

360⁰ Performance Appraisal

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Abstract—360-degree performance appraisal process is used as a tool that provides an evaluation about employees' performance. It is based on the opinion of different groups of reviewers who socialize with evaluated employees. Many criteria must be considered in performance appraisal that may have different nature. Therefore, it seems necessary and appropriate to provide a heterogeneous framework adapted to the nature of the criteria. In this context, criteria can be assessed by reviewers, according to their background and degree of knowledge about evaluated employees. Furthermore, the interaction among criteria, as well as reviewer's weights should be taken into account to ensure an effective aggregation process of the information, providing interpretable and understandable evaluations. In this project, an integrated model for 360-degree performance appraisal that can manage heterogeneous information and computes a final linguistic evaluation for each employee, applying an effective aggregation that considers the interaction among criteria and reviewers weights was presented.

The advantage of this method is that it provides more interaction between supervisors and subordinates, greater agreement on performance expectations, and greater accountability for performance through increased employee participation in the review process. To study and assess the executive performance appraisal system and its effectiveness and to analyze the drive towards quality that is integrated in to the executive's performance. To study, identify and suggest improving the effectiveness specifically from quality perspective.

Keywords- *Performance Appraisal, Process, Aggregation, Integrated and Interaction*

I. INTRODUCTION

As a person who has always considered me seeking constant improvement in every aspect I became interested in the use and application of performance appraisal in organizations. This project sets forth the policy and a procedure by which the job performance of classified employees of Value pharma limited is appraised to regulations lay down by resources department of Value pharma limited.

Performance appraisal is a key tool in companies that provides information about employees performance in order to make important decisions, such as salary adjustments, promotions, identification of training and development needs, documentation of performance levels or behaviors that may merit firing or sanctions. Furthermore, there is an evident link among performance appraisal and attitudes, efforts and

behaviors of the employees, that implies improvements in the financial results obtained by companies. Currently, performance appraisal process is based on the opinion of different groups of reviewers who socialize with evaluated employees, since they can truly respond to how an employee develops his/her job. Moreover, the process includes the opinion of employee about her/himself. This kind of performance appraisal process is so-called 360-degree appraisal or integral evaluation and it overcomes some disadvantages from traditional evaluation such as lack of objectivity, prejudice or halo errors, etc.

II. 360⁰ PERFORMANCE APPRAISAL

360 degrees Performance appraisal system serves the organizational objectives and goals besides encouraging high level performance. This evaluation system is useful in identifying employees, rewarding performance equitably and determining employee needs for development.

The appraisal consists of following stages

- Job knowledge
- Mental ability
- Attitude
- General disposition
- Efficiency
- Leadership

III. A 360⁰ PERFORMANCE APPRAISAL, EMPLOYEE APPRAISAL OR PERFORMANCE REVIEW

A 360 degrees performance appraisal is a method by which the job performance of an employee is evaluated (generally in terms of quality, quantity, cost and time) typically by the corresponding manager or supervisor. It is the process of obtaining, analyzing and recording information about the relative worth of an employee to the organization. Performance appraisal is an analysis of an employee's recent successes and failures, personal strengths and weaknesses, and suitability for promotion or further training.

IV. METHODS OF PERFORMANCE EVALUATION

Each of the performance evaluation methods listed below may be used to varying degrees. We recommend that agencies analyze their specific needs choose any combination of the following that best meets those needs. Human Resource

Management Services will, upon request, assist agencies in their analysis.

V. MULTI-SOURCE ASSESSMENT (360⁰ FEEDBACK, FULL CIRCLE APPRAISAL)

Multi-source assessment involves gathering information from a number of customers who actually deal this method differs significantly from the traditional supervisor/subordinate performance with the employee providing feedback-both internal and external. This method is viewed as an optimal tool for identifying areas for improvement, guiding behavioral change, and generally enhancing performance management capabilities because it is not dependent on a single individual's perceptions.

VI. SELF-APPRAISAL

It Provides the opportunity for employees to evaluate their own performance and express. Supervisors also evaluate performance on the same factors and use that as a basis to compare responses. This can reveal areas of agreement or highlight differences of opinion. The advantage of this method is that it provides more interaction between supervisors and subordinates, greater agreement on performance expectations, and greater accountability for performance through increased employee participation in the review process .Supervisors still has the responsibility to write reviews and provide the employee with the honest communication about performance.

