

# A STUDY OF 360 DEGREE PERFORMANCE APPRAISAL IN EGS COMPUTERS INDIA PRIVATE LIMITED CHENNAI

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## ABSTRACT

*The 360 - degree performance appraisal is a powerful multi-dimensional competence development tool that draws upon the knowledge of an individual within his own circle of influence: supervisors, peers, and direct reports. A review of successful organizations reveals that many are using 360 - degree appraisal for modern competence development, reinforced by similar systems for administrative performance appraisal. Research on 360 - degree appraisal reveals effectiveness conditions, design and implementation considerations, and some categories of potential benefits. The Simple random sampling was used in this study. The primary data was collected through questionnaire and analyzed with the help of statistical tool namely Uni-variate Percentage analysis, Weighted Average and Chi – square analysis. The findings of the study and recommendation are mentioned. It is concluded that majority of employees have the positive angle towards the prevailing performance appraisal.*

**KEYWORDS:** Employee Performance, Evaluation, Appraisal, Recognition, Rating, Assessment.

## 1. INTRODUCTION

Performance Appraisal are essential for the effective management and evaluation of staff. Appraisals help develop individuals, improve organizational performance, and feed into business planning. Formal performance appraisals are generally conducted annually for all staff in the organization. Staff Performance appraisals also establish individual training needs and enable organizational training needs analysis and planning. Reviews of each individual's performance against objectives and standards for the trading year, agreed at the previous appraisal meeting. Essential for succession planning. Provide formal, recorded, regular review of an individual's performance, and a plan for future development. Important for staff motivation, attitude and behavior development, communicating and aligning individual and organizational aims, and fostering positive relationships between management and staff.

## 2. Purpose of Research:

Performance appraisal is a part of a company's process of understanding their employees better and giving them feedback to help them improve their performance. While several employees find performance appraisal to be unnecessary if done right, it can have several benefits for the organization.

Study is need to:

- Provide information about the performance ranks.
- Provide information, which helps to counsel the subordinates.
- Provide information to diagnose deficiency in the employee regarding skills, knowledge, determine training and developmental needs and to prescribe the means for employee growth.
- Providing information about the performance ranks on which decision regarding salary Fixation etc.,
- Review the performance of the subordinates.

## 3. Review of Literature:

Curtis (2020) highlighted on why employers appreciate 360-degree appraisal. When 360-degree appraisal is introduced everyone may not be comfortable, but it is a part in the process of change. 360-degree appraisal helps in having an enhanced management style, improved communication, better teamwork, better understanding of strength and weakness and recognition of value of good relationship skills.

Newbold (2020) says that 360-degree appraisals are classics 360-degree appraisals are a powerful addition to the performance management system. It should be in alignment with the strategic aim of the organization. The author also focuses on the success of the 360-degree appraisal. It is a success only because of few factors like the purpose being clear, organization readiness, employee preparation, the way it must be run, finally effective delivery of the feedback.

Behn (2019) states that there are two major purposes of conducting performance appraisals. One purpose is to provide information about work performance that is used for administrative decision making. Decisions about salary increases bonuses, training, promotions, and other administrative actions are generally based on information brought out in a performance appraisal.

Hallam (2018) discusses on Advancement of Human asset Management by using 360 aggregate reporting. For an organization the key competitive advantage it has is its “people”. 360-degree aggregate reports help the organization to market its innovation and its customer service strength which in return helps in increasing the sales as well as the profits. Organization use 360-degree aggregate reports as a meaningful figure to mainly look at a collaborative project which helps in designing, coaching and training. Today Human Resource professionals are equipped to analyze the 360-degree aggregate data and contribute to the more effective management of the staff.

#### **4. Objectives of the study:**

- To know whether the employees are satisfied by 360-degree appraisal method.
- To know why the company has selected only this method 360-degree for appraisal of Performance.
- To study about the employee’s awareness regarding the process of 360-degree appraisal in EGS.
- To know whether the 360-degree appraisal improves the performance of the employees or not.

