

## **“A CO-RELATION OF 360 DEGREE FEEDBACK & LEVEL OF EMPLOYEE MOTIVATION”**

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### **Abstract:**

Performance appraisal in Indian organization remains a widespread and common practice despite documented criticism of the process by practitioners and researchers alike. Lack of efficient ways to evaluate performance appraisal systems within organizational phenomenon. However, studying individual variables has proved so inadequate at explaining the intricacies of performance appraisals that researchers are attempting more comprehensive evaluation techniques. Attitudes and perceptions of performance appraisal by participants within the context of the organizations in which the process operates are now being conducted. In this study we will see about what is the opinion of employees towards 360 degree performance appraisal system and how effective the system to motivate employees.

After finding it is concluded that there is positive correlation of 360 degree feedback and level of motivation. 360 degree feedback is a powerful and effective as a development tool appraisal system to motivate employees. It is beneficial to create visualization about many possibilities & ways to motivate professional efficiency of employees.

**Key Words: 360 degree feedback, multi-rater feedback, multi source feedback, performance & potential appraisal system**

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**Introduction:****360 Facilitated™**

Originated by Peter Farey in the UK in 1974 and based on his well researched Leader/Manager Model (published in 1993), this approach includes the following characteristics:

1. Questionnaires cover a wide range of issues distributed equally between Leadership (the future) and Management (the present), in the areas of both people and task. Hence Mega, Macro and Micro levels - as well as any organization's set of selected competencies - map into the framework.
2. Questions do not assess the manager but only *suggest more or less* of each behavior.
3. Interaction between manager and staff/peers is facilitated constructively to optimize how they work together.
4. The process is short and sharp, involves employees at every level and leads to openness, communication, learning - both individual and organizational to close gaps in results within the organization. In a word: teamwork.
5. Measures used include: value of action plans, achievement of learning objectives, improvement in performance, quality, productivity; reductions in absenteeism, turnover and suggested change. These links to Mega, Macro and Micro levels of results.

**360degree feedback**, also known as **multi-rater feedback**, **multi source feedback**, or **multi source assessment**, is feedback that comes from all around an employee. "360" refers to the 360 degrees in a circle, with an individual figuratively in the center of the circle. Feedback is provided by subordinates, peers, and supervisors. It also includes a self-assessment and, in some cases, feedback from external sources such as customers and suppliers or other interested stakeholders. It may be contrasted with "upward feedback," where managers are given feedback by their direct reports, or a "traditional performance appraisal," where the employees are most often reviewed only by their managers.

The results from 360-degree feedback are often used by the person receiving the feedback to plan training and development. Results are also used by some organizations in making administrative decisions, such as pay or promotion. When this is the case, the 360 assessment is

for evaluation purposes, and is sometimes called a "360-degree review." However, there is a great deal of controversy as to whether 360-degree feedback should be used exclusively for development purposes, or should be used for appraisal purposes as well (Waldman et al., 1998). There is also controversy regarding whether 360-degree feedback improves employee performance, and it has even been suggested that it may decrease shareholder value (Pfau & Kay, 2002).

360 Degree Feedback is a system or process in which employees receive confidential, anonymous feedback from the people who work around them. This typically includes the employee's manager, peers, and direct reports. A mixture of about eight to twelve people fill out an anonymous online feedback form that asks questions covering a broad range of workplace competencies. The feedback forms include questions that are measured on a rating scale and also ask raters to provide written comments. The person receiving feedback also fills out a self-rating survey that includes the same survey questions that others receive in their forms.

Managers and leaders within organizations use 360 feedback surveys to get a better understanding of their strengths and weaknesses. The 360 feedback system automatically tabulates the results and presents those in a format that helps the feedback recipient create a development plan. Individual responses are always combined with responses from other people in the same rater category (e.g. peer, direct report) in order to preserve anonymity and to give the employee a clear picture of his/her greatest overall strengths and weaknesses.

360 degree feedback can also be a useful development tool for people who are not in a management role. Strictly speaking, a "non-manager" 360 assessment is not measuring feedback from 360 degrees since there are no direct reports, but the same principles still apply. 360 Feedback for non-managers is useful to help people be more effective in their current roles, and also to help them understand what areas they should focus on if they want to move into a management role.

**Purpose of 360 degree feedback:**

If mission is employee development, make sure feedback is provided in a confidential, non-threatening manner. If participants feel threatened by getting feedback, they will be less open to receiving it.

Assuming **360 degree evaluation** program is focused on development; do not provide feedback in a vacuum. Consider hiring professional and neutral consultants who are experienced at delivering 360 feedbacks and coaching employees to improve. If feedback is negative, it can be demoralizing and counterproductive. Employees should have access to a neutral person who can help them understand their feedback and create a plan for development. If consultants are not in budget or the scope of project, in this case employees have a trusted HR person available.