VII. SUBORDINATE APPRAISAL OF MANAGERS (UPWARD APPRAISAL)

Supervisors are reviewed by those they supervise. This method serves to provide feedback on the qualitative aspects of management performance-how well they communicate, provide direction, delegate responsibility, etc. Employee's fear of appraisal may inhibit them from honestly providing feedback on their supervisor's performance .However, providing anonymity and working with supervisors to handle constructive criticism may guard against that.

VIII. PEER EVALUATION

This method involves coworkers evaluating an employee .It is based on the premise that individuals can relate to an employee as their equal and are in the best position to judge the employee's performance because they understand the nature of the job and are familiar with the activities of the employee. This method is particularly useful in organizations have self-directed work team s, but could be used in other settings as well. An advantage is that peer appraisal relates more to results than efforts .Disadvantages perceived are that peers are too lenient and tend to give high ratings to friends and low ratings to those they dislike.

IX. PERFORMANCE APPRAISAL RATING FACTORS

The following are samples of rating factors and example standards taken from a variety of sources. Some may overlap,

and some may need to be expanded to include more descriptive and/or numerical measures. Please feel free to combine or modify them to fit your needs by cutting and pasting.

X. NEED OF THE STUDY

The need of performance appraisal is to determine what aspects of performance are required to be evaluated. To identifying those activities who are performing their assigned task well and those who are not and the reason for such performance.

To provide feedback information about the level of achievements and behaviors of employee and counsel the employees.

To prevent grievance and in disciplinary activity.

To facilitate fair and equitable compensation.

To ensure organizational effectiveness

XI. OBJECTIVES OF THE STUDY

To study and assess the executive performance appraisal system and its effectiveness.

To analyze the drive towards quality that is integrated in to the executive's performance.

To study and suggest to improve the effectiveness specifically from quality perspective.

To analyze rationally the influence of emotional intelligence factor on performance and performance appraisal system.

To establish an objective basis for different levels of performance appraisal and to identify executives with potential to grow in the organization.

XII. SCOPE OF THE STUDY

In the present study an attempt has been made to know the actual implementation of performance appraisal techniques in general and some other aspects such as awareness of the workers, effectiveness of the performance appraisal system in particular.

By improving job skills, the employees have a lot of scope for development and prepare themselves for higher responsibilities.

A thorough analysis of the performance appraisal system will help the management to know the short comings, if any.

It also help the company in knowing whether the performance appraisal are used to full extent or not, there by the researcher can understand the effective implementation of the performance appraisal system.

XIII. LIMITATIONS OF THE STUDY

The study however subjected to certain limitations

The study does not cover non executive, some executive cadre and chairman-cum-managing director. The study combines itself only assistant managers to general managers.

Quantitative presentation to data over shadows some important issues in quality prospective, i.e knowing through informal discussions.

XIV. RESEARCH METHODOLOGY

The research methodology is a systematic way to solve the problem and it is an important component of the study without which researcher may not be able to obtain the facts and figures from the employees.

The study was totally a fact-finding study. The main aim of this is to assess the performance appraisal in an organization and The data has been collected from Primary source of data and Primary source includes the data that is collected from pharmaceuticals and selected respondents. The required information is collected in the following ways:

In this study a sample size of 50 was selected based on the previous studies and other past records.

XV. REVIEW OF LITERATURE

Once the employee has been selected, trained and motivated, he is then appraised for his performance. Performance appraisal is the step where the management finds out how effective it has been hiring and placing employees. If any problems are identified, steps are taken to communicate with the employees and remedy them performance appraisal or merit rating is one of the oldest and most universal practices of management performance appraisal often provides the rational foundation for the payment of piece work wages, bonus etc .the estimates of the relative contributions of employees help to determine the rewards and privileges rationally. Performance appraisal serves as means for evaluating the effectiveness of devices used for the selection and classification of workers.

Performance appraisal has been considered as a most significant and indispensable tool for an organization, for the information it provides is highly useful in, making decisions regarding various personal aspects such as promotions and increases. According to Ronald Benjamin, "Performance appraisal determines who shall receive merit increases, counsel's employee's of their improvement determines training needs determines probability, identifies those who should be transferred".

