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# A STUDY ON THE PERCEPTION OF 360 DEGREE FEEDBACK AMONG PRODUCTION MANAGERS OF AUTOMOBILE ANCILLARY UNITS IN CHENNAI

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## ABSTRACT

*360 degree feedback is done anonymously by others and the assessment is collected by an external agent (consultant) or specially designated internal agent (for example the HRD department). Giving and receiving feedback have been foundational to all Performance Management Systems. Conventionally the 'boss' gave feedback to the 'subordinate'. Now for some time, the limitations of such a simplistic use of feedback has been realized, paving way to the emergence of 360-degree feedback system at workplace relationships. The basic objective of this study is to understand the views of Production Managers of automobile ancillary units with respect to 360 Degree feedback system, views on pre-requisites, implementation, benefits and demerits of the system. The study has shown that 360 degree feedback is widely accepted as an effective performance management tool.*

**Key words:** 360 degree feedback, multi-rated appraisal, pre-requisites, implementation, criticism.

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## 1. INTRODUCTION

360 degree feedback is a multi-rater appraisal and feedback system. Almost every Fortune 500 Company is using this in some form or the other. In this system the candidate is assessed periodically (once in a year and sometimes even half yearly) by a number of assessors including his boss, immediate subordinates, colleagues, internal customers and external customers. The assessment is made on a questionnaire specially designed to measure behaviors considered as critical for performance.

The appraisal is done anonymously by others and the assessment is collected by an external agent (consultant) or specially designated internal agent (for example the HRD department). The assessment is consolidated; feedback profiles are prepared and given to the

participant after a workshop or directly by his boss or the HRD department in a performance review discussion session.

Giving and receiving feedback have been foundational to all Performance Management Systems. Conventionally the 'boss' gave feedback to the 'subordinate'. Now for some time the limitations of such a simplistic use of feedback has been realized, paving way to the emergence of 360-degree feedback system at workplace relationships.

Performance obviously depends on how the peers, customers and subordinates view the individual and what they expect of them.

## **2. STATEMENT OF THE PROBLEM**

The 360 degree feedback is understood as systematic collection of performance data on an individual or group, derived from a number of stakeholders – the stakeholders being the immediate supervisors, team members, customers, peers and self. Corporations like General Electric India (GE), Reliance Industries Ltd. (RIL), Crompton Greaves, Godrej Soaps, Wipro, Infosys, Thermax and Thomas Cook are all using this to know everything about their employees as well Production Managers. Thus 360 degree feedback is a system for assessing individual and team performance against defined competencies. It is also used for appraising individual performance and feeding back the results to those people. It is a powerful tool and, if used well, it will lead to improved performance for both individuals and the organization. 360 degree feedback boosts self-confidence, helps Production Managers put more balance into their lives and teaches them to become more effective at work and at home". This research paper presents in detail the opinion of Production Managers employed with automobile ancillary units in Chennai with regard to 360 degree feedback system.

## **3. SIGNIFICANCE OF THE STUDY**

Today, the trend is towards greater transparency and increased participation while evaluating an individual's effectiveness in an organization. 360-degree performance appraisal answers this issue effectively. The researcher makes a study on 360-degree feedback as an effective performance management tool and elucidates the benefits of the system if implemented properly.

In many organizations appraisal systems from other organizations have been copied and implemented blindly without any linkage with organizational requirements and its people's need. But in the 360 degree feedback appraisal is done in a systematic manner , it will contribute to motivation of employees , reveal role of employees, provide scope to express individual views and opinions, recognize talents , placement requirements , training needs and career planning.

360 degree feedback is widely accepted as an effective performance management tool. But if it is not managed properly then it does more harm than benefits. People tend to have problems with 360 degree feedback. It has no privacy , reliability and effectiveness because of the personal biases and grievances of evaluators that creep into feedback. Another most important reason may be a gap between an organization's objectives and 360 degree. There is no surety that an employee will change after getting a feedback. Since employees evaluating their Production Managers is not taken as a good sign , it negatively impacts shareholder's value.

## **4. REVIEW OF LITERATURE**

Performances appraisal system provides information to management about and employee's performance which can be used for succession plan by identifying the people with

potentialities. It helps the management to take administrative decisions such as, pay increase, promotion, placement, transfer and lie off to help supervisors to know their subordinates and give an opportunity to the subordinates to know where they are in front of supervisors and stand with the boss as believed by Thathachary (2000), Latham and Wexley (2001) and Rao (2002).