The **360 evaluation** process and feedback should lead to developmental goals. These goals should be tailored to each participant, and they need to fit with your organization's vision, mission, and strategy. Remember that developmental goals need to be measurable and achievable. Ideally, a participant should focus on about 3 to 5 goals in key areas that need improvement. Be sure a process in place to hold people accountable for achieving their goals.

**Motivation**

Motivation is an organization's life-blood; yet "motivation," as a business subject, is largely ignored. Even when not ignored, it certainly is not a focal point for strategic thinking.

Seldom is a clear, coherent, and overall approach taken to the challenge of motivating people. Most organizations don't give it much thought until something starts to go wrong. Pain gets people's attention.

**Four reasons explain this fact of life**

1.  
is intangible.

Motivation

2. Motivation drives all human action. It is the energy source. Those seeking to shape the behavior ultimately wrestle with motivation.

3. With a bit of work, we can intuit our own motivation and monitor its shifting nature and intensity. But we can only observe and measure the motivation of others indirectly.

4. Motivation is lost in a twilight zone.

**The objectives in brief are:**

1. To study the 360 Degree feedback system.
2. To analyze how the 360 Degree feedback motivates the employees.
3. To analyze how effective the 360 Degree feedback is for motivation.
4. To create visualization about many possibilities & ways to develop performance & potential appraisal system to motivate the employees.
5. To suggest remedial measures for challenges of implementation of the 360 degree feedback.

**Research methodology adopted for the study:**

**Research methodology is survey method**

As shown in the following table, the total number of companies/departments/organizations from all the population will be 10. Thus the total number of respondents will be 15 from each company/department/organization. 15 respondents will be selected randomly from population thus making a total number of respondents as 150.

This Sample will be selected on the random basis

10 National/International Companies /Govt. Dept. 15 respondents from each organization = total 150 respondents.

There are two types of questionnaire used to find out correlation between motivation & 360 degree feedback

**Questionnaire-1** for the official/respondent who are working in the Indian /International companies/Govt. organizations.

**Questionnaire -2** for the employer/top management who are working in the Indian /International companies/Govt. organizations.

**Summary of findings:**

1. The study reveals that majority is always receiving confidential, anonymous feedback from the people who work around them.

2. It is also reveals that majority of respondents have problem solving skill in organizations while working is also affected by 360 degree feedback.

3. The study find out that largest percentage of respondents' exclaim 360 degree feedback of performance appraisal system is useful to motivate employees in their personnel capability enhancement.

4. The study finds out that largest percentage of respondents' consent if "Feedback is provided by subordinates, peers, and supervisors system is more suitable for improving capability of employees.

5. The study reveals that majority is always receiving multi-source or 360 feedback is similar to the self-assessment process except there is more than one evaluator.

6. The study exclaim that mostly respondent agree if a report is prepared on the 360 feedback results to allow the employee, supervisor and / or others (e.g., coach / mentor; learning advisor; etc.) to target learning and development efforts to the particular employee's needs.

7. The study reveals that most of the respondents' consent 360 degree feedback is a powerful appraisal system to motivate employees.

8. The study reveals that largest percentage of respondents' approve that there is positive correlation of 360 degree feedback and level of motivation.

9. The study finds out that largest percentage of respondents' accept if 360 degree feedback will use by employees for performance appraisal then their capability will also be boost.

10. The study find out that most of the respondents positively respond about mastering the ability to maintain a positive outlook will draw may possible by 360 degree feedback & motivated to achieve more with what you do.

11. The study also disclose the largest number of respondents 360 degree feedback develops personal Effectiveness- to include opportunities for participants to visualize success and their own capacities and abilities, to strengthen inner resources and mental attitude.

12. The research study focused that most of the respondents recognize 360 degree feed-back assess limitations and strengths to include taking a realistic look at limitations and strengths and assess opportunities to capitalize on personal strengths.

13. The research study enlightens us that most of the respondents reflect 360 degree feedback will beneficial to create visualization about many possibilities & ways to motivate professional efficiency of employees.

14. The research study discovers that most of the respondents believe in 360 degree feedback make possible to develop individual learning plans targeted to particular learning needs. At a minimum, tools to support this process include a set of instructions or guide for completing a learning plan as well as a standard learning plan form.

15. Through the study it is find out that most of the respondents acknowledge that 360 degree feedback helps to create visualization about many possibilities & ways to develop performance & potential appraisal system to motivate the employees.

16. The research study enlightens us that most of the respondents reflect that the results from 360-degree feedback are often used by the person receiving the feedback to plan training and development.

17. 360 degree feedbacks allow improving performance and productivity and place entrepreneurs in the frame of mind necessary to be successful.

18. The research study enlightens us that most of the respondents reflect whether 360-degree feedback should be used exclusively for development

purposes not only used for appraisal purposes.

19. Through the study it is find out that majority of respondents positively respond that the 360 feedback system automatically tabulates the results and presents those in a format that helps the feedback recipient create a development plan.

20. The study disclose that the mostly respondents believe in well-scheduled 360-degree feedbacks lead to positive changes in worker's job satisfaction and enhance the company's effort to attain its own interest.

