

### **Behavioural Impact of 360 Degree Feedback on the Employees in an Organisation**

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#### **Abstract**

*Three sixty degree feedback, popularly known as multi – rater, multi – source feedback has emerged as an important developmental and performance appraisal tool due to its ability to provide an all – round view of employees performance from various stakeholders such as superiors, peers, subordinates, suppliers, customers and vendors which is otherwise unavailable under any other method of performance appraisal. This method has a potential of creating both behavioural change and organisational change. This paper discusses the behavioural change amongst the employees which is induced by the use 360 degree feedback method in an organisation. The behavioural change is discussed with respect to 4 parameters i.e. 1) Initiative 2) Communication 3) Teamwork 4) Attitude which are considered important for measuring behavioural change in the employees. The change can either be positive or negative that will ultimately affect the effectiveness of the organisation.*

**Keywords:** 360 degree feedback, behavioural change, initiative, communication, teamwork, attitude

#### **Introduction**

Human resource management is the part of the organization that is concerned with the “people” dimension. Every organization is comprised of people; acquiring their services, developing their skills, motivating them to high levels of performance and ensuring to maintain their commitment to the organization is essential to achieve organizational objectives. This is true, regardless of the type of organization: government, business, education, health, recreation, or social action. Getting and keeping good people is critical to the success of every organization.

There is always some difference in the quality and quantity of the same work done on the same job by different individuals. It is important for an organization to know the differences between the employees in terms of their performance so that they can be rewarded accordingly. The evaluation factors are relatively subjective. For ex., Evaluation of attitudes, personality, and cooperation are subjective factors. Despite being subjective, they are important to be considered for performance evaluation. Performance appraisal is known by various names such as progress rating, merit rating, merit evaluation etc. It not only considers current performance but also potential of an employee as well. Performance appraisal is imperative to understand each employees capabilities and their relative worth for the organization. It is necessary to make decisions of transfer, promotions, pay increase, training, development and other work related decisions. Performance appraisals of Employees are necessary to understand each employee’s abilities, competencies and relative merit and worth for the organization.

For potential assessment companies employ variety of methods ranging from annual performance assessment to 360 degree assessment which provides information about an employee from multiple sources on continuous basis.

For people to evolve in an organization they need continuous information about their behavior as to what is working well and what needs to change. This information is provided to them through feedback. This is where 360 degree feedback is playing a growing role in organizations through its ability to provide structured, in-depth information about current performance and what will be required of an individual in the future to enable detailed and relevant development plans to be formulated.

### Research Objectives

The objective of this research paper is to highlight if the use of 360 degree feedback method brings a behavioural change amongst the employees in an organisation. The behavioural change is discussed with respect to 4 parameters i.e. 1) Initiative 2) Communication 3) Teamwork 4) Attitude which are considered important for measuring behavioural change in the employees. The change in the behaviour can either be positive or negative depending on several factors like recipients personality traits, goal orientation, self efficacy, locus of control, feedback received, follow up activities after feedback and difference between the real self and the ideal self.

### Research Methodology

Quantitative data has been collected from 40 respondents using a close – ended questionnaire. The filter question was “Does your company follows the 360 degree feedback method”. Respondents who answered this question negatively were not considered for study. In this research paper data has been of 30 respondents belonging to the company which follows the 360 degree feedback method. The responses collected were analysed using Kendall’s coefficient of concordance. Use of secondary sources of data collection has also been made.

### Meaning of 360 degree feedback

Traditionally, performance review processes have involved an employee receiving feedback from one source, the supervisor. The term 360 degree feedback comes from the analogy to a compass providing data from multiple sources, not just one. It is process where the performance of an employee is rated by his superiors, subordinates, peers, customers, suppliers, vendors and other interested stakeholders with whom he interacts in the course of his job performance. The people who provide the ratings are known as the “rater”. The person whose performance is being evaluated is known as the “learner”. Learners own self assessment completes the circle. Each source provides a different perspective of the employees’ performance thus providing a full view of the employees’ performance which may not be viewed by any other method. Raters fill out an anonymous online form covering a wide range of job competencies, behavior and performance outcomes. The online data is analyzed, conclusions drawn and is handed over to the rater. This may be done by the HR manager of the company. Often, companies take help of professionals in interpreting the feedback for the employee and help him in identifying his strengths and weaknesses. It is a continuous process and not a onetime phenomenon. Companies initially introduce this methodology as a pilot project to enable its employees to become familiar with the phenomenon and slowly implement it for an entire organization.

