

# *The Study of Reservations and Concerns in Application of 360° Feedback System*

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## **Abstract**

*The main aim of the study is to analyze the effectiveness of 360-degree performance appraisal feedback system in Anand Publications and Nageen Publications. Performance evaluation techniques are often driven by a desire to minimize disagreement across evaluations. Historically, the typical goal of maximizing agreement is based on the assumption that there exists an objective reality that will be similarly perceived and reported, despite differences in rater perspective. The responses are presented collectively to the assessee in the form charts and graphs. Comments and interpretations are presented later. Counselling sessions are arranged with the employee to remove the weaknesses identified in the Three sixty degree assessment. A sample size of 100 employees is chosen. Out of which 50 employees were from Anand Publications and remaining 50 from Nageen Publication. Companies that implement 360° feedback without first developing good managers who can give feedback correctly risk serious damage to teamwork and morale. Providing constructive feedback calls for instruction, training and practice.*

*Any organization considering using 360° feedback in the appraisal process should begin by using for development purpose only and then gradually to make it a part of appraisal system.*

**Keywords :** 360° Feedback System, Appraisal, Human Resource Management.

**JEL Classification :** E 24, P 47.

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## **1. INTRODUCTION**

Three Sixty Degree Feedback is a process in which employees receive confidential, anonymous feedback-from the people who work

around them. This typically includes the employee's manager, peers, and direct reports. A mixture of about eight to twelve people fill out an anonymous feedback form that asks questions covering a broad range of workplace competencies and are measured on a rating scale and written comments by the respondents. The person receiving feedback also fills out a self-rating survey that includes the same survey questions that others receive in their forms.

Three sixty degree appraisal involves rating of an employee or manager by everyone above, alongside and below him. Corporates like

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General Electric India (GE), Reliance Industries Ltd. (RIL), Crompton Greaves, Godrej Soaps, Wipro, Infosys, Thermax, Thomas Cook and many others are all using this tool to find out truths about their managers. Although deployed mostly as a fact finding technique, Three Sixty Degree appraisal is also used to design promotion and reward system in the organization.

**2. CONCEPT OF THREE SIXTY DEGREE APPRAISAL**

According to Milliman and others, “360-degree appraisal is the process of systematically gathering data on a person's skills, abilities and behaviours from a variety of sources the manager, peers, subordinates and customers and clients”. Thus, appraisal of an employee is done by his superior, his peers, his subordinates and clients or outsiders with whom he interacts in the course of his job performance. In 360-degree appraisal, besides appraising the performance of the assessee, his other attributes such as talents, behaviour, values, and technical capabilities are also appraised.

Besides, the employee himself, superior, subordinates and peers play an important role in the appraisal. Structured questionnaires are used to collect responses about the employee from his superiors, peers and subordinates. Several parameters relating to performance and behaviour are used in the questionnaires. Each manager is assessed by a minimum of fifteen colleagues, at least two of them being his bosses, four of them peers, and six of them

subordinates. Even the important customers or clients of the firm may also be requested to give their assessment of the concerned employee. The responses are presented collectively to the assessee in the form charts and graphs. Comments and interpretations are presented later. Counselling sessions are arranged with the employee to remove the weaknesses identified in the Three sixty degree assessment.

**3. COMPANY PROFILE**

**Anand Publications**

Anand Publications, was launched in 2005, is the largest-selling college book Publisher. Anand Publications is established in Meerut with a base of 100 employees and more than 500 book titles.

**Nageen Publications**

For over 50 years, Nageen publication is the leader of UP Board science books. It has more than 250 employees and 50 best selling intermediate education level titles.

**4. LITERATURE REVIEW**

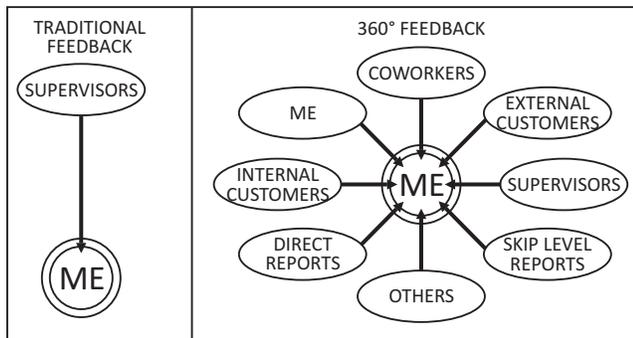
The risks associated with 360 degree feedback are real and serious. Great care should be taken in order to avoid these pitfalls. 360° feedback instruments should be created in a participative manner. The process of creation should involve representatives from as many of the management groups participating as possible. This will increase buy in and reduce the risk of wild fantasies about what the process is really about. Companies typically use a 360° feedback system in one of two ways :

**360° Feedback as a Development Tool to help employees recognize strengths and weaknesses and become more effective**

When done properly, 360° is highly effective as a development tool. The feedback process gives people an opportunity to provide anonymous feedback to a coworker that they might otherwise be uncomfortable giving. Feedback recipients gain insight into how others

**Figure 1**

**Traditional Feedback Vs. 360° Feedback**



Sources : archives.dailynews.lk

perceive them and have an opportunity to adjust behaviours and develop skills that will enable them to excel at their jobs.