#### **5. Scope of the research:**

This study is very vast; however, the total time available was very limited for the purpose of the study observation, analysis, and conclusion. The function of the organization, work culture of the organization and as well the policies are made and implemented and conveyed to the employees, all are very difficult to studied. Second important thing is on account of ethical and moral obligation of a manager disclosure of all pertained and policies has got limitation because of his positional accountability and responsibility. The scope of 360-degree performance appraisal will help to take a strategic decision with organizational goals to with stand in competitive environment. The performance appraisal helps HR to build a better understanding of competitive advantage as well as disadvantage of available resources.

#### **6. Research Methodology:**

##### **Meaning**

Research methodology is a process used to collect information and data for the purpose of making business decision. The methodology may include publication research, interviews, surveys, and other research techniques, and could include both present and historical information.

##### **Research design**

A research design is a framework or blueprint for conducting a research project. The research design used for this study is of the descriptive type. Descriptive research studies are those studies which are concerned with describing the characteristics of a sample population under observation.

##### **Descriptive Research**

Descriptive research includes surveys and fact finding enquires of various kind. The most important purpose of descriptive research is descriptive of the state of affairs as it’s exists at the present. The main characteristics of this technique is that the researcher has no control over the variables will solely report what is going on or what’s happening. Descriptive research is pre-planning and structured. It’s usually supported giant proportional sample.

##### **Sampling design**

Sampling design is a definite plan for obtaining the samples from a given population. It refers to the technique or the procedure the researcher would adopt in choosing item for the sample.

##### **Sampling method**

A sampling method is a procedure for selecting sample members from a population. There are two types of sampling methods.

- Probability Sampling method
- Non – Probability Sampling method

##### **Probability Sampling Method**

Probability sampling methods refers to the method of sample selection from a finite population which provides each attainable sample combination on equal chance for being picked up and each item within the entire population have an equal likelihood of being enclosed within the sample.

##### **Sampling Technique**

Simple Random Sampling: A simple random sample is a subset of a statistical population in which each member of the subset has a equal probability of being chosen. In this method of selection of sample in such a way that no restrictions on selecting sample. So that each unit of the population has an equal chance probability of being included in the sample.

##### **Sampling Unit**

The research considers the sample unit as the employees those who permanently working in EGS Computers India private limited.

#### Sampling Size

Sample size selected for the study is 78 employees of EGS Computers India Private Limited., Chennai.

#### Data Collection Techniques

During this study structured questionnaire are used for data collection. The questionnaire has been constructed in sight of objectives of the study.

#### Statistical Tool for Analysis

The following tools used for analysis:

- Uni - variate Percentage Analysis
- Weighted Average Analysis
- Chi – Square Analysis

### 7. Data Analysis and Discussion:

Table 1.1: Demographic Profile of Employees

| Particulars     |                  | No. of Respondents | Percentage (%) |
|-----------------|------------------|--------------------|----------------|
| Departments     | Marketing        | 20                 | 25.64          |
|                 | Sales            | 29                 | 37.18          |
|                 | HR               | 22                 | 28.21          |
|                 | Finance          | 7                  | 8.67           |
| Gender          | Male             | 54                 | 60.23          |
|                 | Female           | 24                 | 30.77          |
| Age Group       | 18-25 years      | 30                 | 38.46          |
|                 | 26-35 years      | 29                 | 37.18          |
|                 | 36-45 years      | 12                 | 15.38          |
|                 | 46-50 years      | 7                  | 8.97           |
| Marital Status  | Married          | 28                 | 35.90          |
|                 | Unmarried        | 50                 | 64.10          |
| Work Experience | Less than 1 year | 1                  | 1.28           |
|                 | 2 – 5years       | 40                 | 51.28          |
|                 | 6– 10 years      | 23                 | 29.49          |
|                 | Above 10 years   | 14                 | 17.95          |

