

# [Abstract major challenges of modern competitive organizations and](https://assignbuster.com/abstract-major-challenges-of-modern-competitive-organizations-and/)

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ABSTRACT– PerformanceAppraisal is an important tools in the hands of personnel management becausethis technique accomplishes the main objective of the organization to thedevelopment of the people by appraising the worth of the individual. The rationalbehind these appraisal system is that different evaluation perspectives addobjectivity and incremental validity to the assessment of individualperformance. The success of an organization depends on the performance of theemployees and it’s the human tendency to judge everything and everyone aroundthem. There are different method of Performance Appraisal based on the type ofthe organization, size of the organization and also the period when it is used. The 720 degree evaluation is emerging as a possible alternative appraisaltechnique. Organizations are slowly but steadily realizing the need for thisnew system, which is better than the existing 360 degree evaluation, especiallyin terms of the focus of the evaluation and the involvement of the evaluatorsin the process. So as thename suggests 720 degree performance appraisal is the evaluation of theperformance of the employee from all the aspects and giving timely feedback toensure that the person is able to achieve the set goals before the nextappraisal.

In modernbusiness scenarios where job roles have become more diverse it’s not easy tomeasure the performance of any employee. This is where performance appraisalmethods can be really helpful . This paper subjects to the need of 720 degreeperformance appraisal in current business scenario and justify an upper hand of720 degree performance appraisal over other traditional approach.   INTRODUCTION– One of the majorchallenges of modern competitive organizations and institutions is EmployeeDevelopment where Employees are the greatest Asset and backbone of an organizationso called as the Human Resource. It is the very need of every institution to value, nurture and retain their employees with them, which is beneficial for organizationalsuccess. In the beginning an employee is like a Flower Bud which has to begiven proper care and support through developmental activities to blossom likea Flower. Development can take place through number of training, motivation anddevelopmental activities.

Motivational factors like Promotion, Appraisals, Recognition, Respect and Rewards are the few to enhance the employee skills and activities . Soemployer need to spend some time and resource in developing and appraisingtheir employees. Benefits of Performance Appraisal are reaped by both employeeas well as the organization where he renders his service. From thetime Human beings have evolved they have employed different methods to appraisethe performance starting from the traditional “ comparison method” to the modern” 720 degree appraisal method” The 720degree evaluation is the emerging as a possible alternative appraisaltechnique. Organizations are slowly but steadily realizing the need for thisnew system, which is better than existing 360 degree evaluation, especially interms of the focus of the evaluation and the involvement of the evaluators inthe process. For instance, the 360 degree appraisal facilities the formal assessmentof an employee by the evaluators like the customer or the employee, possiblywith the help of appraisal forms. But the 720 degree evaluation goes one stepfurther and insists on a better focused, personalized and in depth review ofthe employees occupying managerial positions.

The evaluation of the employee isusually done through detailed personal interviews with the performanceevaluators. The 720 degree evaluation concentrates more on what matters themost for an organization. For instance, it could be clients views andperceptions of the performance of the employees.

The merit of this method isthat it makes both the evaluator and the employee happy and comfortable. Whilethe clients would appreciate a company which is more responsible and serious inknowing their opinions, the appraised employee would feel happy to be evaluatedand appreciated by the clients they serve. To Judge theperformance of the employees, the traditional approach is no longer effective, because of heavy workload of managers and supervisors, they unable to givesufficient time for judgment and for fair, accurate performance appraisals. Themajor problem in the traditional methods of appraisal was that it did not guidethe employee after the appraisal that’s why the 720° performance appraisal wasintroduced. Which will helps the managers to measure, analyzed the performanceof the employees at the same time it will provide proper feedback and guidanceto the employees to achieve their set target effectively.    LITERATUREREVIEW – A study on” Customer Centric Evalations” by Galbreath, Richard D and also the paper “ AskThe Customer “ by Jacobson, Leo, demonstrates the importance of using a 720degree performance appraisal system , in the sense that in such type of anappraisal system, the expectations of customers are clearly aligned with theperformance goals of the employees. This increases the loyalty of the customerstowards the organizations thereby increasing profits of the organizations. Anotherpaper “ Clarifying the structure of justice using fairness perceptions ofperformance appraisal practices” by Paul W Thurston Jr, Pin points that thenew trend of using a 720 degree appraisal system, does away with all biases, prejudicesand discriminations while evaluating of employees.

OBJECTIVESOF THE STUDY –·       Toidentify the difference between the 720 degree performance appraisal system andtraditional performance appraisal system.·       Toidentify the need to incorporate the new 720 degree performance appraisalsystem.·       Tostudy the various dimensions of the 720 degree performance To identify thedifference between the 720 degree performance appraisal system and traditionalperformance appraisal system.

