



360 Degree Feedback

Course Objectives

- Explain What is 360 Degree Feedback
- Describe the History of 360 Degree Feedback
- Explain the Uses of 360 Degree Feedback
- List the Advantages 360 Degree Feedback
- List the Disadvantages of 360 Degree Feedback
- Describe What is an Effective 360 Degree Feedback Appraisal
- Describe the Components of 360 Degree Feedback
- Explain the Process of 360 Degree Feedback
- Describe the Problems of 360 Degree Feedback Appraisal
- Describe the Sources of Errors in Performance Appraisals
- Explain the Development Options after Feedback
- Explain What is 720 Degree Feedback

What is Performance Appraisal?

Performance Appraisal (PA) is the process that is used to evaluate the personality, performance and potential of the employees of an organization.

It is a process of evaluating and communicating to an employee how he or she is performing the job and establishing a plan for improvement.

Hence, it is a system of review and evaluation of job performance to assess accomplishments and to evolve plans for development.

What is Performance Appraisal?



Performance appraisal means evaluating an employee's current and/or past performance relative to his or her performance standards.



According to Newstrom, "It is the process of evaluating the performance of employees, sharing that information with them and searching for ways to improve their performance".



It is the step where the management finds out how effective it has been at hiring and placing employees.



It is recommended that in addition to an annual formal performance appraisal, informal performance appraisals should be conducted two or three times a year.

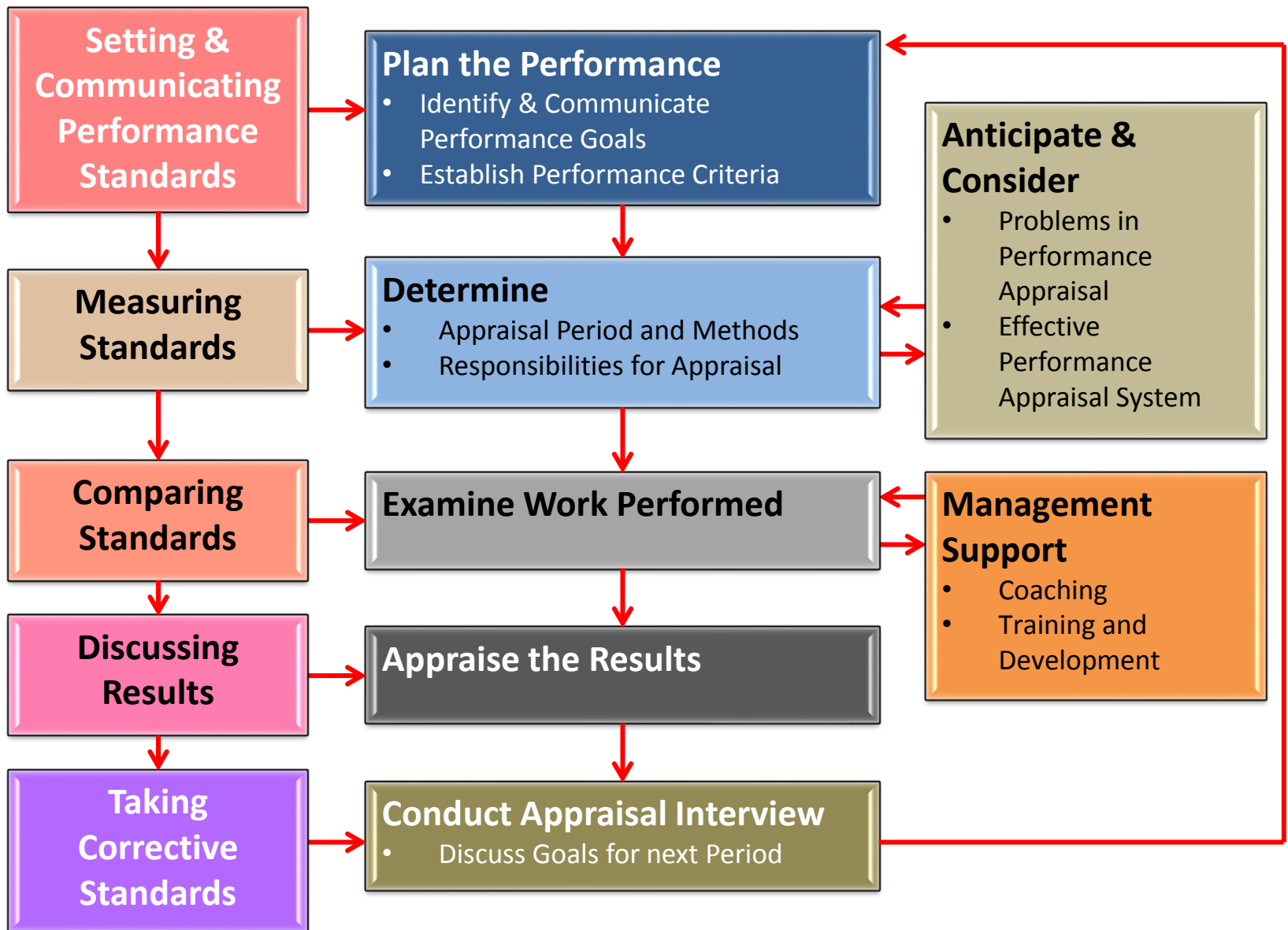
Objective of Performance Management

- To review the performance of the employees over a given period of time
- To judge the gap between the actual and the desired performance
- To help the management in exercising organizational control
- Helps to strengthen the relationship and communication between superior – subordinates and management – employees
- To diagnose the strengths and weaknesses of the individuals so as to identify the training and development needs of the future

Objective of Performance Management

- To provide feedback to the employees regarding their past performance
- Provide information to assist in the other personal decisions in the organization
- Provide clarity of the expectations and responsibilities of the functions to be performed by the employees
- To reduce the grievances of the employees
- To judge the effectiveness of the other human resource functions of the organization such as recruitment, selection, training and development

Performance Management Process



Key Components of Performance Appraisal

Colleague/Boss/Client
Feedback

Employee
Accomplishments
Summary

Review of Goals and
Accomplishments –
Performance Feedback
and Appraisal Meeting

Overall Performance
Summary

Goal Setting for
upcoming year

Development and
Learning Plan

Merit
Recommendations

Key Performance Indicators

Some of the Key Performance Indicators that can be used to measure performance are:

- **Employee Productivity**

- Average sales turnover per employee
- Average profit per employee
- Value added per employee

- **Employee Cost**

- Employment costs as % of sales turnover / profit
- Employment costs per employee
- Employment costs as % of operating costs

- **Employee Turnover/Loyalty**

- % of employees that leave the organization in a given time period
- Average length of service

Key Performance Indicators

Some of the Key Performance Indicators that can be used to measure performance are:

- **Recruitment Process**

- Average lead time to recruit employees
- Average cost of recruiting off employees
- Average number of applications received per vacancy

- **Remuneration and Benefit Benchmark**

- Average salary paid vs. competition / industry and geographical norms
- Benefits provided vs. competition / industry and geographical norms

- **Willingness of Employees to Recommend the Company as an Employer**

- % of employees who are willing to recommend the organization as an employer to a friend
- % of applicants / appointees that have received recommendations from current employees

Key Performance Indicators

Some of the Key Performance Indicators that can be used to measure performance are:

- **Employee Development**

- % of employees that develop Individual Development Plan
- % of employees that fully execute their Individual Development Plan

- **Employee Career Coaching**

- % of employees that participate in career coaching program
- % of employees that have been assessed in Assessment Center

- **Skills/Competencies Availability**

- Average lead time to develop skills/competencies that are required
- Average lead time to close skills/competencies gaps
- % of required skills/competencies available within the organization

Key Performance Indicators

Some of the Key Performance Indicators that can be used to measure performance are:

- **Training Budget**

- Expenditure on training and staff development per employee in a given period

- **Employee Satisfaction with Training Program**

- % of training course participants that are satisfied / highly satisfied with the course or program
- % of training course participants that are dissatisfied / highly dissatisfied with the course or program

- **Impact of Training**

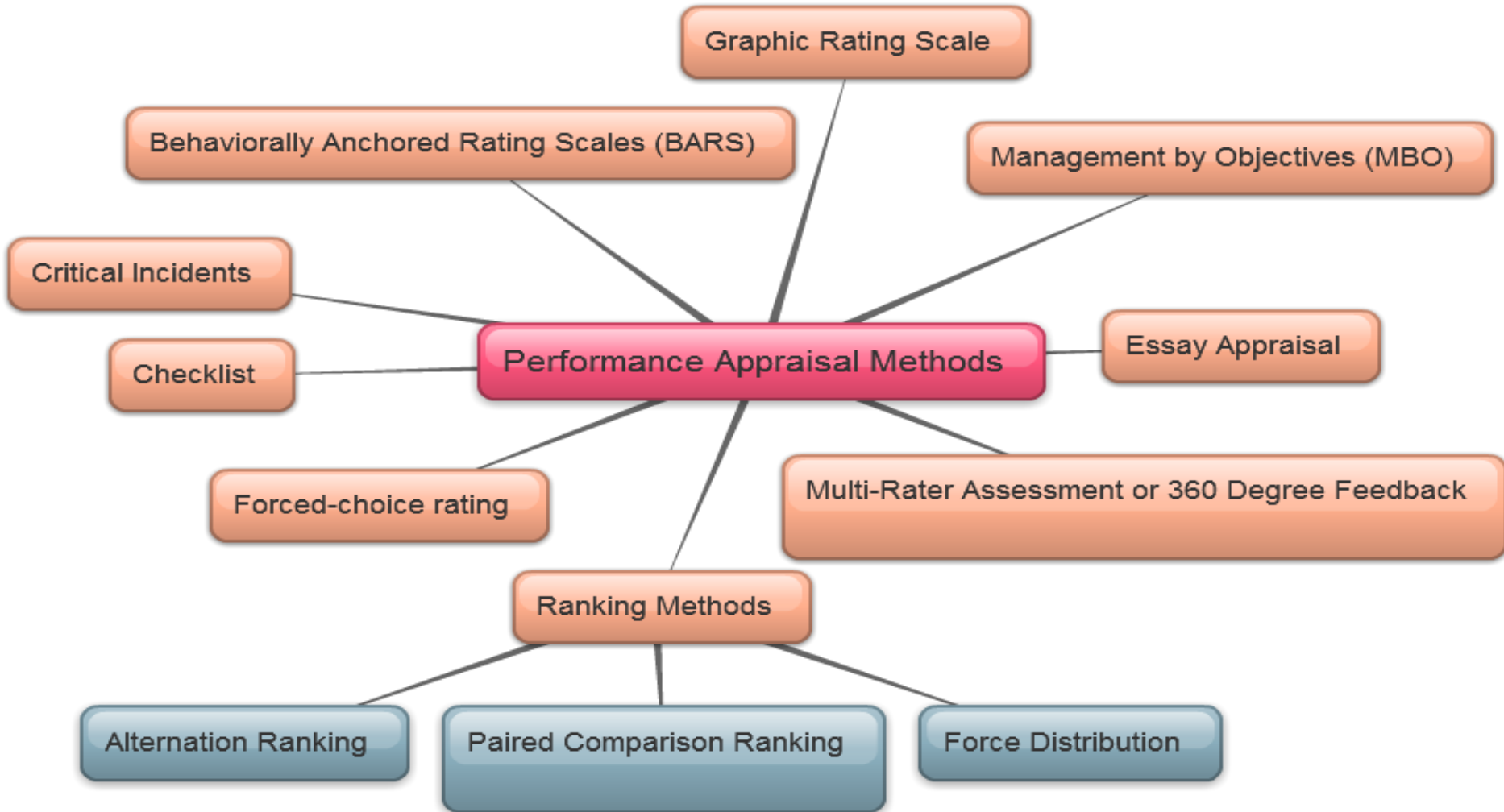
- % difference in the rate of productivity before and after training
- % difference in the defects rate before and after training
- proportion of training programmers resulting in productivity improvements

Key Performance Indicators

- **Employee Satisfaction**
 - Employee Satisfaction Survey Index
- **Employee Motivation**
 - % of employees that are committed to the organizational goals and objectives
 - % of employees that are considered to be 'highly motivated'
- **Availability of Training Courses**
 - % of training courses that match organizational requirements
 - % of training courses that match employee's personal requirements
 - Average number of courses requested, but not offered
- **Internal Promotion Opportunities**
 - Average lead time to promotion
 - Average lead time for promotion from bottom grade to senior management
 - % of managers / senior managers who have been promoted internally

Performance Appraisal Methods

There are many formats or methods that are used to measure whether the performance criteria is met or not. Some of the methods used for performance appraisal are as follows:



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- Explain the Development Options after Feedback
- Explain What is 720 Degree Feedback

What is 360 Degree Feedback?

360-degree feedback is an appraisal or assessment process used to improve managerial effectiveness by providing the manager with a more complete assessment of the employee's effectiveness, his performance and development needs.

360 degree feedback is also known as Multi-rater feedback, Multi-source feedback, Full-circle appraisal or Group performance review.

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History of 360 Degree Feedback

Contemporary 360-degree methods have roots as early as the 1940s. However, the exact details of the start of the technique are not very clear.

Most scholars agree that 360-degree performance appraisal has historical roots within a military context. During the 1950s and 1960s, the multi-rater trend continued in the United States within the Military service academies.

At the United States Naval Academy at Annapolis, the midshipmen used a multi-source process called “peer grease” to evaluate the leadership skills of their classmates.

During the 1960s and 1970s, in the corporate world, organizations like Bank of America, United Airlines, Bell Labs, Disney, Federal Express, Nestle, and RCA experimented with multi-source feedback in a variety of measurement situations.

Overview of 360 Degree Feedback

360 degree feedback system provides performance data from multiple points of reference.

It is more powerful, reliable and accurate as compared to traditional, single source feedback processes.

The feedback tends to be more balanced and is also harder to dismiss due to its' broader range of inputs'.

Overview of 360 Degree Feedback

It is not just a feedback from the supervisor and hence provides well rounded feedback.

It helps to reduce opportunity for the halo or horn affect.

The 360 degree feedback system helps team members work more effectively together.

Overview of 360 Degree Feedback

It is a great way to understand organizational needs and helps identify developmental needs.

- 360° feedback answers three basic questions:
- Why should I improve my performance?
 - What do I need to improve?
 - How can I improve?

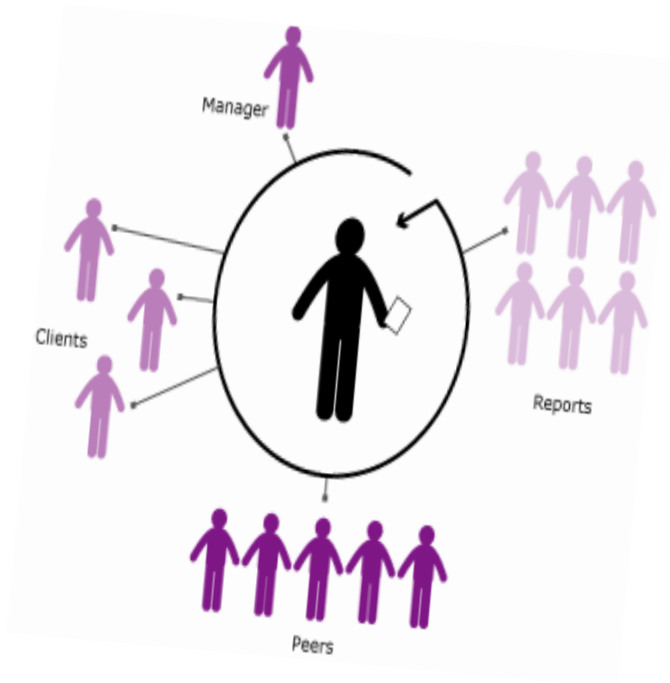
Definition of 360 Degree Feedback

360 Degree Feedback system is defined as:

The systematic collection and feedback of performance data on an individual or a group, derived from a number of the stakeholders in their performance.