### **360° Feedback as a Performance Appraisal Tool to measure employee performance**

Using a 360 degree feedback system for Performance Appraisal is a common practice, but not always a good idea. It is difficult to properly structure a 360° feedback process that creates an atmosphere of trust when you use 360° evaluations to measure performance. Moreover, 360° feedback focuses on behaviors and competencies more than on basic skills, job requirements, and performance objectives. These things are most appropriately addressed by an employee and his/her manager as part of an annual review and performance appraisal process. It is certainly possible and can be beneficial to incorporate 360° feedback into a larger performance management process, but only with clear communication on how the 360° feedback will be used.

## **5. CONCEPT OF 360° FEEDBACK**

### **a) 360° Feedback Survey Measures**

- i) 360° feedback measures behaviours and competencies
- ii) 360° assessments provide feedback on how others perceive an employee
- iii) 360° feedback addresses skills such as listening, planning, and goal-setting
- iv) A 360° evaluation focuses on subjective areas such as teamwork, character and leadership effectiveness.

### **b) 360 Degree Feedback Surveys do not access :**

- i) 360 degree feedback is not a way to measure employee performance objectives (MBOs)
- ii) 360 degree feedback is not a way to determine whether an employee is meeting basic job requirements

- iii) 360 degree feedback is not focused on basic technical or job-specific skills
- iv) 360 degree feedback should not be used to measure strictly objective things such as attendance, sales quotas, etc.

There are legitimate arguments on both sides of the debates. Following are the key areas of debate about 360 degree feedback plans.

- c) **The goal** : developmental tool and use vs. performance appraisal tool.
- d) **The method** : anonymously filled out 360 degree feedback instrument vs. face-to-face, or known rater feedback, or a combination of these. Who picks the raters?
- e) **The outcome** : 360 degree feedback results impact salary increases vs. they have no impact on compensation.
- f) **The process** : the individual owns the data from 360 degree feedback vs. the organization, including the supervisor, has access to the data.
- g) **The instrument** : self-developed 360 degree feedback assessment vs. off-the-shelf computerized or paper instrument.
- h) **The readiness** : the current climate in your organization for feedback is one of trust vs. the climate needs work to build trust first.

The measurements used to determine compensation in such a system include meeting measurable goals, attendance, and contribution.

## **6. RESEARCH METHODOLOGY**

### **a) Research Design**

Descriptive research design is followed in this study because it describes data and characteristics about the population or phenomenon being studied. Descriptive research answers the questions who, what, where, when and how. This research is used to

find out the basic reason or to identify the cause of something that is happening or using it to find out what to do.

**b) Field of Study**

The study was conducted on Anand Publications and Nageen Publications.

**c) Instrument**

A questionnaire was distributed amongst the employees to collect the required information.

**d) Sample Size**

A sample size of 100 employees is chosen. Out of which 50 employees were from Anand Publications and remaining 50 from Nageen Publication.

**e) Sampling Area**

Meerut (UP) India

**f) Sampling Technique**

The sampling technique chosen was Probability sampling. Random sampling method was used.

**g) Sources of Data**

The source of data for this study is Primary Source. Major information has been collected through the course of the survey. The secondary source has been taken for literature review and profile of the company. The secondary data sources used in this project are : various journals and research articles.

**h) Objectives**

- i) To study the effectiveness of the existing system of 360 degree feedback in Anand Publications and Nageen Publications.
- ii) To study the issues and concerns related to its application in the organizations.

**i) Data Collection**

The data was collected through the questionnaire method. The respondents were given a period of two days to read, fill and

understand the questionnaire. In case of any doubt, they could ask for clarifications.

**7. DATA ANALYSIS AND FINDINGS**

**a) Organizations :** Anand Publications and Nageen Publications.

**b) Designations :** Most of the employees from the sample size are at functional level management i.e. at the lower level and the middle level of the management i.e., Features Writer, Assistant Editor, Stylist, Proof readers and Designers.

**Table 1.**

**Table for Reliability Testing  
Reliability Statistics**

Cronbach's Alpha	No. of Items
0.906	10

**Analysis Based on Responses from the respondents**

- 1. 360 degree feedback is designed to help the appraise and appraiser jointly understand the former's job.

