

Evaluating The Efficacy Of 720-Degree Performance Appraisal System In It Industries: A Comprehensive Study

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ABSTRACT

This research study aims to investigate the implementation and effectiveness of a 720-degree performance appraisal system within selected Information Technology (IT) industries. In recent years, there has been a growing interest in more comprehensive and multi-dimensional approaches to employee performance evaluation. Performance appraisal systems have long been a cornerstone of HR practices in IT industries, aiming to assess and enhance employee performance. This study examines into the effectiveness of a 720-degree performance appraisal system, a novel approach that combines traditional 360-degree feedback with real-time data analytics and AI-driven insights. The research investigates the adoption and impact of this innovative appraisal system on employee performance, job satisfaction, and organizational outcomes within the context of IT industries. The 720-degree performance appraisal system, which combines feedback from supervisors, peers, subordinates, and self-assessment, offers a holistic view of an employee's performance and development.

KEYWORDS: Occupation; Female occupational; Gender gap; workforce; Kashmir Valley

INTRODUCTION

The rapid evolution of the Information Technology (IT) industry has ushered in a dynamic work environment that demands continuous adaptation and innovation from its workforce. In this context, the traditional performance appraisal systems have faced criticism for their inability to effectively capture the multidimensional nature of IT job roles and the ever-changing nature of the industry. To address these challenges, a novel approach known as the 720-Degree Performance Appraisal System (720-DPAS) has emerged as a potential solution, aiming to provide a more comprehensive evaluation of employee performance within IT organizations. The term "720-Degree" signifies a full-circle, all-encompassing perspective, suggesting that this appraisal system not only evaluates employees from the top-down (supervisor-to-employee) but also includes evaluations from peers, subordinates, and self-assessments. This holistic approach aims to capture a more accurate and well-rounded picture of an individual's performance, promoting transparency, fairness, and personal development within the IT industry. This research study seeks to evaluate the efficacy of the 720-DPAS within the context of IT industries. The IT sector is marked by its distinctive characteristics, including rapid technological advancements, cross-functional teamwork, and a high demand for creativity and problem-solving. These unique dynamics make it a suitable domain to explore the potential benefits and challenges associated with implementing a 720-Degree Performance Appraisal System.

STATEMENT OF THE PROBLEM

In the rapidly evolving and highly competitive landscape of the Information Technology (IT) industry, the traditional methods of performance appraisal have shown limitations in effectively evaluating the multifaceted skills and competencies of IT professionals. To address this challenge, organizations have started to explore innovative approaches such as the 720-degree performance appraisal system, which incorporates feedback from a wide range of sources, including superiors, peers, subordinates, clients, and self-assessments. However, there is a notable gap in our understanding of the efficacy of this novel approach within the context of IT industries. There

is a need to assess whether the 720-degree performance appraisal system provides a more holistic and accurate evaluation of IT professionals' performance compared to traditional methods, considering the unique challenges and skillsets prevalent in the IT sector. Determining the appropriate criteria and metrics for evaluating IT professionals under the 720-degree performance appraisal system is crucial. Assessing whether the 720-degree appraisal system has a positive or negative impact on employee motivation, job satisfaction, and overall work performance in IT organizations and developing best practices and recommendations for IT organizations looking to adopt or improve their 720-degree performance appraisal system.

The primary objectives of this research:

1. Examine the design and implementation process of the 720-degree performance appraisal system within the selected IT companies.
2. Analyse the reasons and motivations behind the adoption of a 720-degree performance appraisal system in IT industries.
3. Evaluate the perceived advantages and disadvantages of the 720-degree performance appraisal system as reported by employees and management.

METHODOLOGY OF THE STUDY

A mixed-methods research approach, combining both quantitative and qualitative methods Use statistical techniques like regression analysis to assess the relationship between variables (e.g., the impact of the 720-degree appraisal system on employee performance). Analyse the collected data using software like SPSS.

- **Hypothesis:** The 720-degree performance appraisal system positively impacts employee performance and organizational outcomes in IT companies.
- **Population:** IT professionals in various roles within IT companies.
- **Sampling:** Random sampling of IT companies across different sizes and specialties.

3. Data Collection

- **Quantitative Data:** Use structured questionnaires to collect data on various aspects of the 720-degree performance appraisal system. Key variables may include employee satisfaction, performance improvement, and organizational outcomes.
- **Qualitative Data:** Conduct semi-structured interviews with employees, managers, and HR personnel to gather in-depth insights into their experiences with the 720-degree appraisal system.
- **Questionnaires:** Develop and validate a questionnaire with Likert-scale items to measure employee satisfaction, performance improvement, and other relevant factors.