XVI. METHODS, TECHNIQUES FOR APPRAISING PERFORMANCE

Several methods and techniques of appraisal are available for measuring the performance of an employee. They are:

- Straight line method
- Man to man comparison method
- Grading
- Graphic rating method

- Forced choice description method
- Forced distribution method
- Free from easy method
- Critical incidents
- Group appraisal

XVII. MODERN METHODS

- Assessment center
- Appraisal by results or management by objectives
- Human asset accounting method
- Behaviorally anchored rating scales

XVIII. APPRAISAL BY RESULTS MANAGEMENT BY OBJECTIVES (MBO)

Peter ducker has evolved this method.MBO is potentially a powerful philosophy of managing and an effective way for operational sing the evaluation process. It seeks to minimize external controls and maximize internal motivation through joint goal setting between the managers and subordinates and increasing the subordinates own control of the work. It strongly reinforces the importance of allowing the subordinate to participate actively in the decisions that affect him directly. Management by the objectives can be described as a process whereby the supervisor and subordinate managers of an organizational jointly identifies its common goals, define each individual major areas of responsibility in terms of results expected of him and use this measures as guides for operating the unit and assessing the contributions of each of its member objectives.

MBO has an objective itself. The objective is to change behavior and attitude towards the effecting getting the job done, in other words it is result oriented; it is performance that counts. It is a management system and philosophy that stresses goals rather has methods. It provides responsibility and accountability and recognizes that employees have needs for achievement and self fulfillment.

A. MBO Process

This method emphasis the value of the present and the future instead of the past, and focuses attention on the results attention on the results that are accomplished and not on the personal traits or operational methodology. An employee is not judged in terms of operational methodology, or in terms of Initiative, cooperativeness, attitude, emotional stability or any other human quality, but on the basis of achievements of the targets that have been set.

Behind the principle of Management by Objectives (MBO) is for employees to have a clear understanding of the roles and responsibilities expected of them. Then they can understand how their activities relate to the achievement of the organization's goal. Also places importance on fulfilling the personal goals of each employee.

Some of the important features and advantages of MBO are:

1. Motivation – Involving employees in the whole process of goal setting and increasing employee empowerment. This increases employee job satisfaction and commitment.
2. Better communication and coordination – Frequent reviews and interactions between superiors and subordinates help to maintain harmonious relationships within the organization and also to solve many problems.
3. Clarity of goals
4. Subordinates tend to have a higher commitment to objectives they set for themselves than those imposed on them by another person.

Managers can ensure that objectives of the subordinates are linked to the organization's objectives.

B. Benefits of MBO Program

The benefits of MBO programmer are:

- MBO helps and increases employee motivation because it reveals overall goals to the individual goals and help to increase and employee understanding where the organization is and where it is leading.
- MBO reduces the goal conflict and ambiguity. Role conflict exists when a person is faced with conflicting demands from two or more. Supervisors and ambiguity exists when a person is uncertain as how he will be evaluated, or what he has to achieve. Since MBO aims at providing clear targets and their order of it reduces both this situations.MBO identifies problem better and early, frequent performance review sessions make this possible.
- MBO helps the individual manager to develop personal relationships especial the skills of listening, planning, counseling, motivating and evaluating.

XIX. ASSESSMENT CENTER METHOD

Under this method, many evaluations are joined together to judge employee performance in several situations with the use of variety criteria. The purpose of this method was end is to test the candidates in social situations using a number of assessors and a variety of procedures. The most important feature of this is a job related is a job related simulations.

A. Human Asset Accounting Method

This method refers to activity devoted attaching money estimates to the value of a firm's internal human organization and its external customer goodwill. If able well trained personnel live a firm, the human organization is worth less if they join it; its human assets are increased. If team work and high morale prevail the human organization is a very valuable asset.

B. Behaviorally Anchored Rating Scale Method (BARS)

This is a new technique for appraisals it provide better more equitable appraisals as compared to other techniques. Through bars technique is more time consuming and expensive than other appraisal tools. Since bars are done by person's expert in the technique the results are sufficiently accurate. It has got certain advantage:

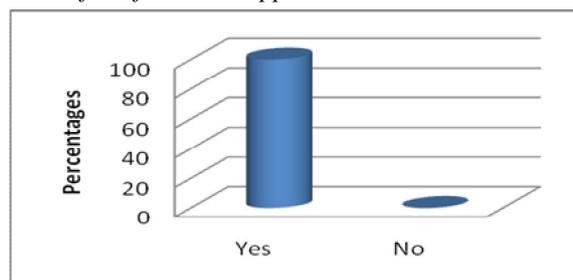
- More useful in providing feedback to the people being appraised
- Helps in making dimensions more independent if one another
- The technique is not biased by the experience and evaluation of the rater

It clearly clarifies what we extremely good performance, average performance.