Table 1.2: Uni – variate Percentage Analysis

| Particulars  |                              | No. of Respondents | Percentage (%) |
|--|------------------------------|--------------------|----------------|
| Work Environment                                       | Excellent                    | 0                  | 0              |
|  | Good                         | 78                 | 100.00         |
|  | Average                      | 0                  | 0              |
|  | Poor                         | 0                  | 0              |
| Satisfaction level towards 360 degree appraisal method | Strongly Agree               | 0                  | 0              |
|  | Agree                        | 19                 | 24.36          |
|  | Neutral                      | 39                 | 50.00          |
|  | Disagree                     | 20                 | 25.64          |
| Opinion towards Performance Appraisal                  | Evaluation of Employees      | 40                 | 51.28          |
|  | Promotion of Employees       | 19                 | 24.36          |
|  | Job Satisfaction of Employee | 19                 | 24.36          |
|  | Motivation                   | 0                  | 0              |
| Rates of Performance                                   | Superiors                    | 78                 | 100.00         |
|  | Subordinates                 | 0                  | 0              |
|  | Clients                      | 0                  | 0              |

|   |                  |    |       |
|---|------------------|----|-------|
|   | Others           | 0  | 0     |
| <b>Opinion towards current scope of work</b>            | Not at all       | 0  | 0     |
|   | Slightly         | 28 | 25.64 |
|   | Moderately       | 21 | 11.54 |
|   | Very             | 9  | 26.92 |
|   | Extremely        | 20 | 35.90 |
| <b>Opinion towards real performance of the employee</b> | Strongly Agree   | 0  | 0     |
|   | Agree            | 51 | 65.38 |
|   | Neutral          | 27 | 34.62 |
|   | Disagree         | 0  | 0     |
| <b>Opinion towards overall satisfaction level</b>       | Highly Satisfied | 23 | 29.49 |
|   | Satisfied        | 53 | 67.95 |
|   | Neutral          | 0  | 0     |
|   | Dissatisfied     | 0  | 0     |

**CHI – SQUARE TEST RESULT**

**Null Hypothesis:**

There is no significant relationship between Age of the respondent and 360-degree appraisal in an organization

**Alternate Hypothesis:**

There is a significant relationship between Age of the respondent and 360-degree appraisal in an organization

| Particulars                  | Value | Df | Asymp.sig(2-sided) |
|------------------------------|-------|----|--------------------|
| Pearson Chi-Square           | 7.71  | 6  | .260               |
| Likelihood Ratio             | 7.65  | 6  | .265               |
| Linear-by-Linear Association | .26   | 1  | .608               |
| N of valid cases             | 78    |    |                    |

**Inference**

a) 5 cells (24.0%) have expected count less than 5

- b) The minimum expected count is 0

Pearson Chi-Square value of the above table is 7.71 at 5% level of significance p value is greater than 0.005, hence Null hypothesis is Accepted. There is no significant relationship between Age of the respondents and satisfied with the 360-degree appraisal in an organization. It concludes Satisfaction level is not dependent on age of the respondents.

## 8. CONCLUSION

Performance appraisal may be as the assessment of an individual's performance in a systematic way. The performance being measured against such factors as job knowledge, quality and quality of output, initiative, leadership abilities, supervision, dependability, cooperation, judgment, and versatility. Employees were cooperative and fully supporting the 360-degree performance appraisal and it was found to be highly effective in the employee's performance. The 360-degree performance appraisal creates a working environment that encourages worker participation. 360-degree feedback is sometimes referred to as multi-rater appraisals, multi-source feedback or 360-degree profiling. It is essentially a process, which enables a person to receive feedback from several people around them. The purpose of the feedback is usually varied from organization to organization. 360-degree feedback not only acts as tool for organizational development but also to help an individual determine areas they need to develop. The success of the appraisal depends on the transparency and clear objectives of its need and its clear-cut intimation to the employees even at the bottom level of the organization.

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