

Abstract major challenges of modern competitive organizations and

[Business](#), [Accounting](#)



ABSTRACT- Performance Appraisal is an important tool in the hands of personnel management because this technique accomplishes the main objective of the organization to the development of the people by appraising the worth of the individual. The rationale behind these appraisal systems is that different evaluation perspectives add objectivity and incremental validity to the assessment of individual performance. The success of an organization depends on the performance of the employees and it's the human tendency to judge everything and everyone around them. There are different methods of Performance Appraisal based on the type of the organization, size of the organization and also the period when it is used. The 720 degree evaluation is emerging as a possible alternative appraisal technique. Organizations are slowly but steadily realizing the need for this new system, which is better than the existing 360 degree evaluation, especially in terms of the focus of the evaluation and the involvement of the evaluators in the process. So as the name suggests 720 degree performance appraisal is the evaluation of the performance of the employee from all the aspects and giving timely feedback to ensure that the person is able to achieve the set goals before the next appraisal.

In modern business scenarios where job roles have become more diverse it's not easy to measure the performance of any employee. This is where performance appraisal methods can be really helpful. This paper subjects to the need of 720 degree performance appraisal in current business scenario and justify an upper hand of 720 degree performance appraisal over other traditional approach.

INTRODUCTION- One of the major challenges of modern competitive organizations and institutions is Employee Development

where Employees are the greatest Asset and backbone of an organization so 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 organizational success. In the beginning an employee is like a Flower Bud which has to be given proper care and support through developmental activities to blossom like a Flower. Development can take place through number of training, motivation and developmental activities.

Motivational factors like Promotion, Appraisals, Recognition, Respect and Rewards are the few to enhance the employee skills and activities .

So employer need to spend some time and resource in developing and appraising their employees. Benefits of Performance Appraisal are reaped by both employees as well as the organization where he renders his service. From the time Human beings have evolved they have employed different methods to appraise the performance starting from the traditional " comparison method" to the modern " 720 degree appraisal method" The 720 degree evaluation is the emerging as a possible alternative appraisal technique.

Organizations are slowly but steadily realizing the need for this new system, which is better than existing 360 degree evaluation, especially in terms of the focus of the evaluation and the involvement of the evaluators in the process. For instance, the 360 degree appraisal facilitates the formal assessment of an employee by the evaluators like the customer or the employee, possibly with the help of appraisal forms. But the 720 degree evaluation goes one step further and insists on a better focused, personalized and in depth review of the employees occupying managerial positions.

The evaluation of the employee is usually done through detailed personal interviews with the performance evaluators. The 360 degree evaluation concentrates more on what matters the most for an organization. For instance, it could be clients views and perceptions of the performance of the employees.

The merit of this method is that it makes both the evaluator and the employee happy and comfortable. While the clients would appreciate a company which is more responsible and serious in knowing their opinions, the appraised employee would feel happy to be evaluated and appreciated by the clients they serve. To judge the performance of the employees, the traditional approach is no longer effective, because of heavy workload of managers and supervisors, they are unable to give sufficient time for judgment and for fair, accurate performance appraisals. The major problem in the traditional methods of appraisal was that it did not guide the employee after the appraisal that's why the 360° performance appraisal was introduced. Which will help the managers to measure, analyze the performance of the employees at the same time it will provide proper feedback and guidance to the employees to achieve their set target effectively. LITERATURE REVIEW - A study on "Customer Centric Evaluations" by Galbreath, Richard D and also the paper "Ask The Customer" by Jacobson, Leo, demonstrates the importance of using a 360 degree performance appraisal system, in the sense that in such type of an appraisal system, the expectations of customers are clearly aligned with the performance goals of the employees. This increases the loyalty of the customer towards the organizations thereby

increasing profits of the organizations. Another paper “ Clarifying the structure of justice using fairness perceptions of performance appraisal practices” by Paul W Thurston Jr, Pin points that the new trend of using a 720 degree appraisal system, does away with all biases, prejudices and discriminations while evaluating of employees.

OBJECTIVES OF THE STUDY --

- To identify the difference between the 720 degree performance appraisal system and traditional performance appraisal system.
- To identify the need to incorporate the new 720 degree performance appraisal system.
- To study the various dimensions of the 720 degree performance appraisal system.
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- To develop a model to determine the role of 720 degree performance appraisal for evaluation of professors in educational institutions.

DIMENSIONS OF 720-DEGREE PERFORMANCE APPRAISAL

a) **PRE APPRAISAL FEEDBACK** This is the first appraisal step that is done after the feedback is collected from the different dimensions or people with whom the employee would interact. In this step, the performance is evaluated, targets are set and feedback or training is organized to help the employee achieve the target.

b) **SELF APPRAISAL** The employee is given a questionnaire and asked to evaluate his performance and through this method, the employee gets an

opportunity to express his thoughts and his valuation of strengths, weaknesses and judge his performance.

This is an appraisal by the person himself/herself. c) PEERS/COLLEAGUES APPRAISAL The feedback from the peers or colleagues is important as it helps to understand the ability of the employee to work as a team, cooperate, co-ordinate with others and bring out the best. The peers are supposed to give a d) CUSTOMER APPRAISAL In order to survive in the current competitive market, Organizations aim at achieving high customer satisfaction. Customer feedback helps to analyze the customer's point of view and help to improve the person and the Organization. e) SUB-ORDINATES APPRAISAL The feedback of the sub-ordinates is essential to analyze the organizing skills of the employee and to understand his abilities like communication and motivating abilities, ability to delegate the work, leadership qualities and way of handling responsibilities. f) MANAGERS/SUPERIORS APPRAISAL In this, the performance, responsibilities and the attitude of the employee is evaluated by the Superiors or Managers. g) POST APPRAISAL FEEDBACK It is this step that makes the 720-degree performance appraisal different and better than the 360-degree performance appraisal method. In this step, the performance is evaluated based on the target set in the Pre appraisal and feedback is given. Timely feedback and guidance 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 ishiger for 720 Degree performance appraisal method as appraisal/feedback has tobe done twice. The appraisers consider that there might be quality problems as 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 of strategic changes

METHODOLOGY –The study is descriptive in nature. The secondary data is used for the study. The secondary data is collected from the various books, journals, articles etc.

FINDINGS: As per research paper International Journal of Multidisciplinary 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 degree appraisal, we come on the conclusion that it should be a part of every organization and not only in industries but in education institutions too. Compared to any other appraisal system 720 degree performance appraisal is effective and 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 that cannot be influenced by prejudice, personal bias and discrimination.

It increases transparency and and feeling of treated justly. I.

PERFORMANCE RATING SCALE Each employee is to be appraised on each of the following performance factors using the following ratings: 5 pts - Consistently Exceeds Expectations Employee displays at all time, 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 and self-direction are characteristic. (5pts) 4 pts - Often Exceeds Expectations Employee displays a high level of factor related skills, abilities, initiative, and productivity, exceeding requirements in some areas, but not consistently or not without exception.

(4pts) 3 pts - Meets Expectations Employee displays and maintains an effective and consistent level of performance of the job factor under review. Work output regularly achieves desired or required outcomes or expectations. Problems or errors are reported and corrected quickly. (3pts)

2 pts - Some Improvement Needed Employee at this level

displays inconsistency in the performance of the job factor under review and output frequently falls below acceptable levels.? Tasks may be significantly late at times or incomplete, 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 or completion by others.? The employee may require constant supervision, and show an indifference to job responsibilities. (1 pt)

II. SUPERVISORY FACTORS: If the employee being evaluated is a supervisor, these are the performance factors. 1. LEADERSHIP ABILITY 2.

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