**Table 2**

Response Category	No. of Responses: 100	Percentage
Strongly disagree	19	19
Disagree	45	45
Neither agree nor disagree	18	18
Agree	18	18
Strongly agree	0	0

**Inference :** Most of the respondents (45 per cent) disagreed to the above statement. This was followed by 19 per cent of the respondents who strongly disagreed feeling that this statement was 'Partly True' for their organization. Only 18 per cent of the people found it to be 'True' i.e. agreed to the statement.

- 2. The overall assessment of Performance Appraisal is complete.

**Table 3**

Response Category	No. of Responses	Percentage
Strongly disagree	12	12
Disagree	55	55
Neither agree nor disagree	18	18
Agree	15	15
Strongly agree	0	0

**Inference :** Quite a large number of respondents (55 per cent) shared the view that the appraisal system did not give a clear understanding of appraisals, to both appraiser and appraisee by saying that they disagree. Only 15 per cent of the respondents felt that the statement was 'True' and they agreed.

- Does your manager share his feedback report with you?

**Table 4**

Response Category	No. of Responses	Percentage
Strongly disagree	0	0
Disagree	11	11
Neither agree nor disagree	34	34
Agree	38	38
Strongly agree	17	17

**Inference :** About 38 per cent of the respondents felt that the above statements was 'True' and they agreed to it. It was followed by 34 per cent people feeling that they neither agree nor disagree and with 17 per cent believing that they strongly agree to it.

- Have you shared your feedback report with your team members who provided input to the exercise?

**Table 5**

Response Category	No. of Responses	Percentage
Strongly disagree	3	3
Disagree	57	57
Neither agree nor disagree	29	29
Agree	11	11
Strongly agree	0	0

**Inference :** About 57 per cent of the respondents felt that the above statement was False i.e. respondents never shared their feedback report with team members who provided input to the exercise. It was followed by 29 per cent people feeling that they neither agree nor disagree and with none of the respondents believing that they strongly agree to it.

- Do you have a discussion with your superior to share any part of your feedback and action plan?

**Table 6**

Response Category	No. of Responses	Percentage
Strongly disagree	10	10
Disagree	67	67
Neither agree nor disagree	3	3
Agree	16	16
Strongly agree	4	4

**Inference :** 67 per cent of the respondents disagreed that they had a discussion with their superior / manager to share any part of their 360 degree feedback and action plan. Only 16 per cent people felt that this statement was true and they agreed to it.

- Do you believe that 360 degree feedback helps in distinguishing the performers and the non performers ?

**Table 7**

Response Category	No. of Responses	Percentage
Strongly disagree	0	0
Disagree	7	7
Neither agree nor disagree	36	36
Agree	40	40
Strongly agree	17	17

**Inference** : About 40 per cent of the respondents felt that the above statement was True and they agreed that the process helps in distinguishing the performers and the non performers. It was followed by 36 per cent people feeling that they neither agree nor disagree and with 17 per cent believing that they strongly agree to it.

7. Do you believe that the guarantee of confidentiality given to you, as a participant in 360 degree feedback has been observed throughout the process?

**Table 8**

Response Category	No. of Responses	Percentage
Strongly disagree	3	3
Disagree	57	57
Neither agree nor disagree	29	29
Agree	11	11
Strongly agree	0	0

**Inference** : About 57 per cent of the respondents feel that confidentiality is not maintained through the process. This was followed by 29 per cent of the respondents rating it as to neither agree nor disagree and only 11 per cent of the respondents feeling that it was 'True'.

8. As a result of your 360 degree feedback, have you changed the way that you work at all?

**Table 9**

Response Category	No. of Responses	Percentage
Strongly disagree	12	12
Disagree	57	57
Neither agree nor disagree	14	14
Agree	17	17
Strongly agree	0	0

**Inference** : 57 per cent of the

respondents believe that the above statement is not true as they have not changed their way of working/working style. This was followed by 17 per cent of their respondents rating it to be true and none of the respondents strongly agreed to the statement.

9. As a result of your feedback were you surprised by any hidden strengths or weaknesses revealed to you by your direct or second level subordinate?

**Table 10**

Response Category	No. of Responses	Percentage
Strongly disagree	3	3
Disagree	71	71
Neither agree nor disagree	6	6
Agree	20	20
Strongly agree	0	0

**Inference** : Only 20 per cent of the respondents felt they were surprised by some hidden strengths or weaknesses revealed to them by their direct or second level subordinate. However, 71 per cent of the respondents disagreed with the above statement.

