



## 720 Degree Performance Appraisal – A Conceptual Framework

Prof. (Dr.)  
Viralkumar Shilu

Shree Swaminarayan Institute of Management & IT Chhaya Main  
Road, Chhaya-Porbandar 360578

### ABSTRACT

*Performance appraisal plays an important role in an organization. There are clear benefits from managing individual & team performance to achieve organizational objectives. Performance appraisal is an important tool in the hands of Human Resource Manager because this technique accomplishes the main objective of the department of the development of people by appraising the worth of the individual. The performance management process provides a vehicle through which employees and their supervisors collaborate to enhance work results and satisfaction. 720 Degree Performance Appraisal has started gaining importance in today's organizations which believe in improving their employees performance systematically. This is the approach where evaluation is done twice. Technically it doubles the 360 Degree Appraisal tool. This paper focuses on conceptual framework of 720 Degree Performance Appraisal, its uses, dimensions and challenges for its practical implementation.*

**KEYWORDS :** Performance, Evaluation, Rating, Appraisal

### Introduction

Employees of organization can be effective if there is continuous improvement in their performance. The main motto of the organization is to have accomplishment of its basic objectives. In order to do this it is important to monitor or measure the performance of the employees on a regular basis. It calls for giving timely feedback and reviewing the performance according to pre determined standards. Another important element to make employees of the organization effective is to motivate them periodically. It goes without saying that encouraged people perform wholeheartedly for organization. There have been numerous methods to evaluate performance of the employees in organization. One of the modern techniques which have been gaining popularity among the HR Managers is 720 degree appraisal method. 720 degree appraisal method aims at monitoring, measuring, giving feedback and encouraging the employees to achieve the goal and for the Organization in turn.

### Concept Of 720 Degree Performance Appraisals

It is always difficult to measure performance of the employees with accuracy and objectivity. 720 degree performance appraisal is the latest appraisal method that has been introduced in New Economy companies. There are many techniques which are used by HR manager to evaluate the performance of employees such as Critical incident method, weighted checklist method, paired comparison analysis, graphic rating scales, essay evaluation method, behaviorally anchored rating scales, performance ranking method, Management by Objectives (MBO) method, 360 degree performance appraisal method, Forced ranking and Behavioral observation scales. In this system, we provide a feedback after the original / main 360 degree appraisal. 720 degree performance appraisal is an integrated method of performance appraisal. This is only performed in exceptional cases. Some managers feel that doing "one" comprehensive 360 degree is not complete in itself in some cases. These managers feel that an effective procedure to measure improvements and receives feedback is essential for the success of an appraisal. This gives a pre and a post intervention results. The pre-intervention results set the baseline. In short, manager gives feedback to the incumbent to improve his performance and encourage him to achieve set targets. Usually, a period of 6 to 9 months is given for improving the performance of employee. Lastly, employees should also be treated with sensitivity and respect under this approach.

### Need of 720 Degree Performance Appraisal Better Analysis and Improved Feedback:

With the help of 720 degree performance appraisal, relevant information about employees could be easily gathered. On the basis of this information, accurate analysis of their performance can be made possible. Manager can also give objective feedback to the employees using this method. Accurate performance analysis and objective feedback in turn help employees to improve their efficiency. Employees whose performance is being evaluated would also feed motivated.

### Provides Performance Rank:

Ranking of the employees in their performance will help HR manger to take right decision regarding wage and salary administration, promotion, transfer, training and development of the employees. It also gives timely feedback of performance targets.

### Bringing In Efficiency

With the help of 720 Degree performance evaluation, efficiency can be brought in among the employees of organization. This can be made possible as employees will be made aware about the area where there is need to have improvement. Work procedures and practices can also be standardized.

### Minimizing Grievances

This method of evaluating personnel is also useful to minimize grievances of the employees. The resultant outcome of the evaluation is to make employees understand about their abilities, proficiencies in the different work areas. Not only this, they will also be made known about the areas of improvement. All in all management of the organization will try to understand the expectations of the employees and prevent grievances. This will result into improving disciplinary atmosphere in an organization.

### An Integrated Approach

720 Degree performance appraisal method is more development focused than performance alone in true sense. This evaluation method is to be considered as an integrated approach to appraise the performance of the employees. Needless to say, this method supplements training and development function in better way.

### Impartial & Objective Assessment

It is worth mentioning over here that this method overcomes the barriers like partiality, bias or discrimination while evaluating the performance of the employees. To put it differently, impartial and objective evaluation is one of the striking features of 720 Degree performance appraisal approach. An element of transparency with justly treatment is found in this approach.

