The merits of utilising the 360 degree feedback tool when assessing an individual's performance.

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Declaration

I hereby certify that this material, which I now submit for assessment of the programme
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Abstract

The productivity and effectiveness of an organisation, directly relates to the performance of its employees. The effective management and retention of strong performers is therefore essential. It makes sense for organisations to invest in the most appropriate process to evaluate their employee's performance. Even though the 360 degree feedback process has grown in popularity over the past decade, there is little data to show how valid and fair the outcome of the process is. Furthermore the theorists would indicate a lack of confidence in the use of the 360 degree feedback process for performance appraisal. This study examines the usage of the 360 degree process in a multinational organisation. It seeks to understand in detail, the benefits and impacts of using the 360 degree feedback process for assessing employee performance. In conclusion, my findings clearly indicate that the 360 degree feedback process is of significant value to organisations, for both performance appraisal and development purposes. Although, the findings do clearly specify that the process must be implemented in the correct manner, and that significant overhead is required. I will endeavour to substantiate these claims throughout my research paper.

Key Words: 360 Degree Feedback, Multi-source feedback, Validity, Performance Appraisal.

Dedication

I would most importantly like to thank my family, my husband Seán, my daughters Níobh and Éabha and my son Tom who offered fantastic support throughout my final year.

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1.1 Introduction

Is the 360 Degree feedback process too biased towards the employee? Many key theorists believe this to be the case, particularly in organisations where the employee specifies the raters! Many theorists are unsure of the motive of employees, particularly where they have a stake in the outcome of employee's career or development. In today's ever changing world, globalisation has challenged organisations to embrace a process to enhance company productivity and enhance individuals in the process! Seems like a challenge, well it sure is. Organisations need to clearly understand how they are performing, and what their key strengths are so they can build upon them. Also what their weakness are, so they can enhance them. This is a baseline requirement for any organisation to maintain their competitive advantage in this highly challenging environment. This is where 360 degree feedback may help many organisations to get back on track from a performance perspective. Performance appraisals systems, particularly 360 degree feedback provides an organisation with all of this. Individual performance appraisal provides the management team with a true sense of how each individual is performing and what key areas they need to develop.

Theorists such as Hackman and Oldman (1980), argue that performance feedback may enhance motivation and in-turn job satisfaction along with playing a vital part in career development and performance management. With the globalisation of business, it now seems imperative that organisations across the globe fully understand this phenomenon that has taken the world by storm.

1.2 Purpose of this Study

Initially, my research was focused on performance management within organisations; however it was soon obvious that it was far too broad as it was encompassing the entire performance management process within organisations. Reading all the literature on the subject would have been a huge task. Once I had realised this, I refocused my attention to one element within performance management which was performance appraisal. Surprisingly the same thing happened it was still too broad with vast options as to what route to take for performance appraisal. I continued to read the literature and found 360 degree feedback as a great topic which I felt would enhance my overall knowledge in this field. Therefore the focus for my research was to understand in more detail the 360 degree process and its uses in organisations. Primarily to understand how valid the 360 degree tool is in assessing employee performance within organisations. In particular the research aims to gain a better understanding on the factors that influence the validity of the tool 360 degree feedback. Is it rater validity, the implementation process, the culture and interpersonal relationships within an organisation? In addition, I also intend to understand how valid the collection process of the data is, for example what data is most valid if any ie peer, subordinate, manager or self. I hope to gain relevant data to answer these important questions so that organisations are in a position to make an informed decision, based on what happens out in the real world v's what the key theorists have to say on the topic.

As an avid user of the process for over 5 years, I selected this topic as I have always found the process fascinating, and sometimes questioned how raters giving input remained impartial, and what that effect would be on the actual data. In the past I have been exposed to the use of 360 to some extent. To the best of my knowledge, it was used to decide on salary increments and promotions on an annual basis. Each peer is ranked and rated as part of the Performance

appraisal process against each other. It was this element which initially caught my attention. I continuously wondered how valid their data is in the entire process, and are the raters being totally honest in their feedback. As a HR (Human Resource) professional, I feel part of my role is to have a more in-depth knowledge of the process and what is actually happening out there within organisations, while also understanding what the great authors like Bracken, Antonioni, Timmereck, Atwater, Bernardin and Vinson and many more have to say on the topic. In addition, it has become clear that the 360 degree tool is valued in many organisations for different reasons; however to date I have not encountered any data which provides me with the level of validity associated with 360 degree feedback for assessing employee performance level. Organisations need answers to all of the above if they are to continue using and in many cases implementing this process and its instruments.

1.3 Overview of 360 Degree Feedback Process

360 degree feedback, also known as Multisource feedback is a questionnaire based assessment method in which employees receive detailed feedback from their peers, managers, key customers and direct reports (Morgeson, Mumford & Campion, 2005). Jones and Bearley (1996) refer to 360-degree feedback as the practice of gathering and processing multi-rater assessments on individuals and feeding back the results to the recipients. Hoffman (1995, P.82) goes one step further and explains that 360-degree feedback is an approach that gathers behavioural observations from different layers in the organisations while also including a self assessment. In addition, as part of the process each individual is required to complete an assessment of them. It is a confidential and anonymous process which assesses behaviours as well as competencies of the individual in question and the data is based on how others perceive the employee (360 Degree Feedback Solution). It also takes into consideration that people interact differently with each other. According to Liviu, Emil, Irina and Delia (2009),

someone who may be a very effective supervisor, but might be a poor subordinate, 360 therefore gives a more accurate description of a person's total skills and performance capabilities. It sounds like a very appropriate method for gathering information in my opinion.

Although it is widely used in many different types of organisations to assess performance, the method is now also gaining acceptance as an assessment tool in Health Care organisations (Lockyer, 2003). Globally, typically organisations use the tool for two specific purposes; the second of which I will focus on throughout my research:

1. As a development tool, to help understand the strengths and weakness of an individual and where they should focus their development going forward.
2. As a performance appraisal tool, to assess employee performance levels.

The use of 360 degree feedback has grown significantly within organisations and indeed during the past 5 years the literature available has expanded dramatically with high numbers of articles written each year (Bracken, Timmreck, Fleenor & Summers, 2001). Performance appraisal in particular 360 degree feedback is a vital area as it focuses on one of the key areas for most organisations – its employees. According to a report within the last 10 years, approx 40% of organisations are using some form of 360 degree feedback, (Bracken, Timmreck, Church, 2000). Currently lots of literature argues that it should only be used for developmental purposes (Bracken, Dalton, Jako, McCawley & Pollman 1997), however no explicit answers regarding its validity as a performance indicator have come to light. In some instances this performance assessment may be used to provide a merit increase or promotion. It is important that feedback on each employee is not left to one direct manager, as they may have some bias towards the individual and same may apply for peer to peer etc. (Antonioni and Park, 2001). In my opinion, this is one of the reasons why more and more organisations

are implementing the tool. It is imperative for organisations using this instrument and indeed those intending to use it, to understand if it is reliable and if the data gathered using it is valid (Spurgeon, 2008). I felt this aspect of the process was very important and needed further investigation.

As we can clearly see, organisations need to get on the gravy train and understand what will enhance or hinder their business outcomes. It seems that performance appraisal, and in this case 360 degree feedback process is a vital element for organisations particularly for ongoing career development and performance assessment. According to Banu (2009), the 360 degree process also helps organisations understand the behaviour and attitude of individuals from the stakeholder's perspective to enhance organisational effectiveness. They continue to state that it increases individual ownership for self-development and learning while also identifying key strengths and weakness of an organisation. It also clearly outlines what areas specifically they need to improve on to be successful and maintain their competitive advantage. This is vital for organisations in today's environment.

In the subsequent chapters, you have an opportunity to understand the 360 degree process in much more detail. I have completed a comprehensive literature review, which has given a detailed account on the 360 degree process. It also provides a good understanding of what literature is available on the topic, and what the key theorists have said over the past two decades. Following this, I have outlined in great detail the methods to which I conducted my research. This should give the reader the opportunity to understand the process taken and why I approached my research in this manner. You should then come to the juicy element of the research, my findings! I have then discussed the impact of these findings and completed analysis on the data received throughout my research. Finally I have finalised with a conclusion on whether or not I have completed this research as I had set out to do!

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

DeNisi and Klugar (2000) outline that, for scholars and practitioners' in the field of human resources and management in general, it is widely accepted that feedback is an essential component of an effective performance improvement strategy. Performance feedback plays an important role in many organisations activities for example, career progression, job satisfaction, performance management, appraisals and promotions and indeed motivation or in some cases de-motivation. In my opinion, it is imperative therefore that such a widely used corporate tool be fully understood and implemented correctly. In addition, the tool seems to be growing in popularity and it is therefore extremely important to completely understand it pros and cons, for organisations currently using the tool and for those looking to implement it.

Performance refers to the behaviours and actions that an employee performs in completing their duties. The 360 degree process is a performance management and career development tool, and many organisations use it for both. However, it seems more widely used for assessing and measuring employee performance. Kavanagh (1997) advises that it is not only managers who want to assess how employees are performing, but employees want to know themselves how they are doing relative to their peers. This is one of the reasons the 360 degree feedback tool has grown in use in many organisations. In fact Ghorpade (2000) states that, the 360 degree feedback tool has gained such popularity in the corporate world to the point of being nearly universal among fortune 500 companies. It has been documented that over 90% of Fortune 1000 companies use some form of 360 degree feedback assessment in their respective companies for either employee evaluation or development in the USA (Atwater & Waldman, 1998). A 360 degree feedback program enables organisational members to receive feedback on their performance, usually anonymously, from all the major

constituencies they serve (Ghorpade, 2000), for example their peers, manager, co-workers, customers and direct reports (Morgeson, Mumford & Campion, 2005). In the UK, indications from the Ashridge Management Research Group indicated that some one third of the 119 companies survey by them have introduced a 360-degree feedback programme (Handy, Devine and Heath, 1996). According to McCarthy and Garavan (2001), many academics and practitioners argue that performance appraisal process such as 360 degree feedback has traditionally been viewed in a negative light in many organisations, even though it is a very important element of the overall performance process. They proceed to look at the European level, the advised that the European Foundation for Management Development held a conference in Lausanne in May 1999 called "360[degrees] feedback :what works and what does not" it received feedback from companies on the process itself. Banverket (Swedish National Rails System), Eircom (in Ireland) and Bvlgari all reported that the 360 degree feedback process was well received in their organisations and that the experience overall was quite positive. Meyer (1991) maintains that most managers see performance appraisal as an 'onerous and distasteful' chore that has to be carried out. While Taylor, Tracey, Renard and Harrison (1995) contend that performance appraisal is a practical challenge to all involved in the process. All are very valid view points on the subject, interesting to actually understand what is happening in the field.

2.2 The 360 Degree Process Evolution

It seems that there are varying forms of 360 degree feedback processes for example 270 degree feedback is where one source of feedback is omitted from the process. Whereas, 540 degrees is where external suppliers and vendors may be used in the process. Many organisations adapt the process to suit their particular circumstances or organisation. Historically in the 1980's its main use was as an executive development tool (Coates, 1998).

However according to Mount (1984), it was not until the 1990's that 360 degree really took hold in organisations. According to Lepsinger and Lucia (1997), research began by the Centre for Creative Leadership (CCL) in North Carolina focusing on management development. It seems that this research was the primary starting point for the upward spiral in the use of 360 degree feedback in organisation. In addition, many books were written on 360 degree feedback or multi-source assessment focusing on key findings from the research and offering solutions to problem areas in the growth and development of employees, some of the key findings were that;

1. Feedback is an important element of a person's professional and personal development.

2. the most effective executives are learners, i.e. effective executives encourage and welcome opportunities for learning and development.

3. Most employees operate in "feedback-poor" environments.

Grote, (1996); Edwards and Ewen, (1996) argues that the introduction of Total Quality Management (TQM) is the primary driver in the increase utilisation of the 360 degree feedback process primarily due to its focus on quality and customer satisfaction surveys. Grote (1996) expands on this by stating that the TQM movement has served as a major driving force in the principal that those closest to the work are in the best position to evaluate performance and in some cases this is not the direct manager. I tend to agree with this statement. It makes sense especially in large multinational organisations where the direct manager maybe located in another country, or may not be directly involved in the work. While Tornow and London (1998) argue that the need for managers to adjust to our ever-changing business environment is a primary reason why 360 degree feedback has grown in its utilisation across the globe since the 1990's. Edwards and Ewen (1996) bring it one step further and argue that the concept of employees evaluating their own performance is not a

new concept but stems from the Management by Objectives concept (MBO's). This process involved employees developing individual work objectives to which they evaluated on a regular basis, ideally once a quarter. I tend to agree that the concept of self assessment is not a new one but stems from other sources which have been proven to work in organisations as a whole. It seems that there is no argument that organisations need some method to assess employee performance to stay afloat in this fast changing environment. They question is which one!