### Review of Literature

360 degree feedback can create behaviour change under the right circumstances (Goldsmith and Underhill 2001). Also there are studies indicating that 360 degree feedback process sometimes create no measurable change (Siefert 2003) and, at times, may actually have negative effects (Pfau and Kay 2002). However, any kind of generalization cannot be made since the 360 degree feedback process application varies across companies (3D Group 2002, 2004, 2009). It is suggested that 360 degree feedback brings about positive changes in behavior when used as a development tool in an atmosphere of trust, openness and sharing. (Ghorpade, 2000). David Lobdel in his research project Selecting An Appropriate Performance Appraisal Program For Spokane Valley Department, (1997) recommended that 360 degree Appraisal was the most beneficial for an organization in today’s work environment. When used effectively, Hurley (2008) found that 360-degree feedback could increase communication, foster employee development, and increase productivity and efficiency on a team.

Use of 360-degree feedback increases self-awareness as others view the assessment of their performance in comparison to how others assess their performance. A self-awareness of individual strengths



and weaknesses leads to improvements in work behavior and performance, which in turn contribute to greater overall team performance (Antonioni, 1996).

Even the process of completing the 360-degree feedback allows raters the opportunity to reflect on their own behavior and determine whether they may need to improve their own performance to better align with expectations (Dominick 1997).

When 360-degree feedback is combined with setting specific performance goals that relate to developmental areas identified in the feedback, even greater changes in behavior are expected (Dominick et. al., 1997).

Asumeng (2013) observed that an employee or manager who actively seeks feedback about his or her job performance is assumed to be more effective in his or her job than one who does not, suggesting feedback-performance link

The fact is that many organizations are already successfully using 360 feedbacks as a part of their performance management systems, as well as for other personnel decisions such as staffing, succession planning and high potential selection and development. (Bracken and Church 2013)

Perceived organizational support significantly affects employees' performance. Organizations looking to improve employee performance should take cognizance of this direct link. (Rai and Singh 2013)

#### Behavioral impact of 360 degree feedback

A number of variables can enhance or hinder behavioral change. Also there are many individual characteristics which are resistant to change or even impossible to change. This paper proposes to study behavioral change amongst the employees with reference to four variables 1) Initiative 2) Communication 3) Teamwork 4) Attitude for their effect in inducing sustainable behaviour change. It is believed if employees' behaviour improves positively, organizational performance improves, subordinates could be expected to be more satisfied with their jobs and less likely to quit. The cost of recruitment, selection, training, development and orientation of a new employee is relatively higher than retaining the existing employee and motivating them to deliver their best performance for the organization. Organizations invest in 360 degree feedback programme with the expectation that not only will their employees will have a positive behavioural change but also their developmental efforts will influence the important organizational outcomes. The keystone event in brining behavioural change is acceptance – the extent to which the recipient is willing to accept that the feedback is accurate and considering the same to serve as a guide for behavioural change. The process should be designed and implemented in such a way so as to maximise the probability of acceptance. Reinforcing awareness alone is not sufficient. The path between acceptance and sustainable behavioural change is not necessarily a short direct path.

Data was collected from 40 employees out of whom data of 10 employees was filtered out as their company didn't follow the 360 degree feedback method. The final data consisted of responses from 30 employees of the companies following 360 degree feedback method. The questionnaire was built on 5 point Likert scale ranging from strongly disagrees to strongly agree. 60% of the respondents were females and 40% were males. 80% of the respondents fell within the age group of 26 years – 35 years. 60% of the respondents had post graduation as their highest qualification.

