

Full Length Research Paper

Effectiveness of the 360-degrees appraisal tool in human resource practice in Kenya

Tarus Benjamin Kipchumba

Kapsabet, P. O. BOX 765 - 30300, Kenya
Corresponding author E-mail: tarusbk@gmail.com

Received July 19, 2012

Accepted November 4, 2012

Given the complex nature and competitive environment under which they operate, organizations are faced with problems of demotivated staff and rivalry resulting in poor performance with feedback being the major constraint. This paper examines the effectiveness of 360-degrees appraisal tool in Human resource practice and how it affects the perceived usefulness, based on a study of the Municipal Council of Nakuru. The study targeted employees from 8 departments with a total population of 1062 employees but it employed 282 respondents. Stratified sampling technique was used on the basis of departments for employees. To select specific respondents among employees, purposive sampling technique was used. The data obtained was coded and analysis was done using central tendency, bar graphs, percentages and Chi-square. The study findings revealed that the 360 degrees affects organization performance, which suggests that there is a significant relationship between the organizational use of 360 degrees appraisal tool and its performance. The study recommends that the organizations evaluate the outcomes of 360 appraisal tool and compare with the past tools. It would be beneficial to incorporate 360 feedbacks into a larger performance management process, but only with clear communication on how the 360 feedback will be used. The study contributes largely to the improvement of performance in local authorities by ensuring that the activities identified take into consideration the needs of the authorities and individuals. Its findings and recommendations are also important to the management when planning for performance appraisal sessions as well as in reviewing individual performance. The study also sheds light on the strengths, weaknesses and opportunities of the 360 degrees feedback system.

Keywords: Effectiveness, 360-Degrees Appraisal Tool, Human Resource Practice, Kenya

INTRODUCTION

Research into performance appraisal has received continued attention over the years from both scholars and practitioners as they seek the most effective method of performance appraisal. Although the use of performance appraisal has increased over the last few decades, the practice of formally evaluating employees has existed for centuries. As early as the third century A.D., Sin Yu, an early Chinese philosopher, criticized a biased rater employed by the Wei Dynasty on the grounds that “the Imperial Rater of Nine Grades seldom rates men according to their merits but always according to his likes and dislikes” (Patten, 1997, p. 352). Systematic employee appraisal techniques came into prominence just after the end of World War I. During the War, Walter Dill Scott succeeded in persuading the United States Army to adopt ‘man-to-man’ rating system for

evaluating military officers, although formal performance appraisal probably began in the United States in 1813 (Bellows and Estep, 1954) when army General Lewis Cass submitted to the War Department an evaluation of each of his men using such terms as ‘a good-natured man’ or ‘knave despised by all’ (Murphy and Cleveland, 1995, p. 3).

Performance appraisal has been around for a long time. It was not originally developed for the civilian workforce. It was developed in the Army. One of the earliest recorded efforts at appraising job performance incurred an unlikely organization, the U.S. Army (Cadwell, 1995, p. 23). Not long after that, some other branches of the government began implementing formal evaluations which are now known as performance appraisals. By the early 1900s,

the private sector began tracking employee performance through an appraisal system. The first formal evaluation process in private business is thought to have been initiated in 1913 by Lord and Taylor, a New York department store (Cadwell, 1995, p. 24). The nature of employee appraisal has evolved and changed since the early days in the Army. Current appraisal systems can be very costly to implement and there is often a lack of employee support. Performance appraisal has developed over the course of the century into a complex and costly management support tool (Daley, 1992, p. 39). What exactly involved in the performance appraisal process?

The Concept of 360-Degrees Feedback

The 360-degrees review, also referred to as 360-degrees performance assessments or multi-rater feedback, is a method and a tool to provide employees feedback from their peers, co-workers, clients, those who are direct reports, and direct supervisors, thereby offering multiple perspectives of the employee's overall job performance. Most 360-degrees feedback tools include the employee's self-review; hence the "full-circle" meaning behind the name. The results are tabulated and shared with the employee. Ideally, this type of assessment helps the employee gain a better understanding of her/his skills and behaviours as they relate to the organization's mission, values, goals and vision. Additionally, this feedback is geared to assist each employee in understanding her or his strengths and weaknesses, and can contribute insights into areas of work that may need professional development. The feedback is viewed as useful in defining the skills and behaviours needed to exceed client/customer expectations. The results from 360-degrees review are often used by the person receiving the feedback to plan their training and development. The results are also used by some organizations for making promotional or pay decisions. The 360-degree feedback process offers a unique opportunity for employees at all levels to discover how their work colleagues perceive and are impacted by their behaviour.

Need for Effectiveness of Appraisal Tool

Many organizations are faced with various challenges as they endeavour to achieve their mission and vision. Human Resource provides the much needed skills and expertise to accomplish various tasks. It is important for managements to ensure that they have motivated workforce who enjoy job satisfaction to ensure maximum quality productivity.