The 360-degree feedback instrument is essentially a questionnaire to which typically eight or more people respond. They focus on certain aspects of an individual's job performance (Liviu, Emil, Irina & Delia, 2009). The 360 degree questionnaire asks whether, in the view of each responder, the behaviour of the person being assessed corresponds with the core competencies required for her job. Typically those core competencies provide the headings that guide the responder through the questionnaire. The questionnaire may take the format of 'pencil and paper' or 'electronic' which according to McCarthy and Garavan, (2000) is much more efficient as the data can be aggregated easily using customised software and various reports may be generated from the data. One would also assume that pencil and paper will soon become obsolete!

These questions are usually measured on a rating scale, they also ask raters to provide narrative comments which should typically be back-up for the ratings provided (Cummings, 2009; Van, 2004)). This may then be utilised in the final performance review. According to Robertson, (2008), it is called 360 Degree because it gives a full circle of feedback on a particular person and their role within the organisation. The process also allows for self rating by the individual, which is important for the individual to feel they got an opportunity to provide input on their performance. The process is based on skills and behaviours desired by

the organisation in order to meet their mission, vision, goals and objectives. Feedback can be sought from any number of people, but most frequently it is sought from eight to 12 people who have a mix of work relationships with the person being rated (Cummings, 2009). For example, they may be a peer, supervisor, direct report etc, as outlined above. This information is compiled and weighted differently in my opinion by different managers; this in my mind maybe one of the flaws of the process. In this instance, feedback refers to the information people receive about their performance, it conveys an evaluation about the quality of their performance behaviours (Liviu, Emil, Irina & Delia, 2009). It is an important aspect of the process, as in many organisations, it can be used to reinforce good behaviour and correct poor behaviour. They assess observable behaviours such as communications skills and problem solving abilities. Once the information has been compiled, the individual then receives feedback with their aggregate rates usually from their direct manager according to Lockyer, (2003) and Vries (2004). In addition this feedback may be used to provide managers with information to assess if the employee may warrant a promotion or what level of pay increase they deserve. Again this is not widely used in organisations today; however it is growing in popularity in many organisations globally due to the economic crisis.

2.3 Implementation of the Instrument

Many recognise the importance of human capital in organisations; collectively organisations are spending billions of dollars to enhance human performance, including the use of 360 feedback tools. Morical, (1999) claims that the 360 degree process provides accurate feedback, while also communicating the critical behaviours for success, which also provide direction for individualised development planning. He continues to state that it can have a positive impact on culture change and enhances employee retention. For organisations who fail to implement it correctly however, it can have masses of paperwork that are not acted on

with little to no results. Training and development professionals play an important role in helping organisations understand the use of the 360 degree feedback to assess current and future performance (Maylett and Riboldi, 2007). I agree with Maylett & Riboldi in this instance, I feel it's a sound investment for organisations. In many organisations it seems that they don't utilise the information enough to enhance future performance, which is a fundamental flaw for organisations and they are potentially missing one of the key elements of the entire process. In addition, it is a costly process to administer, therefore it is imperative that it is implemented correctly and fully utilised.

The implementation of the entire performance appraisal process including 360 degree feedback is a fundamental aspect of the process according to many researchers. Antonioni, (1995), Bracken,(1994), Atwater and Brett, (2006) and Atwater and Waldman (1998), argue that the success or failure of the tool is down to the implementation and training that managers and employees receive and how it is introduced to them. (Tornow and London, 1998; Pettijohn, C., Pettijohn, L & d'Amico, 2001) also agrees fully with this statement. Being honest I think they are correct. Liviu, Emil, Irina and Delia, (2009), believe that the most productive way to implement the tool is by utilising it for Developmental purposes initially to iron out any issues or concerns employees and managers may have. I am not so sure about this approach as I feel employees may feel tricked into the process, in other words, employees may agree willingly to the new process as it is sold as a development tool not a performance evaluation tool. They may feel cheated when the goal posts move and it's utilised for both performance and development, for many this is a very scary thought. Until such time that the organisation as a whole, is comfortable with the tool and its techniques, it should be solely used for development. If organisations fail to implement it properly, with appropriate training across all levels of the organisation, it will not output the results that it

has the potential to do (Cummings, 2009). It is therefore imperative to have knowledgeable consultants in place to assist with the implementations phase. Lepsinger and Lucia, (1997) argue that for an effective implementation of the 360 degree feedback process, there are a number of boxes that must be ticked, such as

1. The use of the process should be clearly linked to business operations.

2. Management should be involved.

3. Users should be involved to design the system.

There is a steady increase in the use of 360 degree feedback in organisations and Waldman, Atwater and Antonioni (1998) feel the main increase is due to the fact that, by implementing the processes it will lead to increased levels of trust and communication throughout organisations, with less grievances and greater customer satisfaction. He takes it one step further by outlining the link with Institutional theory, which advocates that organisations make attempts to imitate their competitors. He also feels strongly that it's all down to inter-company politics, with companies implementing it to give an impression of openness and participation in the organisation. This is really not the reason to implement such a complex process in an organisation and can have very serious consequences for an organisation. I find this hard to believe as it is a time consuming and costly process and organisations wouldn't simply do it on a whim! The implementation of the process is one of the core elements to the process and it is one which I will focus on during my research as it may be the key to the success or failure of the feedback process in my opinion.

2.4 Uses of 360 Degree Feedback Process

As previously mentioned, basically 360 degree feedback can be used for two major purposes; development and evaluative. From a developmental perspective, it aims to enable the individuals to become more aware of their strengths and weakness, and the areas they need to

focus on to enhance their performance in the future. From an evaluative perspective, it is used to make key administrative decisions, for example salary increases, promotions etc. Therefore it is imperative that the use of the tool be clearly outlined to the users prior to implementation according to Ozgen, Alabart, Medir, (2008).

Some researchers really feel that it should be used for developmental purposes only; however (Vinson, 1996) clearly states that it should not be used in any form to determine salary or promotions, which happens in many organisations today. (Bernardin et al, 1993) has backed that argument and found that supervisors felt very uncomfortable using the data for such purposes. I would have truly thought that it seems a fairer process than the standard increments process, no matter how you perform; it can also be very de-motivating for employees. A compromise or a cop-out as some would argue is to begin using the data for developmental purposes only, as outlined above, giving people time to adjust to the idea of using the data for merit, salary or promotion reasons as suggested by Atwater and Waldman (1988) and London and Beatty (1990). Also, Waldman and Bowen (1998) state that acceptability for rates and raters have a profound effect on the success or failure of the process. Some see no relevance if it is not linked to pay or promotion; others shy away if that is the case, with supervisors very nervous about the process. Many researchers (Atwater and Waldman, 1998; Bernardin, Datimus and Redmond, 1993 and Bracken, 2009) feel very strongly that, it is vital in implementation stage to ensure that you have buy-in and acceptability from all, to ensure overall success of the entire 360 degree feedback process. What is clear however is that the purpose has to be determined at the outset and communicated clearly too all stakeholders involved to ensure a positive outcome of the process (McCarthy and Garavan, 2001). This seems very simple approach and would avoid lots of confusion in the future for many organisations.

Despite the negative literature surrounding 360 degree feedback, many organisations still use 360 degree feedback; to assess what merit increase if any or promotion employees should receive as part of the performance evaluation process. In doing this they use a forced distribution model which ensures a certain % receive an outstanding rating which ensures they receive a certain pay increase based on the data received via the 360 process. This is also the case at the bottom end of the scale, many companies obeys the 10% no increment rule, where 10% of bottom end employees receive a negative performance rating and thus, zero salary increase. There is a direct link between the 360 degree tool and their performance appraisal. This according to General Electric's former chief executive officer (CEO) Jack Welch is good for organisations and the individuals involved. Mainly as it generally over time, removes non performing employees from the company which is good for both the company and the individual as it helps them make career decisions. As many organisations are using the instrument for such purposes, it is imperative that a definitive answer around its overall effectiveness and validity is uncovered. This should help build on trust issues that seem to be evident in some organisations.

There are lots of debate around the strategic element of performance appraisal and 360 degree feedback. People need to understand that it is a long term process which forms part of an overall performance strategy which should link to the overall organisations business strategy (Pak, 2009). However not all can see this as a workable process, unless there are clear links from employee IMBO's (Individual Management by Objectives) to the organisations strategic objectives. (Atwater, Brett & Charles, 2007) support this argument, advising HR to ensure that the organisation understands how 360 degree feedback links to the organisations goals and objectives, plus other HR activities. Morical (1999) states that integration with HR systems and business strategy is the key factor in terms of success for the 360 degree

assessment process. Quite frankly I fully agree with both Morical (1999) and Atwater, Waldman, Ostroff, Robie and Johnson (2005), it is clear that upfront communication is essential element to the entire implementation of the process. In order to gain the benefits that 360 degree has on offer, organisations need to ensure they embed a culture of trust, openness and sharing as feedback is much more meaningful and beneficial when both are aligned and in agreement with the process (Ghorpade, 2000). This usually means having some mechanism to query or appeal decisions made throughout the process. In my opinion, this is the cornerstone to success or failure for the entire process, as it must have support, trust and open communication from its users. Without it people will not buy-in to the overall process and therefore fail to work efficiently to its full potential.

2.5 The Validity Element

The existing literature has many arguments regarding 360 degree being a valuable tool in assessing employee performance. Despite the fact that 360-degree feedback is increasing in popularity for both development and evaluation, relatively little is known about the validity of the ratings on which 360-degree feedback is based This is mainly due to the fact that most studies have not gone deep enough according to Atkins & Wood, (2002). However, Thammasitboon, Mariscalco, Yudkowsky, Noronha, Helland and Mrtek (2008) argue that further study in the assessment of its validity is needed as the 360 degree feedback instrument lacks theoretical frameworks and its validity is questionable and needs further in-depth study. Lockeyer (2003) advises that this instrument needs to be tested to ensure that they are reliable, and have face and content validity, this in my mind is a very crucial element to the process as a whole. It also goes on to say that performance ratings must be assessed to understand if ratings are attributable to how the employee performs and not factors beyond their control for example gender or age. Lockeyer (2003) advises that the search continues for valid, reliable

and feasible method to assess employee performance. In my opinion, the probability is that the instrument already exists, however researches have not gathered enough data to prove its merits. It may well be in the form of multiple tools working in tandem!

2.5.1 Effectiveness/Usability Concerns

One school of thought in the literature is the effect interpersonal relationships may have on the outcome for employees, and the validity of the data it produces. Personality traits were also associated with employees' greater over-rating of employee's behaviour relative to supervisor's ratings. When work behaviours were observed between men and women and between older and younger employees and those behavioural differences were accompanied by gender or age differences in personality traits, it seems there were all overlapped according to Warr and Hoare, (2002). Barclay and Harland, (1995) debate hugely the accuracy of peer appraisals in assessing performance; they feel it should be left with the direct manager. This in my opinion wouldn't be as transparent and leaves the manager open to bias.

Morgesson, Mumford and Campion, (2005), go so far as to say that 360 degree feedback process positively impacts behaviour of management, which I tend to agree with. One would then ask why more organisations are not using it. Maybe it's due to the fact that at times depending on the feedback received, behaviours may change if the feedback is negative, then the behaviour may not always be so positive according to (Brett and Atwater, 2001). Antonioni, (2001), outlines that raters prefer the use of 360 degree feedback for developmental purposes rather than for merit or compensation. (Bracken et al, 2000) also offers their input, advising that there is an increase in the use of 360 for merit or compensation or promotional purposes in organisations within the performance evaluation process. In my opinion, this is a positive step for many organisations, once they have taken appropriate measures to implement the process correctly as outlined earlier, they have the

potential to reap huge rewards from utilising the process for both development and performance assessment. Atkins and Wood (2002) feel if the feedback is invalid due to the fact that, recipients of the feedback are allowed to choose their own raters, this is a fundamental flaw in their eyes. I am intrigued by this and would like to see more data around this before I form my option as this maybe the core of the entire validity concerns.

In more complex matrix organisations, this process seems invaluable as managers cannot always fully understand the contribution of the people they manage who may be part of many different teams and manage autonomous relationships with customers. Tornow, (1993): London and Beatty,(1993), feels that it is imperative that they, as in peers, subordinates, direct reports etc are all included in giving feedback, as their perspective can add value to the individual and the organisation, thus increase its competitive advantage. As we all know, this is why organisations implement such processes, to enhance individual performance thus enhancing company performance, which will in turn increase competitive advantage. In the current climate we are now in, one would argue that it is even more important to have such a process. Therefore there is a strong argument for more wide ranging information to form an accurate picture of the 360 degree performance appraisal process.

An interesting debate as outlined by (Pak, 2009), is the need for a culture embedded within the organisation that supports open and honest feedback, all involved must be clear on performance measures and behaviours with the organisation. I found it interesting that I was unable to find more information on the need for an embedded culture in organisations for this process to work to its maximum. I did many searches and found nothing more. From a different perspective on culture, I found that Gillespie (2005) is very doubtful if 360 degree feedback is comparable across cultures, which may make sense. Where there is a gap in communication, it is more likely that 360 degree will not work due to trust issues.