·       Toidentify the need to incorporate the new 720 degree performance appraisal system.·       Tostudy the various dimensions of the 720 degree performance appraisal system.·       Todevelop a model to determine the role of 720 degree performance appraisal forevaluation of professors in educational institutions.

DIMENSIONS OF 720-DEGREE PERFORMANCE APPRAISALa) PRE APPRAISAL FEEDBACK   This isthe first appraisal step that is done after the feedback is collected from thedifferent dimensions or people with whom the employee would interact. In thisstep, the performance is evaluated, targets are set and feedback or training isorganized to help the employee achieve the target.  b) SELF APPRAISAL   Theemployee is given a questionnaire and asked to evaluate his performance andthrough this method, the employee gets an opportunity to express his thoughtsand his valuation of strengths, weakness and judge his performance.

This is anappraisal by the person himself/herself. c) PEERS/COLLEAGUES APPRAISAL   Thefeedback from the peers or colleagues is important as it helps to understandthe ability of the employee to work as a team, co-operate, co-ordinate withothers and bring out the best. The peers are supposed to give a  d) CUSTOMER APPRAISAL In order to survive in the currentcompetitive market, Organizations aim at achieving high customer satisfaction. Customer feedback helps to analyze the customer? point of view and help toimprove the person and the Organization. e) SUB-ORDINATES APPRAISAL   Thefeedback of the sub-ordinates is essential to analyze the organizing skills ofthe employee and to understand his abilities like communication and motivatingabilities, ability to delegate the work, leadership qualities and way ofhandling responsibilities.  f) MANGERS/SUPERIORSAPPRAISAL   In this, the performance, responsibilities andthe attitude of the employee is evaluated by the Superiors or Managers.

g) POST APPRAISALFEEDBACK   It is this step that makes the 720-degreeperformance appraisal different and better than the 360-degree performanceappraisal method. In this step, the performance is evaluated based on thetarget set in the Pre appraisal and feedback is given. Timely feedback andguidance helps to make the employee improve his performance.

MERITS OF 720-DEGREE PERFORMANCE APPRAISAL: 720 Degree performance appraisal will help in creating a synergetic workenvironment and will help to bring out the best of each employee. The otherbenefits of the 720 degree performance appraisal are as follows:   It helps in betteranalysis and improved feedback from different dimensions Helps to develop abetter and co-operative team  Reduces the appraisalbarriers like prejudice, bias and discrimination Customer feedback isvalued. Better customer service and satisfaction can be obtained  Encouragestransparency and feeling of treated justly.  DEMERITS OF 720 DEGREE PERFORMANCE APPRAISAL: The appraisers consider that 720 Degree performance appraisalmethod is a time consuming process. The appraisers consider that the monetary requirement ishigher for 720 Degree performance appraisal method as appraisal/feedback has tobe done twice.  The appraisers consider that there might be quality problemas all the 7 dimensions of appraisal in 720 Degree performance appraisal methodmight not be accurate.  WHY COMPANIES SHOULDUSE 720…? This system is more development focused than performancealone, and supplements training and development functions in a better way. Apowerful developmental tool because when conducted at regular intervals ithelps to keep a track of the changes, others’ perceptions about the employees.

Manyorganizations are beginning to realize that the skill base of their executivesand managers does not match the requirements of a rapidly changing environment. Without these critical competencies, executives and managers are less likely tobe able to lead these organizations toward successful implementation ofstrategic changes  METHODOLOGY –The study is descriptive in nature. The secondary data isused for the study. The secondary data is collected from the various books, journals, articles etc.

FINDINGS: As per research paper International Journal ofMultidisciplinary Research here are the findings PARAMETERS RESULT IN PERCENTAGE CURRENT APPRAISAL METHOD USED More than 30% of the selected New Economy companies use 360 Degree performance appraisal method and Management by Objective. Approximately 25% of the companies use the Human Resource accounting method. AWARENESS OF 720 DEGREE PERFORMANCE APPRAISAL METHOD 30% of the appraisers are aware of the 720 Degree performance appraisal method and only 8% of the employees are aware of 720 Degree performance appraisal method. Most of the employees and appraisers are not aware of the 720 degree performance appraisal method.  EMPLOYEES APPRAISED OWN PERFORMANCE Approximately 61% of the employees have appraised their own performance in their career and were able to evaluate their career graph. Employees are able to appraise their own performance effectively.

