360 Degree Performance Appraisal: An Employee Assessment Modem Technique

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Abstract

Performance appraisal is a technique of assessing the performance of an employee in an organization so that strength and weaknesses may highlight and necessary step canbe taken atthe right time, attheright place and by the right method. There are so many techniques developed for evaluating the performance of an employees, 360 degree appraisal is modem method of assessing the work performance of an individual. In this method, the employee performance is evaluated by peers, supervisors, internal and external customer and other stakeholders of an organization. It has a great importance in today's context because it eliminates biasness as different set of appraisers working at various levels are involved in this process. This descriptive research paper highlights the various positive aspects of performance appraisal being done from various angles.

Keywords: Performance Appraisal, growth, employees, developmental decision.

Introduction

Performance appraisal is the technique of assessing an employee's performance based on a predetermined set of standards. Performance appraisal may be defined as a structured formal interaction between a subordinate and supervisor that takes the form of a periodic interview, in which the job related performance of the subordinate is examined and discuss the weaknesses and strength for improvement and skills development (Cascio Wayhe F, Agninis Herman, 2005). In the era of cut throat competition, the performance of each and every employee plays a vital role to achieve goals and sustain the growth of an organization. The performance of the employees should assess continuously to make their contribution to higher extend. The process of evaluation of the performance of employees at work is known as performance appraisal. Performance appraisal has long been considered as one of the most critical areas of human resource management. The personnel Department relies on

evaluation results in determining the soundness of much developmental decision, which have direct impact on the business success.

360-DEGREE APPRAISAL: A Modern Method of Performance Appraisal

360-degree Appraisal is a modem technique to assess the performance of an employee at a given job in this method, the employee performance is evaluated by peers, supervisors, internal and external customer and other stakeholders of an organization. "360" refers to the 360 degrees in a circle. It helps in highlighting the strength and weaknesses at an individual level and support in designing the training and development programme to reshape the attitude, behavior and performance of an employee (Price Alan, 2007). It can be differentiated with the traditional performance appraisal, where employees are all the time reviewed only by their manager. The 360-degree performance appraisal was developed not only to help managers with the appraisal process and the personnel decisions that go along with performance appraisal, but it was also developed to increase the quality of the assessments as well. The 360-degree performance appraisal is more than the manager's assessment of a specific employee's performance and productivity. The 360-degree appraisal takes into account the assessments of peers, coworkers, and subordinates. Supporters argue that management is more likely to get an accurate assessment of each employee.

Prerequisites
- Full support of top management
- Confidence of employees towards the appraisal process should be there.
- Objectives need to be measurable with performance requirements should be clearly defined
- Collaboration between superior and subordinates should be exist.
- There should be detailed plan of implementation.

Constituents of Performance Appraisal

- Supervisor: A supervisor has knowledge of the job requirements and he has the opportunities to observe the employees performing their work. A part of this, the supervisor is responsible for the performance of his or her subordinates.

- Peers: peers, colleagues, and coworkers consider other potential sources of information for performance appraisal system. The benefits of using peers in a performance appraisal process are that they have full knowledge of job content.
- Subordinates: subordinates are an especially significant source of information when the performance of their own manager is being assessed and this information is perhaps most useful when the performance is targeted on manager's leadership potential.
- Self appraisal: The rational for this assumption is that, more than any person in the organization, an employee is in the best position to understand is or her strength and weaknesses and the extent to which he or she has been performing at an appropriate level.
- Customer: A final source of information in the performance appraisal system is customers. The advantage of this method is that customers are the king of an organization and it is very helpful to manager to know the extent customers feel that employees are doing a satisfactory job.

Validity of 360 Degree Performance Appraisal

Most employees are going to accept the results of an appraisal system if they take it valid. Validity refers to the assumption that the appraisal is accurately tied to the performance of the individual (Cascio Wayhe, F., Agninis Herman 2005). [11]The validity of an appraisal based on the five components that must be present in any performance appraisal system are as follows:

- Relevance: It means that there should be a commonality between the elements identified as critical to job performance and performance standards.
- Sensitivity: refers to the extent to which the evaluation device can differentiate between good performance and poor performance.
- Reliable: It means when instruments show the similar results under similar conditions.
- Acceptability: is the extent to which the technique is accepted by supervisors and employees in an organization.
- Practicability: It refers to that the instrument of evaluating the performance can be used and understood by both management and employees..

The parameters used in the appraisal process are a important determinant of the validity of the appraisal process. If a supervisor is able to insert bias

intothe appraisal processthen the validity of the same decreases. The more subjective the appraising criteria the simpler it isfor the raters' bias to enter into their evaluation (Sanghi seema, 2011)..The appraisal system needs be as objective as possibleto eliminate bias onthepart of the supervisor.

360-degree Appraisal System Adds Value: Signfficance

360 degree appraisal system empowers an organization to target on developmental efforts, at the individual and group level, in the current business scenario,where the success of the company depends on unbroken and uninterrupted revolution, which is possible through organizational development (Denisi Angelo 5., Griffin Ricky W 2009). 360-degree feedback streamlines the alignment of individual capabilities and attitudes and behaviors with organizational strategies. It adds value to the organization in different ways:-

- It helps in providing a ameliorate understanding of individuals performance atwork
- It provides a many-sided view about the employees from different sources
- Itprovides abetter understanding of employed developmental needs
- Itfacilitates inbetter understanding about one'srole expectations.
- It provides help in better understanding of competence and competency invarious roles
- It extends better morale to those who perform and contribute well to the organization
- It decreases the training costs by identifying common development needs
- It helps in promoting the team work environment and contribute towards the organizations goals
- Itprovides support everyone in an organization to work for a common standard and institutionalize performance management.
- It enhancesbetter interpersonal relationship and group cohesivenessin an organization.
- It facilitates in self-directed learning and provides a road map for employee's development planning.

360 degree in Indian Corporate Sector:

A360 degree appraisal system aims at a comprehensive and objective appraisal of employee performance. This systemreduces the subjectivity of

a traditional supervisor appraisal. More and more organization are trying to implement this system of appraisal in India. However, The Indian corporate culture, which advocates a strong hierarchical divide, may find it a little hard to accept this novel concept where even subordinates evaluate their boss. However in spite of the cultural barriers, 360 degree appraisal system is finding more and more takers in the Indian corporate world. Companies like Wipro, HCL Infosystems, Tata Infotech, Ashok Leyland and Asian Paints, have gone in for this system of appraisal.

Conclusion

360-degree appraisal is sometimes considered as multi-rater appraisals, multi-source feedback or 360 degree profiling. It is essentially a process, which helps a person to receive feedback from a number of people around them working in an organization. The objective of the feedback is usually varied from organization to organization. 360-degree appraisal is not only acts as device for organizational development but also to help an employee in identifying the area of development they need. The success of the appraisal highly depends on the transparency and clear defined objectives of its need and its clear cut mention to the employees at each and every level of the organization. Appraisal ful.£i11 a twofold purpose, first to improve work performance by helping the employees to realize and use their full potential in carrying out their organization objectives and second to identify the overall development needs to eliminating the weaknesses and polishing the strength of an employees.

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