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Researchers such as Bourgeois and Botvinik (1981) and Harzing (1997), have found that managers from high power distance cultures will in most cases fail to provide information to anyone who is not in a superior position. As we have already mentioned, performance management should be strategic and integrated in that it links to all aspects of the business, people management and teams and individuals. However, (CIPD, 2009) go one step further to say it is about establishing a culture in which individuals and groups take responsibility for the continuous improvement of business processes and of their own skills, behaviour and contributions. The success of the process depends on how individuals can accept and deal with criticism. Of course the way in which it is communicated is an important aspect also. One must take care when conducting 360 degree feedback in cultures having other core values that are contrary to those in 360 degree feedback. This may indeed affect its validity (Shipper, Hoffman & Rotondo, 2007). In my opinion, culture plays an important role within any organisation, for examples my previous employers has embedded such a strong employee manager trust relationship, it had such a positive outcome on so many internal and external processes. I cannot imagine employees not accepting a new process or procedure once it is clearly communicated with lots of opportunity to provide input, then I can't see how it wouldn't work in organisations with a strong 'can do' culture.

2.6 Sources of Data

The issues surrounding different sources of feedback for example peer, subordinate and self seems a fundamental element of the process for many researchers. Researchers, link it to the interpersonal relationships people may have within the organisation. The interpersonal effect may also weigh heavily in the overall outcome mainly due to rater - ratee relationship according to Decotiis & Petit, (1978); Dipboyle, (1985); Park, Sims & Motowidlo, (1986). Raters may simply give high ratings to the ratees they like and lower ratings to those they

dislike (Antonioni & Park, 2001). One would have to argue that without sufficient data to back up such ratings, that the ratings would be deemed void. This is why the role of HR in the process can be extremely important as 'keeper of the process'. This is one of the areas I feel needs some more focus from a researcher's perspective.

Hassan and Rohrbaugh, (2009) states that there will be incongruence in 360 degree feedback ratings, as individuals view managers in many ways and have their own opinion on what is effective and ineffective management. This however is contradicted by Wexley and Klimoski's review back in 1984, where they found that feedback given by peer to peer is likely to be more valid and accurate than those of any other raters. I don't agree however, there is little research out there to support this, this is the one area where I feel interpersonal relations may be most at play. In addition I feel that fundamentally Antonioni & Park, (2001) have a more updated view that possibly links more to the theory regarding 360. Pak (2009) states that raters may give high ratings to the rates they like and lower to those they dislike. It may be quite naive to think that peer to peer will always give honest and accurate feedback and not have an agenda of their own. Many organisations that are utilising the process over prolonged periods should be wise to any such incidents. It may also depend on what the feedback will be used for as outlined above. It seems it is imperative prior to implementing the process, to be entirely sure what the data will be used for prior to gathering. McCarthy and Garavan, (2001) and Atwater and Brett (2006), agree and feel the intended purpose of the 360 degree feedback process and what the data will be used for will influence how the raters rate the recipient. It does make sense!

Cardy & Dobbins (1993) advises the lack of research in the area suggests that we need to look further into the ratings received by peers and subordinates. It seems that the success or failure or the validity of the data may stem from who gets the opportunity to complete the 360 degree

feedback tool. Unconscious distortion of ratings of others may also occur because of hidden race, gender, age or personality biases held by the raters (Ghorpade, 2000). This seems incredible in my eyes, keeping in mind it is the employee who gets to select who gives the feedback. In the literature there seems to be arguments to support each aspect as outlined above, trouble is which one is correct. This is something that needs to be investigated further before I can get an answer to my research question which I have outlined below.

2.7 Theoretical Framework

We need to gain deeper understanding on which theoretical framework is playing the most important role in the success of the 360 degree feedback process, and clearly outline what is happening out in the field. We need to understand what success looks like for organisations utilising this process. As we can see from above one fundamental theoretical framework focuses on the rater validity aspect. It seems in theory that there is huge focus on who gives the feedback and not on the content of the feedback given. Researchers fail to give managers credit for assessing the information gathered from raters and their capability in deciding what aspects of this information is relevant. Another theoretical framework surrounds the Culture impacts or Interpersonal affects on validity as outlined by (Decotiis & Petit, 1978; Dipboyle, 1985; Park, Sims & Motowidlo, 1986). Outlining how 360 degree cannot work across different cultures. However there is lots of contradiction from other researchers on these results (Antonioni and Park, 2001; Hassan and Rohrbaugh, 2009).

We need to gain further understanding on the theory in relation to the implementation of the process, how it is implemented and what aspect plays the most vital role in the implementation process. It is the upfront communication, the training the interpersonal relationship between the employee and the manager. Is it what the information gathered through this process is actually used for. As it currently stands it is difficult for organisations

to assess and understand if it is a valid method of assessing employee performance. This fundamental gap needs to be closed and organisations need more data to make decisions whether to implement this very extensive process or for those already utilising it, it is doing what it is supposed to do. If organisations start questioning its validity, we may see more and more organisations withdrawing from using this time consuming and expensive process. In addition, employees will become disengaged and this will in-turn affects their performance and indeed morale.

2.8 Conclusion

The main issue or concern, even though there is a vast amount of data and theories available regarding 360 degree, none is very clear regarding validity. As you can see from above, the main problem is researchers are very focused on one element of the tool at any one time, but never taking a holistic view of the 360 degree tool and the implications it has in reality. We need to gain a more detailed understanding on why the process works so well for some organisations and not so well for others.

As it stands today, there is no one clear answer on whether the 360 degree instrument is a valid performance measurement when assessing employee performance. This is a clear gap and is hindering its use in many organisations. It is a time consuming and expensive process to implement and organisations and employees need more clarity on how and why it works so well for organisations. I need to clearly understand if 360 degree feedback is a valid process for assessing individual's performance in an organisation. I need to know if it is valid to use it for both developmental and evaluative purposes. Organisations need the data to support the use of the 360 tool for performance appraisal. They need to be sold on the view that it is a valuable and fair method for assessing individual's performance levels across an organisation. Otherwise this process will not be utilised and will fade away in many organisations.

Throughout my field research, I hope to gain further knowledge and in-depth answers to these questions. I am confident also, that the Methodology I have chosen will result gathering the relevant data to answer my research question.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

As the chosen topic is quite complex in nature; the 360 degree feedback process. I have decided that the research approach would be a cross-sectional study taking a snapshot over a 1 month period; however the information gathered was over previous years. I utilised the interpretive paradigm or philosophical framework to gain an understanding on how 360 degree feedback works in this particular organisation and to understand why organisations in general believe that it is a valid method of assessing individual's performance levels. At a technical level, it is important to understand the methods and techniques used throughout the 360 degree process within the organisation. It was imperative that I received good quality data that provided in-depth detail on the 360 degree feedback process. It was an exploratory study to really get to what was happening in this organisation, and to really understand the world as they see it. As it is a complex area and a very complex topic, I feel that using interpretive paradigm allowed me to explore the social phenomena which helped to gain more of an understanding on the subject. Also, as I have utilised and managed the process first hand I feel quite attached to it. By using an inductive approach, it gave me the opportunity to gain an understanding from those utilising the instrument and what they feel around the validity of it in detail. As we progress through this chapter, you will gain more in-depth knowledge on the organisation used, the process used for data collection and some of the limitations I faced throughout my research.

3.2 Research Organisation

In my opinion I think it is important for the purpose of this research to understand the context in which this data was retrieved. The economy is very volatile and as a result the organisation I have utilised for my research has just come through a very difficult year. The organisation is

a multinational technology company in the private sector employing approx 2,500 people in Ireland and 65,000 worldwide. It has sites across the globe, in approx 21 countries with a vast amount of different cultures (approx 12). It operates in a fast ever changing global environment with increasing competition; its employees are extremely adaptable and embrace change quite easily. Over the past 2-3 years it has gone through both voluntary and involuntary redundancies, with significant loss to headcount in the region of 10,000-15,000 worldwide. In addition to this, there were no wage increases given in 2007 despite the completion of 360 degree feedback which has had an impact on employee engagement within the organisation. Currently it is in the process of reducing head count yet again, due to outsourcing and the changes in the international economy which has led to a shallow effect of globalisation. Thus morale maybe very low and potentially may alter the data received.

One might ask why I choose this organisation in such turmoil. I feel this is a great time to assess such a process as they should be sustainable in both good and bad economic times. This in my opinion will give a more true reflection on the process as a whole and may influence organisations to adapt it, as it may not be as volatile as other processes. Another fundamental reason and the primary reason for choosing this organisation is that it utilises the data from 360 degree feedback not only for development purposes but for evaluative purposes also. This was critical to gaining a holistic view point on the 360 degree process and I felt it the most appropriate organisation to utilise. Another significant element to this organisation is that it is multicultural and has a complex organisational structure, which will test the process to its maximum.

3.3 Selection Criteria

Once I began this research, I initially had decided that my main method would be grounded theory. However as I progressed through my research, I found lots of very relevant and interesting theories on the subject, it really would be a shame not to utilise them, plus they may yield a better outcome for this particular topic. Therefore I decided against grounded theory and continued with my search for a more appropriate method. It soon became evident that a case study maybe more appropriate as a large amount of theory already exists on this subject and I thought it would be more interesting and would yield better results by proceeding with a case study utilising semi-structured interviews. The case study allowed me to gain a more in-depth knowledge on the phenomenon, while also using a small sample size; I still gained a rich and detailed insight into the topic. The research was conducted onsite, in the interviewee's natural setting as I wanted to observe and make notes of any unusual behaviour.

As outlined above, as I have chosen the interpretive paradigm, I felt it was more appropriate to work with existing theories as I felt that while there is huge research and lots of answered questions relevant to these theories. However, I also found gaps in the literature in certain areas. It is these areas that I concentrated on throughout my research.

3.4 Data Collection

The methodology used was case studies in the form of semi structured interviews (one-to-one) to get primary data for my research. Firstly, by choosing interviews, I felt I got more in-depth data on the topic, it give me more understanding and opinions on what people remembered and why they remember it so clearly. I chose semi-structured as it allowed me to probe with additional questions in order to obtain more detailed information regarding a particular element of the topic and to explore in more detail some of the existing theories that are out

there. I wanted to see exactly how they pan out in the field. Throughout my semi-structured interviews, probing formed a key part the process, to ensure the answers I received were focused and provided me with the relevant data to answer my research question.

In addition, to the semi-structured interview process, I have gathered secondary data which is company information in the form of statistics to complement my primary data. It is extremely interesting field data which links directly to some of the theory outlined in my literature review. While I understand that this information was not gathered for the purpose of this research, I respect that and have utilised it in the appropriate manner.

3.4.1 Interview Pilots

Prior to launching into my semi-structured interviews, I conducted 2 pilot interviews. I nominated two middle managers from Company X (Sean [IT Program Manager], Liam [Corporate Services Project Manager]), as they are experienced managers and understand in depth the 360 degree process. The main reason I conducted the pilot was that I was nervous as I had not completed any research like this in the past. I was apprehensive that I had not prepared the correct questions, I was unsure on my timing and I really wanted to see how much information these managers would actually willingly share with me. I completed the pilots 2 weeks prior to my scheduled interviews. This allowed time afterwards to make amendments to my interview protocol and questions to ensure a more rounded approach and thus ensuring I received the best data I could to attempt to answer my research question. I was amazed to find that I needed to change a number of items.

All of the interviewees were totally against being recorded. Even though I explained the entire process and what the information would be used for and how secure it would be maintained. I outlined the college protocol on the access rights to student thesis and material

etc. However, to my disappointment, I was not successful in changing their minds. I needed to drop that thought and amend the protocol to allow for the change which meant I needed more time to make notes to ensure I captured all the data exactly as it was outlined during the interviews. I added information into the protocol which advised each interviewee that I would need to make extensive notes due to the fact that I could not record the interviews. I outlined that I would not be in a position to maintain eye contact throughout the process, however that I would be listening deeply during the interview. I also outlined that note taking was extremely important part of these interviews and requested that should I need to revert to them at any time over the coming weeks for clarity on data, there wouldn't be an issue. All interviewees agreed to this, and agreed to any follow up request for additional information.

Following the pilot interviews, I amended 4 of my questions, 2 of which needed to be totally changed as the data I was receiving from them was way too subjective, even with lots of probing. In addition to this, I had allocated 30 minutes per interview; however I extended this to 45 minutes due to time constraints during the pilot. It is clear that conducting the pilot was extremely important as it allowed me, to change many elements which I initially thought were pretty spot on. It also gave me the opportunity to practice clipping and probing which was key to gathering the correct data to help answer my research question.