The human inclination to judge the appraisal process can create serious motivational, ethical and legal problems in the workplace. Without a structured

appraisal system, there is little chance of ensuring that the judgments made will be lawful, fair, defensible and accurate. There is a basic human tendency to make judgments about colleagues at work as well as about an appraisal, which seems, inevitable and universal. In the absence of a carefully structured system of appraisal, people tend to judge the work performance of others, including subordinates, naturally, normally and arbitrarily.

The Human Resource department designs a performance appraisal method in order to check what the competencies are and how they are displayed by the employee during his/her job. Then a comparison is made between the competencies that the direct boss of the employee was looking for and the competencies being displayed by the employee in his/her job. This provides the gaps and missing links which should be addressed by training. The degree to which these competencies are required in performing a job also matters a lot.

It can be noted that performance appraisal has resulted into rivalry, demoralization and even poor work performance. The author therefore recognizes the significance of organizations having a structured 360 degrees Performance Appraisal system. This paper explores the factors affecting implementation and use of the 360-degrees feedback system in performance appraisal.

Importance of 360-Degrees Performance Appraisal Tool

Whereas there might be some negative feelings associated with traditional top-down performance appraisal, there can be numerous benefits stemming from a 360-degree performance appraisal system. "The 360-degree feedback serves as a key relationship building tool that organizations can use to enhance team processes and work interrelationships" (Tornow, 1993, p. 85). When co-workers can be open with each other and hold each other accountable for performance and productivity then the working relationships improve and the productivity will thus improve. And not only will the relationships between the workers and managers improve but as they improve and get stronger, the employees morale will also improve. When implemented properly, subordinate appraisal systems enhance worker job satisfaction and morale (Bernardin, 1986, p. 421).

The 360-degree appraisal also can help the employee or manager discovers their own strengths and weaknesses. Through feedback employees are able to see where a co-worker excels. They can also see where the person needs to improve. "The 360 degree feedback can have enormous power perhaps more than any other technique to bring an individual's shortcomings to his attentions and confirm that areas of perceived strengths are actual and recognized strengths" (Grote, 1994, p.

292). The depth of the 360-degree process gives it greater validity and reliability. The objectivity and the anonymity of the raters will help to defend the organization.

Another benefit of 360-degree appraisal is the relative low cost of implementation. Compared to bringing in an appraisal company from the outside or developing an assessment center approach, the cost is really quite minimum. "The costs of installing, maintaining, and monitoring a subordinate appraisal system for managers is minimal relative to the costs incurred in with developing an in house assessment centre or contracting out for the service" (Bernardin, 1986, p. 433). So there are numerous reasons an organization should think about employing a 360-degree appraisal programme. In addition to having an effect on employee performance and productivity, the process can effect managerial performance as well.

The 360 performance appraisal system has the potential to positively effect on the performance and productivity of managers and supervisors. Managers need sources of appraisal additional to their superiors. "The 360-degree approach recognizes that little change can be expected without feedback and that different constituencies are a source of rich and useful information to help managers guide behaviour" (London and Beatty, 1993, p. 354). With this type of appraisal, the managers will start to have better morale themselves and will develop better communication skills with their subordinates as well as with their superiors. Just like the development of the employees, managers can also take advantage of the differing sources of feedback about their productivity and make positive changes. The 360-degree appraisal can help assess the strengths and weakness of the manager. If a manger has been made aware of some of his own managerial shortcomings ... his ability to communicate should be improved and his faith in his own managerial abilities should be strengthened (Rowland, 1970, p. 303).

The employees can also benefit when a manager has undergone a 360-degree appraisal. Organizational commitment and productivity may increase when the employees feel the 360 appraisal taken is seriously. Ideally, subordinates will start noticing the manager's behaviour more as a result of the 360-degree appraisal. "Upward feedback leads to subordinates perceiving positive changes in the boss's subsequent behavior" (Reilly et al., 1996, p. 600). A possible result of the manager's changed behaviour is a stronger working relationship between the manager and the subordinates. Just as the validity of 360 appraisals is higher than traditional top-down appraisal concerning subordinates, the validity is higher with managers as well. "Subordinate appraisals have shown a higher validity for predicting managerial success than assessment center performance" (Schultz and Schultz, 1994, p. 170). Atwater et al. (1995) have found that "input

from subordinates was effective in eliciting modest changes in managerial behaviour" (p. 36).

London and Beatty (1993), while agreeing that mixing development and appraisal purposes is problematic, conclude "using feedback for development only can impede the effective use of the results unless there is a requirement for the manager to be responsible to the feedback" (p. 367). Despite the relatively simple technology in using the 360 degree, its costs for the company are potentially much higher than expected. First, there seems to be some agreement that 360s are not a one-shot deal, but must be used consistently over several years (DeNisi and Kluger, 2000; Snader, 1997). Second, using the simpler structured instruments that Centre for Creative Leadership puts out (\$195 per assessee) can defeat the developmental purposes because the feedback and interpretation is too difficult (i.e., comparative results are complicated by a variety of situation-specific factors (Ghorpade, 2000). On the other hand, constructing a custom instrument that is specific to the performance requirements for the company demands significantly more time and money to develop. Finally, the best way to overcome the interpretation of results problem is to invest in consultants or at least invest time from support people to deliver and consult with target managers.