Research undertaken by Rai and Singh (2012) has also indicated that quite often appraisal system practices are ill designed in most organizations this is mainly due to the fact that existing system is not effective. The reason was being the objective of this system does not need out nor made known to the employees. Many managers view that performances appraisal system occupy too much of their productive time without adequate rewards, quite a few organizations are in search of perfect performance appraisal system for their organizations to promote and inculcate a performance culture among the employees. 360-degree feedback has been linked to several positive outcomes like improved performance, better interpersonal communication, smoother work relationships, etc by Himanshu Rai and Manjari Singh (2012)

In a study of the mediating effects of 360 degree feedback Himanshu Rai and Manjari Singh (2012) empirically examined the mediating effects in the relationship between 360-degree feedback and employee performance with a sample of executives (N=198) working in four organizations in Western India. The results showed that interpersonal communication and quality of working life (QWL) had a complete mediating effect. Leader member exchange quality and perceived organizational support were found to have a partial but significant mediating effect.

In another study conducted by Poongaanam (2017), focus was laid on identifying the appraisal factors which influences and motivates the employees in a positive way and has shown that skill rating as an important factor.

## 5. OBJECTIVES

- To understand the opinion of Production Managers of automobile ancillary units on 360 Degree feedback system.
- To understand the opinion of Production Managers of automobile ancillary units on the pre-requisites for an effective 360 degree feedback system.
- To know the opinion of Production Managers of automobile ancillary units on the implementation of 360 Degree feedback system.
- To elicit their opinion on the benefits and demerits of the system.
- To call for suggestions (if any) to improve the system.

## 6. HYPOTHESES

- H<sub>0</sub>1 : There is no significant relationship between age of Production Managers and their opinion on the measurability of performance.
- H<sub>0</sub>2 : There is no significant relationship between gender of Production Managers and their opinion on contribution of 360 degree feedback system to leadership development.
- H<sub>0</sub>3 : There is no significant relationship between gender of Production Managers and their opinion on reliability of 360 degree feedback system.
- H<sub>0</sub>4 : There is no significant relationship between designation of Production Managers and their opinion on the measurability of performance.

## 7. RESEARCH METHODOLOGY

The current study is done using descriptive design. Descriptive studies aim at portraying accurately the characteristics of a particular group or situation. This study has been conducted amidst production engineers employed with various automobile plants operating in Chennai. Source of data collection include both primary and secondary sources. The tool used for data collection is a refers to the means through which data are collected from the respondent. The tool, which is used for the study, is a non-disguised standardised questionnaire.

### 7.1. Data Analysis and Interpretation

**Table 1** 360 Degree Feedback Helps in Defining Key Result Areas of Production Managers

Response	Frequency	Percent
Strongly agree	15	24.2
Agree	23	37.1
Disagree	19	30.6
Strongly disagree	5	8.1
Total	62	100.0

Key Result Areas are tasks given at the individual level to be completed within the given time frame work based on which his/her performance is measured. Hence, having a well-defined KRA is a must for the employee to perform his/her best.

Employees are given KRAs to perform based on the strategies laid out for the particular year. Nearly three fifth of the Production Managers (61.3 per cent) agree to the statement that 360 degree feedback helps them in defining their KRAs while the others (38.7 percent) disagree to the above statement. Thus from the above table it can be inferred that 360 degree feedback system has an impact on defining the Key Result Area's for the individual.

**Table 2** 360 Degree Feedback is an Effective Tool For Measuring Performance of Production Managers

Response	Frequency	Percent
Strongly agree	24	38.7
Agree	23	37.1
Disagree	15	24.2
Total	62	100.0

In the best practices for implementation of 360 degree feedback, it is suggested to clearly establish and communicate to the individual behaviours that will drive the outcomes and results of the metrics that have been established. This helps to develop standardised approaches for assessing performance on each objective at each performance level.

A little more than three-fourth of the Production Managers (75.8 percent) agree to the fact that 360 degree feedback frame work helps in setting up an effective tool for measuring performance. Thus from the above table it can be inferred that the company had been successful in implementing the right system to assess the performance of the employees.

**Table 3** 360 Degree Feedback System is Used For The Development Of Core Competencies of Production Managers

Response	Frequency	Percent
Strongly agree	21	33.9
Agree	25	40.3
Disagree	15	24.2
Strongly disagree	1	1.6
Total	62	100.0

A Study on the Perception of 360 Degree Feedback among Production Managers of Automobile Ancillary Units in Chennai

360 degree feedback enables an organisation to develop competency models detailing the requirement of various types of competencies, knowledge, skills and attitudes required for successful and superior performance. 360 degree feedback system can help by focusing attention on the employees' competencies and will enable to enhance them.

Nearly three fourth of the Production Managers (74.2 percent) have agreed that 360 degree feedback is used to develop the core competencies of the individual. However, a sizeable proportion of them do not opine so. Thus from the table it can be inferred that the organisation are using 360 degree feedback as a means to meet the challenges and face increased competition by developing the core competencies of the individual.