3.4.2 The Interview process

In addition to the two pilot interviews as outlined above, I also conducted non-standardised, semi-structured interviews, with five Managers. Two of the 7 were non nationals, one American and one from the Israel. I felt this was important as some of the issues outlined by theorists were that the tool could not be used across different cultures. The levels of management were front line managers, middle managers and senior managers, all currently people managing with a minimum of 3 years experience in the 360 degree process from

giving and receiving feedback on peers, subordinates, managers etc. I choose those with a good level of experience as I felt they would give more direct and targeted answers as they are totally familiar with the 360 degree process. They ranged from 5 departments across the organisation with varying job roles (1 x Manufacturing Department Manager, 1 x IT (Information Technology) (Team Lead, 1 x Training Department Manager, 1 x Finance Functional Manager, 1 x Engineering Team Lead). This ensured I got a good sample of what is happening within each department of the non-unionised multi-national organisation. This stratified sampling gave me the views on 360 degree feedback from different levels and aspects of the organisation. It was important to gain the views of the interviewees and to get more information regarding what they viewed as important while also allowing room to purse topics of particular interest of the interviewees. The interviews were scheduled for 45 minutes each, following my pilot exercise. I used lots of probing to ensure I got sufficient information to answer my research question. I did need to follow up with 2 managers on specific questions, which was very worthwhile, otherwise all information was adequate. There was a large amount of questioning including open ended questions, and from time to time I had to vary the order of these questions, mainly due to answers from subsequent questions, I feel this was the best approach and allowed for more flexibility for both parties. I used a number of summary questions which helped me gain further understanding, avoid ambiguity and assisted in gathering sufficient qualitative data for analysis. Overall I was happy with the data received throughout the process.

3.5 Data Quality

Due to my understanding that there can be data quality issues particularly interviewer bias, validity and generalisability. I utilised my extensive experience in interviewing, as one of my previous roles was senior staffing consultant within Company X, where we used an interview

process called 'Behavioural Interviewing'. I proceed to become an instructor, teaching 8 hour classes to all levels of management on Company X 'Behavioural Interviewing Techniques'. This knowledge extensively enhanced my understanding of my bias, and helped to put them to one side throughout the interview process. As just mentioned there may be a threat to the external validity or generalisability as it is a Company with a deep embedded 'can do' culture which may not be present in most other organisations. I did still find this to be the case during my field research. The culture is one of the reasons how and why they sustain their competitive advantage. In my opinion, it helped the process that I utilised Critical Incident Technique throughout my interviews, as a result interviewees commented and spoke from personal experience and not on hypothetical situations, thus giving me more valid data to work with. Again, this was imperative to the outcome of my research.

In addition to the primary data I have collected, as I know at times it can provide very subjective data, I utilised secondary data from a number of different sources, such as HR appeals process information. As it is highly confidential data, it was requested that I only present summary data and at a high level, which you will see in the next chapter. I have taken due care and attention regarding why this secondary data was gathered and presented to ensure I made and drew my own conclusions with regard to the validity of the data.

3.6 Data Analysis

Once all the necessary primary and secondary data were collected, I proceed to work on the primary data. I used non-quantifying methods to analyse the qualitative data, collected via semi-structured interviews. As the primary data collected was hand written, I firstly typed up the transcripts from the interviews to place it in the same format, during which time I completed a full data clean up. This was an extremely time consuming process, to ensure all elements of the data were captured. I initially typed all the interviews up, exactly as they

were recorded. I then proceeded to display the data so that I could see the majority of it at a glance. This as I thought would ensure that I was in a position to analyse and interpret the data quite easily. It helped greatly however, as there is so much data, it was just too difficult. I therefore went through a process of discarding irrelevant data, slowly it started to take shape. During this time, it gave me the opportunity to summarise trends and build on what each interviewee stated. I reviewed my literature review once again, to ensure I was clear on what the main theorists had outlined. I then looked for instances of concepts from my interviews that may be linked to the main theorists. This was quite interesting as in many instances; I found direct links and in some cases direct contradictions. This then allowed me to proceed to data reduction. During the data reduction phase I summarised the data which then presented a more readable format such as a diagram. To organise, sort and disregard the data so that conclusions could be made, mainly by using coding. Throughout this process, it was imperative that I maintained the depth and richness of the data collected. Without this, I would not gain a deeper understanding of the phenomena while not disregarding or diluting any relevant data.

Once data reduction was completed, the data was restructured, throughout the data collection stage; natural categories emerged into which the data was fitted. Finally I could proceed with evaluating the analysis primarily with a dependability focus.

3.7 Limitations

Throughout this research project, I have encountered numerous limitations, some of which surprised me. Some I knew may be a problem right from the beginning of my research, and I suspected it may curtail the data I would receive however some just caught me blindsided.

Firstly, at the time of my research, Company X was going through some headcount reductions for the second time in five years, mainly due to outsourcing and the changes in the international economy which has led to a shallow effect of globalisation. Thus morale was extremely low throughout the Company and potentially altered the data received. The primary reason for this is that, the Company utilises the 360 degree process for both developmental and evaluative purposes. So any headcount cuts or wage freezes have a direct negative effect on the people aspect of the business as it impacts their potential promotional opportunities and salary increases. This was one limitation that I felt may hinder the results and one of the reasons why I conducted semi-structured interviews, to ensure I get a deep understanding of what they say and why it is being said, and probe where appropriate. I feel this may have a slight impact on the primary data but will have a more direct impact on the secondary data that I may use.

Secondly, during my pilot interviews, both interviewees refused to be recorded which was a shock initially. Unfortunately, I was not prepared for it and hadn't outlined in my Interview Protocol. However, I did outline to both interviewees as outlined in section 3.3.3 how confidential the process etc, I was unsuccessful in changing their minds. Therefore it may not be possible to extract as robust and comprehensive interpretation of the interviews with the recording. I did manage to take extensive notes throughout the interviews which may help in minimising this.

Another incident that I feel is a limitation was that, one of my interviewees had just heard two weeks prior to the interview, that his job would no longer be viable in 8 months. Company X is discontinuing one of its processes and will no longer require this rework facility on site. I feel that this strongly impacted his opinion and attitude to the interview on the day and to his attitude in general to Company X. I reviewed the possibility of removing this data from the

analysis to see what impact it had on the overall outcome. To my surprise it didn't change it sufficiently to warrant removing it entirely, therefore I left it in. Hopefully that was the correct thing to do!

Finally, ideally I had intended to have a representation from each department across the organisations. However as already outlined Company X has gone through a number of restructures which has reduced headcount in many departments. I was therefore unable to secure time with relevant mangers in some departments. I hope this concern will be somewhat limited as I finally managed to secure a representation from the core departments across the organisation.

Overall, I strongly feel that these limitations should not hinder the outcome of my research to any major degree. However I did feel it was important to supply this information to readers to make their own decision regarding the above.

3.8 Summary

As I have deliberated long and hard about the best possible approach to yield the best results, I truly feel the methodology I have finally chosen will help close the gap in some of the literature outlined above. I also feel that the data collected linked to many of the key theorists on the subject such as Bracken, Atwater, Antonioni and Tornow. In some instances I suspect and am hoping that it may contradict what the theory is outlining. One of the main reasons I feel so confident about it is that Company X, is a large multinational and has been utilising this process for over 20 years across the globe. When it implements a process or tool, it covers all aspects perfectly. It has a 'can do' embedded culture which in my opinion tends to help with organisational behaviour concerns, so I should be awash with data. If anything I feel it will be difficult to reduce the data and discard, there may be information overload. I do

understand that the limitations may alter the data, but I truly believe that the methods used will minimise this. All that said I am confident that the approach taken, will yield the rewards that I am hoping for.

CHAPTER 4: RESEARCH FINDINGS

4.1 Introduction

The main aim or purpose of my research was to provide data to validate the utilisation of 360 degree feedback for performance appraisal. I wanted to understand the theory regarding the merits of using the 360 degree process in assessing employee performance. I set out to gain more understanding on what aspects of the instrument make it so valid that it is used in deciding an individual's potential merit increase and in some cases promotion opportunities. I also wanted to understand if there were any parts of the process as a whole that was a fundamental element to its success in the organisation, for example implementation, Rater connections, culture within the organisation and interpersonal relationships.

4.2 Sample Description

The primary data I gathered throughout my case study research was with 7 key players within Company X. They stretched across 6 different departments/functional areas to ensure I got a good overview of the company as a whole. See Table 1 for detailed breakdown.

Table 1: Interviewee Details

Name	Department	Job title	No. of Direct Reports
Sean	IT Department	IT Program Mgr (MM)	6 Exempt
Liam	Corporate Services	Project Mgr (MM)	5 Exempt, 4 Non Exempt
Denis	Training & Engineering	Department Mgr (SM)	24 Exempt, 71 Non Exempt
Brian	Finance	Finance Functional Mgr (SM)	16 Exempt, 5 Non Exempt
John	Manufacturing	Department Mgr (SM)	28 Exempt, 520 Non Exempt
Niall	IT	Team Leader (FLM)	3 Exempt, 5 Non Exempt
Yossi	Engineering	Team Leader (FLM)	4 Exempt, 4 Non Exempt

(SM = Senior Manager, MM = Middle Manager, FLM = Front Line Manager)

The participants ranged from front line managers/team leaders to department managers, with varying levels of experience using the 360° feedback process. All have managed the entire

process and on an annual basis are fully immersed it in. Two of the managers are non nationals, one from America and one from Israel as outlined in the methodology chapter.

4.3 Key Findings

4.3.1 The 360° Process In Company X

The 360° feedback process is used within Company X as both a development and performance appraisal tool. The development aspect helps managers to understand the strengths and weakness of each individual and then outline what the key areas that the employee needs to improve and develop going forward. The performance appraisal aspect assesses employee performance levels. This data is then utilised in the process to decide on key salary increments including progression to the next grade etc. This is a fundamental part to their performance evaluation process, as the outcome of the process is also used to determine stock awards, bonus multipliers and in a small number of cases demotions. There seems to be a variance by dept how many times annually the 360 degree process actually happens and to what extent.

Within Company X, the sophisticated online 360 degree process is designed to acquire feedback from multiple sources; employees have the right to chose who these sources are. However, the direct manager has the discretion to nominate additional sources without necessarily notifying their direct report, but usually does. This means that managers collect performance information and comments from many sources. The feedback can come from the manager, matrix manager, and former manager over the last number of years, peers, subordinates, customers or direct reports.

The direct manager gathers the information per direct report and presents it in a summarised fashion. Ensuring they clearly outline key indicators such as % cost savings achieved or % quality output etc. They also include any team work involvement and what their specific impact on that team was. Following this, each department conduct a review session called 'Focal'. They group similar grades together into review session or rank groups i.e. all grade 3-5 engineering disciplines or all junior grade technicians etc. This way they can compare and contrast each individual's contribution to their peers. They assess who may have contributed more and clearly understand why. This is where the 360 degree feedback data is vital. Each manager provide quote on specific feedback received and from whom, throughout the session. This data is used to outline key contributions of employees versus the rest of the 'Focal' group. This way each employee in similar rank groups are assessed against each other and rated from 1-10, with 1 being the highest achiever. It gets even more detailed than this which is not really relevant for our discussion; suffice to say that it is an extremely detailed process.

This information will serve as a check and balance for the manager for the content of each Individuals Performance Worksheet. Managers in Company X are very specific that employees summarise their feedback/achievements under 3 key headings:

1. Contribution (to business, giving specific data points to back up achievement)
2. Impact (i.e. on cost, business, process, individuals)
3. Accomplishment (must be clear and unambiguous)

Lastly, the document encompasses behaviour as an overall key factor in performance evaluation; this is of particular importance to people managers, as their behaviour may potentially impact far more people, due to the nature of their role.

In his interview, Niall outlined that 'each department has their own scoring process or mechanism in place to ensure there is a barometer to gauge the level of performance'. These processes or mechanisms are used year on year and are reviewed frequently. If they are changed or amended, a formal communications and training process is implemented to ensure that all managers and employees are aware of the changes and what the potential impacts may be.

Once all the data has been analysed, managers are in a better position to meet with each employee to discuss his or her performance status. This happens prior to the formal review session [this is where the pay/promotion element is conducted]. The employee is required to complete a "Brag Sheet" which captures their key achievements with key data points, which the employee feels relevant for their review. The manager then uses these brag sheets in the formal focal review session to determine what the performance grading will be. Three performance ratings are used within the organisation, outstanding (O), Successful (S) and Improvement Required (IR).
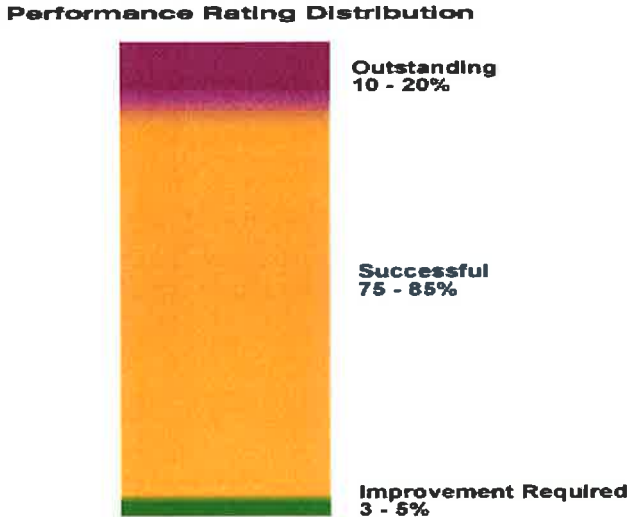
Performance Rating Distribution

Outstanding
10 - 20%

Successful
75 - 85%

Improvement Required
3 - 5%

Fig 4.1 Performance Rating Distribution

Outstanding: The Outstanding (O) employee is a role model, a very high achiever for his/her experience level and grade and is consistently outperforming others with similar job functions and responsibilities. They consistently exceed the normal scope of the job requirements.