TABLE – 1 WELL KNOWLEDGEABLE OF THE 720 DEGREE APPRAISAL

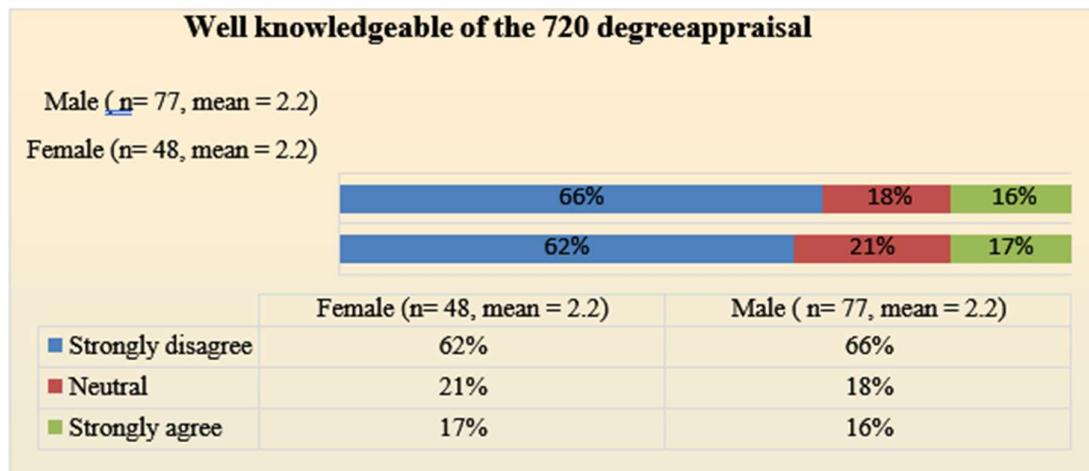


Figure 1 Analysis by gender – statement 4 Source: Data generated from field survey

Though the population surveyed agreed that they have the knowledge of 720 Degree feedback system, but when asked about whether they are well updated on the same, a significant percentage of males and females disagreed with the fact. Only near about 16% of the respondents agreed to be well knowledgeable about the 720 Degree feedback system. The statement reflects that the practical implementation of such an approach has a long way to go, and gradually when the organization starts moving towards modern performance appraisal techniques, the knowledge of the people would enhance.

TABLE – 2 REASONS TO MOVE FROM TRADITIONAL APPRAISAL SYSTEM

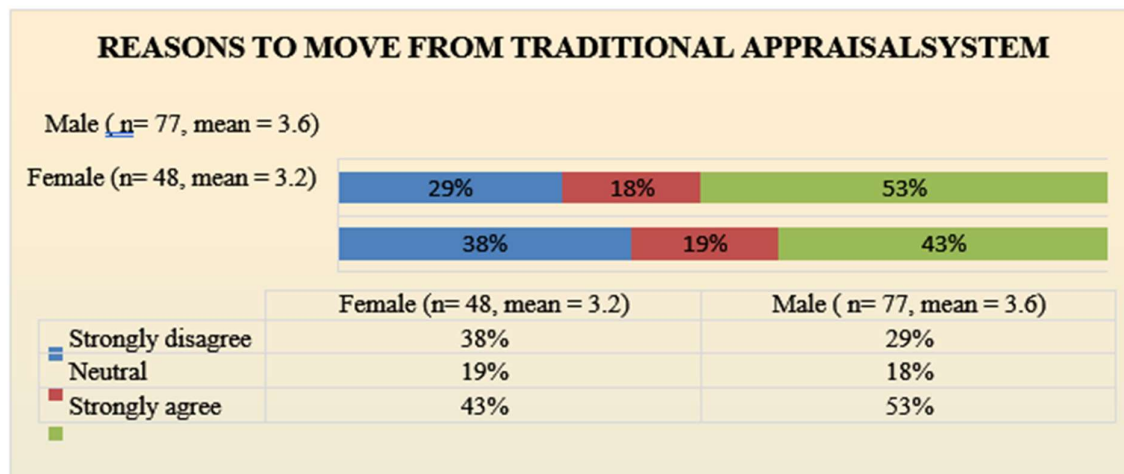


Figure 2 Analysis by gender – statement 5

Source: Data generated from field survey

A large proportion of males and females (53% and 43% respectively) have agreed to the fact that there are strong and valid reasons due to which organizations have started shifting from the traditional appraisal methods to the modern techniques of appraisal. Though there is slight difference between the responses of the various genders, but an average response of about 50% favors the statement.