**Table 4** Reliability of 360 Degree Feedback System is Questionable

Response	Frequency	Percent
Strongly agree	21	33.9
Agree	21	33.9
Disagree	12	19.3
Strongly disagree	8	12.9
Total	62	100.0

One of the common concerns of organisations relating to 360 degree feedback is the reliability of the feedback. More than two third of the population have expressed their concern saying that the reliability of the feedback is questionable. Hence from the table it can be inferred that there is less trust among the employees in the organisations about the reliability of the feedback. This issue will have to be addressed by the HR department to assure that the tool constituted for the purpose is relevant to the Production Managers.

**Table 5** Responses from 360 degree Feedback Tend to be Biased

Response	Frequency	Percent
Strongly agree	7	11.3
Agree	12	10.4
Disagree	25	40.3
Strongly disagree	18	29.0
Total	62	100.0

A little more than two third of the Production Managers (69.3 percent) have opined that the outcome/ feedback received through 360 degree feedback system are not biased. But at the same time a sizeable proportion of the Production Managers (30.7 percent) have not agreed to the statement. Hence from the above table it can be inferred that only two third of the Production Managers have a positive frame of mind towards the tool as regards its objectivity.

**Table 6** Feedback is seen as an Opportunity for Criticism

Response	Frequency	Percent
Strongly agree	3	4.8
Agree	3	4.8
Disagree	35	33.9
Strongly disagree	21	56.5
Total	62	100.0

The above table illustrates the Production Managers' views on 360 degree feedback system being seen as an opportunity for criticism. Majority of the Production Managers (80.4 percent) have disagreed to the above mentioned statement. Only 9.6 percent have opined that 360 degree feedback is seen as an opportunity for criticism. Hence from the above table it can

be interpreted that the Production Managers of the organisations do not see the feedback as an opportunity for criticism.

H<sub>0</sub>1 : There is no significant relationship between age of Production Managers and their opinion on the measurability of performance.

**Table 7** Chi Square Test for Association between Age of Production Managers and their Opinion on Measurability of Performance Areas

Age	Performance areas measured under 360 degree feedback system are clearly measurable		Total	Chi Square Value	P Value
	Agree	Disagree			
Less than 30	14 (53.8 %)	12 (46.2 %)	26 (100 %)	0.26	0.024
More than 30	18 (50 %)	18 (50 %)	36 (100 %)		
Total	32 (51.3 %)	30 (48.4 %)	62 (100%)		

\* Figure in parentheses represents percentages.

The above table has been drawn to understand the relationship between the two variables i.e. the age of the Production Managers and the Production Managers' opinion on the measurability of the performance areas. For the purpose of easy analysis, the age categories have been reorganized as than 30 years one hand and more than 30 years on the other. From the above table we understand that more Production Managers in the age group of less than 30 years (53.8 percent) have affirmed the measurability of the performance areas compared to their counterparts in the more than 30 years category (50 percent). On the whole we find an equitable distribution of responses as regards measurability of performance areas across different age groups of Production Managers.

The results of the Chi Square Test indicate that the said distribution is statistically not significant. Thus, more Production Managers in the lesser age group agree to measurability of performance areas. However this is not statistically significant.

H<sub>0</sub>2 : There is no significant relationship between gender of Production Managers and their opinion on contribution of 360 degree feedback system to leadership development.

**Table 8** Chi Square Test for Association between Gender of Production Managers and their Opinion on Contribution of 360 Degree Feedback System to Leadership Development

Gender	360 Degree feedback system facilitates leadership development		Total	Chi Square Value	P Value
	Agree	Disagree			
Male	36 (67.9 %)	17 (32.1 %)	53 ( 100 % )	0.35	0.035
Female	7 (77.8 %)	2 (22.2 %)	9 ( 100 % )		
Total	43 (69.35 %)	19 (30.65 %)	62 (100 %)		

\* Figure in parentheses represents percentages.

The above table has been drawn to understand the relationship between the two variables i.e. gender of the Production Managers and their opinion on contribution of 360 degree feedback system to leadership development. For the purpose of easy analysis, the response categories for Production Managers opinion on feedback have been re- organized as 'Agree' on one hand and 'Disagree' on the other.

A Study on the Perception of 360 Degree Feedback among Production Managers of Automobile Ancillary Units in Chennai

From the above table we understand that larger proportions of the Production Managers (77.8 percent) in the female category have opined that 360 degree feedback system facilitates development compared to the male Production Managers (67.9 percent). At the same time to understand the statistical significance of the said distribution chi- square has been applied. Accordingly the null hypothesis is there is no relationship between gender of Production Managers and their opinion on contribution of 360 degree feedback system to leadership development.

The results of the Chi Square Test indicate that the said distribution is statistically not significant. More Production Managers opine that 360 degree feedback facilitates leadership development. However there is no relationship between gender of the Production Managers and their opinion on the contribution of 360 degree feedback to leadership development.