Validity and Reliability of 360-Degrees Performance Appraisal Tool

Most employees are going to accept the results of an appraisal tool if they consider it valid. Validity refers to the notion that the appraisal is accurately tied to the performance of the individual. The validity of an appraisal tool is a matter of its job relatedness, it is the question of whether the performance appraisal system accurately assesses and reflects a person's true performance (Fleener and Scontrino, 1982, p. 20). If the employees perceive that the system is not valid, then they will lose faith and not trust the manager or the appraisal tool. The loss of faith and trust eventually leads to decline in productivity. If the appraisal tool is valid, the employees who receive high performance ratings are in fact the best performers and those employees who receive the lowest ratings are actually the poorest performers (Fleener and Scontrino, 1982, p. 70). According to Cascio (1995, p. 277), the five components that must be present in any performance appraisal system are: 1) Relevance, 2) Sensitivity, 3) Reliability, 4) Acceptability and 5) Practicality.

Relevance refers to a correspondence between the elements identified as critical to job performance and performance standards refers to the extent to which the appraisal instrument can distinguish between good performance and poor performance. Reliable instruments

result in similar scores under similar conditions. It is the extent to which the process is accepted by supervisors and employees. The criterion used in the appraisal process is a big determinant of the validity of the appraisal process. If a manager is able to insert his/her bias into the appraisal then validity decreases. The more subjective the rating criterion the easier it is for the raters' biases to enter into his/her evaluation (Fleenor and Scontrino, 1982, p. 70). The appraisal system needs to be as objective as possible to eliminate bias on the part of the supervisor.

The courts have ruled on what exactly constitutes an objective performance appraisal. Case law outlines six criteria for constructing objective performance appraisal systems and they include: job analysis, work behaviours, communications, training, documentation, and monitoring combine to guide the development of systems capable of appraising performance (Daley, 1992, p. 40). If an organization constructs an appraisal system that has at least these six objective criteria, the courts and the majority, if not all, the employees should consider the system a valid appraisal of productivity and performance. Sometimes objective measures are not enough. Some managers are sceptical with the appraisal process. Managers that do not have a lot of self confidence just give all employees a satisfactory grade. The managers fear making enemies if they give a true rating that is below satisfactory. Rather than confront their less effective subordinates with negative feedback in appraisal interviews and below-average salary increases, some supervisors take the easy way out and give average or above-average ratings to inferior supporters (Cascio, 1995, p. 277).

When managers fail to make tough decisions, employees often lose confidence in the validity of the appraisal system. Furthermore, if an employee knows that he/she has been slacking off and doing marginal work and yet receives an above average rating, they will not improve and as a consequence the organization, and the employee, will suffer for the lack of productivity.

The results from 360-degree appraisal are wider in scope possibly leading to greater validity and reliability. In addition, management and the employees are more likely to trust a 360-degree programme for gauging their productivity. It also reflects not only what the manager has observed from the employee but also what peers and co-workers have seen as well. This wider scope can give the process more validity. The most valid appraisal systems are those in which more than one rater is used (Bernardin and Beatty, 1987, p. 69). The manager and the employee sit at the appraisal meeting and discuss the results of the appraisal. They pinpoint the strengths observed and what can be done to improve the areas of weakness. The results are greater commitment and worker satisfaction from the employee and management. The employee feels that the organization cares about the development of the employee not only in the work place

but also as a person. The supervisor gains confidence in leadership skills while playing a "coach" role rather than a "judge" role. As programmes of 360-degree feedback develop overtime, they tend to create an environment where feedback is regarded as less threatening to all employees and as a valued tool for individual and organizational development especially as employees and managers become familiar with the process and see its effects on managerial and organizational development (London and Beatty, 1993, p. 370).

The Effects of 360-Degrees Performance Appraisal

Fletcher (1997) has found that 80% of organizations report dissatisfaction with their appraisal processes. However, "effective performance appraisal systems help to create a motivated and committed workforce" (Boice and Kleiner, 1997). In many organisations, performance appraisal is not used to guide development. In general terms, a line manager may meet with an employee once per year to review a performance appraisal form, often without input or self appraisal from the employee being appraised. Once the form is complete, it is often used by senior managers to determine remuneration (bonus/salary) or promotion. This decision is then communicated to the employee, questions are answered, and the appraisal is concluded (Kirkpatrick, 2006).