XX. DATA ANALYSIS AND INTERPRETATION

Data analysis has been done by arranging the data in a simple table form and percentages are calculated. The quantitative data has been represented by drawing out the charts where ever necessary.

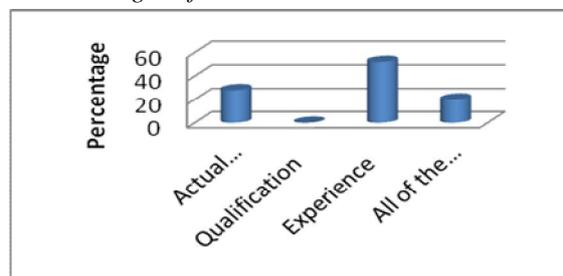
A. Need of Performance Appraisal



Interpretation

In the above question, almost 100% of the employees thought that the performance appraisal is needed in a company. It was found that everyone will be motivated through performance appraisal that will result into career development.

B. Out Standing Performance Factors

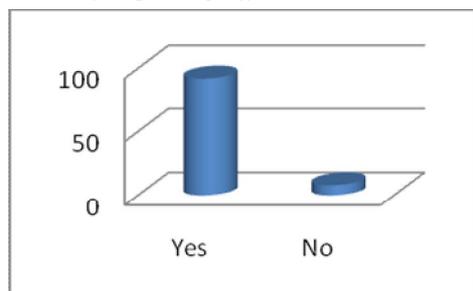


Interpretation

For the above question, 28% of the employees responded that the outstanding performance appraisal is due to actual

performance, 52% of the employees is due to experience and 20% of the employees is due to both and also qualification.

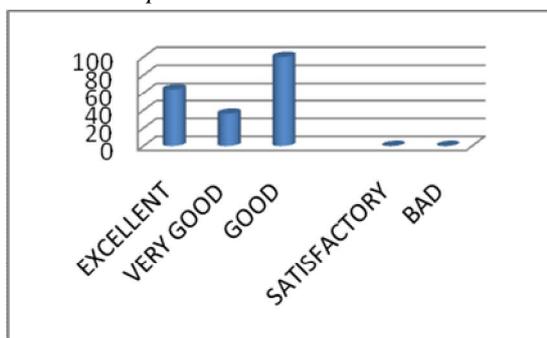
C. Assessment of Reporting Officer



Interpretation

Majority i.e.,92% of the employees responded that reporting officer was good at grading the performance. Nearly 8% were dissatisfied with duties as per the guidelines laid down.

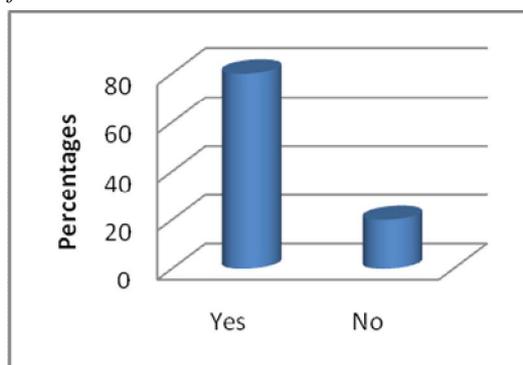
D. Career Development Activities



Interpretation

About 70% of the employees agree that career development activities are excellent. About 10% of the employees agrees that career development activities are very good, good and satisfactory.

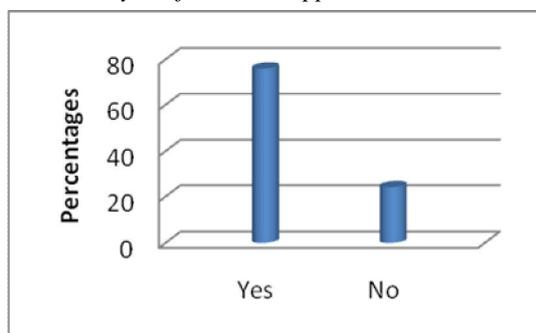
E. Self Review and Selection



Interpretation

About 80% of the respondents have agreed that it's an opportunity to review them About 20% of them said that it does not help them in reviewing themselves.