#### ***Initiative***

In response to the question if the 360 degree method motivates employees to build relationships across boundaries with key stakeholders by developing formal and informal networks 2 respondents strongly disagreed which 7 people strongly agreed to the above question. 18 respondents agreed that with this method being followed in their company they are motivated to build relationships with key stakeholders of the company.

76% of the respondents agreed that use of 360 degree method has motivated them to partner with people from other work units to improve their overall work performance. 23 % respondents strongly agreed while only 1 respondent had disagreed with the above statement.

80% respondents contended that 360 degree feedback motivates them to develop and maintain strong relationships with suppliers, contractors/ clients. 90% respondents agreed that use of 360 degree feedback method motivated them to go above and beyond the stated goals as they now believe in giving their best to their organization since performance will now be the prime criteria for evaluating the performance and there has been a significant decline in office politics because of this. 80%, 85% respondents supported the thought that they are motivated to complete their goals well before the deadline and to apply new skills and knowledge as and when needed. All these positive aspects are attributed to fairness and equity inherited in the 360 degree feedback method.

### **Communication**

In reference to studying the role of communication in bringing a behavioural change in the employees of an organization following observations were made:

63% respondents agreed that use of 360 degree feedback has resulted in pro active communication whereas 10% of the respondents disagreed with the statement

65% respondents felt that they can now communicate and promote their ideas more persuasively than they could do earlier. None of the respondent disagreed with the statement

63% of the participants to the research assented that use of 360 degree feedback promotes high quality work amongst the employees of the company with there being no disagreement among the respondents to the study

46% respondents to the study agreed that their teams now solicit input from other team members to make informed decision and 40% respondents strongly agreed with the statement thereby almost 86% participants agreed that there has been improved team work in terms of communication

The contribution of 360 degree feedback in establishing relationships of fairness and integrity was agreed by 56% of the respondents and 40% respondents strongly agreed with the ability of 360 degree method in bringing fairness and integrity in an organization.

### **Teamwork**

The role of 360 degree feedback in improving and promoting teamwork is of tremendous importance. Its use has motivated team members to share pertinent information with the other team members (73% agreement), promoting excellent team behaviour(86% agreement), creating a climate that encourages team participation (86% agreement), increasing group cohesiveness to a large extent and creating a willingness amongst the team members to be a good team player(83% agreement).

### **Attitude**

While studying the impact of 360 degree feedback in bringing a behavioural change amongst the employees in reference to attitude it was observed that it helps in building open relationships in an organization while encouraging employees to demonstrate empathy for the impact of change on people and processes. It also motivated employees to project "can go attitude" when interfacing with peers, superiors, subordinates and customers (especially during difficult and challenging situations). It also made them more receptive towards working out problems and challenges.

Using Kendall's coefficient of concordance on the four factors i.e. 1) Initiative 2) Communication 3) Teamwork 4) Attitude. Its value ( $W= 0.60$ ) indicating a strong positive correlation amongst these factors in relation to 360 degree feedback method indicating that this method indeed plays a role in bringing a behavioural change amongst the employees and it has a strong growth potential in the future where the role of human resource as an asset has been constantly increasing at a fast pace.

### Conclusion

Clearly 360 degree feedback is a powerful tool in bringing a behavioral change among the employees. The perceived benefits of the programme will be realized only when used in the organizational climate with an expectation for success. It can initially be used as a means of self development, enabling the leaders to identify their developmental areas. The success of the programme depends on the implementation of the process, acceptance of the feedback and accountability for the same. Organizations considering restructuring or downsizing are not in a good position to implement 360 degree feedback because they will have difficulty in garnering the trust of the participants. Additionally, organizational cynicism can also interfere with the success of the process. This process needs to be integrated with the other HR practices to reap its full advantage. Also assistance needs to be provided to the recipient in understanding and interpreting the feedback. Individuals who conduct feedback sessions should be sensitive to individual differences. This method has potential of bringing a change in the way an organizational employee gives and receives feedback and significantly contributing to organizational effectiveness.

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