In this approach, little or nothing is done to communicate organisation, work group, or individual objectives; discuss employee levels of key knowledge, skills or abilities; or identify areas for personal development in line with these needs and objectives. There is a general agreement that the same approach should not be used for appraisals linked to salary decisions and those linked to performance improvement; one is a backwards looking exercise examining past performance to determine future financial reward, the other is a forward looking exercise to determine objectives and support required to meet these objectives, the prior often being a 90% management driven activity, the later ideally being a process with 50/50 employee/manager input (Kirkpatrick, 2006). There are several faces of the performance appraisal process currently in use that are intrinsically linked to motivation; job satisfaction, and the design and measurement of work undertaken. A performance appraisal process should be seen as an 'energizer of behaviour', providing rather than reducing motivation which is seen as inextricably linked to job satisfaction. Vroom (1964) introduces the first of several process based approaches to motivation.

'Expectancy' may be described as the belief that efforts will result in performance; 'Instrumentality' may be described as the belief that performance will have a reward and 'Valence' may be described as the value an individual places upon the reward (Furnham, 1997). The

level of individual motivation is suggested to be contingent upon the interaction of these three cognitions. The use of 360-degree performance appraisal includes performance ratings of from the appraisee, managers, colleagues and often customers. Although 360-degree appraisal has many advantages, due to its complexity, and financial/time cost when used on a large scale; it is not suggested as best practice in this instance.

According to Grote (1996), although it is often overlooked, it is considered essential that those using performance appraisal instruments and conducting interviews are trained to do so (cited in Fink and Longenecker, 1998). Any rating scale used should be carefully designed to reduce sources of error such as central tendency error whereby a rater tends to mark at the centre of the scale (3 out of 5, for example) across the board regardless of actual performance. It is for this reason, note Pearce and Porter (cited in Jewell, 1998), that the use of any five-point rating scale in an appraisal instrument is considered poor practice and may lead not only to misleading overall ratings of performance, but to issues of rater's perceiving being rated as 'satisfactory' as negative.

According to Murphy et al. (1986), in order to overcome these issues and that of the regency effect where recent events carry undue weight during the appraisal or influence recall of previous behaviours, it is best practice to keep and refer to performance records (cited in Jewell, 1998). Crane (cited in Boice and Kleiner, 1997) asserts that carefully maintained records allow for employee behaviour patterns to be noted that may not be evident in day-to-day supervision. Giving employees responsibility for the keeping of some of their own performance records can also reinforced the personal development focus of the appraisal process (Boice and Kleiner, 1997). Imposing an audit process where senior management checks such records and compares them to performance appraisal ratings acts as an additional safeguard against rater error and bias.

Although performance appraisal is an incentive for production, for innovation, for adequate accountability and reinforces an organization's external orientation, there is another side of the coin (de Bruijn, 2002, p. 21). Performance Appraisal creates a large number of perverse effects as well. This has been greatly evident in small societies.

Limitations of the Study

The inaccessibility to highly classified information, which included reports, inspection findings among others and their recommendations, inhibited the author's access to information that was vital to the study. Other limitations included withholding of vital information by respondents for fear that their responses would indicate the weakness of the organization in feedback response and communi-

cations break down. To overcome these challenges, the author assured the respondents of the ethical considerations, that the information provided by them was purely for academic purposes and anonymity

MATERIALS AND METHODS

The study applied a survey research design because it was an intensive descriptive and holistic analysis of the Municipal Council of Nakuru (MCN) as a single entity. It was an investigation of a single entity in order to gain insight into the larger cases. Data was collected from employees and management of MCN. The sample covered a target population of 282 employees who included employees from 8 departments with a total of 1062 employees over a period of one month. The author used stratified, purposive and simple random sampling techniques. The stratified sampling technique as used to select employees from various departments that was included in the sample. Data was collected using questionnaires was analyzed by use of different methods. The author administered the questionnaires personally to all respondents. The author preferred to administer the research tools personally to ensure the right data was collected from respondents in time. Doubts the respondents had was clarified on the spot and the author got an opportunity to motivate respondents to respond to the research tools. The questionnaires was left for a day and then collected for analysis by the author.

Both quantitative and qualitative methods of data analysis were used, including the Statistical Package for Social Sciences (SPSS). Quantitative data was tabulated and analyzed using simple frequencies and percentages generated by the Scientific Package for Social scientists (SPSS). The data collected was cleaned and coded appropriately then entered into SPSS for generating the statistics for analysis. Descriptive statistics mainly frequencies, percentages and cross tabulations was generated. Data was then presented in form of tables descriptively in chapter four. On the other hand, coding categories was developed as a way of organizing qualitative data to be collected according to particular research questions. This involved: (a) going through the data and numbering them sequentially; (b) carefully searching through the data for regularities and patterns related to the research questions which the study intends to answer; and (c) writing down words and phrases to represent regularities and patterns.