Multi-Rater Assessment or 360 Degree Feedback



This method employs a multi-source feedback method which provides a comprehensive perspective of employee performance by utilizing feedback from the full circle of people with whom the employee interacts: supervisors, subordinates and co-workers.

Multi-Rater Assessment or 360 Degree Feedback

Putting Managers at the Heart
of Performance Management



The managers, peers, customers, suppliers, or colleagues are asked to complete questionnaires on the employee being assessed.

The person or employee being assessed is also required to complete a questionnaire.

The HR department provides results to the employee. The results help the employee to understand how his or her opinion differs from those of the group doing the assessment.

Multi-Rater Assessment or 360 Degree Feedback

Advantage

Some of the advantages of this method are as follows:

- It is effective for career coaching.
- It helps to identify the employees' strengths and weaknesses.

Disadvantages

Some of the disadvantages of this method are as follows:

- The questionnaires are generally lengthy.
- The amount of paperwork involved is extremely large due to the involvement of multiple people in the appraisal process of a single individual.

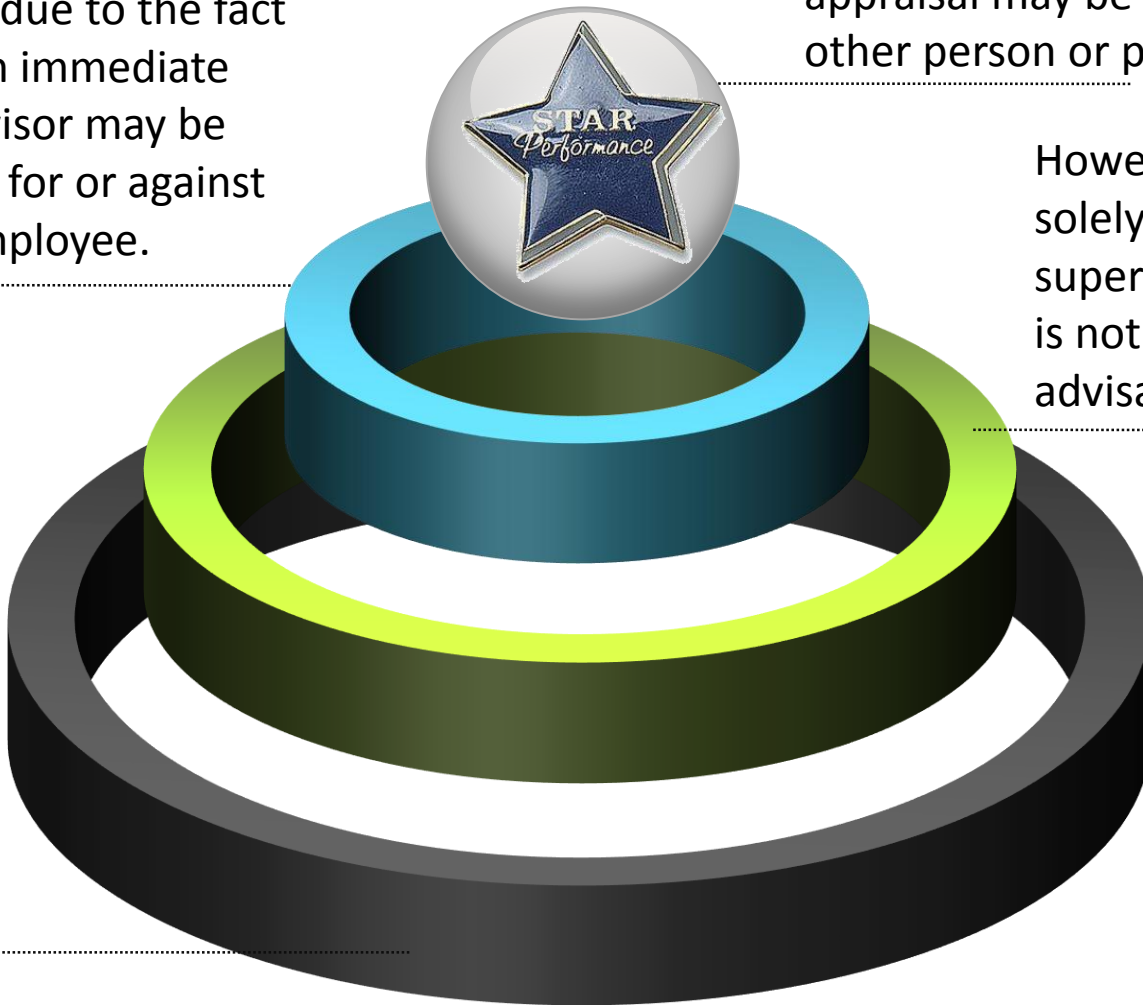
Who Should Do the Appraising?

This is due to the fact that an immediate supervisor may be biased for or against the employee.

Therefore, it is essential that the appraisal may be done by some other person or people.

However, relying solely on supervisor's ratings is not always advisable.

Generally, the supervisor or the reporting manager is the best person to observe and evaluate subordinate's performance and is also responsible for that person's performance.



Who Should Do the Appraising?

A few of the suitable people who can carry out the appraisals are as follows:



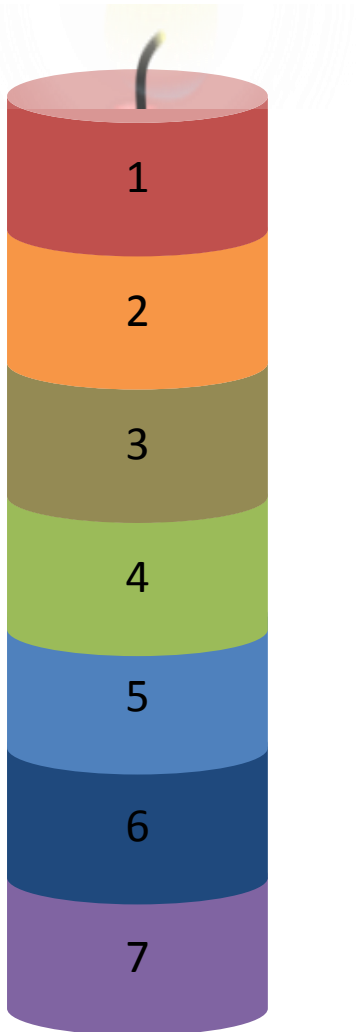
All of the above listed people should carry out the appraisal.

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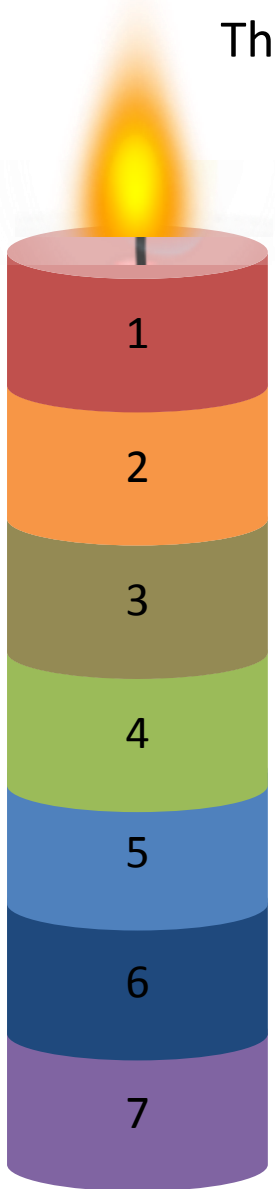
Uses of 360 Degree Feedback

There are several uses of the 360 degree feedback system, such as for:



Uses of 360 Degree Feedback

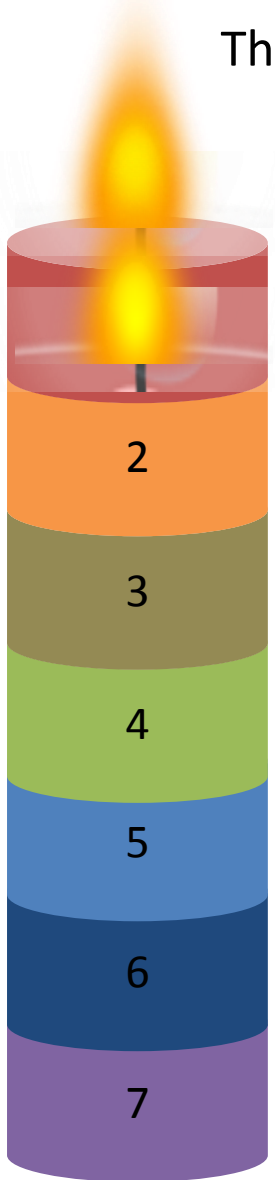
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Self-development and individual counseling

Uses of 360 Degree Feedback

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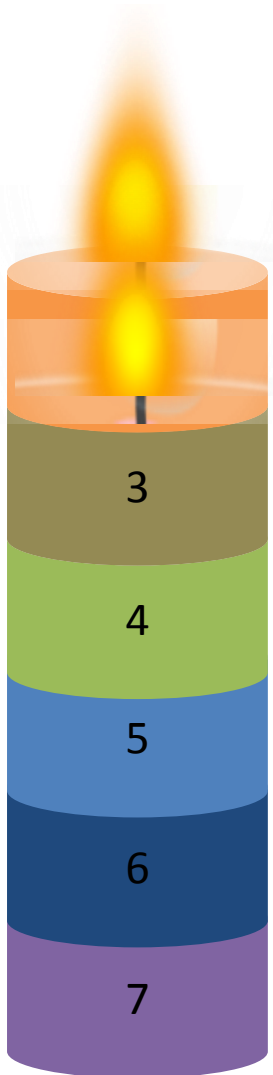


Self-development and individual counseling

Part of 'organized' training and development

Uses of 360 Degree Feedback

There are several uses of the 360 degree feedback system, such as for:



Self-development and individual counseling

Part of 'organized' training and development

Team building

Uses of 360 Degree Feedback

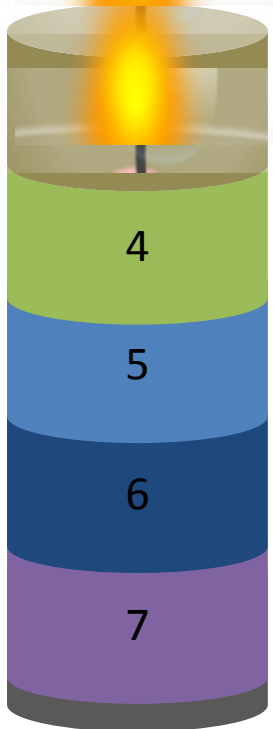
There are several uses of the 360 degree feedback system, such as for:

Self-development and individual counseling

Part of 'organized' training and development

Team building

Performance management



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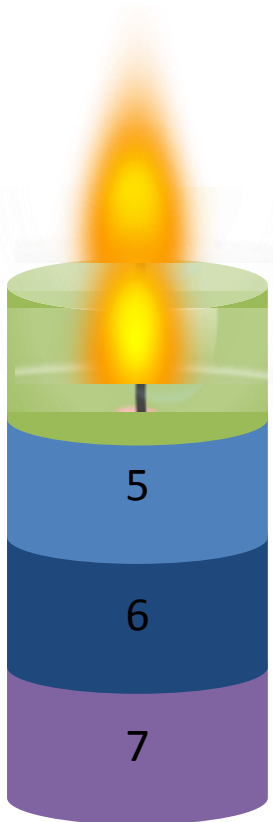
Self-development and individual counseling

Part of 'organized' training and development

Team building

Performance management

Strategic or organization development



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Self-development and individual counseling

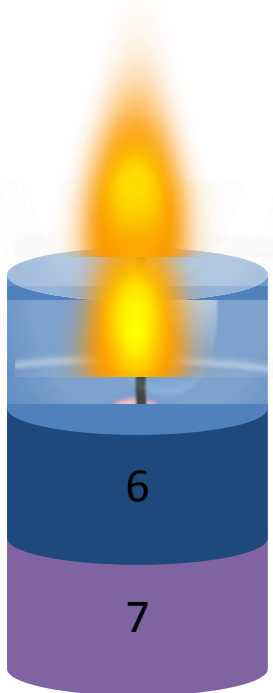
Part of 'organized' training and development

Team building

Performance management

Strategic or organization development

Validation of training and other initiatives



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Self-development and individual counseling

Part of 'organized' training and development

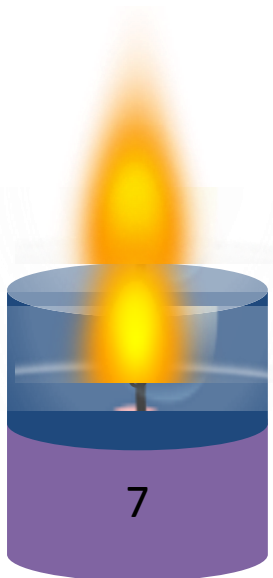
Team building

Performance management

Strategic or organization development

Validation of training and other initiatives

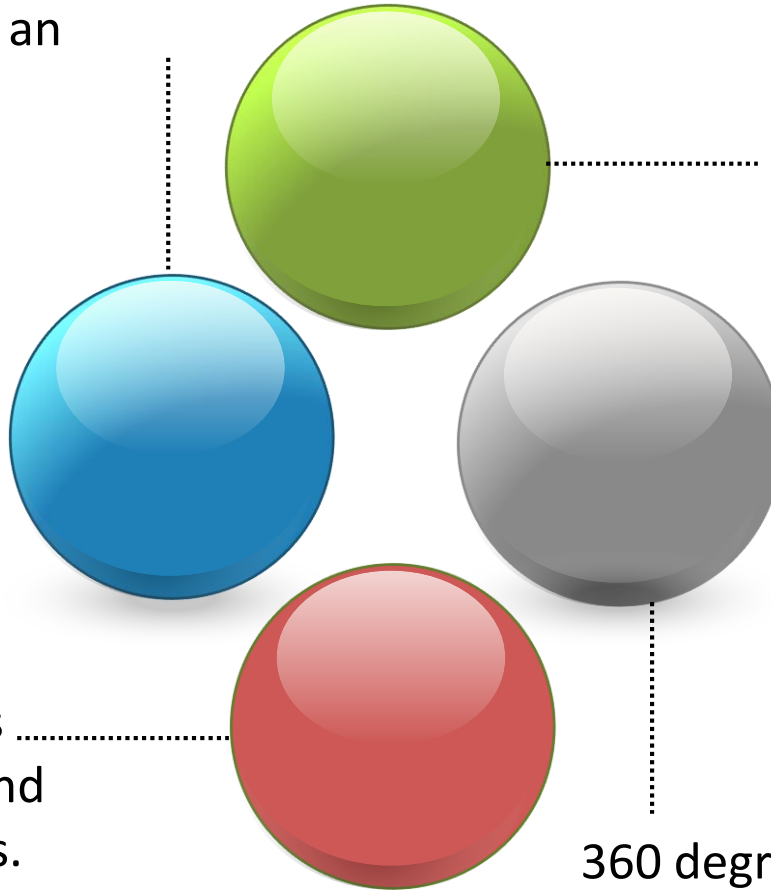
Remuneration decisions



What Does 360° Feedback Measure?

360 degree provides feedback on how others perceive an employee.

360 degree measures behaviours and competencies.



360 degree focuses on subjective areas such as teamwork, character, and leadership effectiveness.