EMPLOYEE APPRAISE OTHER EMPLOYEES 75% of the appraisers stated that employees will be able to appraise other employees effectively. 75% of the appraisers consider that the employees who come in contact with the other employees will be able to appraise them better as they work together and will be able to evaluate each other in different levels. Appraisers state that employees will be able to appraise other employee performance effectively. INFLUENCE – PERSONAL BIASES 68% of the employees stated that Personal bias and prejudice influenced their appraisal.

Hence, it is necessary to introduce an objective multi-dimensional appraisal method like the 720 Degree performance appraisal method where personal bias cannot influence the appraisal process. DISADVANTAGES OF 720 DEGREE PERFORMANCE APPRAISAL METHOD a) 85% of the appraisers consider that 720 Degree performance appraisal method is a time consuming process. b) 10% of the appraisers consider that the monetary requirement is higher for 720 Degree performance appraisal method as appraisal/feedback has to be done twice.  c) 5% of the appraisers consider that there might be quality problem as all the 7 dimensions of appraisal in 720 Degree performance appraisal method might not be accurate. d) The appraisers consider the 720 Degree performance appraisal method as a time consuming  IMPLEMENT 720 DEGREE PERFORMANCE APPRAISAL METHOD 55% of the appraisers stated that they would like to implement the method and 45% were not interested. 720 DEGREE PERFORMANCE APPRAISAL METHOD – IMPROVE PERFORMANCE 90% of the appraisers consider the 720 Degree performance appraisal method as an effective method and are positive that implementation of this method would help to improve their performance. SATISFIED – CURRENT APPRAISAL METHOD 80% of the employees stated that they were not happy with the current appraisal method and would prefer the use of a more effective method to measure their performance. Hence, it is necessary to implement the 720 Degree performance appraisal method.

Employee respondents are not happy with the current appraisal methods used and hope for a change for the better      CONCLUSION –After the research on 720 degreeappraisal, we come on the conclusion that it should be a part of everyorganization and not only in industries but in education institutions too. Compared to any other appraisal system 720 degree performance appraisal is effectiveand would be successful as it includes giving candid feedback and follow up. The need of 720 degree appraisal is because this is an objective method thatcannot be influence by prejudice, personal bias and discrimination.

It increases transparency and and feeling oftreated justly.        I. PERFORMANCE RATING SCALE Each employee is to be appraised on each of thefollowing performance factors using the following ratings: 5 pts – Consistently Exceeds ExpectationsEmployee displays at alltime, without exception, a consistently high level of factor related skills, abilities, initiative, and productivity. All assignments/responsibilities are completed beyond the level of expectation. Initiative andself-direction are characteristic.?(5pts) 4 pts –Often Exceeds Expectations Employeedisplays a high level of factor related skills, abilities, initiative, and productivity, exceedingrequirements in some areas, but not consistently or not without exception.

?(4pts) 3 pts – Meets Expectations Employee displays andmaintains aneffective and consistent level of performance of the job factor under review. Workoutput regularly achieves desired or required outcomes or expectations.? Problems or errors are reported and correctedquickly. ( 3pts) 2 pts – Some Improvement Needed Employee at thislevel displaysinconsistency in the performance of the job factor under review and output frequently falls belowacceptable levels.? Tasks may be significantly late at times orincomplete, with serious or potentially serious consequences.

(2pts) 1 pt — Major Improvement Needed Work output is consistently low, regularly fails to meet required outcomes, and error rate is high requiring repetition of duty orcompletion by others.? The employee may require constant supervision, and show an indifference to job responsibilities. (1 pt)  II. SUPERVISORY FACTORS: If the employee beingevaluated is a supervisor, these are the performance factors. 1.     LEADERSHIP ABILITY2.

APPRAISAL AND DEVELOPMENT OF PEOPLE 3.     PLANNING AND ORGANIZATION 4.     COMMUNICATION SKILLS   RATING SUMMARY: PERFORMANCE?(Points assigned for each factor)   Major Improvement Needed   Some Improvement Needed   Meets Expectations   Often Exceeds Expectations   Consistently Exceeds Expectations   Grand Total   QUALITY OF WORK             PRODUCTIVITY             KNOWLEDGE OF JOB             ADAPTABILITY             DEPENDABILITY             INITIATIVE AND RESOURCEFULNESS             JUDGEMENT AND POLICY COMPLIANCE             RELATIONSHIP WITH CUSTOMERS             ATTENDANCE AND PUNCTUALITY             SAFETY AND SECURITY             LEADERSHIP ABILITY             APPRAISAL AND DEVELOPMENT             PLANNING AND ORGANISATION             COMMUNICATION SKILLS             RATING TOOLS