RESULTS

Usefulness of the 360 Degrees Appraisal Tool

For a tool to be effectively used, the employees

Table 1. Advantages of using 360 Degrees

Advantages	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
Complete and objective	36	16.4	36	16.4	36	16.4	35	16	76	34.8	219	100
It is participative other than individualistic	13	5.9	35	16	33	15.1	32	14.6	106	48.4	219	100
It enables self development opportunities	14	6.4	-	-	30	13.7	73	33.3	102	46.6	219	100
Self-evaluation about strengths and weakness	-	-	2	0.9	-	-	77	35.2	140	63.9	219	100
Stakeholders increases accountability to employees.	-	-	-	-	1	0.5	85	38.8	133	60.7	219	100
Gaps are understood by employees.	-	-	9	4	1	0.5	61	27.9	148	67.6	219	100
Greater accuracy is achieved through 360	-	--	11	5.0	10	4.6	78	35.6	120	54.8	219	100
Comments are put in practice by employees and stakeholders	-	-	15	6.8	-	--	118	53.9	86	39.3	219	100

and management should perceive it as useful and brings benefit to them as an organization and this is why the study sought to establish the perceived usefulness of 360 degrees as an appraisal tool. The study findings in Table 1 reveal that majority 50.8% of the respondents agreed that 360 degrees method of appraisal is beneficial to the council as compared to 49.2%. The respondents with 63% agreed that the tool is participative other than individualistic, 79.9% of the respondents applauded 360 degrees as self evaluation tool, 99.1% argued that the tool increases accountability to employees and stakeholders, 95.5% agreed that it enables employees to understand the gaps left, 90.4% reveal that it provides greater accuracy while 93.2% agreed that its comments are normally put in practice by the employees, management and stakeholders. This implies that the benefits accrued from 360 degrees enhances productivity, promotion, better wage and salary administration and provides areas for development of both employees and management. Consequently, it enables both the employees and management to work towards attainment of organizational goals since each group appraises one another. The tool is a self evaluator and therefore each employee within the council strives to achieve the highest result thus innovation and creativity. With greater accuracy in work performance, the council will be able to maximise on profitability and minimise on costs thus embracing the continuous improvement. The implications to the management are that the more the employees know the benefits the more they embrace and will create an environment conducive to the same.

From the findings 93.2% of respondents agreed that using 360 degrees performance tool results to high quality of work as compared to 6.8%. This implies that best practices in human resource

are achieved and therefore the feedback rating increases motivation in work place and team building. In terms of accuracy, 99.5% indicated that it aids reliability since each employee in the organization is rated equally and therefore it promotes attainment of organizations vision. Consequently, 71.7% of respondents agreed that with 360 degrees being used the organization achieves better decision making because of feedback ratings. This therefore reduces top level managements decisions that are biased towards negative appraisals. A further 83.6% alluded that the tool enables organization to achieve results has required because employees fear of rankings during appraisal and therefore they strive to meet their targets thus higher productivity which in turn raises profitability.

The tool also increases commitments for team's goals towards high performance and unity of work within the organization and it is realised by 92.7% of respondents compared with 7.3%. Respondents also agreed with 69.3% that with proper utilisation of 360 degrees appraisal tool the organization is able to embrace innovation and creativity and therefore enhancing new ideas, new products and new methods of management. The management are able to benefit from the exercise as the quality of work improves.

The findings clearly indicated that employees in Municipal council of Nakuru are hardworking and are working towards ensuring that the organization always perform high quality work, accurate, attack problems in logical manner, make sound decisions, achieve good results, handle multiple tasks, demonstrate commitment, actively support teamwork, cooperate with other employees, resolve differences fairly, communicate clearly to others, be creative, exercise patience at work, be honest, share information with others, develop

Table 2. Importance of 360 Degrees in Organizational Performance

	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree		TOTAL	
	Freq	Per %	Freq	Per %	Freq	Per %	Freq	Per %	Freq	Per %	F	%
Importance of 360 degrees appraisal tool												
Clear business objectives	14	6.4	68	31.1	16	7.3	63	28.8	58	26.5	219	100
Employees contribution success	14	6.4	42	19.2	12	5.5	81	37.0	59	26.9	219	100
sharing of business strategies	68	31.1	81	37.0			16	7.3	54	24.7	219	100
sharing business results	36	16.4	55	25.1	40	18.3	87	39.7			219	100
Clear set of values	28	12.8	16	7.3	50	22.8	82	37.4	43	19.6	219	100
Measurement of performance against objectives	14	6.4	14	6.4	12	5.5	138	63.0	40	18.3	219	100
Feedback from clients	14	6.4	1	.5	1	.5	102	46.6	86	39.3	219	100
Improvement of products and services	35	16.0	30	13.7	11	5.0	99	45.2	44	20.1	219	100
Employee performance feedback.	50	22.8	57	26.0	26	11.9	56	25.6	29	13.2	219	100
Recruitment and selection	90	41.1	56	25.6	31	14.2	15	6.8	26	11.9	219	100
Improved communication	49	22.4	37	16.9	15	6.8	88	40.2	30	13.7	219	100
Motivation of employees	49	22.4	52	23.7	1	.5	72	32.9	44	20.1	219	100
Non performance measures	49	22.4	73	33.3	15	6.8	67	30.6	15	6.8	219	100

workable plans and goals, keep promises, be accountable, work with customers, have good relationship, help others when requested and respond quickly to customers' needs. It was thus concluded that employees in the council are working towards ensuring that performance of the organization improves. The implication of this to management is that the employees are motivated to perform at the workplace.