Successful: The Successful (S) employee ranges from one who is a fully developed achiever operating with minimal supervision and going beyond well-stated objectives to one who makes a solid contribution in response to well-defined instructions and guidance. They perform major aspects of the job well and may exceed the normal scope of the job's requirements.

Improvement Required: The Improvement Required (IR) employee is not consistently meeting all job requirements and needs more supervision than should be required for someone with similar job functions and responsibilities. The IR employee has also received notice of these deficiencies and has been provided an opportunity to improve. They consistently perform one or more aspects of the job below expectations. They fail to consistently apply appropriate problem solving techniques to issues or problems.

At Company X, they are not only concerned with getting the basics covered. One of their fundamental operating philosophies is its 'Continuous Performance Improvement Strategy'. It is used in many ways within the organisation from production to performance. Employees are expected to improve their performance through growth, development, and continuous improvement. The continuous improvement graph (Figure 4.2) shows that employees must continuously work towards improving their performance in order to maintain their performance ratings. This is achieved by utilising the 360 degree feedback process twice yearly and in some departments four times per year on a smaller scale. However, raters typically only provide feedback once per year, possible twice.

Continuous Improvement
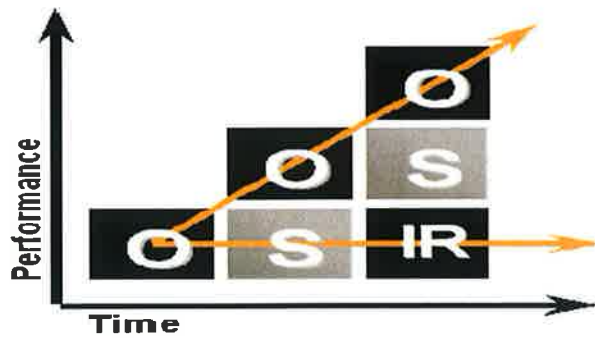### Raising the Bar

Figure 4.2 – Continuous Improvement Graph

Throughout the entire process from start to finish, each manager has the support of a BGHR person (Business Group Human Resource). They are at hand as keepers of the process and provide consistent coaching and mentoring to managers as they progress through the process. To ensure the process is adhered to, they usually sit in on the majority of sessions when the 360 data is being reviewed to try and minimise any bias that direct managers may have. This also ensures that each employee gets a fair stab at the process. In addition to this, employees can draw on a HR resource available throughout the entire process, their ERS (Employee Relations Specialist). They are fully dedicated to the employee's wellbeing and ensure that fairness is adhered to at all times.

4.3.2 Internal Appeals Procedure

As with every human process, it is open to some level of human error. Therefore, where employees have a grievance with any decisions made as a result of the 360 degree feedback process, or indeed their entire focal process, employees may utilise the internal appeals process, known as the 'Open Door Process'. The appeals process within Company X is straightforward, however as an additional support, the employee can engage the help of an ERS – Employee Relations Specialist – who will work with them in preparing their case and

explain the process to them. The ERS coaches and advises the employee when needed, and if requested they will attend the meetings with the employee. Employees are encouraged to raise work-related concerns with their immediate manager as soon as possible after the event causing concern occurs. This process is available for employees to use if they are unhappy with the review that they receive. If employees believe their immediate manager is not the appropriate person with whom to raise the issue, they are encouraged to bring their concerns to another manager, such as their department head or division general manager, up to and including the chief executive officer.

Company X, continuously do due diligence to keep the investigation and the terms of the resolution confidential. The employee must recognize, however, that in order to investigate and resolve a concern, some dissemination of information is necessary. All parties involved in an Open Door review are responsible for limiting dissemination of information only to those with a "need-to-know." All records and notes related to the employee's concern will be retained in a confidential file separated from the employee's personnel file.

While Company X cannot guarantee that the employee will be satisfied with the result, in each case the outcome and rationale will be explained to the employee. If the employee is dissatisfied with the results of the investigation, he / she may appeal to the next level of management. The results of the appeal are final. Any further appeals are brought externally if applicable. No employee will be disciplined or otherwise penalized for raising a good-faith concern. Finally, employees should raise, and reviewing parties should review, Open Door issues in a timely manner. The reviewing party should reach agreement with the employee on when and how a response will be communicated.

4.3.3 Internal Statistical Human Resource Data

One key data source utilised was the HR Data Scorecard, where monthly statistical data is captured and utilised to make necessary business decisions and changes. The following data has been taken from this scorecard.

Fig 4.3 shows some statistical data on the number of appeals, by reason following the use of data following the 360 degree process. Fig 4.4 outlines the number of changes following the appeals and the relevant investigation, including top two reasons broken down by exempt and non-exempt.

Fig 4.3   2009 Summary of Open Door

Site Total Open Door 65 (2%)

Fig 4.4 Open Door Investigation 2009

Open Door Investigations in 2009

Data Summary
- 16 cases in 2009
- (10 in 2008)

Top 2 Issues
- Redeployment 9
- Performance Management 3

31%   6%   63%

No Change
Change
Partial Change

25% Exempt
75% Non Exempt
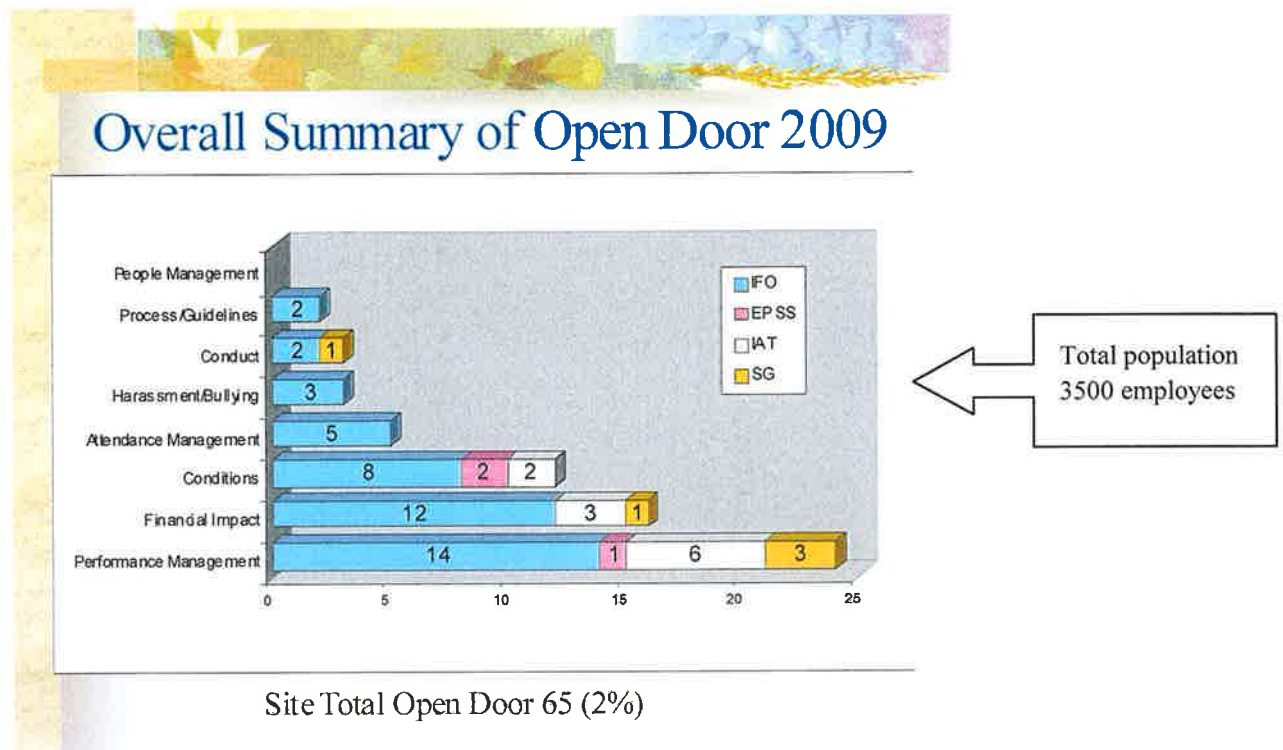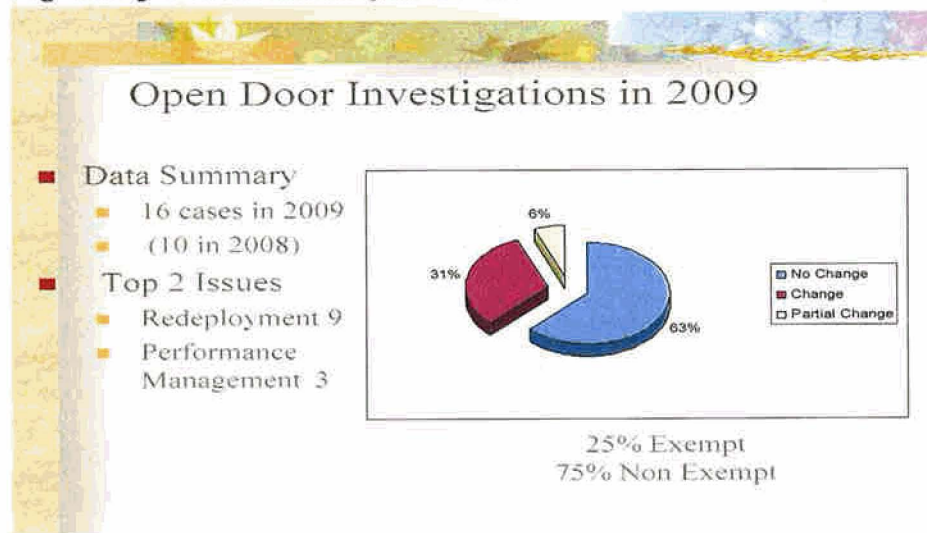
Table 2 Overleaf, outlines a summary of the key findings from my semi-structured interviews at Company X. A sample of a transcript is available in the appendix.

Table 2:   Summary of Key Findings/Themes from Semi-Structured Interviews on 360 Degree Feedback Process

Outcomes	Denis	Brian	John	David	Sean	Liam	Yossi
Greatest Weakness of 360 degree process.	Time consuming process from start to finish. High number of request from peers etc to complete feedback	Feedback from different sites & countries, seem to have different standards	Managers impact on the outcome	Peer to Peer Ratings	Lack of training prior to implementation	Lack of Training for Mgrs & EE's	Very time consuming, reviewing and validating data
Greatest Strength	Provides clear data	Very specific feedback to ensure growth and development	Provides tangible usable data	The number of contributors to the data	Relevant data due to no. of raters	Provides valid data utilised to determine promo's and salary increases	Great data source, reliable due to no or different raters
Is it a good process?	When implemented correctly	With consistent monitoring and review	Once training is maintained and its implemented with full HR support	Good for organisations with strong support structures (HR) to maintain it	More meritorious than other data sources available	Provides both technical and behavioural data	Best all round process, more holistic approach, minimises bias from direct mgrs
What factors influence the process the most	The implementation process for managers and employees	Interpretation of the data	Correct Implementation	Culture differences	Correct Implementation	Lack of training at implementation stage	Employees lack of understanding of the process
General Comments	Costly process to do effectively i.e. 4 times per year, appeals process, feedback 1:1's etc	Didn't work as well with some non nationals i.e. Indian and South Africans – mainly as they found it intrusive	Needs huge commitment from both employees and management	Must have adequate support structures i.e. ample training, online tools, people skills	Great valuable tool, however sometimes data is not utilised to its potential. Great for growth & development	You get out of it what you put in.	Complex process, but once you & your team are committed, it is invaluable at growing and developing people

4.4 Data Review

It seems that the data I have collected aligns quite well with what most of the key theorists have outlined. However in reality the process is more detailed, specific and very tightly controlled. It appeared to me when reading the literature that the process was a 'fill in the form' type of process, however what actually takes place a minimum of twice yearly, takes considerable time and effort by employees, raters and managers. Much more detailed than I had first imagined. Each employee takes considerable amount of time to complete the detailed questionnaire, making sure to clearly outline their key accomplishments for the duration. Knowing that this information is an important aspect in establishing what % increment they will receive at year end, if a promotion is deserved and what stock options if any they will be appointed for the next 5 years. The entire process gives raters a sense of pride in their work, as they know from the outset of the process that they too will be receiving feedback, while also driving the employee to utilise the tool appropriately. This creates a culture of fairness and equity throughout the assessment process. The employee meets approximately 3-4 times with their direct supervisor who coaches and advises on elements of the 360 degree questionnaire. In addition to this, they request feedback from approximately 6 others, from peers to managers to key customers, whomever they feel they had the most interaction with throughout the year. Simultaneously, the direct manager may solicit feedback from 2-3 key other raters that they feel have had enough interaction to give detailed and specific feedback on. The timeframe for soliciting feedback spans over 4-6 weeks to ensure raters have adequate time to give detailed specific accounts on the employees they are rating. The feedback may or may not be sent to the requestor it may simply be sent to the direct manager only.