H<sub>03</sub> : There is no significant relationship between gender of Production Managers and their opinion on reliability of 360 degree feedback system.

**Table 9** Chi Square Test for Association between Gender of Production Managers and their Opinion on Reliability of 360 Degree Feedback System

Gender	Reliability of 360 degree feedback system is questionable		Total	Chi Square Value	P Value
	Agree	Disagree			
Male	37 (69.8 %)	16 (30.2 %)	53 (100 %)	0.197	0.197
Female	5 (55.6 %)	4 (44.4 %)	9 (100 %)		
Total	42 (67.74 %)	20 (32.26 %)	62 (100 %)		

\* Figure in parentheses represents percentages.

The above table has been drawn to understand the relationship between the two variables i.e. gender of the Production Managers and their opinion on the reliability of 360 degree feedback system. For the purpose of easy analysis, the response categories have been re – organized as ‘yes’ on one hand and ‘No’ on the other.

From the above table we understand that more than two- third of the male Production Managers (69.8 per cent) have affirmed to the reliability of 360 degree feedback system. Compared to a little more than half (55.6 per cent) of the female Production Managers have opine to the statement. At the same time, to understand the statistical significance of the said distribution chi square test has been applied. Accordingly the null hypotheses there is no significant relationship between gender of Production Managers and their opinion on reliability of 360 degree feedback system.

The results of Chi Square Test indicate that the said distribution is statistically not significant. A higher percent of male Production Managers opine that reliability of the feedback is questionable. However there is no relationship between gender of the Production Managers and their opinion on the reliability of the feedback.

H<sub>04</sub> : There is no significant relationship between designation of Production Managers and their opinion on the measurability of performance.

**Table 10** Chi Square Test for Association between Designation of Production Managers and their Opinion on the Measurability of Performance Areas

Designation	Performance areas measured under 360 degree feedback system are clearly Measurable		Total	Chi Square Value	P Value
	Agree	Disagree			
Junior Production Managers	37 (69.8 %)	16 ( 30.2 %)	53 (100 %)	0.053	0.072
Senior Production Managers	5 (55.6 %)	4 (44.4 %)	9 (100 %)		
Total	42 (67.74 %)	20 (32.26 %)	62 (100 %)		

\* Figure in parentheses represents percentages.

The above table indicates the distribution of responses by their designation and their opinion on the measurability of performance areas.

More than half of the Production Managers (55.9 percent) who are Senior Production Managers and less than half of the Production Managers (44.4 percent) who are Junior Production Managers have affirmed to the measurability of performance areas. However, this distribution is not statistically significant.

Based on Chi Square Results, the null hypotheses is accepted and it can be inferred that there is no relationship between designation of the Production Managers and their opinion on measurability of performance areas.

## 8. FINDINGS OF THE STUDY

- Nearly three fifth of the Production Managers (61.3 percent) agree to the statement that 360 degree feedback helps them in defining their KRAs while the others (38.7 percent) disagree to the above statement. Thus from the above table it can be inferred that 360 degree feedback system has an impact on defining the Key Result Area's for the individual.
- A little more than three-fourth of the Production Managers (75.8 percent) agree to the fact that 360 degree feedback frame work helps in setting up an effective tool for measuring performance. Thus from the above table it can be inferred that the company had been successful in implementing the right system to assess the performance of the employees.
- Nearly three fourth of the Production Managers (74.2 percent) have agreed that 360 degree feedback is used to develop the core competencies of the individual. However, a sizeable proportion of them do not opine so. Thus from the table it can be inferred that the organisation are using 360 degree feedback as a means to meet the challenges and face increased competition by developing the core competencies of the individual.
- There is less trust among the employees in the organisations about the reliability of the feedback. This issue will have to be addressed by the HR department to assure that the tool constituted for the purpose is relevant to the Production Managers
- Only two third of the Production Managers have a positive frame of mind towards the tool as regards its objectivity.
- More Production Managers in the lesser age group agree to measurability of performance areas. However this is not statistically significant.
- There is no relationship between gender of the Production Managers and their opinion on the contribution of 360 degree feedback to leadership development.
- There is no relationship between gender of the Production Managers and their opinion on the reliability of the feedback

## 9. CONCLUSIONS

360 degree feedback is widely accepted as an effective performance management tool. But if it is not managed properly then it does more harm than benefits. People tend to have problems with 360 degree feedback. It has no privacy, reliability and effectiveness because of the personal biases and grievances of evaluators that creep into feedback. Another most important reason may be a gap between an organization's objectives and 360 degree. In order to achieve global standards of performance the employees need to be constantly reviewed and monitored. This study has aimed to understand the opinion of Production Managers of automobile ancillary units on 360 degree feedback system and has shown that it is an effective tool.

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