Importance of 360 Degrees Appraisal Tool in Organization Performance Management

The employees were asked to state the importance of 360 degrees as an appraisal tool in relation to organization performance and from the findings; 28.8% agreed that it makes organization have clear business and operational objectives, 37% agreed that understand their individual contribution, 63% agreed that management is able to measure performance against objectives, 46.6% agreed that management is able to seek views from clients in order to improve their services, 40.2% agreed that it enables management communicate effectively with employees and 37.9% agreed that it enables employees be certain of organization future performance (Table 2). This implies that organizations that have utilized the appraisal tool have gained a lot of advantages in terms of employee motivation which is a determinant of performance.

On importance of 360 degrees in organizational perfor-

mance from Table 2, it is clear that Feedback from clients is among the benefits of the feedback as shown by 85.9% of the respondents who Agreed and strong agreed ,the other usefulness was the measurement of performance against objectives of which 81.3%agreed and strongly agreed, others said that improvement of products and services were important as shown by 65.3% of the respondents that agreed and strongly agreed, yet other gave employees contribution on success being key as shown by 63.9% of the respondents that agreed and disagreed, others said improvement of products and services which comprised 65.3% that agreed and strongly agreed and others saying motivation of employees was also important aspect of 360 degree feedback as shown by 53% of the respondents. It can be interpreted that the importance of this appraisal will eventually benefit the organization which will promote its implementation. The implication to the management therefore is that management will have created an environment conducive to make employees productive.

The importance of 360 degree method of appraisal according to employees is that: it enables organizations have clear business and operational objectives, enables council management measure the performance against organization objectives that were set, the views of clients can be incorporated to improve services delivery, improves communication effectiveness and also employees can be able to predict organization future performance and thus be secured. It was concluded that 360 degrees plays a greater role in organization

Table 3. Criteria for Work Recognition

Criteria	Frequency	Percent
Cash generated	60	27.4
Coming work early	32	14.6
Job output	52	19.1
Commitment to work	85	38.8
Total	219	100.0

Table 4. Uses of 360-Degree in Organization Performance

Factors measured	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree		TOTAL	
Set clear, specific goals	4	1.8	7	3.2	11	5	96	43.9	101	46.1	219	100
Establish measurements to determine outcomes and results	14	6.4	53	24.2	29	13.2	97	44.3	26	11.9	219	100
Evaluate the degree to which outcomes and results were achieved							110	50.2	109	49.8	219	100
Determine based on performance, what increase or bonus is due	2	.9	22	10	24	11	76	34.7	95	43.4	219	100
Identify, the skills, competencies, behaviours, and practices needed to successfully achieve goals, outcomes and results					11	5	71	32.4	137	62.6	219	100
Measure proficiencies in skills, competencies, behaviours and practices	8	3.6	3	1.4			91	41.6	117	53.4	219	100
Assess where improvement is needed to achieve desired results							120	54.8	99	45.2	219	100
Create targeted development plans that increase capabilities and performance	1	.5	7	3.2			120	54.7	91	41.6	219	100
Assess what environment will bring out the best results from individuals and teams	4	1.8					99	45.2	116	53	219	100

performance. This has crucial implications to the management as far as motivation is concerned.

Effectiveness of 360-Degrees Tool in Human Resource Practice

The variables that aid in changing the organizational performance in both positive and negative need to be evaluated and its effectiveness established. In this respect, the study sought to find out effectiveness of 360-degrees as an appraisal tool.

Rewards and Recognition for Performance

Employees need to be motivated in either financial or non-financial ways. The study aimed at establishing whether or not Municipal Council of Nakuru recognizes and rewards good and improved performance. The findings show that 67% of respondents revealed that the

council rewards employees with good performance while 33% of them argued that the practice is not adopted in the Council. This implies that the Council, to a great extent, has embraced employees' participation in management and, therefore, values the success and failures of the council. By providing incentives to employees, the Council shows commitment and the vision that it is moving towards the right direction since employees feel that they are part and parcel of the organization. Employees will likely be able to improve the productivity levels, quality products, innovativeness and creativity. This makes the management to institute strategies that motivate employees to be creative hence productive.

After establishing that the organization rewards employees, the study further sought to find out the criteria used and from findings in Table 1, most of them (38.8%) agreed that it was through commitment to work, 27.4% argued that it was monetary, 14.6% agreed that it was through early reporting to work while 19.1% argued that recognition was by job output. This reveals that the

Council recognizes employee performance based on commitment to work unlike in monetary value which is an indicator of ownership of the institution. The implication of this to the management is that it will make employees to develop psychological contract and be more committed to work.

Recognition of Good Performance

Various methods of work recognition was realised in Nakuru Municipal Council. The study results from Table 2 revealed that 39.3% of the respondents agreed that it was through promotion that the council recognizes performance, 35.2% alluded that pay rise is the best method, while the rest argued that it is through scholarships and awards. This implies that Nakuru Municipal Council rewards its employees through promotion which increases competency and commitment to work. This has made a promising breakthrough in leadership and therefore it will remain as a rich source of new ideas. The implications of this to the management are that it will be able to know what make employees to be more committed.