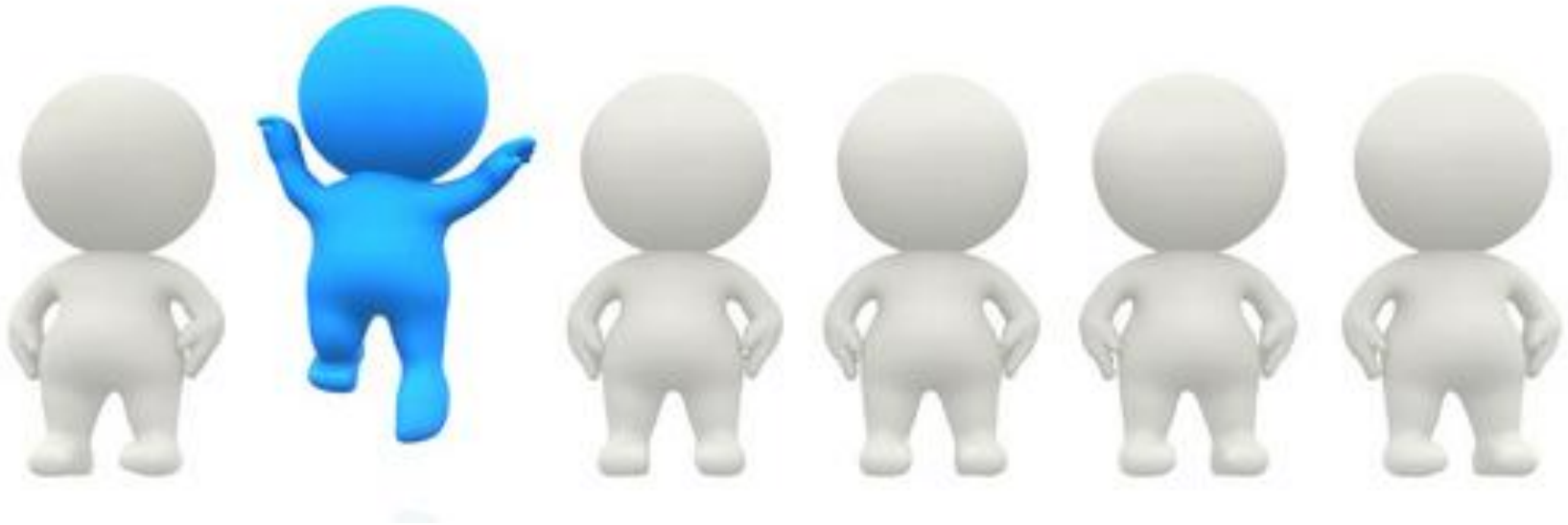
360 degree addresses skills such as listening, planning, and goal-setting.

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Advantages for Employee

The following are the advantages of using 360 degree feedback system from the employee's perspective:



It serves as a method of collecting information from as many sources in an employee's environment.

It is an honest assessment as viewed by a variety of constituents.

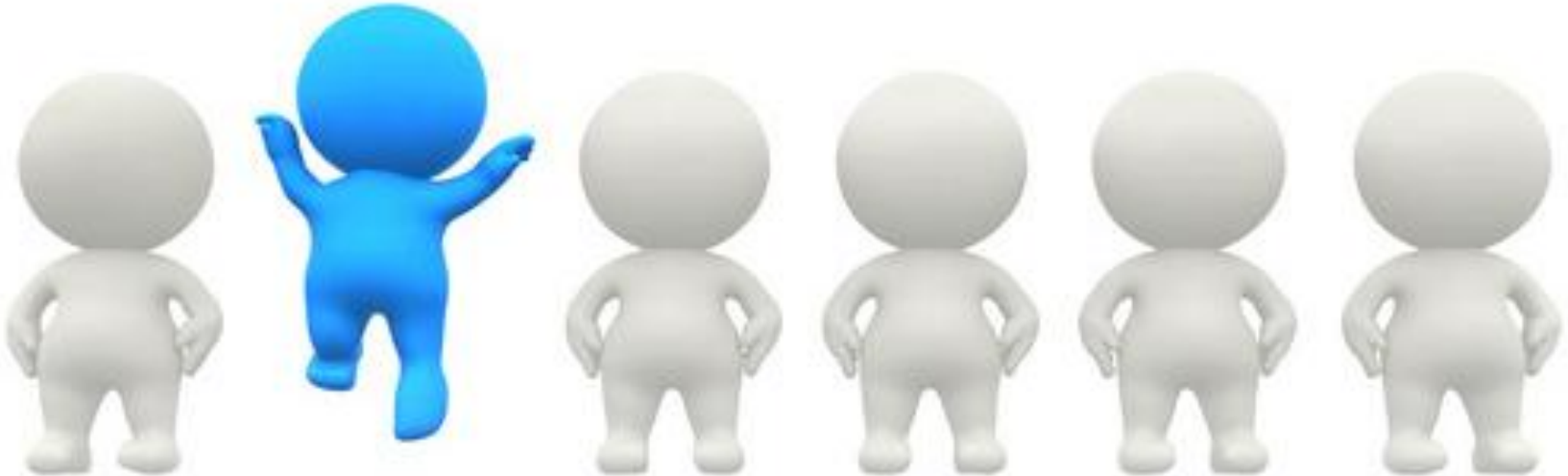
It provides confidential input from many people of how an employee fares in his job.

It helps employees in seeing themselves as others see them.

It provides information which neither employee nor his/her superior may be aware of.

Advantages for Employee

The following are the advantages of using 360 degree feedback system from the employee's perspective:



Employees find this method to be fair.

It gives an indication of performance enhancing or distracting work situation.

It allows to improve the system, thereby creating greater harmony and overall improvement.

It helps employees to identify his strengths and address skill gaps.

It leads to continuous learning, growing self confidence and improved productivity.

Advantages for Supervisor

The following are the advantages of using 360 degree feedback system from the supervisor's perspective:

- It provides accurate assessment
- It eliminates accusations of favouritism
- It provides greater objectivity
- It provides a richer understanding of performance
- It promotes open communication around performance
- It reinforces organizational values
- It is easy to implement

Advantages for Organization

The following are the advantages of using 360 degree feedback system from the organization's perspective:

Promotes constructive feedback and open communication

Develops a culture of continuous performance improvement

Can be a powerful trigger for change

Builds leadership/managerial capability

Provides feedback about leadership and management 'strength'

Embeds values and expected working competencies

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Disadvantages of 360 Degree Feedback

The following are the disadvantages of using 360 degree feedback system:



Ineffective
assessment
items



Lack of alignment
with the
organization's
vision, mission
and strategy



Lack of
senior-level
support



Lack of
communi-
cation



Fear/lack of
trust

Disadvantages of 360 Degree Feedback

The following are the disadvantages of using 360 degree feedback system:



Poor
planning



Inappropriate
delivery of
feedback



No
development
plan



No
accountability



No follow-up

Traditional Feedback vs. 360 Degree Feedback

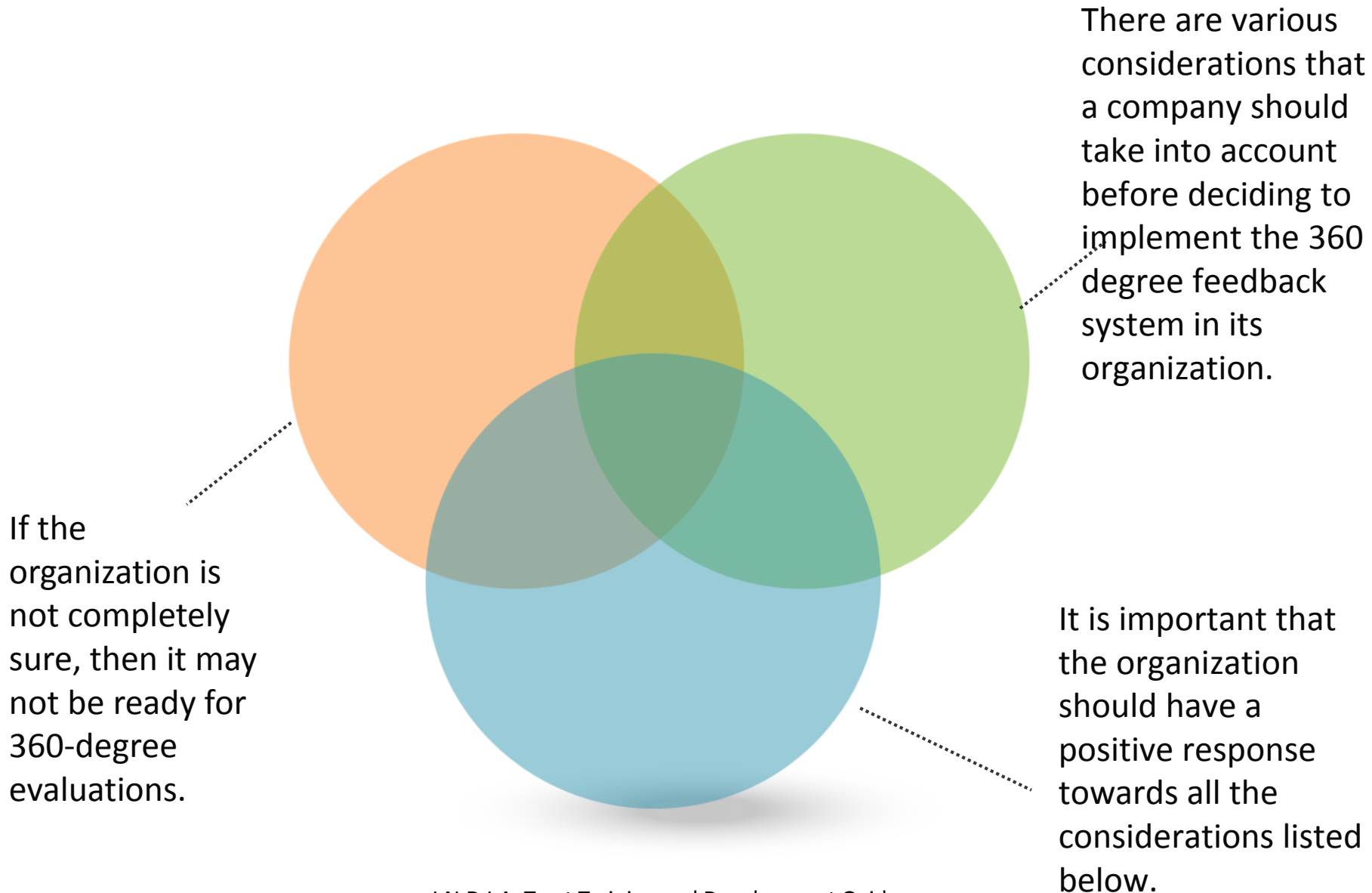
Traditional Feedback



360 Degree Feedback

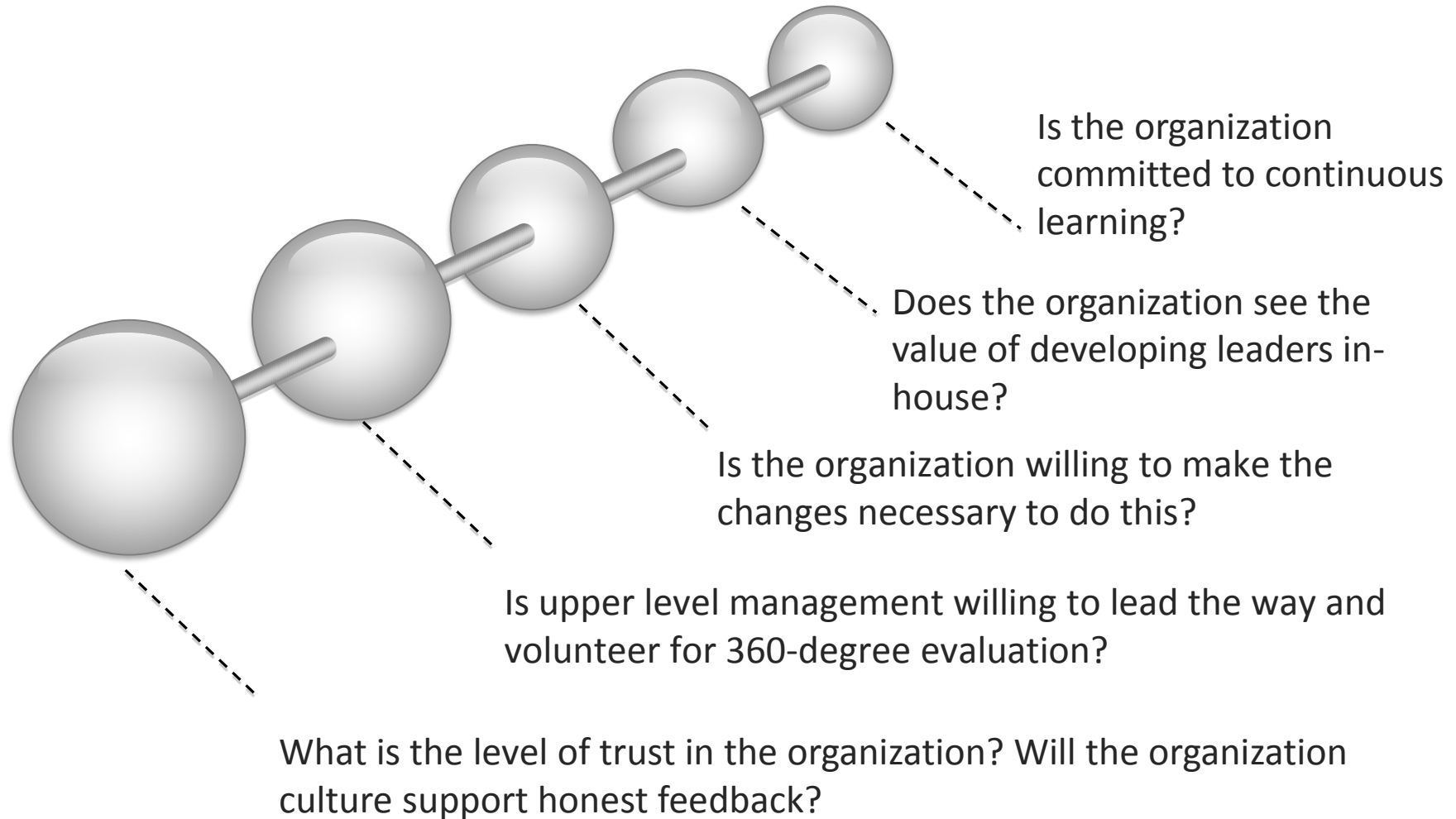


Considerations before Implementing

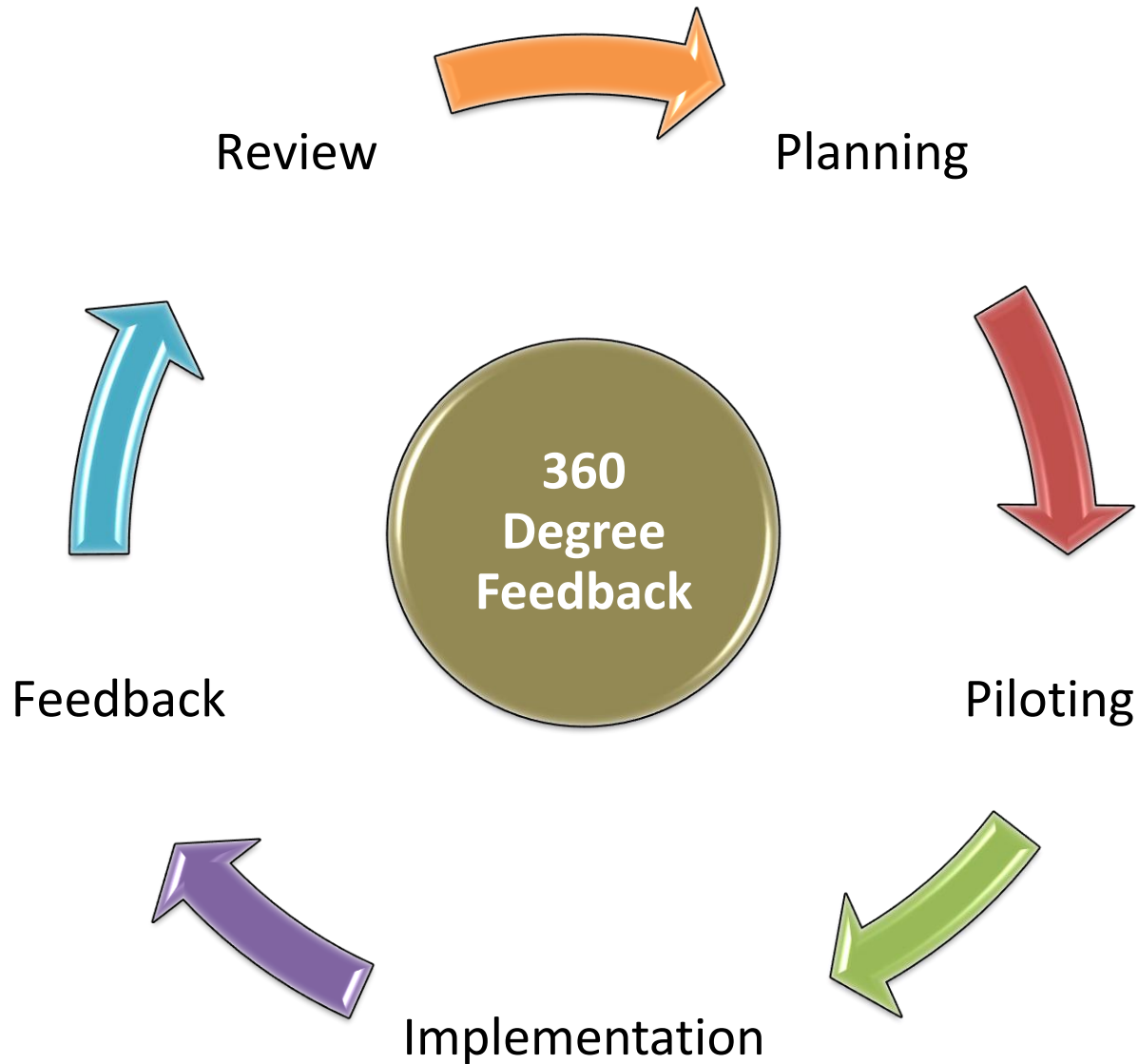


Considerations before Implementing

Some of considerations are:



How to Implement 360 Degree Feedback?