As already outlined above, I found that HR (Human Resources) seem to play a vital role as keepers of the process, they are involved in all the pre work with managers prior to issuing the

360 questionnaires, they review the completed questionnaires, they sit in on the 'focal' sessions ensuring that a fair process it adhered to at all times. Guidelines are quite strict and must be adhered to as all the data is reviewed online and corporate have full access to view and make final calls on any information or decisions that are made. Employees if they are dissatisfied have an opportunity to appeals the decisions as already outlined above.

Included in the process are many checks and balances with top management and HR both at local level and corporate level. Each year, Company X invests a significant amount of time on training and re training for mangers at all levels in the organisation. This is to reiterate the process and clearly outline the guidelines such as targets that must be reached. An example of a target is the percentage increase by performance rating as outlined in the in table 2 below. The target for those receiving an outstanding message following the 360 degree process and following the focal review session, they should be receiving on average 2% more than those receiving an exceeds message and 4% more than those receiving a successful message etc. This is part of the fairness and equity guidelines that are managed at site level however they are also fully reviewed at corporate level.

Table 3: Meritocracy Indicators

Meritocracy Indicators			
Average Merit Money Increase			HELP
Indicator Goal: Increases normally are at a 3-2-1 ratio between O-EE-S	Merit Increase for Promoted Employees	Merit Increase for SMA Eligible Employees	Merit Increase for All Other Employees
O	6.59%	6.82%	7.21%
EE	4.81%	4.83%	4.88%
S	1.78%	1.22%	2.78%
BE	N/A	0.89%	1.17%

Note:

O = Outstanding

EE = Exceeds

S = Successful

BE = Below expectations

4.5 Analysis and Discussion

Upon review of the data found during my research, the findings suggest that in most cases there is basic alignment with what the main theorists are stating. Some of the findings suggest that the theorists are incorrect in their statements, while other findings support them 100%. It is interesting to see the anomalies despite the amount of research on the topic. It seems that the main theorists have reviewed the 360 degree process in sub sections, focusing on one element at a time. As a result it is difficult when looking at the literature to get a definitive answer on many things. In addition it seems that most of the theorists did not review the process in much detail, they kept their research at quite a high level.

4.5.1 Uses of Process

At Company X, they use the 360 degree process for both Performance evaluation and as a development tool. While Vinson (1996) and Bernardin et al (1993) feel quite strongly that it should not under any circumstances be used as a performance evaluation tool, however they failed in my opinion to have any valid strong argument to support such statements. The 360 degree feedback process is mandatory for all managers and supervisors at Company X. However, from the interview data, 6 out of the 7 managers interviewed happily use the tool for performance evaluation and feel it is one of the fairest methods to assess individual's performance. This manager was the manager I have outlined as a concern in my limitations. The findings suggest the main reason for this is that it has a holistic process that is fully supported from implementation, training, throughout the actual process and delivering the message to the employee. In addition, according to Denis, Company X has an extensive appeals procedure for all employees should they be unhappy with any element of the process' and 'it is used quite successfully'. The one manager who does not feel comfortable utilising the tool for performance evaluation is outlined in my limitations section [3.6] as he had just heard that his job would be no longer viable in 8 months time. Some of the feedback during

the interviews support this, Brian was quite adamant that 'it works very well due to the trust and creditability that the organisation has build up over time' while Denis stated that 'employees have faith in the process, as what is valued gets measured and what is measured gets done'. In reality managers in Company X are happy with the process and don't share the theorists opinions limiting the process to development only. They truly feel this would be such a wasted effort after gathering all the data not to utilise it in such a manner.

One would also have to look at the costing strategy, obviously it seems like such an extensive process, that it would be best to maximise the return as they are doing at Company X. According to the findings, while the process is expensive to implement and maintain, it is cost effective as it drives performance up, increases retention of key staff and can have a positive effect on employee behaviours and morale, this directly links to Morical (1999) views. In addition, the interviewees mainly share the opinion of Jack Welch (General Electric, CEO) that it removes non performers from an organisation over time, which makes it more cost efficient. This is a significant benefit to any organisation. According to Brian 'people prefer to know how they are performing in relation to their peers'. The process clearly outlines those on the top and bottom and where the focus is needed to get the performance of the organisation up to a level required.

4.5.2 Implementation

All 7 interviewees disagreed totally with Atwater and Waldman (1988), London and Smither (1990) suggestion that organisations should first introduce the tool for development purposes only, while progressing on to implement it for performance evaluation purposes at a later date, when managers and employees became more familiar with the tool. Sean outlined that 'this would only create trust issues with employees' and 'it would be the ruination of the entire process'. In general the interviewees were more in agreement with Bernardin et al (1993) and Bracken (2009). They advise that it is imperative that no matter what the process

will be used for, at the implementation stage that organisations need to have full buy-in and acceptability from all those utilising the process from top management right down the value chain to employees. In their opinion, this is the only way to build and maintain trust. Company X has spent such valued time and resources in this area and feels it is one of the key areas to the success of the 360 degree feedback process.

With regard how the process is implemented, it is evident from both the theorists such as Antonioni (1995), Bracken (1994), Atwater & Waldman (1998) plus what I observed in my field research that both are in agreement that the key to success of 360 degree, is how it is implemented, maintained and how it is introduced to users. The data suggests that one of the key reasons for its success is correct implementation of the process for both managers and employees. Throughout my interviews, this was consistently and repeatedly mentioned. The findings suggest that once the implementation is managed and that the outcome of the process has strict guidelines, then you should have success. All of the 7 managers feel that if the process is firstly implemented correctly with 'a detailed training plan for all managers and employees, some open forum sessions with the ability for employees to ask questions, and seek clarity on how the process works, it will work well' and that the company will reap the rewards, according to Yossi during his interview. They also feel quite strongly that both managers and employees must be fully bought in to the process from the outset. Denis, went on to explain for organisations reviewing what method of performance and development assessments they should use, 'they need to go and review other organisations and look at what they are doing and what works and doesn't work'. 'It's not enough to read the literature on the best process; you have to see it in action'. I fully agree with this, and feel that more organisations need to adapt this approach to not only this process but many new processes they are implementing. According to Cummings (2009), if it is not implemented correctly, it will not output the results it has the potential to do; I also observed this in the field.

4.5.3 Role of HR

Another important observation in the field was how important the role of HR is in the entire process, they are vital to the outcome for employees in particular. The process could happen without any guidance from HR, however it became clear how effective and important their role as keepers of the process once I was in the field. Many of the key theorists have overlooked this; however it is echoed by Maylett and Riboldi (2007). They advise that training professionals play an important role in helping organisations understand the uses the 360 degree process brings. They also state that many organisations don't utilise the information they could from the process. In the field John speaks of 'HR playing the devil's advocate role, keepers of the process' he suggest that 'they keep the human element of it honest and fair'. David speaks of HR playing the 'role of rule master, ensuring guidelines are adhered to and that managers and employees understand exactly what they are doing throughout the entire process'. HR designed, maintain and support the appeals process, thus again ensuring fairness and equity to all involved. They also, review and ensure that the process stays closely aligned to the key business indicators. Sean mentioned in his interview that 'we specifically ask the question, are these accomplishments and goals linked to our key business indicators'. This aligns directly with the argument Lepsinger and Lucia (1997) make with regard to the boxes that must be ticked for effective implementation, such as

1. The process should link directly to business operations, and employee and management should fully understand the links and impacts of same.

2. Management should be 100% involved in the process from start to finish and that

3. Users should be involved to design the system.

The findings from my interviews also echo this 100%. It seems that when time and effort have been invested in the process, it certainly reaps the benefits.

4.5.4 TQM and Self Analysis

Interestingly, as theorists such as Grote (1996) and Edwards and Ewen (1996) argue that the reason 360 degree feedback has taken off is mainly due to the fact of TQM (Total Quality Management). Edwards and Ewen (1996) also state that the concept of employee evaluating their own performance is not a new concept but stems from MBO's (Management by Objectives). What is interesting is that while in the field, I observed that in fact they use both TQM and MBO tools to support the entire 360 degree process. According to Liam 'it gives more detailed information to assess performance on a quarterly basis', this can also help 'to assess if poor performers are improving or dis-improving and hence managers can intervene quicker to fix issues. This is then rolled-up into their annually 360 degree high level process.

4.5.5 Rater Incongruence

One of the most notable and argued theories available on 360 degree is regarding the sources of feedback for the process. According to Decotiis & Petit (1978), Dipboyle (1995) and Park, Sims & Motowidlo (1986) the interpersonal effect individuals have with each other may weigh heavily in the overall outcome mainly due to rater->ratee relationship. This is also how Antonioni and Park (2001) feel, they advise that raters may give high rating to those they like and low to those they dislike. During the completion of my literature review I found this an incredibly weak argument. I hoped that I might find data to contradict it out in the field. Thankfully I did, and lots of it! At Company X, Denis explained that 'the 360 degree process is designed in such a way to ask questions requiring very specific answers and where necessary it requests that answers are backed up with statistical data or at a minimum with specific detail that will support it'. Generally speaking, it seems people understand the responsibility they have in providing accurate data.

Within the organisation they have clearly outlined what the job role and what the expectations are in completing the job successfully. There are clear guidelines in place as outlined earlier

in this section in relation to what success looks like (see 4.3.1). This aligns to what contribution is expected at each grade and job role. Brian quite strongly states that 'managers are not that naive to simply take feedback from the 360 degree process and not validate it'. 'It is our role to be vigilant and fair to all in the process'. Sean backed this up by stating ' while people are aware that the feedback can be to candidates that they are essentially competing with, this does not impact the quality or the positive perspective of the feedback'. He goes on to state that people generally tend to have a certain sense of doing the right thing, and give good, honest feedback, as they know it works both ways'. Yossi also believes that 'the fact that managers may see inconsistencies if they are not honest' helps maintain an honest and fair process for all involved. Managers still make the final decision. According to Sean during his interview 'this makes it a more valid and transparent process. It ensures that managers do a fair and equitable job while also avoiding bias. Plus HR is involved in this aspect of the process as it has the potential to have a huge effect on the overall success of the program. In the field, a rater can give the ratee negative or positive feedback however, if it is not backed up sufficiently with data to support the argument, or if data cannot be found by the manager to support it, then that piece of data is simply dismissed and disregarded, which I feel is a very valid step.

In addition to what the theorists say regarding rater validity, another observation I made was, that while individuals can and do nominate who gives the feedback, the managers also get to nominate an additional 2-4 people to solicit feedback from. HR is fully involved in reviewing this data with managers where there may be controversy over any element of it. It seems in theory that there is a huge focus on who gives the data, whereas in reality and in the field it seems, there is huge focus in the quality of the data given. What elements of the data are supported with other data and what data needs to be disregarded, and managers are quite open about what data they disregard. In my opinion, I am glad to see what happens in the field is a

more realistic and fairer approach than what the theorists are saying. It feels more workable process and overall fairer to all involved.

4.5.6 Culture Impacts

Gillespie (2005) raised doubt around where the 360 degree feedback process could be utilised. He is doubtful if 360 degree feedback is comparable across cultures. Bourgoeis and Botvinik (1981) and Harzing (1997), agree somewhat, stating that managers from high power cultures will in most cases fail to provide information to anyone who is not in a superior position. This is also echoed by Shipper, Hoffman and Rotondo (2007) who feel that one must be very careful conducting 360 degree feedback in cultures having other core values that are contrary to those in 360 degree. It is an interesting thought and being honest I really thought that, 360 wouldn't work across other cultures. In fact I observed quite the opposite in the field. Currently there are over 12 different nationalities on the Ireland site, with varying different cultures. The organisation itself spans across 21 countries. It was interesting to find in that Company X has invested huge time to ensure they minimise any cultural difficulties that could arise. For example, they had to amend their hiring process due to cultural differences. They changed their interview questioning techniques in certain countries mainly with questions regarding authority and challenging the status quo, as in some cultures this just does not naturally happen. Therefore throughout my interviews, it became evident that this organisation has had such experience in dealing with a multi-cultural organisation. . It may be a challenge for certain cultures to provide constructive feedback that maybe perceived as negative They have adapted and amended certain process; however they have also trained people to understand Company X's way of doing things. They provide training on how to give and receive feedback; it's called 'constructive confrontation'. This outlines clearly how you deal with people on a day to day basis and what is acceptable and what is not. It is a base line expectation that all employees in the organisation complete this class. The only other

cultural issue was with language barriers however, they invested in some English lessons for those with any real issues. Company X have encompassed an entire section on culture differences in the 360 degree training module and what is in and out of scope of the processes. They invested more time and effort in training these individuals in all aspects of their role including the entire 360 and focal process. Sean feels that the 'multicultural organisation adds to the overall success of the business, as you tend to get completely different views and inputs which is what our team based environment is all about'. So in a nutshell, cultural differences can have a positive effect on the organisation.