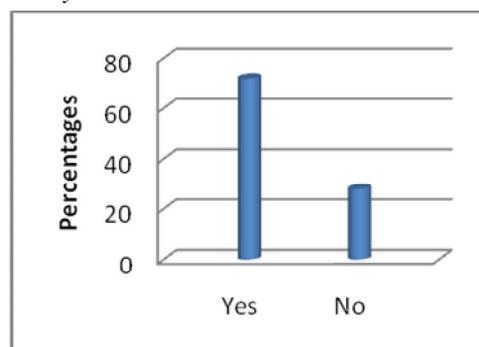
F. Promotion by Performance Appraisal



Interpretation:

About 76% of the respondents feel that the performance appraisal can promote the employee remaining 24% of the respondents are not agreed with the above sentence.

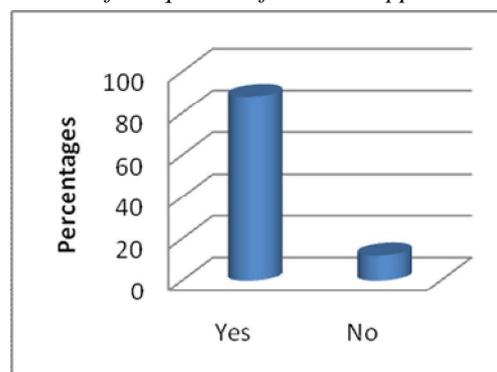
G. Reward System



Interpretation

About 72% said that the reward system is fair and adequate and 28% responded that it is not fair.

H. Motivation of Frequent Performance Appraisal



Interpretation

A majority that is 88% of the employees said that a food workman gets motivated with frequent performance appraisal and 12% of the employees are not satisfied with above.

XXI. FINDINGS

In the light of the above discussion the following findings and conclusions are made.

It is revealed that the executives are getting feedback on their performance though which they can review their performance, sort on the problems and can overcome the difficulties.

The management has a clear understanding about the problem that the workers are best with moreover, they are eager to solve the problems of the workers as and when they arise.

The management was giving requisite training to workers in the areas where they are weak.

Strong conviction in appraisal system.

Significant participation in identification of training needs.

XXII. RECOMMENDATIONS

Based on the findings of the study and personal discussions held with various executives and employees at VALUE PHARMA LIMITED Hyderabad possible suggestions and recommendations are given:

It is recommended that employees should be immediately communicated the result of the appraisal particularly when they are negative.

It is recommended that the supervisor should try to analyze the strengths and weaknesses of an employee and advise him on correcting the weakness.

It is recommended to counsel the employees appropriately regarding their strength and weaknesses and assist in developing them to realize their full potential in line with the company's goals.

It is recommended that rater must be thoroughly well versed in the philosophy and of rating system.

XXIII. CONCLUSION

Workers awareness about the fact that the appraisals are one of the factors for promotion was cent percent .A performance appraisal system is considered as a means that aim at identifying the improvements, identifying areas of training and development setting performance target for future. The management desires to have cordial relations with the workers & hold mutual discussions. The performance appraisal system it exists now is properly worked out and appropriately evolved. This revealed from the opinion given by the majority of the employees.

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XXIV. QUESTIONNAIRE

1. Do you think 360 degrees performance appraisal is needed in a company? ()
a) YES b) NO
2. In your experience the outstanding performance of an employee is due to? ()
a) Actual performance b) Qualifications
c) Experience d) all of the above
3. In your opinion an employee should be?
a) Effective b) Moderate c) Both a & b
4. Is appraisal process expensive and time consuming?
a) YES b) NO
5. DO you agree with the assessment of your reviewing/reporting officers? ()
a) YES b) NO
- 6 How are the career developmental activities in your organization? ()
(a) Excellent (b) Very good (c) Good (d) Satisfactory (e) Bad
7. Have you been able to express all difficulties & problems which you have been facing regarding your job? ()
a) YES b) NO
8. Are you satisfied with present performance appraisal system? ()
a) YES b) NO
9. In your opinion is performance appraisal an opportunity for self review and reflection?
a) YES b) NO ()
10. Do you have good relationship with appraiser after performance appraisal? ()
a) YES b) NO

11. Do you feel performance appraisal promote you to higher levels? ()

a) YES b) NO

12. In your opinion PIDS is necessary? ()

a) YES b) NO

13. How do you feel working with the organization? ()

(a) Excellent (b) Good (c) Satisfactory (d) Poor

14. Do you think reward system is fair and adequate?
a) YES b) NO

15. Do you think that a good work man gets motivated with frequent performance appraisal? ()

a) YES b) NO.