Critical Factors in 360 Degree Feedback

The following are a few critical factors that need to be taken care of for an effective 360 degree feedback process:

Employees must be involved early.

Resources must be dedicated to the process.

Organization, especially top management, must be committed to the program.

Mission and the objective of the feedback must be clear.

Appraisers must be thoroughly trained to carry out the process.

Confidentiality must be assured.

Why 360 Degree Appraisal Programs Fail?



The 360 degree feedback performance rating system is not a validated or corroborated technique for Performance appraisal.

Why 360 Degree Appraisal Programs Fail?



With the increase in the number of raters from one to commonly five, it becomes difficult to separate, calculate and eliminate personal biasness and differences.

Why 360 Degree Appraisal Programs Fail?



It is often time consuming and difficult to analyze the information gathered.

Why 360 Degree Appraisal Programs Fail?



Employees can manipulate the results towards their desired ratings with the help of the raters.

Why 360 Degree Appraisal Programs Fail?



The 360 degree appraisal mechanism can have an adverse effect on the motivation and the performance of the employees.

Why 360 Degree Appraisal Programs Fail?



The 360 degree feedback would fail if it does not get the dedicated commitment of top management and the HR, resources (time, financial resources etc), planned implementation and follow up.

Why 360 Degree Appraisal Programs Fail?



360 degree feedback can be adversely affected by the customer's perception of the organization and their incomplete knowledge about the process and the clarity of the process.

Why 360 Degree Appraisal Programs Fail?



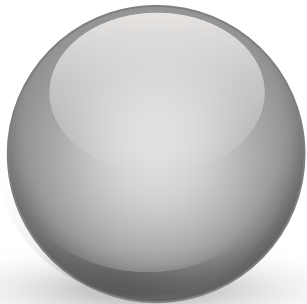
Often, the process suffers because of the lack of knowledge on the part of the participants or the raters.

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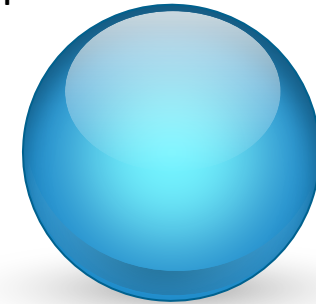
Effective 360 Degree Feedback Appraisal

There are various components that help to make up an effective appraisal system. The Components of an effective performance management process are as follows:



Role clarification:

The employee as well as the organization should be clear about the role and responsibilities of each individual in the organization.

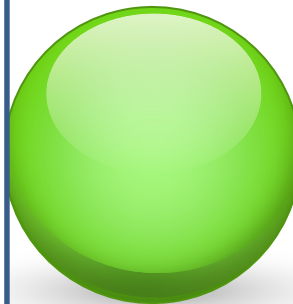


Goal alignment:

The goals set for each employee should be in direct alignment to the company's strategic goals and company's vision and mission.

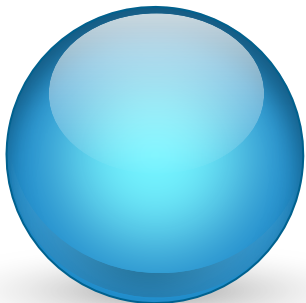
Developmental goal setting:

The goals set for each employee should not only look at the present needs of the individual's career and the organization's goals, they should also be developmental. Such developmental goals will help the individual to grow in his career and also simultaneously benefit the company as well.



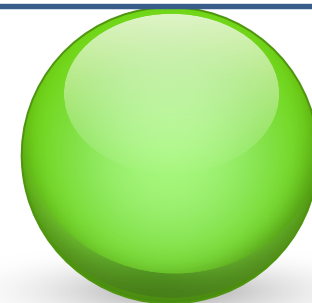
Ongoing feedback:

Continuous performance monitoring helps the organization to provide ongoing feedback about the individual's performance and help improve the performance and bring it line with the individual's goals.

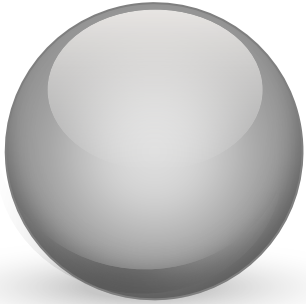


Ongoing performance monitoring:

Each individual's performance should be continuously monitored at regular intervals by holding performance appraisals at least once or twice before the annual appraisals. Such appraisals help to get a fair idea about the progress that the individual is making.

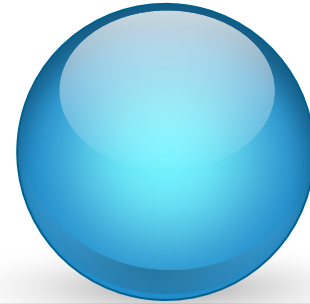


Effective 360 Degree Feedback Appraisal



Coaching and support:

Any kind of gaps found in the individual's job-related knowledge or performance can be filled by providing coaching and support in the form of trainings.

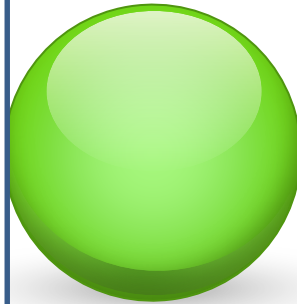


Rewards, recognition, and compensation:

Employees should be appropriately rewarded, recognised and compensated for efforts put in by them in the growth of the company.

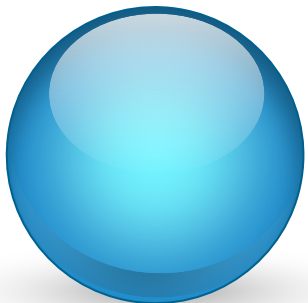
Standardization:

The entire performance management process should be standardized to maintain consistency between the appraisals from one time to the other. Standardization helps to bring the appraisals carried out across different period to come at par and allows for comparison between them.



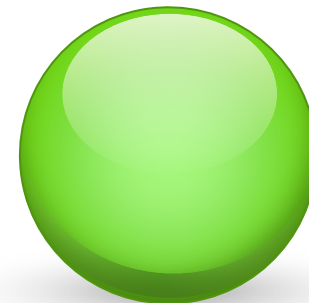
Trained appraisers:

The appraisers should be diligently trained in the performance appraisal process to help them overcome the errors caused in appraisals.

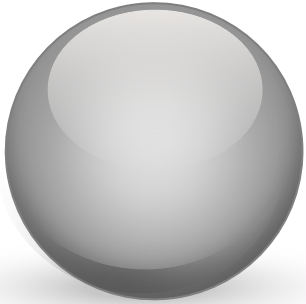


Continuous open communication:

An open communication should be encouraged between the employees and the management with respect to the appraisal process as well as any other concerns or suggestion that the employees may have.

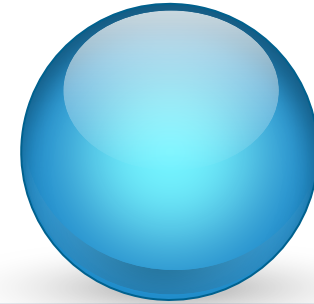


Effective 360 Degree Feedback Appraisal



Mutual trust and confidence:

There should be an air of mutual trust and confidence between the employees and the management which will ensure that both understand that each one is working for the other's benefit and in other's favour.

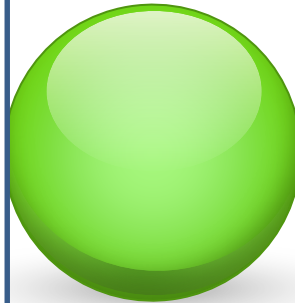


Reliability:

The design of the appraisal process should be such that it should give reliable results that help the management to make the correct decisions.

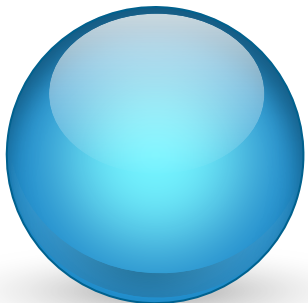
Post appraisal interview:

There should be a post appraisal interview conducted to gather feedback from the employees about the appraisal process as a whole as well as discuss the individual's appraisal related concerns and queries.



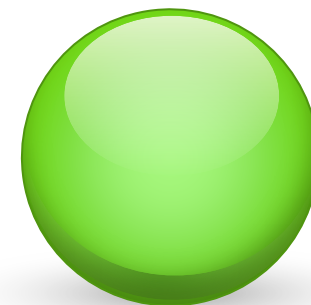
Specific objectives:

Each individual's performance should be measured against specific laid out objectives which are clear and not vague.

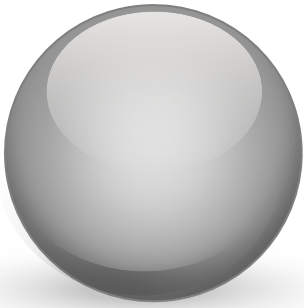


Review and appeals:

There should be clearly laid out protocol to accommodate any kind of individual appeals to the appraisals conducted and review the ratings given.



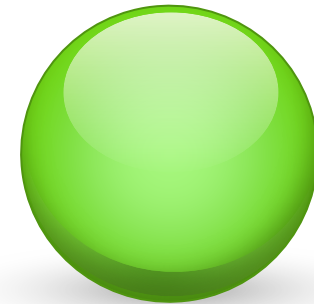
Effective 360 Degree Feedback Appraisal

**Documentation:**

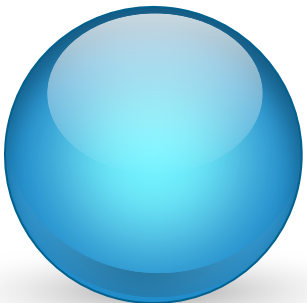
The entire performance appraisal should be stringently documented at various stages including the review, feedback comments, employee comments etc.

Accuracy of the ratings:

Each performance management system should aim to gather accurate information about the performance of the employees by ensuring that the individual's performance is accurately rated.

**Quality of the rating form:**

An important aspect of performance appraisal that helps to make it effective is the quality of the rating form. The sections of the rating form should be targeted towards rating the individual on various specific areas and parameters.

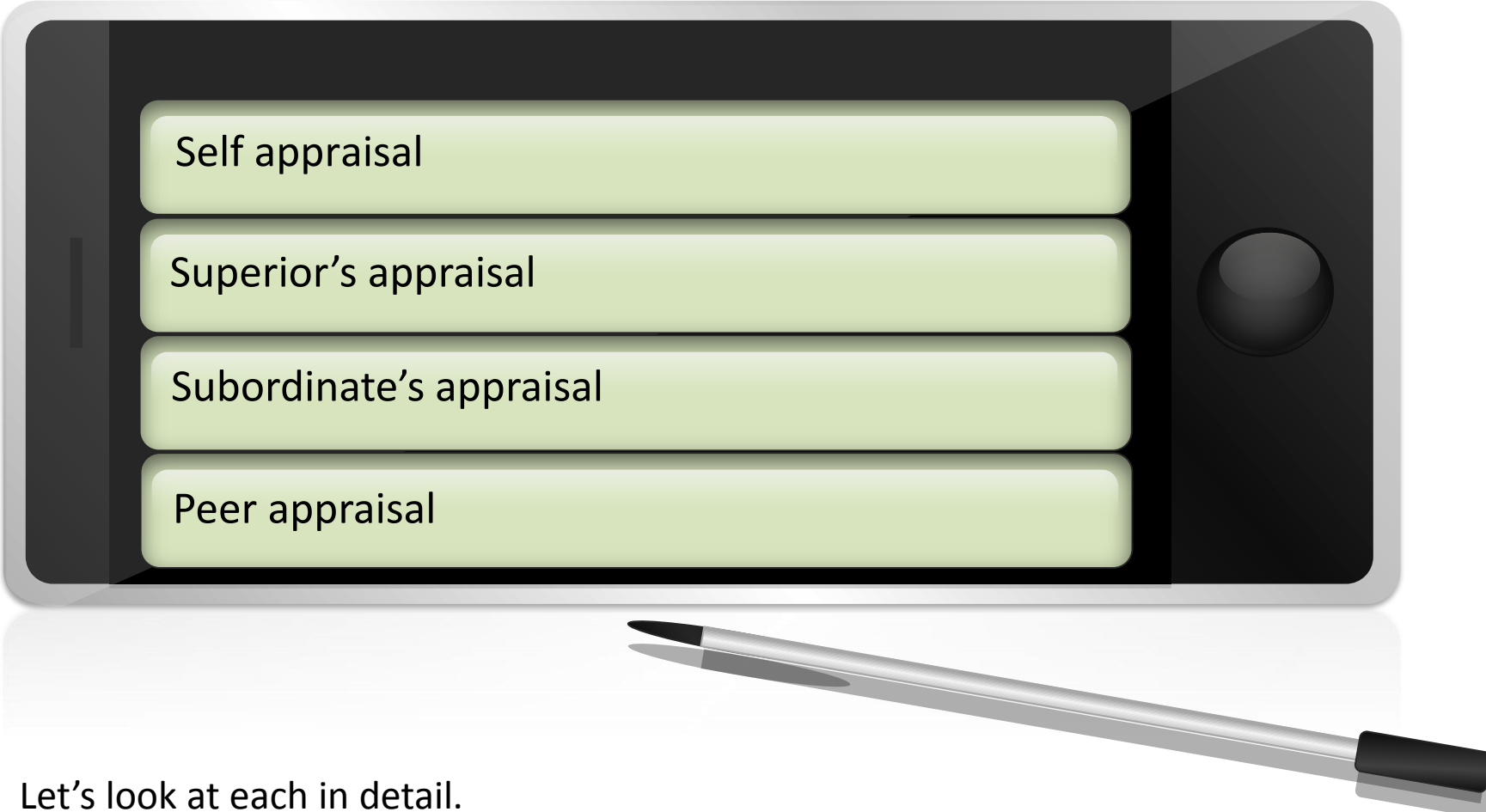


Objective

- Explain What is 360 Degree Feedback
- Describe the History of 360 Degree Feedback
- Explain the Uses of 360 Degree Feedback
- List the Advantages 360 Degree Feedback
- List the Disadvantages of 360 Degree Feedback
- Describe What is an Effective 360 Degree Feedback Appraisal
- Describe the Components of 360 Degree Feedback
- Explain the Process of 360 Degree Feedback
- Describe the Problems of 360 Degree Feedback Appraisal
- Describe the Sources of Errors in Performance Appraisals
- Explain the Development Options after Feedback
- Explain What is 720 Degree Feedback

Components of 360 Degree Feedback

There are four integral components of 360 degree feedback appraisal. They are:



Self appraisal

Superior's appraisal

Subordinate's appraisal

Peer appraisal

Let's look at each in detail.