10. Do you believe that 360 degree provides an opportunity for self reflection and review?

**Table 11**

Response Category	No. of Responses	Percentage
Strongly disagree	12	12
Disagree	57	57
Neither agree nor disagree	14	14
Agree	17	17
Strongly agree	0	0

**Inference** : 57 per cent of the respondents disagree with the statement that 360 degree provides an opportunity for self

reflection and review. Only 17 per cent felt that 360 degree feedback does provide an opportunity for self reflection and review and 14 per cent gave a neutral response.

## 8. FINDINGS

A key finding is that the organizations do not have a clear sense of what they want to accomplish through the use of 360 degree feedback. In each case, there were no well defined goals that could enable those involved in designing and implementing the process to identify which skills and practices would be emphasized, both when gathering the information and when informing the participants.

About 45 per cent respondents felt that the process is not designed to aid the appraiser and appraise jointly understand the former's job.

Only 38 per cent respondents said that their Manager shares the feedback report with them.

However, what is surprising is that 57 per cent respondents have not shared their feedback report with team members who provided input to the exercise.

A massive 67 per cent respondents do not have a discussion with their superior to share any part of feedback and action plan.

57 per cent respondents said that the guarantee of confidentiality given to them, as a participant in 360 degree feedback has not been observed throughout the process.

Whopping 71 per cent respondents were not surprised by any hidden strengths or weaknesses revealed to them by their direct or second level subordinate.

Approximately 57 per cent respondents felt that the process does not provide an opportunity for self reflection or review.

The performance appraisal is completely need based and the organization recognizes and promotes high achievers only if there are

vacancies available in the organization. This has a negative impact on people who are not rewarded and promoted duly for their good performance.

Although, most of the people felt that there was mutuality and trust between appraiser and appraise, it may again depend on the proximity and relationship shared by an employee and his/her boss. A low score on extent of communication and discussion between appraiser and appraise and high score on mutuality and trust give a contradictory view.

Since 360 degree feedback process are currently anonymous, people receiving feedback have no recourse if they want to further understand the feedback. They have no one to ask for clarification of unclear comments or more information about particular ratings and their basis. This shows that the organizations lack trust and have a culture of suspicion.

Employees tend to inflate and deflate ratings to make an employee look good or bad. They also informally bank together to make the system artificially inflate everyone's performance.

## 9. SUGGESTIONS

- (i) **Ask raters to support their evaluations :** Whenever possible, raters should discuss their observations and evaluations with other raters. These discussions should trigger thoughts and combat selective memory. Raters should also be required to provide a rationale for their rating to other raters. This would prevent people from using the process to act on personal grudges.
- (ii) **Train raters on what and how to observe:** The better people understand what they look for and how to record "critical incidents" (specific things the person said and did that can be used as examples to support their ratings) better the quality of the information that will be collected.

- (iii) **Develop a culture that supports open feedback** : Not surprisingly, 360° feedback works best in companies where the environment is participatory rather than authoritarian, where giving and receiving feedback are the norm and are seen as valuable sources of information. If the current system (where only the supervisor does the appraisal) is not working due to lack of straight talk and hesitancy to give direct feedback, it is essential to introduce openness in the organization.
- (iv) **Clear and agreed on performance measures and behaviors** : When 360° feedback is used for development only, the organization may be able to settle the list of behaviors and skills that have reasonable face validity and general support; "coaching" or "team building", for instance. However, when the feedback is being used to determine performance ratings, the result and behavior for which people are held accountable must be clear, unambiguous and specific.
- (v) **Link the efforts to a strategic Initiative or a business need** : For a 360° degree feedback to be effective as a stimulus for change people need to understand its broader purpose; only then will you get their initial support and ultimately their commitment to the process.

## 10. CONCLUSION

A key factor that caused reservations and concerns in the application of 360° feedback was

that the organizations do not have a clear sense of what they wanted to accomplish through the use of feedback. In each case, there were no well defined goals that could enable those involved in designing and implementing the process to identify which skills and practices would be emphasized, both when gathering the information and when coaching the participants.

Processes that are initiated for uncertain reasons almost inevitably achieve uncertain results. Companies should train people in giving and receiving feedback. Companies that implement 360° feedback without first developing good managers who can give feedback correctly risk serious damage to teamwork and morale. Providing constructive feedback calls for instruction, training and practice.

Any organization considering using 360° feedback in the appraisal process should begin by using for development purpose only and then gradually to make it a part of appraisal system. Even then, the focus should be on the goal setting portion of the appraisal. People need to get comfortable with the idea of multisource feedback as a development tool before they can accept it as part of the formal performance management process.

A lot of organizations seem to be hurrying to integrate 360° feedback into the human resource management system. multisource feedback really does have the potential to enhance human resource management system. However, 360° feedback won't fix a system that does not work.

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