### Better Customer Satisfaction

If we look at the dimensions of this modern approach to evaluate the performance of employees in an organization, customers are given due importance while receiving the feedback for the employees whose performance is to be evaluated. This results into understanding needs and requirements of the customers. Management will be in a better position to serve the customers after having understood their expectations. In short, we can give better satisfaction to the customers using this approach.

### Realistic Career Planning For Employees

This method provides information to diagnose deficiency in the employees regarding skill, knowledge, determining training and suggest the means for employees' growth. This information is to be used for

developing realistic career planning for different employees. Ideally, employees will be promoted the areas in which they have expertise.

### Contents of 720 Degree Performance Appraisal

This approach typically contains following details for the purpose of evaluation.

- Key Skills
- Capability types
- Specific feedback questions
- Grade box for ticking performance

### Dimensions of 720 Degree Performance Appraisal

The modern organizations believe in having transparency and achieving high rate of employees' satisfaction. 720 Degree Performance Appraisal approach helps to accomplish these goals as this method takes in to account feedback received from different people. In fact, we can say that performance of employees is to appraised using different dimensions. This helps to overcome barriers of bias, prejudice and discrimination. Here the appraisal meeting is conducted twice i.e. pre and post feedback, whereas following are the people who provide feedback to the manager about performance of employees.

#### i) Pre Appraisal Feedback

The first and foremost important dimension is to have pre appraisal feedback. This is the first appraisal step that is done after the feedback is collected from the different dimensions or people with whom the employee would interact. In this step, the performance is evaluated, targets are set and feedback or training is organized to help the employee achieve the target.

#### ii) Self Appraisal

In many organizations, self appraisal has started gaining popularity. Under this, the employee is given a questionnaire and asked to evaluate his performance and through this method, the employee gets an opportunity to express his thoughts and his valuation of strengths, weakness and judge his performance.

#### iii) Appraisal by co-employees or peers

This will also be useful for the employees as the feedback from the peers or colleagues is important as it helps to understand the ability of the employee to work as a team, co-operate, co-ordinate with others and bring out the best.

#### iv) Customer Appraisal

Ours is an age of competitive market, where survival can only be made possible by undertaking the expectations of the customers. All the organizations aim at achieving high customer satisfaction. Customer feedback helps to analyze the customer point of view and help to improve the person and the Organization. This enables employees to serve customers in better ways.

#### v) Sub-Ordinates Appraisal

The feedback of the sub-ordinates is essential to analyze the organizing skills of the employee and to understand his abilities like communication and motivating abilities, ability to delegate the work, leadership qualities and way of handling responsibilities.

#### vi) Mangers/Superiors Appraisal

In this, the performance, responsibilities and the attitude of the employee is evaluated by the Superiors or Managers.

#### vii) Post Appraisal Feedback

It is this step that makes the 720-degree performance appraisal different and better than the 360- degree performance appraisal method. In this step, the performance is evaluated based on the target set in the Pre appraisal and feedback is given. Timely feedback and guidance helps to improve the performance of employees.

### Barriers To 720 Degree Performance Appraisal Time Consuming

Though this method evaluates the performance of employees systematically, it takes great deal of time to introduce and implement evaluation process. Most of the organization avoids using this approach for its limitations of time. Management should also create awareness among the managers, supervisions and employees for the

successful implementation of this method.

### Diseconomy

In this approach, appraisal is to be done twice for the employees; it requires adequate monetary commitment on the part of the organization. It may not be suitable to all small and medium scale organizations. Rather such organization prefers to use other appraisal method which doesn't take investment of more funds. All in all, we may say that one of the limitations of this approach is to have an element of diseconomy.

### Inaccuracy

There are likely chances that evaluation may not be accurate as there are many individuals and group of people who evaluate the performance of employees. Moreover there could be difference of opinion with regard to performance due to bias, prejudice and discrimination.

### Insufficient Information

This method may not generate productive result in the light of available information provided by the different people who are to evaluate the performance of employees. To put it differently, there may not be sufficient, reliable and timely information to be provided by the appraisers. Resultantly, it may mar the whole process of 720 Degree Performance Evaluation.

### Conclusion

This brief historical review of the development of performance appraisal over the past 100 years leads to a curious conclusion. Despite all research, there is still widespread displeasure with performance appraisal systems, most notably in the United States and the United Kingdom. Notwithstanding decades of trial and error, overall "the outcome has been disappointing; a small incremental increase in what we know with respect to the performance appraisal process." Even internal and external HR consultants may be dubious about the usefulness of performance appraisal systems and often find themselves.

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