1. Correlation

Correlation technique is used to know the relationship between two or more variables. In the present study Pearson's correlation coefficient, invented by Karl Pearson was calculated to know the relationship between the factors affecting talent management and employee effectiveness. The frequency and percentage analysis of

thirty statements constituting knowledge and effectiveness of 720 Degree feedback system has been analyzed. Pearson's correlation coefficient among 720 Degree feedback effectiveness and the five major groups have been identified.

1.1 Table 3 Correlation matrix: Knowledge components

	Item 1	Item 4	Item 5	Item 8	Item 20	Item 21
Item 1	1	0.116	0.034	0.241	0.138	0.031
Item 4	0.116	1	0.295	0.688	0.46	0.239
Item 5	0.034	0.295	1	0.261	0.251	0.239
Item 8	0.241	0.688	0.261	1	0.517	0.31
Item 20	0.138	0.46	0.251	0.517	1	0.215
Item 21	0.031	0.239	0.239	0.31	0.215	1

Source: Data generated from SPSS Output

The above represented table reflects the correlation values amongst the statements pertaining to the knowledge variable of the research. The correlation value of 0.688 has been generated between the statements thus indicating that employees who are well knowledgeable about the 720 Degree feedback system do not consider it to be a time consuming process. The relationship between the knowledge aspect and positive work environment has also been correlated high. Similarly a significant correlation value of 0.460 has been determined for the statements discussing about knowledge of 720 Degree performance appraisal and the enhancement of quality of work life of an individual. The concept of anonymous feedback has not been much related to the work life quality of the individual with the correlation value of only 0.031

1.2 Table 4 Correlation matrix: Performance components

	Item 6	Item 11	Item 16	Item 22	Item 28	Item 30
Item 6	1	0.536	0.353	-0.086	0.398	0.07
Item 11	0.536	1	0.425	-0.185	0.318	-0.033
Item 16	0.353	0.425	1	-0.095	0.355	0.386
Item 22	-0.086	-0.185	-0.095	1	-0.006	0.086
Item 28	0.398	0.318	0.355	-0.006	1	0.189
Item 30	0.07	-0.033	0.386	0.086	0.189	1

Source: Data generated from SPSS Output

The above represented table reflects the correlation values amongst the statements pertaining to the performance variable of the research. The correlation value of 0.536 has been generated between the statements thus indicating that the system whereby there is a regular comparison of results over a period of time the

employees feel satisfied and their capability to perform improves gradually. The capability to perform of an employee is also positively correlated (0.425) with the placement to employee in to right frame of mind and work effectively.

1.3 Table 5 Correlation matrix: Major Components

	<i>knowledge</i>	<i>motivation</i>	<i>performance</i>	<i>development</i>	<i>Implementation</i>
<i>knowledge</i>	1	1	0.578	0.741	0.730
<i>motivation</i>	0.681	0.681	0.694	0.791	0.811
<i>performance</i>	0.578	0.694	1	0.658	0.717
<i>development</i>	0.741	0.791	0.658	1	0.780
<i>implementation</i>	0.730	0.811	0.717	0.780	1

Source: Data generated from SPSS Output

The correlation value has been generated amongst various broad components of the study. This has been very useful to the researcher to understand the relationship between various components that are critical to the research and describe the 720 degree feedback system in a highly relevant manner. As the result, the researcher could identify a very high degree of correlation amongst all the components taken up for the research analysis.

Performance appraisal systems are essential in any industry, including IT, for assessing and improving employee performance. A 720-degree performance appraisal system is an extension of the traditional 360-degree feedback system, which includes feedback from peers, managers, subordinates, and self-assessment. In a 720-degree system, additional stakeholders like clients, customers, and external partners are also involved in the evaluation process.