Components of 360 Degree Feedback

Self appraisal

Superior's appraisal

Subordinate's appraisal

Peer appraisal

Self Appraisal

Self appraisal gives a chance to the employee to look at his/her strengths and weaknesses, his achievements, and judge his own performance.

Components of 360 Degree Feedback

Self appraisal

Superior's appraisal

Subordinate's appraisal

Peer appraisal

Superior's Appraisal

Superior's appraisal forms the traditional part of the 360 degree performance appraisal where the employees' responsibilities and actual performance is rated by the superior.

Components of 360 Degree Feedback

Self appraisal

Superior's appraisal

Subordinate's appraisal

Peer appraisal

Subordinate's Appraisal

Subordinate's appraisal gives a chance to judge the employee on the parameters like communication and motivating abilities, superior's ability to delegate the work, leadership qualities etc.

Components of 360 Degree Feedback

Self appraisal

Superior's appraisal

Subordinate's appraisal

Peer appraisal

Peer Appraisal

Peers are also known as internal customers. Peer appraisal is very helpful as the correct feedback given by peers can help to find employees' abilities to work in a team, co-operation and sensitivity towards others.

Objective

- Explain What is 360 Degree Feedback
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- Explain What is 720 Degree Feedback

Process



Process

Follow-up discussion
with respondents

5

Development
Planning

6

Implementation &
Follow-up

7

Tools of 360 Degree Feedback

The various tools that are used to gather information and interpret the results in a 360 degree feedback system are as follows:



Measurement Parameters

360 degree feedback system appraises the employee and evaluates the employee on various measurement parameters such as:



Self
Development



Communication
Skills



Emotional
Intelligence



Personal
Effectiveness



Creative /
Innovative
Thinking



Leadership
Qualities



Managing of
Teams



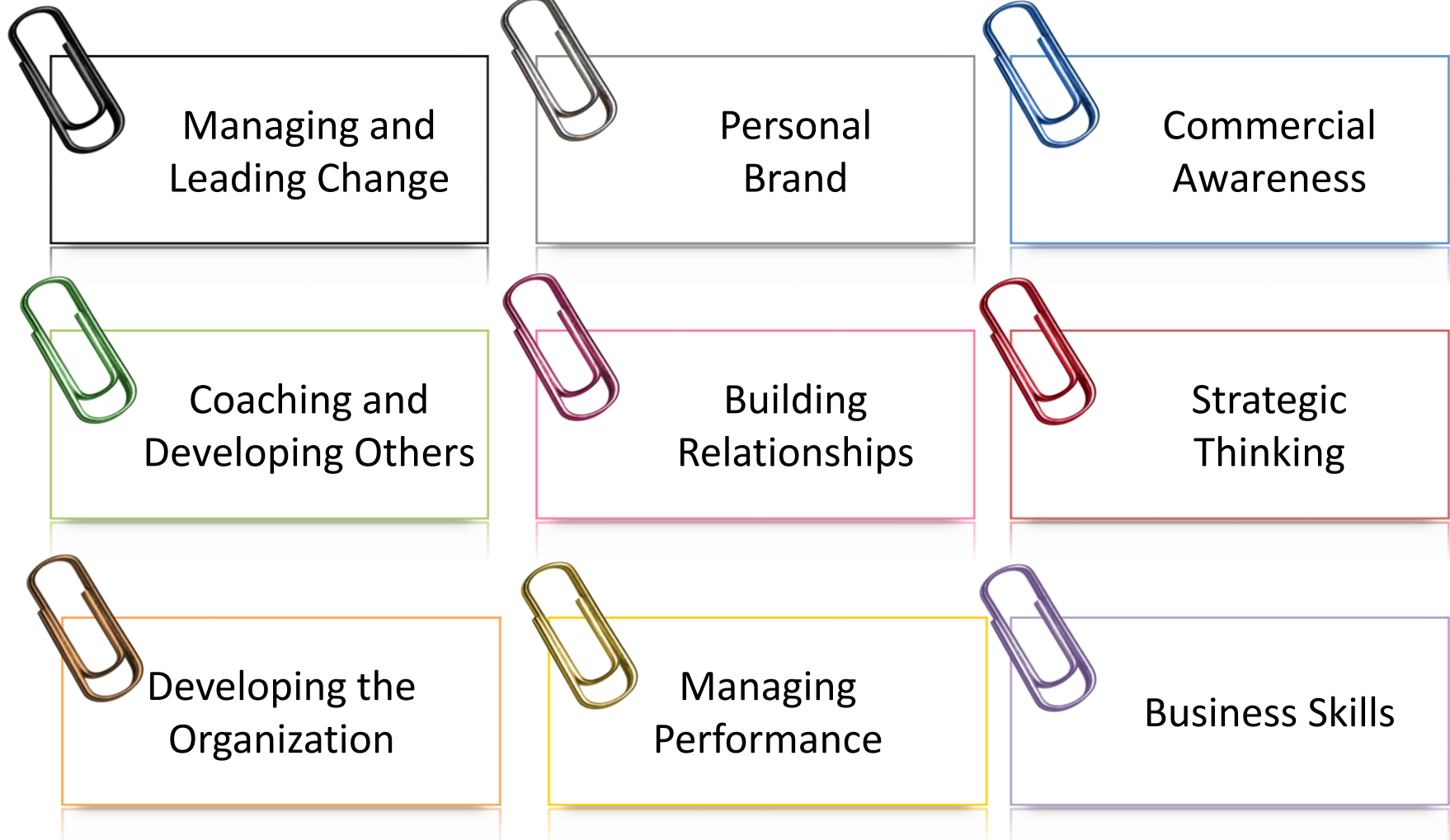
Presenting
Information



Influencing
Others

Measurement Parameters

360 degree feedback system appraises the employee and evaluates the employee on various measurement parameters such as:

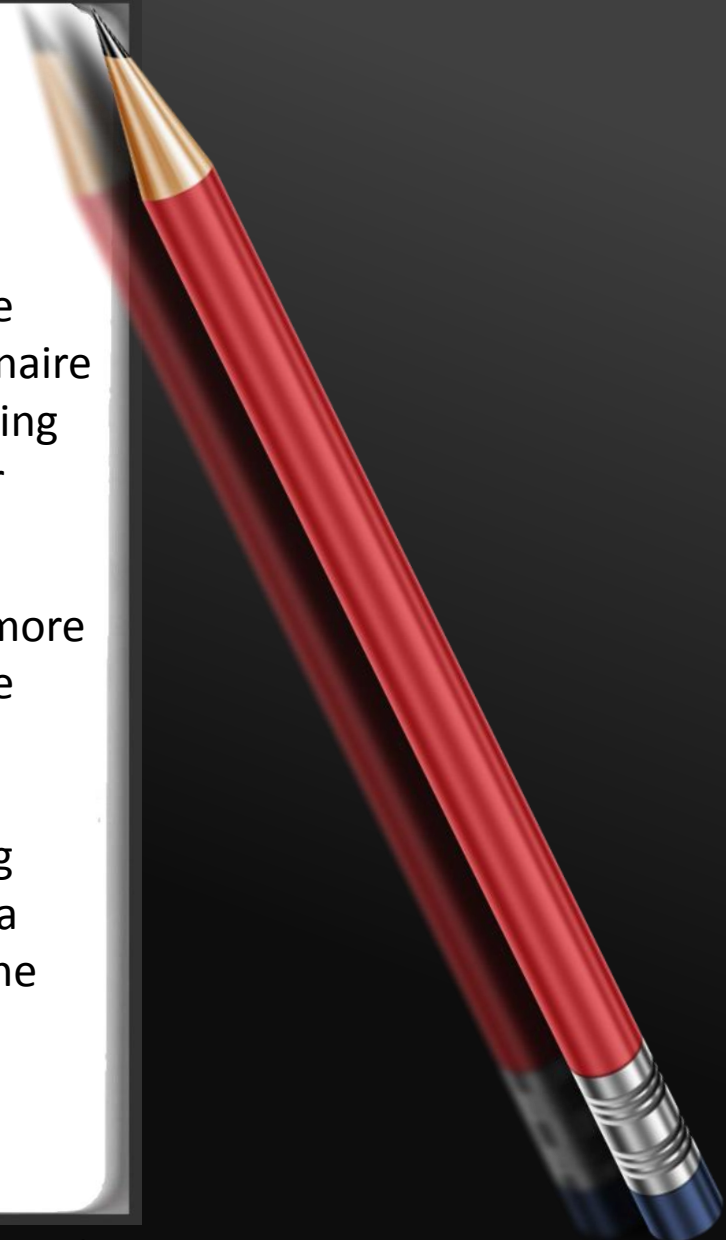


How is Feedback Obtained?

So, how is the feedback from the multi-raters obtained for a particular employee's performance?

A questionnaire is used to aid in collecting the feedback from the multi-raters. The questionnaire asks participants to rate the individual according to observed behaviors - usually managerial or business-specific competencies.

The process of obtaining feedback is usually more company specific. A questionnaire may not be suitable for all companies. A company should assess how well it would fit with the current culture before launching a feedback collecting plan. It is helpful to first test the system with a pilot scheme before adopting the system in the company.



Sample Questionnaire

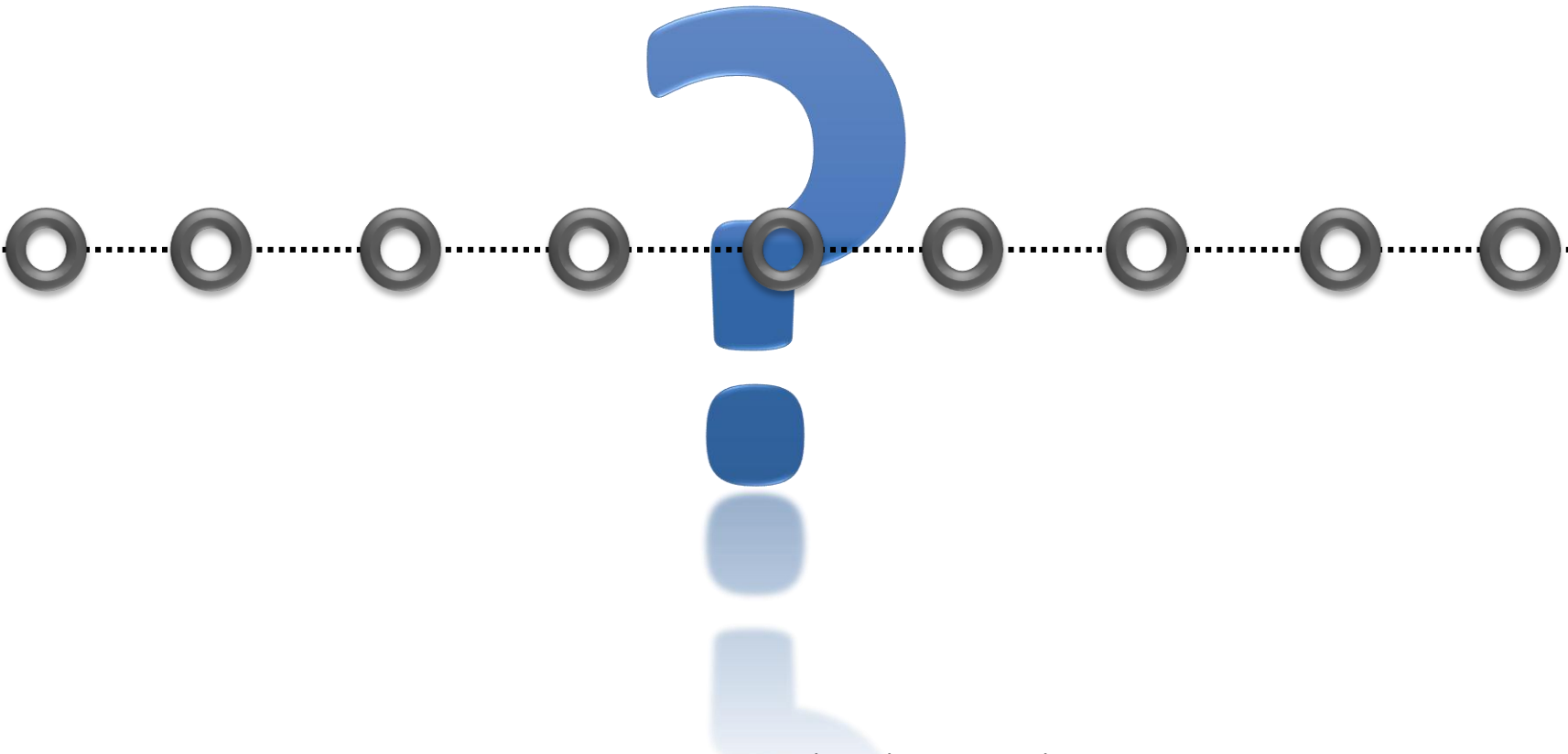
Look at a sample questionnaire given below.

Insert your own Feedback Form headings and instructions: appraisee name, date, feedback respondent name, position (if applicable) plus local instructions and guidelines for completion, etc.

key skill/capability area	skill/capability element	question number	feedback question	feedback score
		1		
		2		
		3		
		4		
		5		
		6		
		7		

Feedback Questions

There are various questions and areas that may be used to judge the performance of the employee and to rate him. A few of the common discussion questions that may be discussed with the employee are as follows:



Feedback Questions

What elements of your job do you find most difficult?

What do you consider to be your most important achievements of the past year?

What elements of your job interest you the most, and least?

What action could be taken to improve your performance in your current position by you, and your boss?

What do you like and dislike about working for this organization?

Has the past year been good/bad/satisfactory or otherwise for you, and why?

What do you consider to be your most important tasks in the next year?

What kind of work or job would you like to be doing in one/two/five years time?

What sort of training/experience would benefit you in the next year?

Administering the Questionnaire

There are several types of elements that are used in the questionnaire or survey for collecting feedback, distribution of the questionnaire and collecting back the questionnaire in a 360 degree feedback. Some of the aspects linked to the questionnaire are as follows:

1
Likert Scale

2
Open-Ended
Questions

3
Distribution

4
Collection

Let's look at each in detail.

Administering the Questionnaire

1 Likert Scale

Likert Scale:

A Likert Scale is generally used in the questionnaire or survey. This is done on a 1-5 odd level with each number receiving a specific label. Such as

- 1=very dissatisfied,
- 2=dissatisfied,
- 3=neither dissatisfied nor satisfied,
- 4=satisfied,
- 5=very satisfied.

This allows for readable results and also as little bias as possible.

Open-Ended Questions:

Open Ended Questions are also a large portion of the survey. Some surveys have a few, some have zero, but it is advised to keep it to a minimum so that there is a better response rate.

2 Open-Ended Questions

Administering the Questionnaire

3

Distribution

Distribution:

Distribution of the questionnaire is done either through company intranet/internet, by paper, email, or part of other business mailings.

Collection:

The collection back of the questionnaire is typically done through an HR department or a person trained in reading survey results. An important factor here is having a trained rater, especially so if the surveys are not going directly to the person surveyed. Raters should be trained on how to avoid common rater error, especially in open ended questions.

4

Collection

Performance Evaluation Ratings

- Performance evaluation ratings reflect the decision by your appraiser's pertaining to the results you produced over the review period.
- Appraiser's will rate each performance expectation/goal and Competency using anchors listed below:



- If the employee is assessed as Does Not Meet Expectations or Needs Improvement for a performance expectation or significant Competency, the supervisor should implement a Work Improvement Plan.
- The Work Improvement Plan is an explicit action plan designed to correct performance deficiencies within a specified time period.
- Let's look at each in detail.