As you can see from the findings above, Company X has invested hugely in the entire 360 degree process right through to their Focal process. From their 360 degree process tool which they have had commissioned, they have the ability to pull vast amount of indicators, see sample Table 3 pg 47. According to John, they utilise this tool to review 'diversity statistics by department to make sure that nothing like that 'there is no bias due to gender, nationality etc, so it minimises any issues with discrimination at any level from age, gender, race etc'. It also reduces any external legal cases, as the process is so fair, transparent and watertight. It seems to work if organisations put appropriate measures in place to ensure these items can't happen. Therefore despite the theorist suggesting it may not be adaptable across cultures, in reality it can work if the correct implementation plan is put in place and the correct support mechanisms. While I tended to side with such theorists as Gillespie (2005) and Bourgoeis and Botvinik (1981) and Harzing (1997), I am quite happy so say that we just maybe incorrect in this case. The findings suggest that in field it works across not just one or two cultures but multiple cultures in complex situations with language barriers. This suggests that once you set out to implement something, if it's done correctly, it should yield results.

4.6 Summary

In summary, from a field perspective, it is obvious that the 360 degree process can be used successfully for both performance and development assessments. In addition if the process is implemented, managed and supported with all the necessary tools, process and a level of human resource support, then it is one of the fairest and most valid processes that one can find to assess individuals performance. It must have all the elements contained within their process to be successful. For example, the finding suggest that Company X's situation, the process would be less valid and fair if they failed to have an in-house appeals process that is very independently managed. In addition, it seems that without the vital support of HR as keepers of the process, it would limit its fairness and equity. While many organisations feel that individuals shouldn't assess themselves, it's interesting to see what the theorists had to say with regard to linking the TQM and MBO's to the 360 degree process. What was more surprising for me was the fact that it happens in the field also and works very well. It helps build up an honestly and trust that otherwise maybe lacking in an organisation and it seems to be taking hold in organisations today and becoming quite the rage!.

Another serious concern for many theorist such as Decotiis and Petit (1978), Dipboyle (1995) and Park, Sims and Motowidlo (1986) and Antonioni and Park (2001) were that of rater - ratee relationships affecting the overall data. Suffice to say that, as already discussed the field contradicts their beliefs that the interpersonal relationships can sway the outcome. While it can sway the data received, it is clear that in Company X's process, they validate all the data received and any data which cannot be validated is dismissed. In addition, both managers and employees choose raters, and at the end of the day the manager makes the final decision. This reduces Decotiis and Petit (1978) and Dipboyle (1995) and Antonioni and Park (2001) arguments around rater validity to a great extent in my opinion. This makes the process far

more transparent. This really wipes this concern or gap that may have been in many people's minds, as many theorists have spoken at length about it.

The surprising thing is that the majority of research on this topic has been conducted in the states, and the company I used for my case study is a US company. I am surprised that the theorists couldn't close the gap that they had found in relation to the culture and the interpersonal relationships element to the 360 degree process. Throughout my research I didn't come across literature from an Irish perspective, however I found lots of valid data once I went out into the field. I have to say I was pleasantly surprised by the outcome of my findings. I didn't expect to close the gap on all areas and find definitive answers to my queries regarding the validity of utilising 360 degree feedback to assess individual performance.

CHAPTER 5: CONCLUSIONS

5.1 Introduction

The primary focus of my research was to understand how valid the 360 degree tool is in assessing individual's performance within organisations. In particular, the research aimed to gain a deeper understanding of the factors that influence the validity of the 360 degree feedback tool. I wanted to gain more knowledge on the process and seek to understand if organisations should be using this process for assessing individual's performance, or is it better to just utilise the tool for development purposes only. Lastly, I would like to understand if it is a fair and equitable process for all involved.

5.2 Summary of Findings

It became apparent during my findings that the 360 degree feedback process is indeed a time consuming and detailed process. It can in fact be quite a burden for any organisation, given the time and resources it takes on an annual basis. I was not surprised to find that most of the theorists such as Antonioni, Atwater, Brett, Bracken, Bernardin, London, Maylett all felt that while it's a good process, it has many pit falls such as, rater incongruence, interpersonal relationship issues, cultural issues etc, which deem it unsuitable for assessing individual employee performance. However, it is very clear from the findings that the time and money spent is well justified, and has significant benefits for the employee, manager, organisation and right through to company shareholders. I would recommend that the 360 degree process be fully utilised in more organisations today for both developmental and evaluative purposes, mainly as it improves and enhances so many aspects of the organisation. When implemented, resourced, and managed correctly, it enhances employee performance, which subsequently enhances both company performance and key business indicators. This helps organisations to maintain their competitive advantage in our changing global economy. It improves organisation health with improved morale and increased employee retention; it is interesting

that Morical (1999) has the exact same views. We should encourage organisations to utilise the 360 degree process for assessing individuals performance levels in addition to developmental purposes. This contradicts Vinson (1996) and Bernardin et al (1993) who were stringently opposed to the idea of organisations utilising such a process to award salary increases. They feel it should solely be utilised for development purposes only. I have outlined below the key items that are required in making the 360 degree process a resounding success in any organisation.

Firstly, the process needs to be implemented correctly, with adequate training, support and resources as outlined in the findings. This is fully supported by theorists such as Antonioni (1995), Bracken (1994) and Atwater and Waldman (1998). In my findings, all 7 interviewees agreed that if the process is not implemented correctly, with sufficient training and resources, it will not yield the results it has the potential to. Gillespie (2005), claims that the 360 degree process will not work across different cultures. According to my findings, the training should encompass culture elements which may affect the use and effectiveness of the tool as suggested by Shipper, Hoffman and Rotondo (2007). The 360 degree process can be challenging in cultures where there is high respect for authority rank and hierarchical status, and where harmony within a group is a priority. It is important to invest some time in the cultural aspect of the tool as it can reap the rewards for the organisation. It may be a challenge for certain cultures to provide constructive feedback that maybe perceived as negative. Company X provides training to all employees to educate them on the value of constructive feedback to both the individual and the organisation.

Secondly, one of the key reasons why theorists are not in support of the 360 tool for performance evaluation is the rater aspect of the tool. Hassan and Rohrbaugh (2009), Wexley and Klimoski (1984), Antonioni and Park (2001) and Pak (2001) all have issues with rater incongruence, such as when the employee specifies their own raters. They collectively feel

that this part of the process is flawed, and has a direct impact on the outcome of the data, and therefore deems the data invalid. The findings show that in Company X, they have a two way system in operation in relation to ratees, i.e. both manager and employee solicit feedback from ratees. The manager firstly validates who the employee has nominated as ratees and amends if needed. The manager then proceeds to validate all aspects of the data received, paying particular attention to inconsistencies, with the help and guidance of HR. This is a fundamental part of the process, and one which makes the data from the process so valid. Company X has mechanisms in place to validate all the data received, which minimises the bias that seems to be an issue for many of the theorists today. Employees automatically give honest and open feedback, mainly as they know there are checks in place, and it is in their best interest to provide good feedback. To-date I have not found any information in the literature to support what happens in reality, which is quite surprising.

Many of the theorists have failed to understand the importance that HR brings to the 360 degree process, with Maylett and Riboldi (2007) being the only reference I could find in the literature. The findings clearly outline the importance that HR plays in the process from start to finish, with one of the interviewees referring to HR as the 'Keepers of the process'. In Company X, HR provides ongoing support throughout the entire process to ensure the integrity of the process is maintained. This minimises the number of internal appeals, as HR ensure that the users and the process are legally compliant at all times.

My findings show that, the 360 degree feedback tool is a transparent process from beginning to end and at all levels of the organisation. Both employee and manager are held accountable for the data used throughout the process. It helps that managers and employees are bought into the process right from the outset, mainly due to the fact that it is an embedded part of the organisational culture. Company X has invested in a user friendly tool to administer the process. The tool allows HR to validate that all key indicators and guidelines are met. It has

full support from all levels of management, with corporate head-office reviewing the statistical data to ensure that everything is validated and that the process as a whole has met its key targets [sample outlined in table 3, pg 45]. This ensures full transparency throughout the process.

The 360 degree process also has some side benefits that people may fail to consider. Firstly, there is a reduction in legal challenges as the process is fully transparent from start to finish with HR support. Employees and managers are held accountable for the process and it is a fair and valid method of assessing employee performance. Another important aspect as outlined by Jack Welch, CEO of General Electric, is that it helps remove low performers from the organisation. This is a significant benefit to organisations as it improves the organisations performance overtime. Thirdly, it tends to have little to no diversity issues throughout the organisation as they have a build-in statistical analysis process within the 360 degree process that can highlight any potential issues as they occur.

It is clear from my findings that the 360 degree feedback process is valid and fair in assessing an individual's performance. If more organisations adapted the 'can do' attitude and approach, I feel they would encounter success in all aspects of their business, not just the implementation of the 360 degree feedback process. The field research data that I am most excited about is related to the rater validity aspect of the 360 degree process. I really feel that the theorists didn't go deep enough or probe enough to gain more insight into how the process works in the field. As the findings suggests that once the correct rules and guideline are in place, it works as a very valid method for gaining performance data. The findings throughout the interviews show that it is in the raters best interest to give good feedback. In addition, both employee and manager can solicit feedback, and the manager at the end of the day is the final decision maker, and has full responsibility along with HR in validating the data he receives from raters. One needs to remember to always look for an alternative solution and

not just accept that something won't work without attempting other solutions. In addition one would ask the question, have theorists actually used the 360 feedback process or have they just researched it? All in all, it seems to me after reviewing my findings I would highly recommend the use of 360 degree feedback process in assessing individual's performance.

5.3 Limitations

As discussed in detail in chapter 3.6, in an ideal world, I would conduct my research in an organisation that has limited change occurring, such as redundancies etc. The organisation I conducted my research in was going through its second round of redundancies which may have influenced some of the data received, both primary and secondary. Another concern I came across, which blindsided me a little, was the fact that all interviewees refused to be recorded, the only action I could take was to explain in detail the confidential nature of my research and the treatment of the data. I did also take extensive notes throughout the interview process while asking lots of probing questions.

In addition to the above, the fact that one of the interviewees was told a week prior to the interview that his job would no longer be viable in 8 months, and that he had to search for a new suitable position or be made redundant, in my opinion, did alter his data somewhat. I did take this into consideration throughout my data analysis as I felt it was appropriate to do so.

The final obstacle that I came across was the fact that due to the redundancy and headcount constraints I was unable to have representation across each department for my interviews. I still don't truly understand if the above has had an impact on the data; I expect it hasn't to any great extent.

5.4 Recommendations to Theorists

Firstly, from a process perspective, I would recommend to anyone undertaking research in the field, to clearly establish what limitations are acceptable and what are not. This leaves you in

a better position to remove such obstacles before they impact the data. Hopefully in my case, I expect the impact the limitations had on the data to be minimal.

While the findings in some areas were startling, the evidence suggests that theorists should look to seek out organisations who have invested hugely, both from a time and dollar perspective in the 360 degree process. It seems that some of the theorists have outlined problems with the process which in reality works quite well, such as rater issues and interpersonal relationships. Once the appropriate measures are in place, to ensure fairness and equity across the board, it works pretty much as a flawless process. I would strongly urge theorists to experience the process first hand by utilising and reviewing it in key organisations who have mastered the process from beginning to end! Theorists need to change their attitude by adapting a 'can do' attitude similar to that in Company X. This would allow them see the advantages that HR consultants can bring to the process, while also understanding that culture differences can bring much more positives than negatives to organisations. It seems the theorists need to spend more time understanding what happens in organisations such as I have described.

In addition, I recommend that theorists join forces with some key organisations which have an embedded 360 degree process. This would allow them to jointly make enhancements to the process to ensure it is the most valid and appropriate process for assessing employee development and performance. All the evidence before me has suggested that the process is as good as the person implementing it. Theorists could play a more positive role and help organisations make a success of such an extensive and time consuming process, instead of pointing out parts of the process that don't work, when in reality they do work. It is important to note that Company X, this year has broken 10 of its key business indicators, this is not by chance and it is mainly attributed to its outstanding workforce. Which by the way is

developed, groomed and performance managed utilising the 360 degree process. I truly

believe that the data speaks volumes and should be taken seriously by theorists today.