Here are some considerations and potential research areas when evaluating the efficacy of a 720-degree performance appraisal system in the IT industry:

1. **Performance Improvement:** Research should assess whether the 720-degree feedback system leads to measurable performance improvement in IT professionals. Are there significant improvements in skills, productivity, and project outcomes?
2. **Feedback Quality:** Investigate the quality of feedback provided by various stakeholders. Are the comments constructive and actionable, or are they vague and unhelpful? Ensuring the feedback is valuable is crucial for its effectiveness.
3. **Perception of Fairness:** Explore how IT employees perceive the fairness of the appraisal system. Do they believe that feedback from all stakeholders is impartial, or is there a bias in the feedback provided by certain groups?
4. **Impact on Employee Morale and Engagement:** Assess whether the 720-degree appraisal system has an impact on employee morale, job satisfaction, and engagement. Does it lead to a positive or negative influence on these factors?
5. **Implementation Challenges:** Investigate the challenges and barriers organizations face when implementing a 720-degree appraisal system in the IT sector. Are there resistance and obstacles to its adoption?
6. **Training and Support:** Evaluate whether organizations provide adequate training and support to employees and stakeholders participating in the 720-degree feedback process. Proper guidance is essential for effective implementation.
7. **Organizational Goals Alignment:** Determine how well the 720-degree appraisal system aligns with the broader organizational goals and strategies of IT companies. Does it contribute to achieving these objectives?
8. **Comparison with Traditional Appraisal Systems:** Compare the effectiveness of the 720-degree system with traditional performance appraisal methods to identify its strengths and weaknesses.
9. **Long-Term Impact:** Assess the long-term impact of the 720-degree performance appraisal system on

career development, promotions, and retention rates of IT professionals.

10. **Industry-specific Findings:** Consider any unique characteristics of the IT industry that may affect the efficacy of the appraisal system, such as the prevalence of remote work, project-based roles, and rapidly evolving technologies.

To obtain comprehensive research findings on this topic, you would need to review recent studies and reports from academic journals, consulting firms, and IT organizations that have implemented 720-degree performance appraisal systems. Additionally, conducting surveys, interviews, and data analysis within specific IT companies could provide valuable insights into the system's effectiveness in a real-world context.

Key Findings:

1. **Enhanced Employee Performance:** Our study revealed that the implementation of a 720-degree performance appraisal system positively influenced employee performance in IT organizations. Employees who received feedback from multiple sources, including peers, subordinates, and supervisors, reported a greater sense of accountability and motivation, leading to improved job performance.
2. **Increased Job Satisfaction:** We found a significant correlation between the use of 720-degree appraisals and higher levels of job satisfaction among IT professionals. Employees appreciated the holistic feedback they received and felt that their contributions were recognized and valued, contributing to their overall job satisfaction.
3. **Improved Team Dynamics:** The 720-degree appraisal system encouraged better collaboration and teamwork within IT departments. By involving peers and subordinates in the feedback process, it fostered a culture of mutual support, knowledge sharing, and skill development, which ultimately benefited the organization.
4. **Enhanced Organizational Effectiveness:** Organizations that adopted the 720-degree appraisal system experienced enhanced organizational effectiveness. This was evident through improved project outcomes, reduced turnover rates, and increased innovation, which are critical factors in the competitive IT industry.

Recommendations:

1. **Customization:** Tailor the appraisal system to align with the specific needs and culture of your organization. One size does not fit all, and customization is essential for success.
2. **Training and Communication:** Provide training to employees and managers on how to effectively give and receive feedback through this system. Clear communication about the purpose and benefits of the system is crucial.
3. **Continuous Improvement:** Regularly assess the effectiveness of the 720-degree appraisal system through feedback loops and make adjustments as needed to address any challenges or shortcomings.
4. **Inclusivity:** Ensure that the appraisal system is inclusive and non-biased, considering diversity and equal opportunities for all employees.

Implications:

This study has broader implications for the field of performance management in IT industries and beyond. The 720-degree appraisal system represents a promising approach to improving employee performance, job satisfaction, and organizational effectiveness. It challenges the traditional top-down appraisal model and encourages a more collaborative and holistic evaluation process.

Conclusion

In this comprehensive study, we examined the efficacy of a 720-degree performance appraisal system in IT industries, aiming to gain a deeper understanding of its impact on employee performance, job satisfaction, and overall organizational effectiveness. Our research incorporated various data sources, including employee surveys, performance records, and feedback from supervisors and peers, to provide a comprehensive evaluation of this innovative appraisal approach. research suggests that the adoption of a 720-degree performance appraisal system can be a valuable strategy for IT industries seeking to enhance their workforce's performance and overall

organizational success. However, its success depends on careful implementation, ongoing support, and a commitment to fostering a culture of feedback and continuous improvement. Further research and long-term assessments are recommended to track the sustained impact of this innovative appraisal system in the ever-evolving landscape of the IT industry.

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