



A STUDY ON 360 DEGREE PERFORMANCE APPRAISAL IN AN ORGANISATION

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ABSTRACT

A 360 Degree performance appraisal is a multisource assessment tool that incorporates feedback from all who observe and are affected by the performance of a candidate. This method is most commonly used for the evaluation of performance of the employees. A 360 degree performance appraisal is also known as multi-rater feedback, multilateral feedback, multisource feedback. It is an industrial psychology in HRM. Most often 360 degree feedback will include direct feedback from an employees, subordinates, colleagues (peers), and supervisors, as well as self evaluation. It is a type of employee performance review. Organisations differ in their approach to 360 degree feedback. For some it is a developmental tool that employees are expected to use to further develop their personal and interpersonal skills. The most responsible employers want to help employees further develop their ability to contribute to accomplishing the stated goals of their work place.

KEYWORDS:-360 degree Performance appraisal, employee performance, multisource assessment, self evaluation, feedback.

INTRODUCTION :-

The 360 degree performance appraisal method was first used in the 1940's, this method of performance appraisal system provides each employee the opportunity to receive the performance feedback from different parties such as superiors, peers, staff members, supervisors and customers as well as self evaluation by the employee themselves. An appraisal made by top management, immediate superiors, peers, subordinates, self and customers is called as 360 degree performance appraisal. 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 other's 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 method is becoming more popular because many parties are available for evaluation of employees performance. There is no 'bias' or 'halo effect'. Hence the evaluation become more realistic. 360 degree feedback is the most comprehensive appraisal where the feedback about the employees' performance comes from all the sources that comes in contact with the employees on their job.



PARTIES INVOLVED IN 360 DEGREE PERFORMANCE APPRAISAL:-

- 1) Top management :-
The top management normally evaluates the middle level managers .however , in a small organisations ,they also evaluate the performance of the lower level managers and senior employees.
- 2) Immediate superiors:-
The immediate superior is in a very good position to evaluate the performance of his subordinates. This is because they have direct and accurate information about the work performance of their subordinates.
- 3) Colleagues /peers:-
Peer or colleagues also evaluate each other's performance. They work continuously with each other, and they know each other's performance. Peer evaluation is used mostly in cases where team work is important.
- 4) Subordinates:-
The subordinates can also evaluate the performance of their superiors. Now-a-days students are asked to evaluate the performance of their teachers.
- 5) Customers:-
Customers can also evaluate the performance of the employees who interacts with them. This evaluation is best because it is objective. It is also given a lot of importance because the customer is the most important person for the business. Organisations use customer appraisals to improve the strengths and remove the weaknesses of their employees.
- 6) Self evaluation:-
In the self-evaluation , a person evaluates their own performance. They should be honest while evaluating themselves. This results in self-development.
In addition to these six parties , appraisal can also done by an appraisal panel . this panel consists of 5 to 6 different types of members . Outside consultants are also used for conducting appraisals. In some cases , Personnel Department also conducts an appraisal of employees and managers.

IMPORTANCE OF 360 DEGREE PERFORMANCE APPRAISAL:-

- A merit rating performance appraisal ,employee appraisal performance review or career development discussion is a method.
- It is systematic and objective method of quality of an employee in performing their jobs.
- It is the process to obtain , analyse and record the information about the relative worth of an employee to the organisation.
- It is an analysis of an employee recent success and failures , personal strengths and weakness.
- Performance analysis is done periodically but on a continuous basis . It is a part of larger performance management system and including both , managerial and non managerial employees in its scope.

ORGANISATIONS USING 360 DEGREE PERFORMANCE APPRAISAL ARE AS FOLLOWS :-

Most organisations 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. Organisations carried out this feedback method about an employee before taking a major decision about the professional's career. Theses results are also used by some organisations in



making administrative decisions, such as pay or promotion. This assessment is also called as “360-degree review”.

This method is being used by the following organisations:-

- Maruthi Suzuki motors
- HCL
- Crompton Greaves
- Wipro Technologies Ltd
- Johnson and Johnson Ltd
- Infosys
- Bellcore International Ltd
- International Business Machine
- Reliance Industries etc.

OBJECTIVES OF CONDUCTING 360 DEGREE PERFORMANCE APPRAISAL:-

- ❖ To provide employees feedback on their performance.
- ❖ To identify training needs.
- ❖ To provide the opportunity for organisational diagnosis and development.
- ❖ To facilitate communication between employer and employee.
- ❖ To improve the performance through counselling, coaching and development.
- ❖ To increase the employees future potential and value of the company.
- ❖ To clarify the roles and responsibilities and determine how to allocate rewards.

LIMITATIONS OF 360 DEGREE PERFORMANCE APPRAISAL:-

- Taking a lot of time and being complex administration ..
- Extension of exchange feedback can cause troubles and tensions to several staff.
- 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.
- There is requirement for training and important effort in order to achieve efficient working.

RESEARCH METHODOLOGY:-

Primary data can be collected by using collection of raw facts directly such as questionnaires, interviews and observations. Here the research is carried out by own observation .

Secondary data can be collected through the journals, websites and published books for the purpose of present study.

FINDINGS:-

- ✚ As with all reviews , there is a chance that the feedback might have been filtered or edited in some way and therefore isn't 100% honest.
- ✚ Too often the priority for managers using a 360 program is to uncover their team's weaknesses
- ✚ It takes a bit of professional maturity to handle those inevitable negative comments.
- ✚ Young and inexperienced workers need a lot of training .
- ✚ 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.

SUGGESTIONS :-

- ✓ Provide required and adequate training facilities to the employees to enhance their capabilities.
- ✓ Automating the process eliminates the hassles for everyone involved, saves tremendous time, energy and effort .
- ✓ None of us like to hear the reality of how others view us, but the developmental opportunity that is available by paying attention to the perspectives of other can help us all attain a higher level of professionalism.
- ✓ If more staff takes part in the process of performance appraisal, the organisational culture of the company will become more honest.
- ✓ The organisation must define the mission and the scope of the appraisal .
- ✓ Organisations must consider other issues like safeguarding the process from unintentional respondent rating errors.

CONCLUSION :-

A performance appraisal is a systematic and objective method of judging the quality of an employee in performing their job and a part of guiding and managing career development. In a 360 degree performance appraisal ,a staff member's work for a specific period of time, is discussed and critiqued by other employees . The 360 degree process is different, In that it obtains feedback from co-workers and subordinates instead of just from the direct supervisor. The goal of the process is to better understand how the employee is functioning as part of the team and to improve the ways team member's work together. It offers a new way of addressing the performance issue.

360 degree feedback is a common and powerful approach that many organisations use to combat the issues inherent in traditional performance management and the reviews of 360 degree performance appraisal are very effective in driving results and change within the organisation . Decision wise research has shown that the traditional performance appraisals fail to provide an accurate view of performance. Perhaps, the most effective way to improve the performance review process is to incorporate 360 degree feedback . This provides more points of reference, measures how someone does their job and opens up a real developmental conversation with their managers.

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