Performance Evaluation Ratings



Outstanding

Outstanding:

It is the highest possible performance rating given to an employee who consistently exceeds expectations on all evaluation factors.

Exceeds Expectations

Meets Expectations

Needs Improvement

Does Not Meet Expectations

Performance Evaluation Ratings



Outstanding

Exceeds Expectations:

This performance rating is given to employees who exhibit high overall performance, routinely go beyond what is expected in order to substantially surpass all of their key performance expectations/goals and will have met or exceeded expectations on the Competencies.



Does Not Meet Expectations

Performance Evaluation Ratings



Outstanding

Meets Expectations:

This rating is given to employees who:

1. are fully successful in meeting all of the performance expectations/goals that are important to his or her job and
2. have demonstrated a satisfactory competence in the Competencies.



Does Not Meet Expectations

Performance Evaluation Ratings



Outstanding



Exceeds Expectations

Needs Improvement:

This rating is given to employees who sometimes perform at an acceptable level but are not consistent and need improvement to meet expectations.



Meets Expectations



Does Not Meet Expectations

Performance Evaluation Ratings



Outstanding



Exceeds Expectations

Does Not Meet Expectations:

This rating is given to employees who fail to achieve any one or more key performance expectations/goals or cannot demonstrate proficiency in the Competencies needed for the job.



Meets Expectations



Needs Improvement

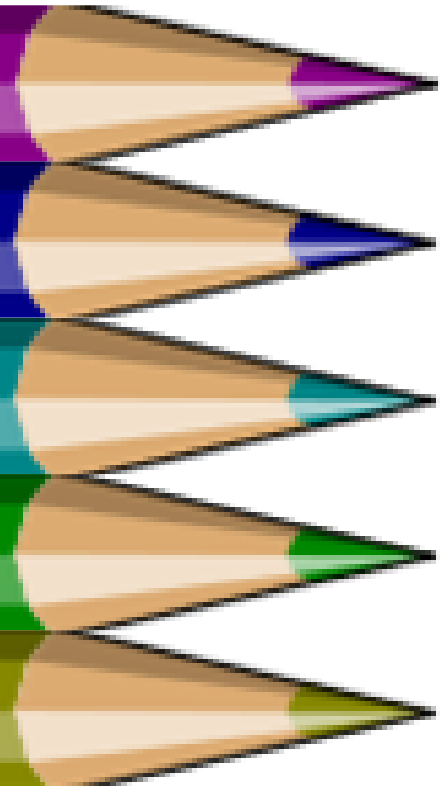


Does Not Meet Expectations

The Appraisers

The various appraisers that are involved in 360 degree feedback are:

- Superiors
- Self
- Peers
- Subordinates
- Customers



Let us look at the role and responsibilities of each appraiser in detail.

The Appraisers

- Superiors

Contribution

Precautions

The direct supervisor is often in the best position to effectively carry out the full cycle of performance management.

The supervisor also has the broadest perspective on the work requirements and be able to take into account shifts in those requirements.

The Appraisers

- Superiors

Contribution

Precautions

- Superiors should be able to observe and measure all facets of the work to make a fair evaluation.
- Supervisors should be well trained.
- Superiors should be capable of coaching and developing employees.
- Superiors should also be capable of planning and evaluating employee's performance.

The Appraisers

- Self

Contribution

Precautions

Self-ratings are particularly useful if the entire cycle of performance management involves the employee in a self-assessment. A key factor of self-assessment is the developmental needs of the employee.

Most employees feel that self-ratings contribute “to a great or very great extent” to fair and well-rounded Performance Appraisal.

Self-appraisals are particularly valuable in situations where the supervisor cannot readily observe the work behaviors and task outcomes.

The Appraisers

- Self

Contribution

Precautions

- It has been found in researches that there is a low correlation between self-ratings and all other sources of ratings, particularly supervisor ratings. The self-ratings tend to be consistently higher. This discrepancy can lead to defensiveness and alienation if supervisors do not use good feedback skills.
- Sometimes self-ratings can be lower than others'. In such situations, employees tend to be self-demeaning and may feel intimidated and "put on the spot."
- Self-ratings should focus on the appraisal of performance elements, not on the summary level determination. A range of rating sources, including the self assessments, helps to "round out" the information for the summary rating.

The Appraisers

- Peers

Contribution

Precautions

It has been found that Peer ratings have been excellent predictors of future performance and “manner of performance”.

In a multi-rater setting, peer ratings help to average out the possible biases of any one member of the group of raters.

In modern-day corporate, there is a growing trend of self-directed teams where the supervisor is not directly involved in the day-to-day activities of the team. Hence, the contribution of peer evaluations becomes the central input for the formal appraisal.

The addition of peer feedback can help move the supervisor into a coaching role rather than a purely judging role.

The Appraisers

- Peers

Contribution

Precautions

- Peer evaluations are appropriate for developmental purposes, but to emphasize them for pay, promotion, or job retention purposes may not be prudent always.
- It is important that the identities of the raters should be kept confidential to assure honest feedback.
- It is essential that the peer evaluators be very familiar with the team member's tasks and responsibilities.
- The use of peer evaluations can be very time consuming. When used in Performance Appraisals, the data would have to be collected several times a year in order to include the results in progress reviews.
- Depending on the culture of the organization, peer ratings have the potential for creating tension and breakdown rather than fostering cooperation and support.

The Appraisers

- Subordinates

Contribution

Precautions

Subordinate feedback helps to give supervisors a more comprehensive picture of employee issues and needs.

It also helps the employees to have a greater voice in organizational decision-making.

The feedback from subordinates is particularly effective in evaluating the supervisor's interpersonal skills. However, it may not be very appropriate for evaluating task-oriented skills.

The Appraisers

- **Subordinates**

Contribution

Precautions

- It is important to keep the identity of the subordinates confidential to ensure honest feedback.
- Supervisors may feel threatened and perceive that their authority has been undermined when they must take into consideration that their subordinates will be formally evaluating them.
- It is important to ensure that subordinates are appraising elements of which they have knowledge.
- Only subordinates with a sufficient length of assignment under the manager should be included in the pool of assessors.

The Appraisers

- Customers

Contribution

Precautions

Customer feedback should serve as an “anchor” for almost all other performance factors.

Including a range of customers in Performance Appraisal program expands the focus of performance feedback in a manner considered absolutely critical to reinventing the organization.

The Appraisers

- Customers

Contribution

Precautions

- Generally the value of customer service feedback is appropriate for evaluating team output.
- Customers, by definition, are better at evaluating outputs as opposed to processes and working relationships.
- It is a time-consuming process.

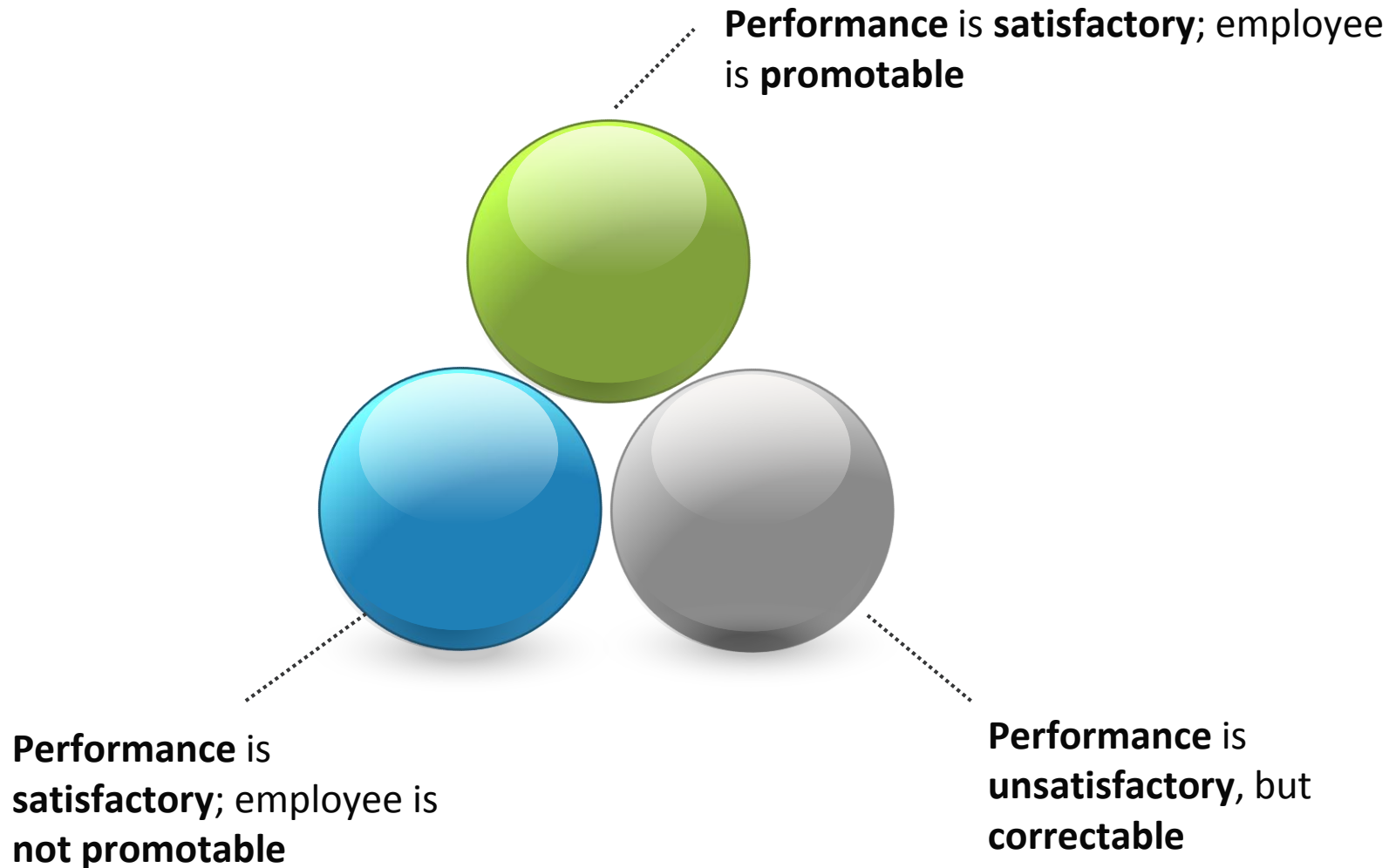
Appraisal/Feedback Interview

- Appraisal or Feedback Interviews are an essential part of any performance appraisal process.
- It is at this stage that the manager and the subordinate review the appraisal and make plans to correct any deficiencies, reinforce strengths and improve performance.
- In order to prepare for the interview, it is essential that the subordinate is given at least a week's notice to review his or her work, to read over his or her job description, analyze problems, and compile questions and comments.



Appraisal/Feedback Interview

Depending upon the type of appraisal of the employee, there are three types of appraisal interview scenario that can arise such as:



Appraisal/Feedback Interview

There are a few key points that a manager or appraiser should keep in mind for conducting an appraisal Interview, such as:



Appraisal/Feedback Interview

There are certain cases, where an employee may be highly resentful of their appraisal results. This would amount to such an employee being highly defensive during the appraisal interview.

The following are a few things that an appraiser should keep in mind while handling a defensive employee:



- He should recognize that defensive behaviour is normal.
- He should never attack a person's defences.
- He should understand the need to postpone action.
- He should empathize and understand human limitations.

Giving Feedback

Feedback is a type of communication that we give or get. It is a critical assessment or suggestions made for improvement.

Feedback is a crucial in communication as it helps to have honest relationships.

Giving feedback helps to let people know how effective they are in what they are trying to accomplish.



Types of Feedback

There are positive and negative approaches to giving feedback such as follows:

- **Indirect:** Issues are not addressed directly and the feedback is vague.
- **General:** The feedback aims at broad issues which cannot be easily defined.
- **Insensitive:** Such feedback has little concern for the needs of the other person.
- **Attacking:** Aggressive and focusing on the weaknesses of the other person.
- **Disrespectful:** The feedback is disrespectful and almost insulting.
- **Poor timing:** The feedback is not given at an optimum time.
- **Impulsive:** The feedback is given thoughtlessly, with little regard for the consequences.
- **Judgmental:** The feedback is prejudiced and judges personality rather than behavior.
- **Selfish:** The feedback meets the giver's needs, rather than the needs of the other person.



Types of Feedback

There are positive and negative approaches to giving feedback such as follows:



Effective/Positive Delivery

- **Supportive:** The feedback is delivered in a non-threatening and encouraging manner.
- **Helpful:** The feedback is meant to be of value to the other person.
- **Descriptive:** The feedback focuses on behavior that can be changed, rather than personality.
- **Sensitive:** The feedback takes into consideration the other person and is sensitive to the needs of the other person.
- **Considerate:** The feedback is intended to not insult or demean.
- **Direct:** The feedback is focussed and clearly stated.
- **Healthy timing:** The feedback is given at an opportune time.
- **Thoughtful:** The feedback is well thought out rather than impulsive.
- **Specific:** The feedback is focused on specific behaviors or events.

Getting Feedback



Getting feedback from other people is as important as giving feedback.

Some people accept feedback because they believe they can grow from it.

Getting feedback helps us to learn about our ability, to communicate by verifying messages and determining if the objectives of communication are being met.

How to be Open to Feedback?



Be open to feedback:

Be open and welcome peoples' feedback/questions.

Be aware of nonverbal communication:

Make sure your nonverbal communication encourages feedback.

Ask questions:

Ask questions to get additional specific feedback.

Paraphrase:

Paraphrase the speaker to convey that you have listened and understood the speaker.

Objective

- Explain What is 360 Degree Feedback
- Describe the History of 360 Degree Feedback
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- Describe the Sources of Errors in Performance Appraisals
- Explain the Development Options after Feedback
- Explain What is 720 Degree Feedback

Problems of 360 Degree Feedback Appraisal

①

It is the most costly type of appraisal process

②

It is time consuming

③

It tends to be somewhat shocking to managers at first

④

Process is counter productive if scope of appraisal is not defined

⑤

Not favored by employees who find favor with boss

⑥

Emotional attachment in peers leads to no proper response

⑦

Appraisees are not ready to take feedback

⑧

Subordinates tend to never provide negative feedback to senior

Objective

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Sources of Errors in Performance Appraisals

360 degree feedback system uses multi-raters to rate an employee's performance. Hence, it greatly reduces the errors that occur in performance appraisals if the rating would have given by only one appraiser.

There are different ways in which the rating given by the appraiser to the employee may be prone to error.

