissatisfaction’ and the outcome will be increasing employee turnover.

So it is not a recommended form of appraisal method which forced firms to search alternate appraisal methods which can overcome the demerits of 90 Degree Appraisal Method. This leads to the development of 180 degree appraisal method.

180 DEGREE APPRAISAL METHOD

180 Degree Appraisal Method is a process in which the employee is also getting an opportunity to appraise himself along with the manager or immediate supervisor. So it is a two dimensional appraisal processes. This process starts with self- evaluation, in which the appraise records his work experience inside the premises, shares his thoughts and feedback and gives an appropriate ranking to them in the appraisal form and submit it to the manager. Later the appraiser evaluation starts. Here the appraiser rates the appraise based on his skills, attitude, efficiency in doing work, as a team player etc. Then the appraiser conducts a review meeting with the appraisee to analyse the data collected and finalize the appraisal process.

Merits 180 degree appraisal method

1. In 180 degree appraisal method, the employees can also participate in the appraisal process which helps them to know the different key performance indicators considering in the appraisal process to evaluate their performance. Moreover this method helps them to get knowledge of the whole appraisal process thereby helps them to understand their roles, duties and responsibilities in the premises better.
2. 180 degree appraisal method is also beneficial to the managers which help them to know how employees perceive their supervisory ability. It also helps them to identify his strengths and weakness as a superior officer and how their subordinates recognise and appreciates their efforts.
3. 180 degree appraisal method is very simple to introduce and easy to administer.
4. In most of the firms, during review meeting both the appraiser and the appraisee sit together and discuss each and every point in the appraisal form, such as organisational



objectives, employee's target and analyse whether it is realistic and achievable. If this review meeting holds an open and honest discussion between these two people, it helps them to frame strategies to achieve their targets and to enhance their performance.

180 degree appraisal method is considered as more credible than 90 degree appraisal method. But this method can assess an individual's outcomes and results but it failed to assess the interpersonal interactions and skills of the individual which a teammate or peers can provide. This demerit forced firms to include peers also in the performance appraisal process which leads to the development of 270 degree appraisal method.

270 DEGREE PERFORMANCE APPRAISAL METHOD.

270 Degree Performance Appraisal Method is a three dimension process in which three groups of people are participating in the appraisal process. They are

1. Appraiser/Manager
2. Appraise
3. Peers or Colleagues

In this method, assessment of an individual is carried out by these three levels and feedback is collected from each level. 270 Degree Performance Appraisal Method is considered as more acceptable than 180 degree appraisal method because of the following reasons

1. Colleagues of the same team can assess their teammate better than the superior because they are working together.
2. Interpersonal skill is one of an important factor in determining the smooth functioning of the organisation. In this method of appraisal, peer evaluation plays an important role in evaluating an individual's performance especially his team building skills, his efficiency as a team player, communication skills, co-operativeness, knowledge etc. So everyone will try to maintain a good interpersonal relationship among their team members provides support to each other and will be committed to organisational goals to get a good appraisal.



270 degree appraisal method is considered as more credible than 180 degree appraisal method. But this method is not effective if the organisation wants to access the effectiveness and efficiency of an employee as a supervisor. 270 degree appraisal method is not considering the opinion of subordinates for the appraisal process. So this method is also not a perfect appraisal method for the firms. So they decided to include subordinates also in the appraisal process which leads to the emerging of 360 degree appraisal method.

360 DEGREE PERFORMANCE APPRAISAL METHOD

360 degree Performance Appraisal Method is a multi-rater method or 4 dimensional method in which an employee is evaluated by four different sources who are in contact with an individual and can provide valuable feedback regarding ‘on the job’ performance of the individual. It is considered as an accurate assessment in which KPI of an individual is reviewed by people from minimum one level above, self, one level below and colleagues. Since it is a multi-rater method, it can concentrate on different parameters of employees through the collection of feedback from people who work around the individual and thereby enhance the credibility of the appraisal process.

360 degree Performance Appraisal Method includes 4 steps

1. Self-appraisal
2. Superior’s appraisal
3. Peer appraisal
4. Subordinate appraisal

The only difference of 360 degree Appraisal Method from 270 degree appraisal method is the introduction of one more level to evaluate the performance of an employee, his subordinate, to evaluate their superior. They judge their superiors on the basis of his/her leadership quality, the way they are delegating the work, his/her motivating and communicating abilities, their problem solving skills, negotiation power, knowledge in work etc.



Merits of 360 degree appraisal method

1. In this method, management is collecting opinion of an employee regarding his performance level from those persons inside the premises with whom the appraisee is having a frequent contact, which helps the appraiser to know how the appraisee's behaviour and work style affects other individuals and departments. It also evaluates the quality and quantity of output and how the appraisee's behaviour affects co-workers and his immediate superior. So this feedback helps the management in getting an exact picture of the working environment of the firm.
2. The feedback obtained from 360 appraisal method helps the management to undertake necessary action which will help the employees to perform the best of their abilities to achieve both organisational and personnel goals which in turn feels the employees more satisfied.
3. The employee who undervalues themselves gets motivated after getting a positive feedback from other employees. At the same time it will help them to understand their mistakes and can adopt corrective measures.

