

**A Move from 360 degree to 720 degree Performance Appraisal**

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**Abstract**

Performance Appraisal is a method of evaluating the performance of an employee through systematic obtaining of employee information periodically and evaluating the performance on an impartial basis to analyze the value added on to achieve organizational goal. This concept was started in early 20<sup>th</sup> century. The aim of performance appraisal is to increase the morale of employees, increase the productivity, create a positive culture and improve overall performance of organization.

There are various methods of performance appraisal including 360 degree and 720 degree performance appraisal. 360 degree performance appraisal includes four elements called self appraisal, superior's appraisal, subordinate's appraisal and peer appraisal. But the drawback is it does not give timely feedback to improve the performance and do not guide employees after appraisal. Hence the need of 720 degree performance appraisal arise which is the most recent concept introduced.

“When feedback is included as part of regular, ongoing performance discussion throughout the year, the employee, the manager and the organization are all better off” Shawna Mcknight

720 degree performance appraisal is the twice of 360 degree performance appraisal which gives two rounds of feedback a pre and post intervals, where pre intervention result sets the baseline and the post intervention survey shows the improvement in the result. Here timely feedback is given to employees with guidance to improve the performance. This is more development focussed than performance alone, and supplements training and development functions in a better way. It also helps in enhancing communication, facilitate self development and improve overall performance of an organisation. This method has been introduced in new economy companies and Cadbury also uses '720 degree' feedback. The aim of this paper is to create awareness about 720 degree performance appraisal and to highlight the need & significance of 720 degree performance appraisal over previous performance appraisal techniques.

**Key Words:** Performance Appraisal, Evaluation of Performance Appraisal, Positive Culture, 360 Degree Performance Appraisal, Increase Morale, Self Appraisal, Superior's Appraisal, Subordinate's Appraisal, Peer Appraisal, Pre & Post Intervals, Feedback and Baseline.

**Introduction**

The aim of all the organization to achieve the goal with effectiveness depends on the performance of the employees. Measuring the employee's performance on regular basis includes giving feedback on time, reviewing the performance according to predetermined standards and timely recognition of the accomplishments, that motivates the employee to perform better each day.

“Performance appraisal includes all formal procedures used to evaluate personalities, contributions and potentials of group members in a working organisation. It is a continuous process to secure information necessary for making correct and objective decision on employees” – Dale Yorder.

It is an effective method to calibrate, refine and reward the performance of the employees. Achievements of employee can be analyzed and evaluation of his contribution in organisational objective can also be measured through performance appraisal. The performance can be measured on the basis of job knowledge, quality & quantity of output, leadership, initiative, abilities, etc. There are different methods of performance appraisal divided into two categories traditional and modern. Traditional method includes confidential report, essay appraisal, straight rating method, pair comparison, critical incident, field review, checklist, graphical rating scale, etc. Modern method includes management by objective, 360 degree performance appraisal, assessment centre, behaviourally anchored rating scale, human resource accounting, etc. The objective of all these methods is to review the performance of employees, diagnoses the strength and weakness of the individual so as to identify the training and development need in future and to provide feedback regarding the performance of employees.

### **360 Degree Performance Appraisal**

360 degree appraisal is a process where employees receive confidential, anonymous feedback from the people who work around them. Here feedback comes from internal as well as external sources which are mainly divided into four components:-self appraisal, superior's appraisal, subordinate's appraisal and peer appraisal.

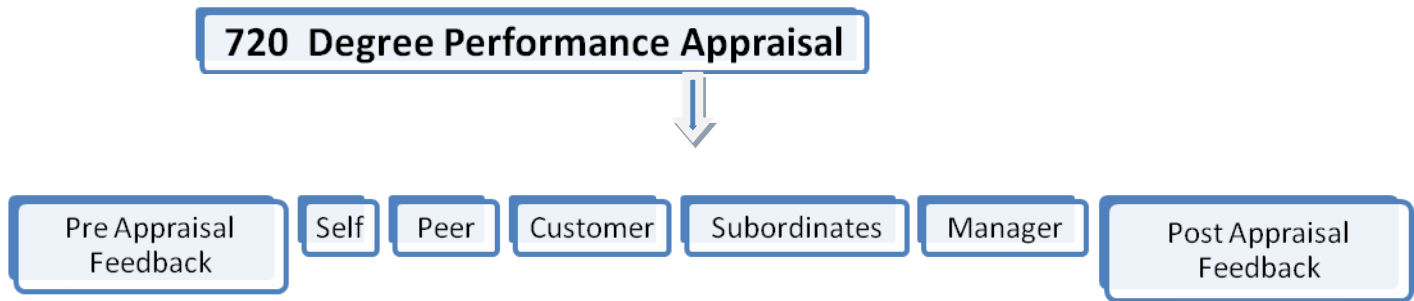
### **720 Degree Performance Appraisal**

720 degree appraisal is also called 720 degree feedback system which was instituted by Johnson and Johnson Advanced Behaviour Technology, based in Denver, Colorado. Choosing the right individuals to be raters is the most important consideration in this. This system includes follow up, clear communication, share information, listen to others, establish plans and adhere to schedules.