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ABBREVIATIONS

BE- Below Expectations

BGHR - Business Group Human Resources

CCL – Centre of Creative Leadership

CEO – Chief Executive Officer

CIPD – Chartered Institute of Personnel Development

EE's – Employees

ERS – Employee Relations Specialists

FLM – Front Line Manager

HR - Human Resources

IMBO – Individual Management by Objectives

IR – Improvement Required

IT – Information Technology

MBO – Management by Objectives

MM – Middle Management

O – Outstanding

S – Successful

SM – Senior Manager

TQM – Total Quality Management

USA – United States of America

Appendix 1: Interview Process & Protocol

Introduction:

- Hi I'm Catherine Moriarty, how are you?
- Thank you for taking the time out of your busy schedule to take part in my research.
- Today, I will be taking you through a serious of questions in relation to the 360 degree feedback process and its effectiveness in your organisation.
- The information gathered today, will be used solely for the purpose of my dissertation for the National College of Ireland.
- All information will be confidential, your names will not be used throughout the process
- Do you need anything before we get started?

Interview Protocol:

- Great, let's get started and if you need anything throughout the interview, don't hesitate to ask. We can take a break if necessary.
- If you would like to end the interview at any time, please advise.
- Anything discussed throughout the interview will remain confidential and only disclosed as part of my Dissertation.
- The interview will be recorded. Are you ok with this? If at anytime you would like it turned off, please let me know.
- If you feel uncomfortable with any questions, you do not have to answer them
- If you want to come back to a question and answer it at a later time, that perfect we can work to that.
- If you want to add anything to this interview or feel you forgot something vital over the coming weeks, you can email me at Catherine.tyrrell@yahoo.ie anytime prior to my dissertation submission date, 30th July 2010.
- All of the information that I gather today and subsequent days, will be analysed and may form part of my dissertation.
- I may need to email you within the coming weeks, should I have any clarifying questions regarding the data contained in this interview, do you see that as a problem?
- I will not be sending you typed up version of the transcripts for review prior to submission, as it delays a lot of time.

Interview Questions:

1. How long have you been in your management position with this organisation?
    a. Briefly describe your role in the organisation
    b. How many years have you been participating in the 360 Degree feedback process
        i. As a manager
        ii. An Employee

2. Can you briefly explain the performance evaluation process within your organisation?
    a. What is your exact process
3. How do you find the process?
    a. Is it easy to use?
    b. Do employees like the process
    c. Did you receive training prior to implementation or prior to using the process? Was it sufficient?
    d. Could you see this affecting the data received?
    e. Is there anything you would change about the process or questions?
4. How many 360 degree feedback surveys would you say you have completed in your time here.
    a. How many did you complete as a rater, rate, supervisor?
    b. In your opinion, is there different weighting from different raters ie, do you think more of one set of feedback than others?
5. What type of questions do you use open ended or close?
    a. Are the correct questions asked?
6. What are the primary sources of data for 360 degree feedback?
7. Do you have any concerns regarding recipients of the feedback choosing their own raters? If so, why?
8. In your opinion, what should the 360 degree feedback process be utilised for?
    a. How much of the data is used in making key decisions such as performance evaluation?
        i. Promotions?
        ii. Merit increases
9. In your opinion, are there any factors that impact the outcome of the data? (culture, interpersonal relationships – probes only)
10. What type of data are you looking for in these surveys? (facts?)
11. How do you analyse the data?
    a. Is there a formal standardised process?
    b. Do all Managers use the same method?
    c. Is there a scoring mechanism?
12. What factors in your mind play the most important in assessing the data?
13. Do you receive inconsistent feedback?
    a. If so how often
14. How do you deal inconsistent feedback?
    a. Is there anything that impacts the validity of the data?
    b. If so, what specifically?
15. In your opinion, are there any disadvantages to using the 360 degree feedback process?
    a. Is it a fair process?
16. Is there anything which may enhance or hinder the effectiveness of the 360 degree process?
17. Do employees when they receive the feedback agree or disagree
    a. To what extend to they agree or disagree (strongly->slightly)

18. Is there any other information which you would like to share with me in relations to the 360 degree feedback process?
19. How do people feel about 360 degree being used to assess their performance?
    a. Do they feel it works well
    b. Do they have any issues with it?
20. Do you experience any cultural issues with the process?
    a. Do any non-nationals have any issues with it?

Denis: Sort Engineering & Site Training Department Manager.

Q2: Can you briefly explain the performance evaluation process within your organisation, and what method you use?

Ans: It is a fairly formal performance appraisal, conducted annually. Firstly we complete a full 360 degree feedback process on each Employee. Following this process, from this information, each employee gets a rating of Outstanding (O), S (Successful), E (Exceeds), BE(Below Expectations) or IR(Improvement Required). We have a distribution to reach.

Probe: What do you mean by distribution to reach?

Ans: We have targets to meet with regard to O,S, E. BE and IR. During this process we also have a disti to reach with regard to stock levels and these are directly linked to performance levels, you know the O, E etc.

Cath: Yes, I understand Denis.

Denis: We as a department decided a number of years ago, as you well know Catherine as you were the BGHR (Business Group Human Resource) for our Department. We now conduct the entire 360 degree process 4 times per year. We like to continuously assess our employees, and feel it iss a fairer and less time consuming process.

Probe (Cath): Why do you say it is a more fair way of doing it?

Denis: Well, we do 4 like emmmm mini assessments, they build on each other, following each 360 review we give direct feedback to each employee during 1:1's or Development discussions so they are fully aware of their progress or lack of if the case maybe.   We do:

Mid Mid- which helps us identify our At-Risk people and those trending down

Mid Year – potentially at risk and formally log this in the system

Mid Mid – gives us the trend towards end of year message

Focal – at this point we have 3 mini 360 degree feedback sheets, and one full one. We have sufficient information to make a final call on employee performance, who should get O, E etc and who should get promoted. But you must remember during our Mid mids and mid year we would have this discussion following on from our 360 degree feedback process.

Throughout the year we are always looking at impact levels of accomplished as outlined in the 360 degree feedback process. We assess these to the factory priorities ie focus on 4 main areas Lean/Safety/Quality/Output & costs.

Probe: Is that the primary focus when reviewing the 360 degree data received?

Denis: Oh god no, we also have to look at who is taking steps to jump to the next level. We look at new capabilities acquired. Who is adjusting their expectations to meet business needs.

Probe: Do you think this process of 4 times per year works?

Denis: Yes I do as it clearly minimises surprises for employees. It catches and issues or concerns from either side very early and then we can put a plan in to address it and have it fixed before it really becomes an issue. It is much better as it might feel more time consuming, it is fairer on the employee and its less time consuming overall, as the final focal session which determines the pay outcome etc, is very painless. It's not 5 day sessions anymore but a half day session with another half day tidy up and commitments etc.

Q3a. How do you find the 360 degree process, is it easy to use?

Denis: There are pieces that I worry about, when we do a session. There is no one tracking if each manager when back to each employee with the feedback and we all know that feedback isn't always given cleanly.

Probe: Can you elaborate on what you mean by given cleanly?

Denis: Sure, I mean that if someone has clear performance issues, sometimes managers think they have clearly and cleanly communicated it but they have not, they may shirt around it by saying, you have some problems but not clearly saying what the issues clearly are. I just feel we need to be more anal about messages not being delivered. The process is no good if we don't follow through on feedback.

Q3b. Do employees like the process?

Denis: Not really, some bits that they feel don't work. Internally we have communication issues with corporate not allowing us communicate the focal result until WW14 when we should be communicating it between WW01 and WW05. This means a whole quarter has passed and employees could be having performance issues during this time.

Q3c. Do you as a manager or an employee receive training prior to implementation of the 360 degree process?

Denis: We have had very little training as not much of the process has changed.

Probe: What about newly promoted managers or new hires, how do you deal with them?

Denis: For new managers we give them the process overview.

Probe: What does that cover? Is it live training or just a document?

Denis: All new managers go through Focal training which outlines clearly the entire 360 degree process, what their role is with regard to direct reports and what them as individuals of the process should expect. During this training they conduct role plays and sample documents are completed to ensure they are comfortable with all questions and ratings within the entire 360 degree process and indeed the focal one. Remember they would be very clear

on the process as an employee in a lot of cases as we try to promote from within. We also get them to do some sit by nelly training, all information is confidential as you can imagine.

Probe: Do employee know up front that another manager might be sitting in on their 1:1 to discuss performance?

Denis: Oh yea and we only do it when there is full agreement.

Cath: Oh ok. Is there anything specific for employees?

Denis: Yes there is a similar but simpler Focal training course which goes through in detail the 360 degree feedback process and it outlines what their role is. Our department has created a little cheat sheet which outlines the key points of the process and should answer any questions they have, plus they have the avenue of speaking directly with their Manager with regard to the process. Oh yes and also the Employee Relations Specialists (ERS).

Probe: What is an ERS Denis?

Denis: Oh yes, sorry about that. ERS is an independent person who works for HR, however they are the person that if an employee has a grievance over anything, they can speak with them, they are similar to a BGHR only they work with the employee not the manager. They will tell them what their legal rights are and outline the best route forward for them. They will also run through how the process should be working to elevate any doubts in the employees mind. Does that make sense Cath?

Cath: Yes, absolutely Denis, thank you, sounds like a good thing to have, are they utilised a lot?

Denis: Depending, at times we may make a bad judgement call on a manager and they may not be the best, and in cases like this, it is only when a few open doors come to light that we feel yep we really made a bad move here. Or the manager just may need a lot of extra training but they can be utilised a lot and then with others, practically never. Communication with anything in my mind is key!

Probe: Sorry Denis, back to the training again, do you think that it is a must have or a nice to have?

Denis: I feel that it is very much a must have if you are implementing the process particularly when it is associated to pay like in our organisation. It wouldn't be a very fair system otherwise.

Probe: Why do you think it wouldn't be fair?

Denis: Well, You really need to have all managers trained and armed to the same level; otherwise some managers will be at a disadvantage which in turn will mean that the employee may lose out. It is such an intense process and it needs to have a fully supported system as back up. For example, this process in my mind would not work without our internal grievance policy and process that is already up and running. Employees would then feel that

the outcome was a given, when in fact it's not and there are a number every year who successfully win their appeals.

Probe: Do you think I could get access to that information Denis, of course I would not be using names, just high level overview would be fantastic?

Denis: I will see if HR will allow me to pass on the information Catherine, I honestly see no issue though, given your history with the company.

Another item on the training front, Managers have a strong HR team to pull from when delivering messages both positive and negative, and HR have been fantastic in the past developing specified and tailored training at the request of departments to close out gaps that management teams may have in relation to focal and the 360 degree feedback process. To be frank about it, if they truly understand and can master the 360 element, the rest will be follow nicely. HR has consistently played devil's advocate in our sessions, testing the validity of the messages and the data that supports them. They ensure that managers understand the implications of delivering an inappropriate message for the data that they have.

Q19. Do you think that 360 degree feedback process should be used in assessing employee performance?

Denis: I do actually, I think at times it's a pain as its extremely time consuming, but after saying that, I do think it's one of the best processes for gathering information. In my opinion it seems the fairest as it gives a holistic review of employees from all angles. We are working for an organisation that demands high output and continuous improvement consistently, therefore we need a dependable process that will provide dependable data. It seems to me that 'what is valued gets measured and what gets measured gets done'! Therefore it seems a very frank and valid process as it seeks information from all angles. It helps managers review 3 main elements of data, what have they learned, what measure you can put on it and the impact of it. I think for it to work though along with the training, it really needs time and effort from mangers, from highest level down. This thing of doing it once a year is not on, you can't get valid data like that, you miss very important aspects of what a person has done in that time. The key to the success is that it is completed in our department 4 times per year. At least when the managers meet we can aligned ourselves on what is valued and what is not and position our employee so they amend their IMBO's (Individual Management by Objectives) to reflect it so that when the 360 degree review comes around again, they will have closed or in the process of closing gaps which they had instead of waiting an entire year!! That is just nuts and not workable the data is just not valid data at that stage.

Probe: Is it conducted 4 times per year across the all departments?

Denis: Oh gosh no, there are only a number of departments doing it 4 times per year, however it is conducted twice yearly at a minimum?

Probe: Do you think that is sufficient?

Denis: Possible, however I think 4 times is better!!! I am biased though!!!! We were the first department to implement it four times per year, some don't agree with me and feel it's over kill and it is a huge increase in workload for managers. You see I think it helps managers in the long term and ensure fewer appeals afterwards as employees are getting input from managers very regularly and officially from their supervisor.

Catherine: Thank you so much for your time today; it seems we have gone over time. I know your time is very previous and I appreciate that you have taken time out to help me with this research.

Denis: You are more than welcome, I enjoy the questions and all the added questions (ha ha) to be honest and would be happy if you have any further questions just give me a shout or send me a quick email. I can meet again if you need it also, no problem!

Catherine: Thanks Denis, hopefully I have sufficient information, you never know though I could be back with more questions.....you know me I can't help myself!

Anyway, chat soon and thanks again.

ADDITIONAL REFERENCES

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