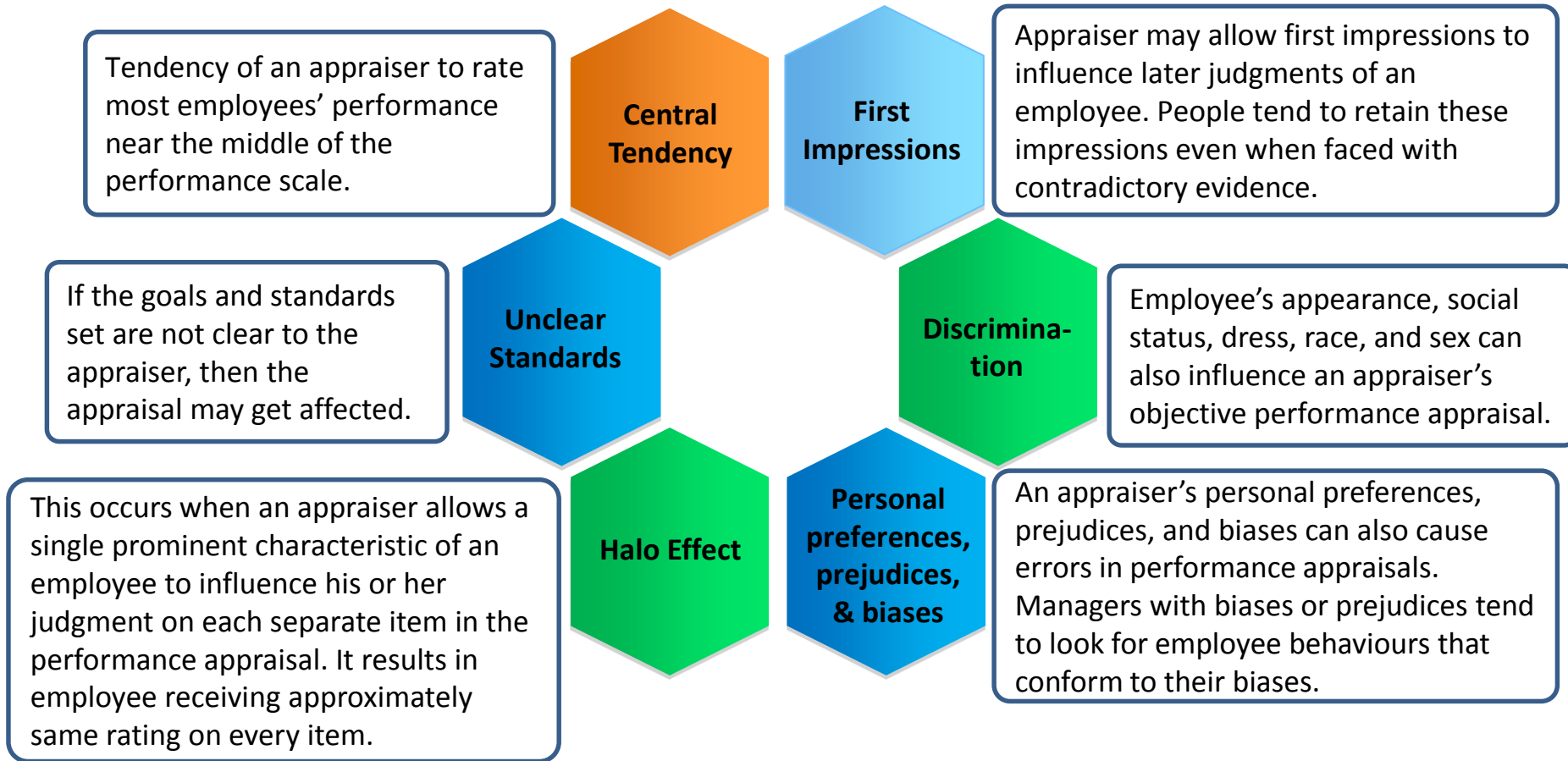
Such false ratings and various other errors may adversely affect the data collected during performance appraisals.

Some of the most frequent causes of errors are as follows:

- Unclear Standards
- Halo Effect
- Personal preferences, prejudices, and biases
- Discrimination
- First Impressions
- Central Tendency
- Leniency/Strictness
- Recency Effect
- Actor-observer bias
- Stereotyping

Let's look at each in detail

Sources of Errors in Performance Appraisals



Sources of Errors in Performance Appraisals

Leniency occurs when an appraiser's ratings are grouped at the positive end instead of being spread throughout the performance scale. This is when the appraiser is lenient in his ratings. Strictness on the other hand will group the ratings towards the lower end of the scale instead of being spread throughout the performance scale.

**Leniency/
Strictness**

**Recency
Effect**

Tendency of an appraiser to evaluate employees on work performed most recently, usually one or two months prior to evaluation.

**Central
Tendency**

**First
Impressions**

**Actor-
observer
bias**

This occurs due to the fundamental attribution error. Actor "blames" environment for failures and credits self for successes. Observer does the opposite.

**Unclear
Standards**

Discrimination

Stereotyping

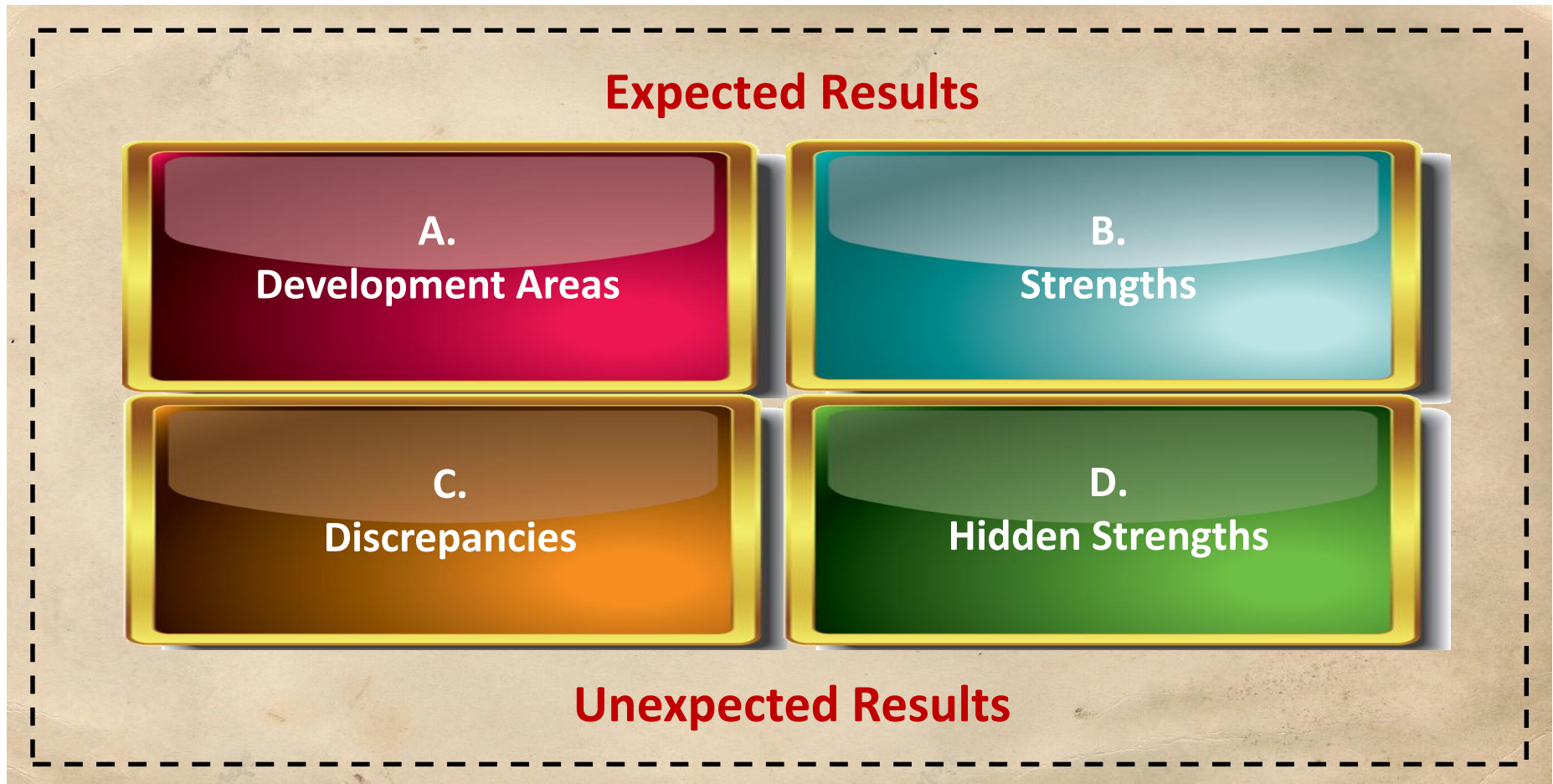
The appraiser may have certain stereotype mind set about certain people and may rate and judge the person based on such stereotypes.

Halo Effect

**Personal
preferences,
prejudices,
& biases**

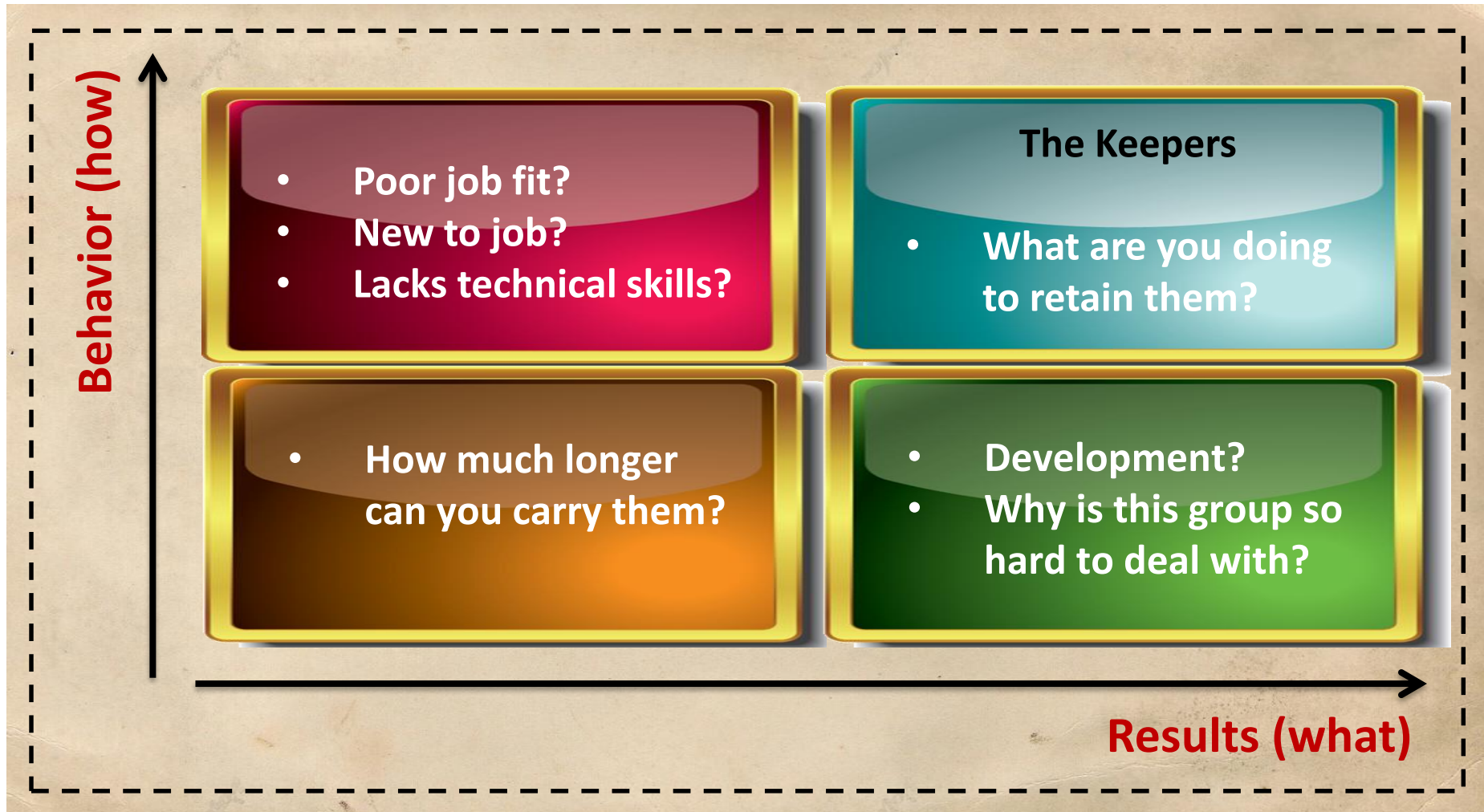
Information/Results Obtained

There are several areas about which information is gathered from using the 360 degree feedback system for appraising an employee. Some such areas are as shown in the image given below.



Behavior and Results

The following matrix shows the relationship between the behavior of employees and the results obtained.

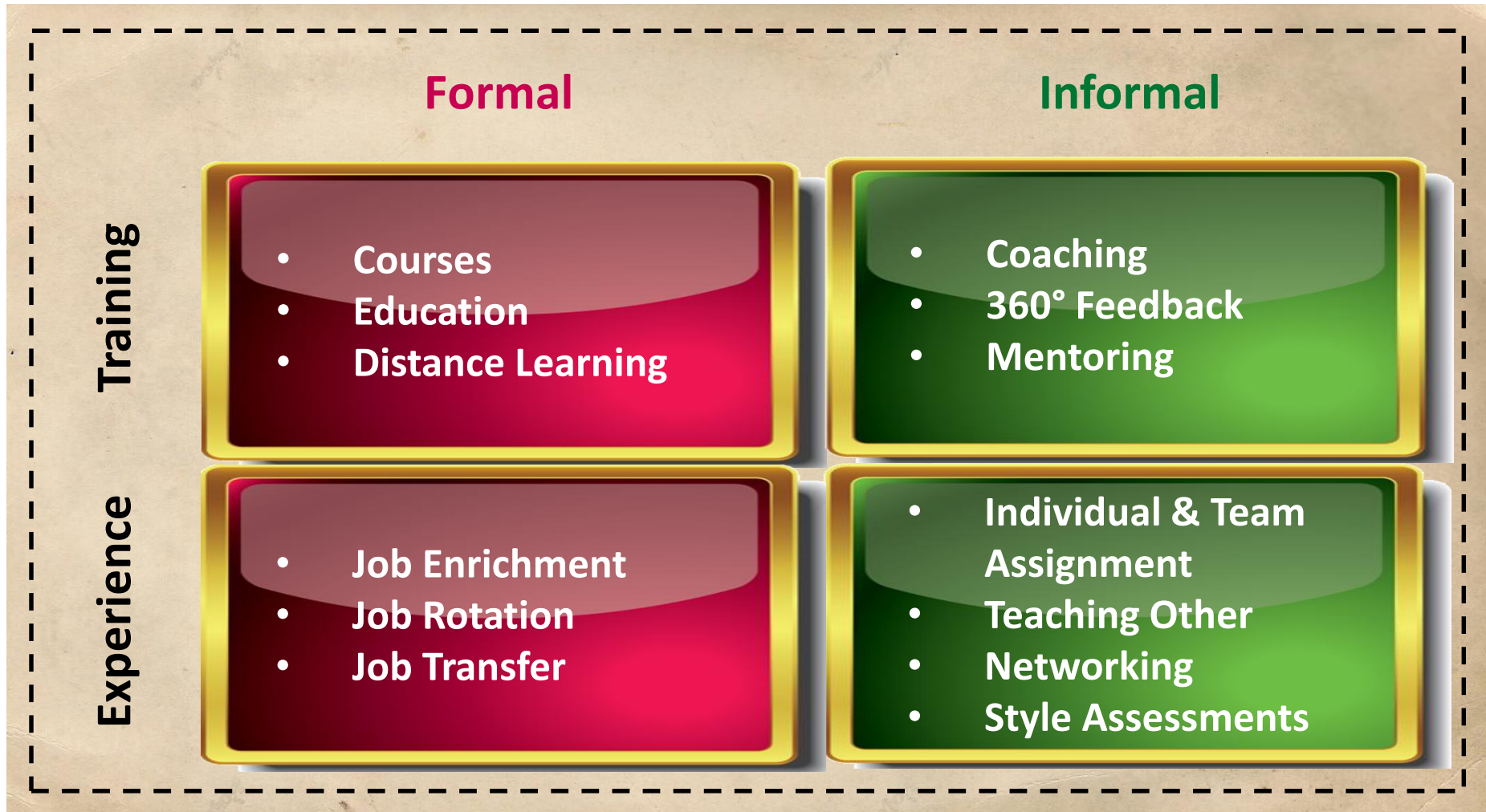


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- Explain What is 720 Degree Feedback

Development Options

The following matrix shows the various development options that can be used for developing and improving the employee's performance.