720 degree appraisal is the twice of 360 degree appraisal which is done in two intervals, pre interval and post interval. In pre interval the targets are set and timely feedback is given and in post interval improvement is being measured of the participant. It is arising as a possible alternate appraisal technique in today's era.

### **Phases of 720 Degree Performance Appraisal**

720 degree appraisal method appraises an employee's performance from various dimensions and helps to overcome the barriers of bias, prejudice and discrimination. In this, the performance is appraised from 7 phases to ensure the efficient performance of the employees.



1. Pre Appraisal Feedback:-Once the feedback is collected from all the dimensions/people with whom employee interact, the performance is evaluated. After evaluating the performance, targets are set and feedback or training is given to employee to achieve the target.
2. Self Appraisal:-In this phase employee gets a questionnaire from the organisation where they are asked to evaluate their performance and gets the opportunity to express their ideas, do valuation of strength, weakness and judge their performance.
3. Peer Appraisal:-The feedback is taken from the peers of employee with the aim of understanding the ability of the employee to work as a team, coordination, cooperation with others and bring out the best.
4. Customer Appraisal:-The feedback is taken from the customers to know the opinion of customers which will be helpful for the improvement of that individual as well as of organisation. It helps in achieving the customer satisfaction which is the key of survival and success of all the organisations.
5. Subordinates Appraisal:-The feedback is taken from the subordinates of the employee to know the organising skills of employee, to understand the abilities like communication, way of handling responsibilities, motivating others, delegating the work, leadership qualities, etc.
6. Manager's/Superior Appraisal:-The feedback is taken from the superior to evaluate the performance, responsibilities and the attitude of the employee towards the organization.
7. Post Appraisal Feedback:-This is the last phase of 720 degree performance appraisal which makes this method different and better from 360 degree performance appraisal. Here, the evaluation of performance is based on the target set in pre appraisal phase and timely feedback is given with guidance which helps the employee to improve his performance.

#### **Difference between 360 Degree and 720 Degree Performance Appraisal**

- 360 degree performance appraisal is done once in a year where 720 degree performance appraisal is done twice in a year and could be done more than twice in a year.
- 720 degree performance appraisal is more focused on management/higher level staff where as 360 degree performance appraisal is general.
- The dimension covered during performance appraisal is wider in 720 degree than 360 degree performance appraisal.

- 720 degree performance appraisal has dual evaluation cycle while 360 degree performance appraisal has single evaluation cycle
- 360 degree performance appraisal don't give chance to improve the performance in the same year but 720 degree performance appraisal gives the chance to improve the performance.
- 360 degree performance appraisal gives feedback in the last where 720 degree performance appraisal gives timely feedback with the guidance of superior to improve the performance.

### **Need of 720 Degree Performance Appraisal**

“To be effective and yield results for your business, performance management must be a year round process with no end”  
– Teala Wilson

In today's there is a need of technique in which performance management must be a year round process, which could provide timely feedback with guidance and give a chance to improve the performance. Here are some main reasons which highlight the need of 720 degree performance appraisal for today's business:

- 720 degree performance appraisal is development focused which supplements training and development functions.
- It provides timely feedback with the guidance to improve the performance.
- This method also gives chance to employees to improve their performance after getting feedback and guidance.
- It helps in taking decisions related to salary, promotion, demotion, transfer, etc.
- It ensures the achievements of organisational goal with efficiency and effectiveness.
- It helps in discovering the work potential of employee and tells the areas where training is required.
- It keeps the morale of employee high, motivates them and prevent grievance in an organisation.
- It sets target which are realistic and monitor the performance to ensure enhancement of performance.

### **Advantages of Performance Appraisal**

- It provides improved feedback from different phases including internal as well as external factors.
- It helps in better analysis of the employee's performance.
- It reduces the barriers in appraisal like bias, prejudice and discrimination.
- It increases the customer satisfaction and help organisation to do better customer service by considering the feedback of customers.
- This system also encourages transparency and feeling of treated justly which helps to develop a better and cooperative team.

### **Disadvantages of Performance Appraisal**

- It is more time consuming and require more financial resources.
- Ratters can be inexperienced and ineffective.
- It requires commitment from the top management.
- It has insufficient training and process understanding.
- It majorly focuses on negatives and weaknesses.

- It has exceptional expectations.

### Conclusions

Performance appraisal of employee in an organisation is equally important for employee as well as for the organisation. In today's contingent era of dynamic environment the decision of choosing the right method of performance appraisal is very important. It has been observed that many management experts feel that doing a comprehensive 360 appraisal isn't complete in itself and an effective procedure to measure improvement and receive feedback is essential for the success of any appraisal. 720 degree appraisal aims to monitor, measure, give feedback and encourage the employee to achieve goal for the organisation. A pre and post feedback intervals will help the appraisal and the appraised equally. Then 720 degree appraisal is better than 320 degree appraisal in terms of the focus of the evaluation and the involvement of the evaluator in the process. It also helps to keep the track of changes and other perceptions about the employee. This method can't be influenced by personal bias and suits the new economy companies as this method include giving candid feedback with guidance, chance to improve the performance and then improvement is measured of individual performance.

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