Demerits of 360 degree appraisal method

1. In 360 appraisal method, feedback from four different levels are to be collected by the HR professional, have to assess each appraisal form, rating should be done, and final appraisal is to be fixed. So it is a time consuming process.
2. To carry out 360 appraisal process effectively, training should be given to the raters. So it is an expensive process.
3. The feedback of the raters is constructive only if their immediate supervisor takes a major initiative. If he is not imparting the seriousness of the whole feedback process, the employees take it as a casual process and the appraisal system would not work for the employee.



540 DEGREE PERFORMANCE APPRAISAL METHOD

In 360 appraisal system, feedback of an individual is collected from a number of stakeholders. Later organisations realised the importance of considering customer opinion also to evaluate the performance of employees. According to management concept, customers are king. So in the present era, customer satisfaction is very important and in order to attract and retain customers, every firms are adopting strategies to delight them. Here organisation understood the importance of collecting feedback of customers/clients regarding their product along with the performance of their employees. This leads to the emergence 5 dimensional appraisal system which includes feedback from appraiser, appraise, peers, subordinates and customers and termed this appraisal method as 540 degree appraisal system.

General electric company, USA was the first firm tried this concept. Later Godrej, Tata Steel, Infosys, American Express, Reliance Industries etc. adopted this appraisal method. 540 appraisal systems involves appraisal from five levels.

1. Self-appraisal
2. Superior's appraisal
3. Peer appraisal
4. Subordinate appraisal
5. Customer / client appraisal

Separate questionnaire is distributed to each of the respondents, allows them to rate and comment on the person regarding their attitude, performance, as a team member, competency level etc. The HR professional will compile all of these feedbacks from 5 areas and the appraisal process will be finalized.



720 DEGREE APPRAISAL METHOD

Firms learned to evaluate their employees from all angles. Later they realized the importance of monitoring the performance of employees after the appraisal, setting standards to them and providing feedback and extending follow up to make ensure that the employees are working in the expected way by the organisation. On April 2010, Cadbury introduced a new appraisal method and termed it as 720 degree appraisal method. This method of appraisal includes 2 rounds of feedback sessions and the performance of an employee is evaluated in 5 different dimensions. It includes the following steps

Step 1: Collecting appraisal from five dimensions

1. Self-appraisal
2. Superior's appraisal
3. Peer appraisal
4. Subordinate appraisal
5. Customer / client appraisal

Step 2: Pre-appraisal feedback

In this step, feedback from all the five dimensions are collected, evaluated and a feedback session or a meeting will be arranged. The concerned authority gives a detailed feedback to the appraisee and set realistic targets to them and can give some tips to the appraisee to achieve the target. In this time, the authority can highlight the criteria which will be used to evaluate the employee in the next feedback session. A training session can also be organised by the authority to help the employee to achieve the target.

Step 3: Second round of appraisal

A second round of appraisal is carried out after a certain period of time which is already determined; mostly it will be after 9-12 months after conducting pre-



appraisal feedback. 5 dimension feedback collection again carried out (This is a repetition of the first step).

Step 4: Measuring actual performance with expected performance

In this step, performance of the employee is evaluated by the HR professional on the basis of target set in the pre-appraisal feedback session, analyse whether they achieved their target and rate the employee according to the weightage given by each appraiser.

Step 5: Post appraisal feedback

Finally feedback is given to the respective employee. The HR professional highlight the appraisee's strengthen areas, effectiveness and efficiency of their performance and at the same time they highlight appraisee's weaken area and again gives some more tips to overcome their weakness.

Merits of 720 degree appraisal method

1. In 720 degree appraisal method, 360 degree appraisal method is practicing twice. So this method increases credibility.
2. Because of having two rounds of feedback session, it increases the work potential of employees and guides the employees to perform their best.
3. This method helps both management and employee to identify whether there is any gap between actual and desired performance. If there is no gap, the management can interpret that the organisation is going in the right path. At the same time if there is any gap, it will boost the firm to adopt corrective measures to eradicate the upcoming problems which will helps them to achieve their target within the stipulated period of time.
4. 720 degree appraisal method concentrates more on the development of employees than considering their performance alone.
5. In 720 degree appraisal method, an employee is evaluated by almost all persons who are having a regular contact with him. So this method of appraisal is considered as all-round appraisal.



6. This method conducts SWOT analysis of each employee which helps the management to identify the need training and development program in future.
7. Setting realistic target to the employees, gives tips to them to achieve the target, monitor their performance, analyse whether they need any training sessions and gives timely feedback to the employees are the main characteristic feature of this appraisal method which leads to the consideration of this method as the most effective and accurate appraisal system.
8. 720 degree appraisal method is considered an objective method that is influencing by new companies and it is somewhat free from personal bias.

CONCLUSION

Various techniques are used to do performance appraisal which helps the organisation to diagnose job design errors. But it is very difficult to determine the better technique as every appraisal methods has its own pros and cons. 720 degree appraisal method is considered as the most effective appraisal method because of having dual evaluation cycles which helps in providing a better candid feedback. Performance appraisal helps the management to evaluate the work performance of the employees thereby can achieve both organisational and individual goals. The appraisal system helps to resolve problems and misunderstandings between management and employees and also helps to take a mutual decision regarding long term goals and other focus points. It also boosts development of employees and helps to recognize and validate their efforts at work. So it is recommended that the appraisal interview should be conducted at least once a year and whoever parties are involving in the appraisal process should be well prepared for the evaluation to make the whole process an error free one and to maintain transparency.

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