Most companies conduct 360 degree feedback for development purposes only, and participants are explicitly told that the results won't impact their appraisal ratings or compensation. But other companies use the 360 degree feedback as one of the factors to consider in the appraisal process, especially with respect to setting goals for development. Our general advice to clients is to proceed with caution in this area – perhaps starting out using 360 degree feedback only for development, and then gradually working it into the appraisal process as the concept of 360 degree feedback becomes more accepted in the organization.

### **Conclusion:**

After finding of research study we can conclude that the following hypothesis has been proved.

1. There is positive correlation of 360 degree feedback and level of motivation.
2. 360 degree feedback is a powerful appraisal system to motivate employees.
3. 360 degree feedback is highly effective as a development tool.
4. 360 degree feedback will beneficial to create visualization about many possibilities & ways to motivate professional efficiency of employees.
5. 360 degree feedback is an effective Performance Appraisal tool to measure employee performance

In spite of all these we also come to know through the research study that



1. How the 360 Degree feedback motivate the employees.
2. Effectiveness the 360 Degree feedback for motivation.

There are many possibilities & ways to develop performance & potential appraisal system to motivate the employees.

a. The (360 degree) feedback process involves collecting perceptions about a person's behavior and the impact of that behavior from the person's boss or bosses, direct reports, colleagues, fellow members of project teams, internal and external customers, and suppliers. Other names for 360 degree feedback are multi-rater feedback, multi-source feedback, full-circle appraisal, and group performance review.

b. The effectiveness of the feedback is directly linked to the integrity of the process, and the integrity of the process is measured in terms of commitment, clarity of purpose, and follow-up.

c. A number of sources state that 360 degree feedback is more objective than feedback from one's superior alone, as in the traditional annual performance review, but claims regarding objectivity are not strictly accurate. If the objective behind this is to ensure objectivity and accuracy of assessments, it should be realized that these systems do not provide that benefit. They increase the amount of feedback, but the feedback is still subjective.

d. At the same time, though research study, we realize that having a number of people agree in their opinions is more powerful than one person's opinion alone. When people share the same opinion, then we conclude that we are probably that much closer to the truth while at the same time acknowledging that truth is, at least in part, dependent upon perspective.

e. In assessing a correlation of 360 degree feedback, it is important to consider whether open communication and employee empowerment are desired values in the organization. The assessment process alone is an empowering process, especially if it includes the recommended team planning. "Feedback and communication between managers and supervisors is very important when it is open, clear, and based on mutual respect. Performance Management systems (the good ones) provide for these functions. They also

involve effective, collaborative objective-setting, planning of the work, continuous review of the work, and mutual identification of ways to improve the performance.

f. Communication is critical to the success of the 360 degree feedback process. Managers and participants need to be educated and involved from the beginning regarding the purpose and goals of the process. From the beginning, the 360 degree feedback team should make communication a key element of their task in planning the 360 degree feedback process.

g. The success of the 360 degree feedback is so dependent upon its being conducted in an atmosphere of trust and fairness, sufficient resources need to be allocated to insure this will occur. First, outside expertise will probably be needed to assess organizational readiness and assist in preparation of the detailed plan needed to implement the process. It is crucial that sufficient resources be allocated in this planning stage, as changing direction or altering the plan during the implementation of the process could easily raise the fairness issue and undermine trust in the integrity of the process.

h. The 360 degree feedback process is used to identify employee skill gaps and development needs and to prepare individual and organization-wide development plans. In an atmosphere of trust, where people truly believe that the data will not be held against them but will rather be used to help them, they will naturally expect feedback on their improvement. This means that they will expect not only follow-up training and assistance, but future feedback on their performance.

i. 360 degree feedback can promote individual development and improve individual performance if the feedback is linked to developmental planning, goal setting, and organizational support. The four conditions that will maximize the value of the 360 degree feedback process:

- The intervention is business-driven
- The organization clearly needs the measured behaviors to support a corporate strategy or goal
- The survey instrument and administration process are reliable and

valid

- Conditions for learning new skills exist

**Recommendations:** If 360-degree feedback is implemented, for the purpose of motivational enhancement the researcher recommends that:

1. All participants have comprehensive knowledge of 360 degree feedback.
2. All raters are assured anonymity.
3. All personnel trained in how to provide feedback.
4. All personnel trained in how to receive feedback.
5. The ratings are kept confidential.
6. The evaluation should be fairly short.
7. Should be able to be completed in thirty to forty-five minutes.
8. There should be a minimum of three evaluators.
9. The evaluation program is evaluated periodically.
10. Make modifications as necessary.
11. Acquire the services of a consulting firm.

**Expected contribution of the study:**

1. This study will be useful in identifying current challenges to use 360 degree feedback.
2. Future changing requirements of employee motivation.
3. To predict future development scenario of 360 degree feedback.
4. To search effectiveness of 360 degree feedback in employee motivation.
5. To search limitation areas of 360 degree feedback.

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