

# 360 Degree Performance Assessments: An Overview

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## Abstract

Appraisal 360 degree entails a feedback from all those who observe a candidate and are in some way or the other affected by his or her performance. 360 degree appraisal has long list of people who give their feedback regarding the achievements and failure of an employee. This list includes the employee’s subordinates, peers and supervisors, not to forget self-assessment. There may be circumstances where feedback is collected from the outer or external sources, likes suppliers, customers and related stakeholders as well 360 appraisal has its advantages as well as its disadvantages. This program can prove to be advantageous only if it is applies in an organization where the working climate is positive; where the objective of assessing an employee is performed with right expectations to achieve its target. The genuine aim of the organization should be to improve the standard of its workforce.

**Keywords:** Peers, 360 Degree, Self Appraisal, Subordinates, Self-assessment

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## 1. Introduction

All organizations set certain objectives to to be performed. Further, they aim to achieve their goals in an effective and efficient manner. The fact is that organizations depend on their employees to reach their goals. Unless the employees of an organization put in their best into the work they perform, the vision of achievement an organization has, fades away. In order to encourage the employees to perform their best the organization needs to motivate them in a positive manner. Then only the employees will realize their worth and eventually it would be advantageous to the organization. Now comes the important question; whether an employee is giving his best to organization or not? And the answer is Performance Appraisal. Performance appraisal implies judging the abilities of an employee in completing his task. The purpose of an assessment is to find out how useful an employee has been to the organization. This can be ascertained by getting a feedback on his performance depending on the feedback the areas of his strength and weakness can be decided the organization can then plan hoe to improve his performance so that he could be an asset to the company. Most important is that performance appraisal norms the basis of once promotion.

Generally, performance appraisal remains limited between the employee and his/her supervisor or senior. However, now there is increased focus on team work and customer service besides managements has begun to take keen interest in the overall development of their employees. This has shifted the emphasis

onto getting feedback of an employee from various sources. The candidate stands in the centre and his peers, subordinates, external and internal customer assess him and give their feedback. This completes the feedback as is shown in the diagram given below. This multiple-input approach to performance feedback is know as 360<sup>o</sup> assessment in the corporate world this approach is called so as it comes a full circle with the employee in the center.



Figure 1. 360 degree assessment in the corporate world

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Different methods are used for performance appraisal such as ranking method, force-choice method and critical incident method. But all these methods have their limitations and short coming. This has led to organizations to opt for 360<sup>o</sup> method. Ever since it has been growing in popularity. About 90% of fortunes 500 companies were using this method in 2002. One study says that over one-third of us companies use outputs from the employees, peers, subordinates and managers to form a perspective regarding the performance of an employee under scanner. The 360<sup>o</sup> appraisal approach has been adopted by big companies in INDIA like TATA industries. Dr. Reddy laboratories, BAJAJ auto state bank of India, Infosys, Wipro, Reliance Industries and Crompton greaves have embraced this method to evaluate the worth and performance of their employees. National thermal power corporation [NTPC] has introduce a 360<sup>o</sup> feedback system for AGMs to appraisal and evaluate performance, thereby improving their output.

A multi source feedback, 360-degrees, is an assessment tool that collects feedback from all sources, i.e, from all those who observe and are in some way or the other affected by the employees performance directed towards the benefits of the organizations. Besides incorporating feedback from the candidates superior, subordinated and peers in sum organization feedback from external sources are also collected. Customers, suppliers and others related stake holders fall into this categories most importantly the employee's self evaluation cannot be undermined.

## 2. Components of 360-degree Appraisal

We have already discussed that the people giving their feedback regarding the employee's performance can be his/her peers, subordinates, seniors, supervisions, team members, customers and suppliers-both internal and external who come in contact with his/her in the work place. They can provide their valuable suggestions and use their keen insights about his/her actual performance, provided view the employee objectively. This becomes possible because they observe the employee on the job performance closely being in constant touch with his/her 360 degree appraisal has four components.

**Self Appraisal:** Self appraisal gives the employee an opportunity to assess his/her strengths and weaknesses by wholly reflecting over them. He/ she realize what achievements he/she has made in due course and in which areas he/she has failed. Hence, he can be the best judge of himself/ herself.

The purpose of performance appraisal is chiefly to discover how much an employee has succeeded in achieving the target assigned to him/her by the organization. A positive appraisal

does motivate the candidate to work better in future. But self appraisal has its limitations too. It tends to get biased, lament and less variable. The end results at times can lead the employee to become complacent. The best advantage of self appraisal occurs in cases where an employee work in isolation

**Review by the Subordinates:** Subordinates, at times, are also given an opportunity to express their perception of their senior employee. The parameters that they used to access are superior are related to the employee's ability to work as a team having patience, his competence in delegating work to his subordinates, his motivating skills and leadership qualities etc.

