



A STUDY ON "720 DEGREE APPRAISAL SYSTEM"

URSHILA GULATI

GARLAPATI A VARA
PRASAD
GOWTHAM

ABSTRACT Performance appraisal plays a vital role in any organization. The benefits cover a wide range from managing individual performances, group performances to achieving organizational goals and objectives. The main objective of performance appraisal is the development of individual by appraising his/her worth. It provides an opportunity to both the employees and the managers to collaborate and work towards enhancing the business outcomes and also work/job satisfaction.

KEYWORDS

INTRODUCTION

Performance appraisal determines the extent to which the employees perform their job effectively. Performance appraisal system can be either informal, where the managers think about how well the employees are doing; or Formal, where the organization sets up a system/method to evaluate the performance of the employees. There are some researchers who have doubts about the validity and reliability of the performance appraisal process. On the other hand, there are some advocates of performance appraisal who emphasize that this process is very crucial for human resource management. With the help of such systems, the managers can assess the performance of the individuals and his/her contribution to the organization in a systematic way. The performance can be measured against many factors like knowledge, quality and quantity of output, leadership skills, absenteeism, dependability, team spirit, judgment, flexibility and mental as well as physical health.

720 degree performance appraisal is an integrated method of performance

Appraisal where, the performance of an employee is evaluated from 360 degrees (Management, Colleagues, Self and also customers) and timely feedback is given and performance is evaluated again based on the targets that are set.

LITERATURE REVIEW

A study on "Customer Centric Evaluations" by Galbreath, Richard D and also the paper "Ask The Customer" by Jakobson, Leo, demonstrates the importance of using a 720 degree performance appraisal system, in the sense that in such type of an appraisal system, the expectations of customers are clearly aligned with the performance goals of the employees. This increases the loyalty of the customers towards the organizations thereby increasing profits of the organizations. Another paper "Clarifying the structure of justice using fairness perceptions of performance appraisal practices" by Paul W Thurston Jr, Pin points that the new trend of using a 720 degree appraisal system, does away with all biases, prejudices and discriminations while evaluating of employees.

OBJECTIVES OF THE STUDY

- To identify the difference between the 720 degree performance appraisal system and the 360 degree performance appraisal system.
- To identify the need to incorporate the new 720 degree performance appraisal system.
- To study the various dimensions of the 720 degree performance appraisal system.

- To identify the benefits of the 720 degree performance appraisal system.

A COMPARATIVE STUDY OF 360 DEGREE APPRAISAL SYSTEM AND THE 720 DEGREE APPRAISAL SYSTEM

- The 720 Degree appraisal system is a double check for the 360 Degree appraisal system
- In the 360 Degree appraisal system, appraisal is taken from the superior, subordinates, customers and peers and in 720 Degree appraisal system, they will take the appraisal from the same persons but will ask them twice.
- The 720 Degree appraisal system is more customer-centric. It involves taking feedback from customers on various positions of the organization like directors, top level and middle level managers whereas the 360 Degree appraisal system involves taking feedback from customers on employee performance.
- The 720 Degree appraisal system is more focused on the higher level Management whereas the 360 Degree appraisal system can be applied in the case of all the levels of management.
- 360 Degree appraisal system is done by superiors, peers, subordinates and internal customers of a firm whereas 720 Degree appraisal system consists of appraisal by all the persons consists of top management, superiors, peers, subordinates, internal clients and auditors, external suppliers, customers and all stakeholders of the firm.
- The 360 Degree appraisal has only one appraisal cycle, on the other hand, the 720 Degree appraisal has dual appraisal cycles.
- The 360 Degree appraisal is usually carried out with the help of appraisal forms. But on the other hand, the 720 Degree appraisal is usually carried out through detailed personal interviews with the performance evaluators.

WHY USE 720 DEGREE SYSTEM?

The need of using a 720-degree performance appraisal system can be summarized as follows:

1) Better Analysis and Improved Feedback: It helps in gathering relevant information about the employees. And this information then becomes the basis to critically analyze the performance of the employees. There is also a scope to give objective feedback to the employees, in 720 degree appraisal system. This helps employees to increase their efficiency. Employees also feel motivated.