Impact of Recognition on Performance

It was deduced that the majority (63%) of respondents agreed that boosting work morale is the main impact on performance recognition while 27% agreed that giving employees targets is the best solution. Arising from this, it can be concluded that recognition boosts employees' morale to improve performance.

Use of 360-Degree in Organization Performance

The study sought to establish the use of 360-degrees as an appraisal tool, 90% agreed that it enables setting of clear and specific goals, 56.2% felt that it enables organization have measurement to determine the outcomes, 100% agreed that it enables determination of degree at which outcomes were achieved, 95% agreed that it enables identification of skills, competencies and behaviours to as to achieve goals, 95 % strongly agreed that 360-degrees measure proficiency and skills in practices, 100% agreed that it enables assessment of where there is need for change, 96.3% agreed that 360-degrees can create development plans that increase capabilities and performance and 98.2% agreed that it assesses environment that brings the best from everyone.

It was thus concluded that the 360-degrees as appraisal tool can be used to come up with clear goals, measure degree of outcomes, identify individual skills, measure proficiency and skills, detect where there is

need for change, create development plans and also assess the environment to bring out the best in every employee.

It thus means that 360-degrees appraisal is a crucial tool in achieving good performance. The implication to the management is that it will be able to know the role of 360-degree to the operations of the organizations.

Employees' Involvement on Performance Appraisal

Employees were asked to indicate the ways in which the organization ensures that employees are involved in performance appraisal and most of them (44.3%) agreed that they were involved through opinions. It was revealed that the Council ensures employees' involvement through asking for their views about performance appraisal. A high number of employees who did not respond could be because they were not involved in performance appraisal. The implication to the management is that it will be able to have a variety of ways of involving employees and the one which method brings the best potential.

Effects of Employees' Involvement in 360-Degrees

It was also important to establish the way in which employees' involvement in appraisal affected their work. From the findings, 18%, 23.7%, 18.3%, 16% and 23.7% agreed that it encourages commitment, makes employees happy and satisfied, improves transparency, gives them a sense of belonging and creates realization of talents. This shows that employees' involvement affects the way they work and thus should be ensured that they are involved in order to improve performance of the organization. This should be captured by 360-degree feedback. The management can be able to know the greatest effect of employee involvement in appraisal and be able to capitalize on them.

Relationship between 360 Degrees and other Forms of Performance Appraisal

Use of 360 degrees is a new appraisal tool, before adoption of there must have been other tools in use and thus the study sought to establish if there was any relationship.

Procedure Followed in undertaking 360 Degrees Performance Appraisal

When employees were asked to indicate the procedure followed in undertaking 360 degrees appraisal tool, 20.5% agreed that they determined what sort of feedback

Table 5. Benefits from using 360 Degrees Appraisal Tool in Management

Benefits of 360 degrees	Yes	
	Freq	Per
Improved a well-rounded feedback from a variety of sources	33	15.1
Team development	49	22.4
Personal and organizational performance.	43	19.6
Training needs assessment	45	20.5
Avoid discrimination	49	22.4
Total	219	100.0

was required and if possible they developed tools to capture the information, 26.5% agreed that they taught people the use of the tools first, 28.3% agreed that they taught employees how to give performance feedback and 25.1% agreed that it was also necessary to teach employees how to use feedback and how to follow up to their subordinates and customers. The findings mean that the organization ensured that various stakeholders understand about the use of 360 degrees appraisal too and how it helps the organization. The implications to management is that they will be able to know the procedure followed in undertaking 360 degrees performance appraisal will make them to get the best from the employees.

Benefits from using 360 Degrees Appraisal Tool in Management

It was found worth to establish the benefits of 360 degrees appraisal tool and from the findings (15.1%) agree that it contributes towards improved and well-rounded feedback from a variety of sources, (22.4%) agreed that it encourages team work, (19.6%) feel that it encourages personal and organizational performance development, (20.5%) agree that 360 degree provides training assessment and (22.4%) agree that the appraisal tool ensures that feedback comes from different sources and thus a rounded feedback .

From this study results, it was summarized that 360 degrees performance appraisal tool help organization to be able to; have information from various sources within short period, enable team development, catalyze department and organizational development, encourage training needs assessment and also enable every employee participation. This could mean that 360 degrees as a performance appraisal tool helps organization management positively. The implications of this will ensure that organizations will maximize the benefits.

DISCUSSION

The depth of the 360-degree process gives it greater validity and reliability hence contributing positively to the

organization if any employee decides to bring suit against it. The objectivity and the anonymity of the raters will help to defend the organization. Numerous advantages of using multiple raters have been cited, such as improved defensibility of the performance appraisal programme from a legal standpoint (Harris and Schaubroek, 1988, p. 43).