The input supplied by subordinates at times proves very beneficial in the sense that they perceive their senior from a difficult point of view. First of all they look for his/her leadership qualities that how successfully he or she has been able to lead them as a team to achieve the assigned targets. Subordinates see that how well he/she has been able to delegate them their duties keeping their strengths and weaknesses in mind. Most importantly they look for an understanding senior who is able to emphasize with their problems and is always their to help them when they are in difficulty. They should be comfortable with higher plans of things and their execution. Moreover, subordinates appraisal depends on employees ability to communicate will with them, to allocate resources judiciously and to disseminate information skillfully. In any organization intra personal conflicts do is among the workers the subordinates access their senior on the basis of the fact that how objectively and fairly he/she is able to resolve the conflicts that are among them. They always look upto a superior who is the unbiased and labors no grudges.

Like any other approved method this two has its limitations. The method would prove useful provided subordinates are equipped with proper intelligence to access their seniors performance and are familiar with the responsibility they have been laden with.

**Review by Superiors:** Review by Superiors has been the most traditional and basic method of performance appraisal. An employees superior is considered as the most suitable and eligible person to assess the performance of his subordinate. Actually it is the senior who delegates the duties and responsibilities to his subordinate. He is the one who determines the goals and targets to be achieved by the employee. He is the one who constantly observes the candidate on-the-job. Hence, he knows how much the candidate has achieved and in how much time and how efficiently. Since the ultimate responsibility of achieving the assigned target has with the superior, he is directly affected by the performance of his junior. Another important fact to keep in mind is that if the task of appraising the subordinate is given to somebody else the superior authority of the senior gets undermined which does not go a long way in favour of the organization.

**Review by Peer:** Peers are the people the employee in question works and interacts most of the times. In certain ways peers can give a correct assessment of the employee. This method helps the organization to find out the real ability of the employee, his cooperation with others, his sensitivity towards the other employees he works with and his whether he is a congenial person to work with or not. In certain cases seniors do not get much chance to observe the junior very closely and keenly whereas his/her peers watch him/her constantly. Therefore, they are in a much better position to evaluate his/ her performance. Their perception would be much clearer than the seniors, hence the evaluation would be fairer and more accurate.

Unfortunately, like most of the appraisal methods this too has its limitations. If the peers are over friendly with the employee the assessment would be over rated. On the other hand if there has animosity among them the evaluation would be lop-sided and distorted. Nevertheless, peers can evaluate certain facts about the job performance such as the employees contribution to the team projects, interpersonal relations, communicative skills, reliability, dependability and initiative.

### 3. Costs and Advantages of 360 Degree Appraisal

360-degree appraisal method like most other methods entails expenses but has its advantages and disadvantages too.

#### 3.1 Disadvantages of 360 Degree Appraisal

- Feedback process gets rather too extended and causes tensions among the staff
- Time taken is too long and is found to be complex to administer.
- Animosity can lead to intimidation which would cause resentment and frustration amongst employees.
- Feedback may all resources overwhelming at times.

#### 3.2 Benefits of 360 Degree Appraisal

This method provides comprehensive and all-encompassing evaluation of the employee's competencies, behavior and outcome of performance.

- Credibility of performance appraisal improves.
- When more people give their opinion about an employee it tends to be more persuasive.
- Some people suffer from diffidence so when they find others appreciating their abilities and performance, they get motivated to work harder. Secondly their sense of self worth and self esteem also goes up.

- Colleagues feedback heightens their spirits.
- A positive feedback encourages the employee to feel more responsible to their customers
- Feedback from superior, subordinate and peer levels give a more accurate assessment, since animosity and friendship negate each other. So the true essence can be obtained.
- This method enhances the prestige of the organization by projecting a better cultural environment.
- Feedback of performance appraisal proves to be more transparent and unprejudiced.

### 4. Conclusion

It becomes clear from the above discussion that 360-degree performance appraisal has its advantages as well as disadvantages. But when applied in an unbiased organizational climate with a view to improve the performance of the set up it would certainly be successful in improving the employee's performance by motivating them with a transparent work culture. On the other hand if the evaluation is done in biased and unfavorable climate it would demotivate the workforce.

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## Annexure-I

### 360 DEGREE PERFORMANCE ASSESSMENTS: AN OVERVIEW

ORIGINALITY REPORT

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