2) Provides Performance Rank: Employees can be ranked according to their performance and accordingly can be entitled to their respective wages and salary, promotions, transfers, and their training/coaching.

3) Bringing In Efficiency: Such kinds of appraisal systems increase the efficiency of the employees and boosts their morale. They are also aware of their areas of improvements.

4) Minimizing Grievances: This minimizes grievances of the employees. The management tries to understand the expectations of the employees thus preventing grievances. This helps in maintaining discipline in the organization.

5) An Integrated Approach: This system doesn't focus only on performance but also on the development of the employees. Moreover, this method supplements the training and development function in an organization.

6) Impartial & Objective Assessment: This method is unbiased, unprejudiced and impartial towards all the employees in the organization and henceforth transparency is always ensured, while using the 720 Degree appraisal system.

7) Better Customer Satisfaction: Since this approach is more customer centric, it caters to their needs and requirements. This in turn helps the organization to better understand the expectations of their customers thereby making them more satisfied.

8) Realistic Career Planning For Employees: This method helps in identifying the areas of improvements of the employees and providing them with suggestions and solutions to overcome them. Also, with this appraisal system, employees are pushed towards their areas of expertise.

DIMENSIONS OF 720-DEGREE PERFORMANCE APPRAISAL:

As mentioned earlier the 720 degree evaluation process is beneficial for both the organizations and its customers/employees. This system includes two rounds of feedback along with 5 basic dimensions, as follows:

1. Pre appraisal feedback: This is the first phase of the 720 degree appraisal method. Here, goals, sub-goals, objectives and targets are set and the corresponding training or feedback is arranged.

2. Self-Appraisal: This is the second phase of the 720 degree appraisal method. Here the employee has to self-evaluate himself/herself by filling up a questionnaire. This way the employee can become aware of his strengths, weakness, opportunities and threats.

3. Peers/colleagues appraisal: This is the third phase of the 720 degree appraisal method. Here a feedback is taken from the peers or colleagues of the concerned employee. Such kind of appraisal helps the employee to assess himself as a team player, since his/her peers and colleagues can best evaluate him/her in teaming skills, co-operation and co-ordination with others.

4. Customer appraisal: This is the fourth phase of the 720 degree appraisal method.

Here the customers are asked to give their valuable responses and feedback for an employee.

This step is necessary for any organization to gain competitive edge by making its customers more satisfied than its competitors. What the customers think about the organization is very crucial and important for any organization to know.

5. Sub-ordinates appraisal: This is the fifth phase of the 720 degree appraisal method. Here the subordinates give feedback about the concerned employee. This feedback becomes an important part of appraisal since it speaks about the employee's communication skills, interpersonal skills, leadership skills and emotional quotient.

6. Managers/superiors appraisal: This is the sixth phase of the 720 degree appraisal method. Here managers and/or supervisors give feedback about the employee and his/her performance,

attitude and the way to handle responsibilities.

7. Post appraisal feedback: This is the last phase of the 720 degree appraisal method. This is this step that distinguishes the 720-degree performance appraisal from 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.

MERITS OF USING A 720 DEGREE PERFORMANCE EVALUATION SYSTEM -

- It provides a better analysis and an improved feedback from different dimensions.
- Helps to develop a better and co-operative team.
- It is free from prejudice, bias and discrimination.
- Customer centric.
- Fully transparent and just.

CONCLUSION

There are various new management fads, fashions and trends that have evolved across many geographies and industries. With the everlasting need to upgrade and incorporate the best solutions and systems, many organizations are now adopting the new 720 degree performance management/appraisal system. Now there is a high possibility that the currently used performance management tools and methods will become extinct.

By the turn of the decade, organizations will have embraced performance cultures that emphasize on frequent feedback and increased manager-employee dialogue and participation.

Many management experts feel that a 360 degree appraisal system is not sufficient to evaluate an employee's performance as it misses on many aspects which can be touched upon only by incorporating a 720 degree appraisal system. Many Organizations including Cadbury are now switching to using this system and slowly but steadily other organizations will also realize the need for this new system, which is better than the existing 360 Degree evaluation on many factors.

References:

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