This study also agrees with past studies' findings that give a hint on what should be the expected outcome and its findings are presented herein. Some authors maintain that 360 processes are much too complex to make blanket generalizations about their effectiveness (Bracken et al., 2001b; Smither et al., 2005). Smither et al. (2005) suggest that "We therefore think that it is time for researchers and practitioners to ask, 'Under what conditions and for who is multisource feedback likely to be beneficial?' rather than asking, 'Does multisource feedback work?'" (p. 60). Their meta-analysis of 24 longitudinal studies looks at individual and organizational moderators that point to many potential determinants of behaviour change, including positive feedback orientation, positive reactions to feedback, goal setting, and taking action.

Most of the Municipality of Nakuru employees agree that the organization recognizes and rewards good work and the main criteria used according to them is through commitment to work. Those who perform well are recognized by being promoted and this recognition has a positive impact because it boosts employees' morale.

On effectiveness of 360-degrees appraisal tool in Human resource practice, the impact created by the feedback is temporary when there is a lack of action following feedback (Kaplan, 1993; London et al., 1995). This requires accuracy of the tool as emphasized by Dierdorff and Surface (2007) who found that peer ratings are attributable to systematic sources beyond the actual performance of the employee rated. The findings indicate that ratings results are influenced by rating situations in addition to employee performance. The respondents also revealed that the 360-degree appraisal tool enables setting of clear and specific goals, it enables organization have measurement to determine the outcomes, enables determination of degree at which outcomes were achieved, enables identification of skills, competencies and behaviours to as to achieve goals, measures

proficiency and skills in practices, enables assessment of where there is need for change, can create development plans that increase capabilities and performance and can also assessment of environment that can bring out the best from everyone.

From past studies, it is revealed that 360-degree appraisal also can help the employee or manager to discover their own strengths and weaknesses. Through feedback employees are able to see where a co-worker excels. They can also see where the person needs to improve. The 360 degree feedback can have enormous power perhaps more than any other technique to bring an individual's shortcomings to his attentions and confirm that areas of perceived strengths are actual and recognized strengths (Grote, 1994, p. 292). It was thus concluded that 360-degrees as appraisal tool can be used to come up with clear goals, measure degree of outcomes, identify individual skills, it can measure proficiency and skills, detect where there is need for change, create development plans and also assess the environment to bring out the best in every employee. It thus means that the 360-degree tool is crucial in achieving good performance.

Employees were asked to indicate the ways in which organization ensures that employees are involved in performance appraisal and most of them agreed that they were involved through opinions. To further establish the reliability of the statements made, a reliability test was carried out and from its means which were most greater than 3.00. This shows that most of the means were either on the positive or negative side of the scale from the mean which was 3.00. This means that the findings were significant and reliable.

It was also worth establishing the way in which employees' involvement in appraisal affects their work. From the findings the respondents agreed that it encourages commitment, makes employees happy and satisfied, improves transparency, gives them a sense of belonging and creates realization of talents.

CONCLUSION AND RECOMMENDATIONS

The of 360-degrees appraisal tool is important in that employees have clear business and operational objectives, it enables organization know individual contribution to organization, management may be able to measure performance against the set objectives, management may be able to seek views from clients by communicating effectively to them and also the employees may be able to predict organization future performance and be secure of future. The tool also helps organizations in many ways such as setting clear goals, enable organizations to measure the outcome, be able to identify skills, competencies and behaviours, measure the proficiency and skills and also help organization measure the environment that can bring out the best from every employee. Employees are involved in performance

appraisal through giving their own opinions, the involvement of employees in performance helps because it encourages commitment, makes employees happy and satisfied, improves transparency, gives them a sense of belonging and creates realization of talents. It also ensures that rewards and recognition is vital for organizational growth and sustainability. Employees agreed that the Council recognizes and rewards good work and it is done through commitment to work. Rewards are through promotion which enhances employees' performance because it boosts their morale. From the findings and the ensuing discussion above, it is clear that organizations need to evaluate the outcomes of 360-appraisal tool and compare with the past tools. Managers and leaders within organizations use 360 feedback surveys to get a better understanding of their strengths and weaknesses. The 360 feedback system automatically tabulates and presents the results in a format that helps the feedback recipient create a development plan. Managers and leaders within organizations use 360 feedback surveys to get a better understanding of their strengths and weaknesses. According to the employees, 360-appraisal tool is effective but not fully accepted and adopted by organizations. The adoption of 360-degrees appraisal tool can only be effective if the employees understand it. It is certainly possible and can be beneficial to incorporate 360 feedbacks into a larger performance management process, but only with clear communication on how the 360 feedback will be used.

In addition, managements should reward employees whenever they become innovative. This creates an environment of innovation and creativity as it enhances performance. Consequently, employees should be made to challenge management on methods of improving innovation and creativity among other management issues so that decisions made are participatory. The criterion for recognizing rewards creates an environment of high performance workplace and, therefore, organizations should not use promotion as the only way of recognition and rewards since there are other methods like transfers, awards pay rise among others.

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