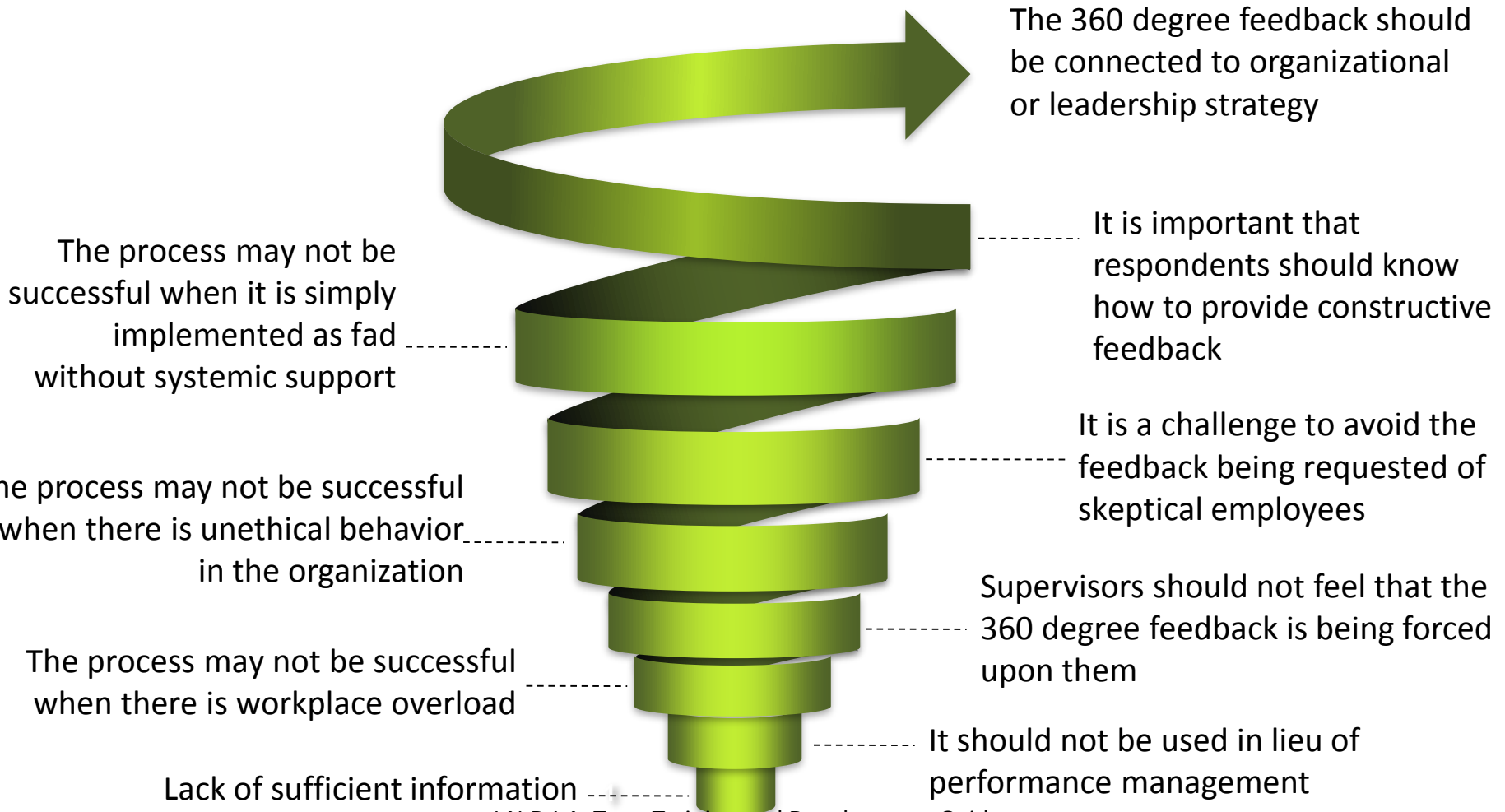


Feedback Input and Report Outputs



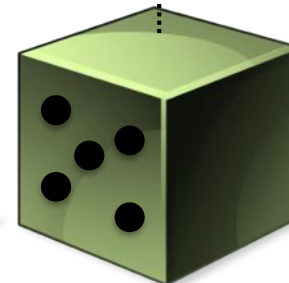
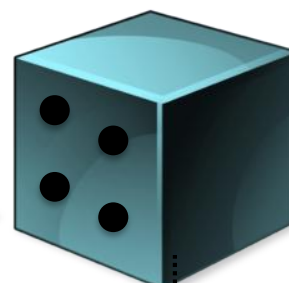
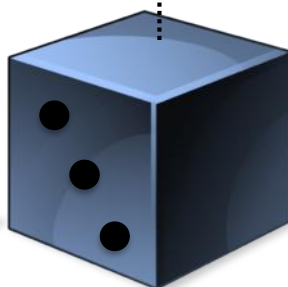
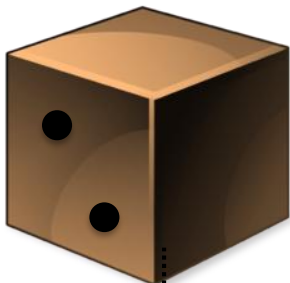
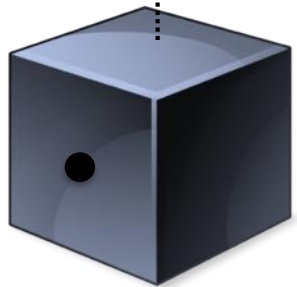
Challenges of 360 Degree Feedback

Implementing the 360 degree feedback process successfully and making full use of its advantages in an organization is a great challenge in itself. Some of the challenges of implementing and using a 360 degree feedback process successfully are as follows:



Strategies for Success in 360 Degree Feedback

Explain what it is, what it does, how it's used, and its' benefits to all concerned, continually



Provide information on its purpose and process to assessors

Appraisers and employees should know the instrument they are using thoroughly

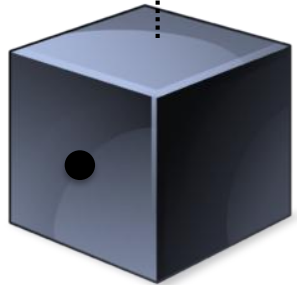
Disconnect it from any compensation decisions (raises, bonuses, etc.) - make it developmental

Conduct structured feedback workshops for feedback recipients

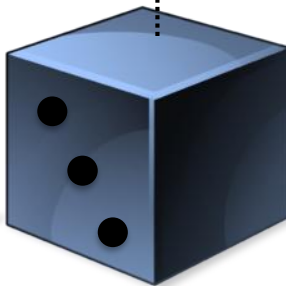
Don't force it on people

Strategies for Success in 360 Degree Feedback

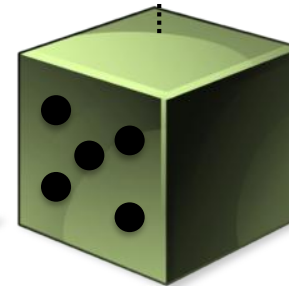
Align the 360 degree process with the organization's culture, procedures, and practices.



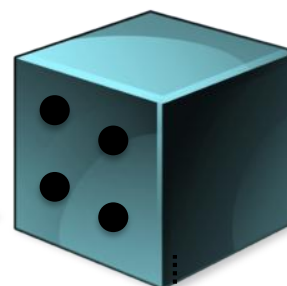
Spend time with those people having difficulty with their feedback



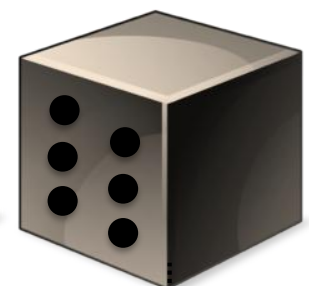
Train the appraisers in how to facilitate a 360° process



Provide seamless coordination and support for distributing and collecting the assessment instruments



Support and reinforce the 360 degree process.



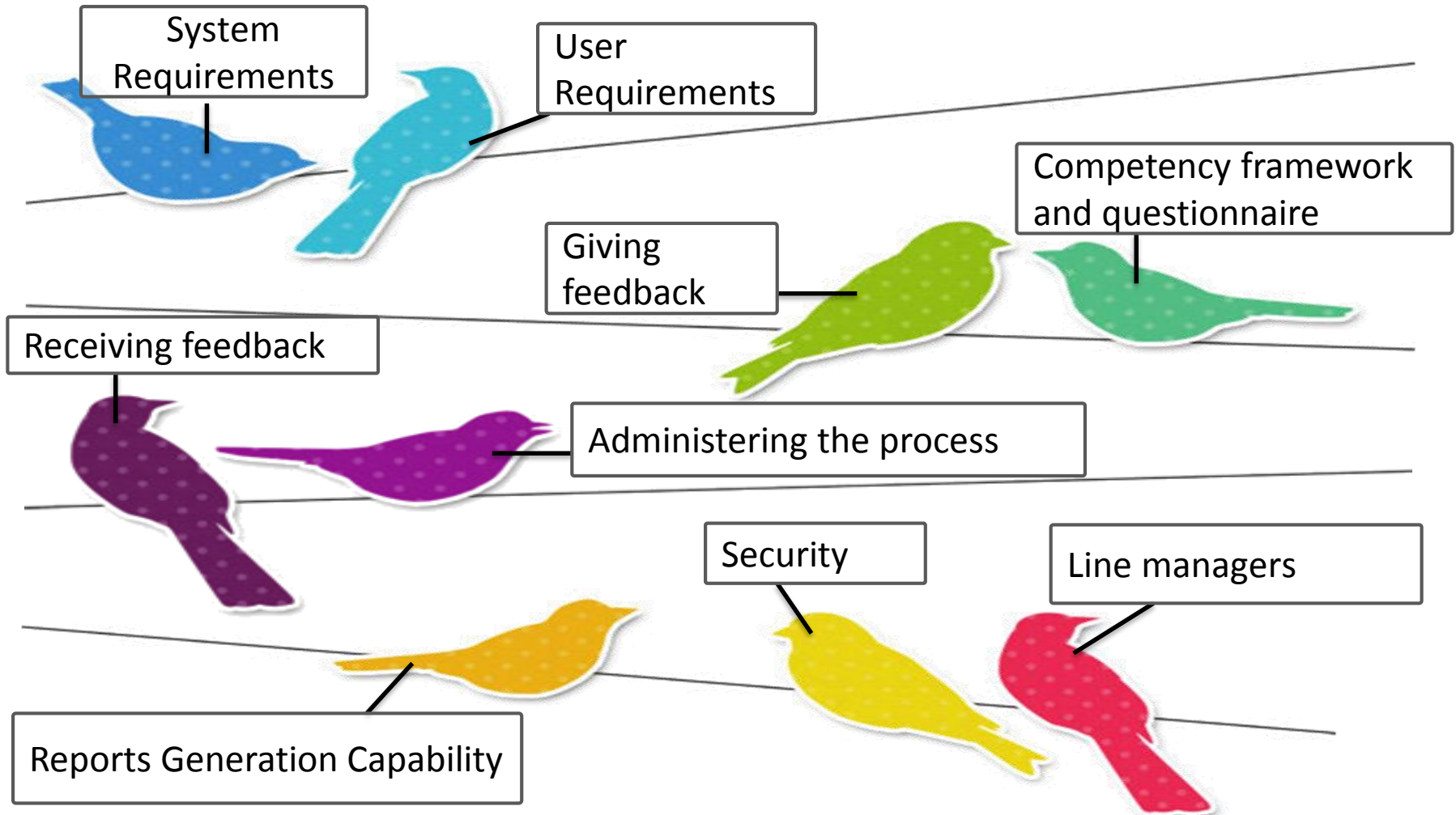
Emphasize confidentiality

On Line 360 Degree Feedback

There are various organizations that have started using online 360 degree feedback systems. Such an online system allows all the appraisers to complete their appraisals and give feedback on an online portal. Such online systems help to do away with a lot of paper work and are also much quicker and hassle-free.

On Line 360 Degree Feedback

Some of the considerations that have to be kept in mind to build-in an online 360 degree feedback system in the organization are as follows:

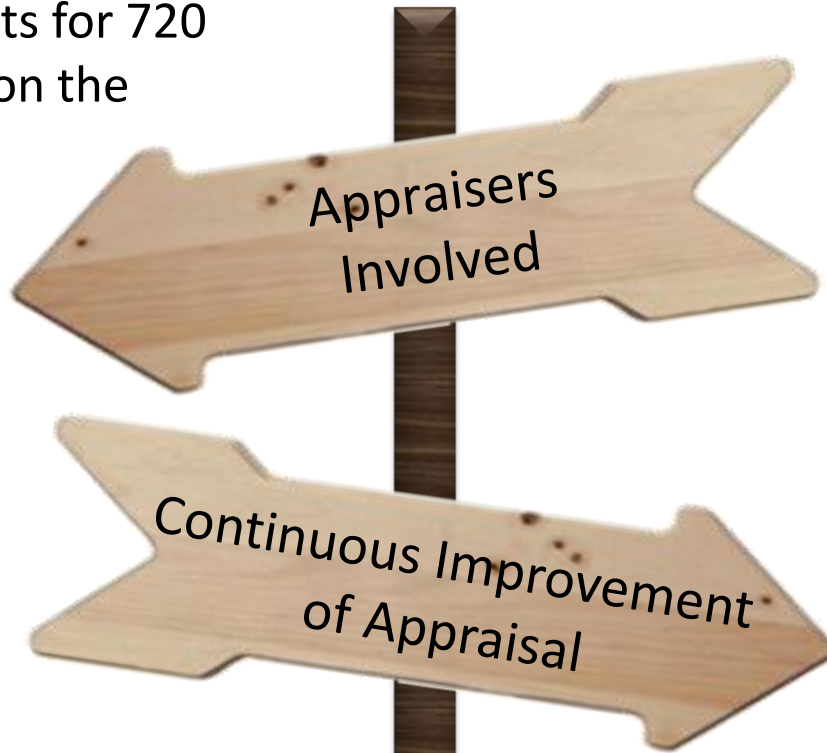


Objective

- Explain What is 360 Degree Feedback
- Describe the History of 360 Degree Feedback
- Explain the Uses of 360 Degree Feedback
- List the Advantages 360 Degree Feedback
- List the Disadvantages of 360 Degree Feedback
- Describe What is an Effective 360 Degree Feedback Appraisal
- Describe the Components of 360 Degree Feedback
- Explain the Process of 360 Degree Feedback
- Describe the Problems of 360 Degree Feedback Appraisal
- Describe the Sources of Errors in Performance Appraisals
- Explain the Development Options after Feedback
- Explain What is 720 Degree Feedback

What is 720 Degree Feedback?

There are two view points for 720 degree appraisal based on the following:



Click on the arrow to view in detail.

What is 720 Degree Feedback?

- In traditional 360 degree feedback, the raters include:
 - Superior
 - Peers – immediate & functional colleagues
 - Subordinates/Direct reporters
 - Internal customers
- In a 540 degree appraisal we add more external customers and suppliers. Whereas, in a 720 degree would we also take the feedback from external sources such as stakeholders, family, suppliers, communities.



What is 720 Degree Feedback?



Continuous Improvement
of Appraisal

720 degree feedback is performing a feedback after the main 360 degree appraisal. 720 degree as the name suggests is 360 degree twice - doing the appraisal once, where the performance of the employee is analyzed and having a good feedback mechanism where the boss gives the employee feedback and tips on achieving the targets set for the employee. Too often, employees complain that they never receive feedback until the next performance appraisal. They say that by then it is too late. 720 degree appraisal seeks to address these concerns by giving the employees feedback on their performance and help to attain the goals set for them.

Case Study

XYZ. has been facing a lot of issues in its performance appraisals where the employees are not happy with the ratings given by the supervisors. The employees feel that they are being under-rated and are demotivated.

1. How can implementing 360 degree feedback help XYZ tackle this situation?
2. What are the factors that XYZ need to consider before implementing a 360 degree feedback system?

Summary

In this module you learnt that:

360 Degree Feedback system is defined as the systematic collection and feedback of performance data on an individual or a group, derived from a number of the stakeholders in their performance.

360-degree feedback is an appraisal or assessment process used to improve managerial effectiveness by providing the manager with a more complete assessment of the employee's effectiveness, his performance and development needs.

360 degree feedback is also known as Multi-rater feedback, Multi-source feedback, Full-circle appraisal or Group performance review.

The four integral components of 360 degree feedback appraisal are:

- Self appraisal
- Superior's appraisal
- Subordinate's appraisal
- Peer appraisal