A Relational Analysis of Competency Dimensions in 360 Degree Appraisal & Feedback System and the Traditional Appraisal System

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Abstract : *Performance appraisal is the development of individuals with competence and commitment, working towards the achievement of shared meaningful objectives with in an organization, which supports and encourages their achievement. Performance appraisal may serve as criteria in the decisions to retain employees during layoffs, to assess the quality of training programmes, to measure equitable treatment of different groups of employees, to increase employees' pay, and also to promote or terminate the employees. The environmental changes have also led to changes in the methods of performance appraisal. The traditional system of appraisal is being replaced by the multi-rater or 360 degree appraisal and feedback system. Being a new system in the organizations many employees are not much aware of its advantages. The present study explores the comparison of employees' opinion on the intrinsic dimensions of these two systems. The findings bring out that the 360 degree appraisal system is rated as the superior system of performance appraisal when compared with the traditional appraisal system. It plays a leading role in effective communication, leadership development and team building, infuses a feeling of self motivation amongst the employees and also helps the organisation in pragmatic objective setting and problem solving. Thus it is high time for the organizations to move ahead with this system for attaining overall effectiveness in the performance appraisal system.*

INTRODUCTION

The multi-dimensional changes in the environment, society and the technology have increased the performance related pressures from the organisations and individuals. Many organizations have developed sophisticated ways of measuring their success as corporate entities, the achievements of departments, and teams and the contribution of individuals, which demonstrate the increased significance employee performance appraisal has as a strategic tool to combat the multi-faceted changes. Performance appraisal constitutes an inseparable part of efficient human resource management system within an organization and represents a fundamental tool to enhance employee motivation, to influence job satisfaction, and also to stimulate top quality work performance. Moreover, it serves as an instrument to link other human resource management activities such as compensation, training and development, as well as career management, making it act as a backbone for diverse management practices.

Various organisations used to assess and rate the employees' performance by way of writing their Annual Confidential Reports (ACRs) which is termed as traditional system of performance appraisal. The system is still prevalent but largely impound to public sector organisations. The majority industrial organisations now a days adopt a system of employee appraisal wherein they involve more people and are not confining to the viewpoint of the immediate superior only. This system is slightly superior to traditional system as more than one person is involved in assessing the employee performance. In some of the progressive organisations, the system of 360 degree appraisal and feedback system commonly known as multi-rater system of employee performance appraisal is also implemented but the number is very scanty. 360 degree appraisal and feedback system may be defined as "evaluations gathered about a target participant from two or more rating sources, including self, supervisor, peers, direct reports, internal customers, external customers, and vendors or suppliers" (Dalessio, 1998). 360 degree appraisal and

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feedback system as such is relatively a new concept in India and has become more popular during the last few years. Though with the passage of time the multi-rater system is getting popularity yet employees have different types of inhibition with regard to the new system. In such a situation, it becomes imperative to compare the employees' opinion on the potential merits of the modern system in contrast to the traditional system in terms of various competency dimensions and the present paper is an attempt in this direction.

RELATED STUDIES

In fact, the days of traditional supervisor-subordinate performance evaluations are diminishing and the companies are turning to 360 degree appraisal and feedback system which pool feedback from both internal and external customers to receive a broader, more accurate perspective on employees. How does a supervisor evaluate an employee whom he or she sees only a few hours each week? Traditional performance appraisals at their worst can be subjective, simplistic and political. Yet the need for accurate, fair performance measurement has increased exponentially as most of the organizations face increasingly flatter structures, greater internal changes, and more external competitive pressures. The 360 degree appraisal and feedback system significantly differs from the traditional supervisor-subordinate performance evaluation. Rather than having a single person play judge, a 360 degree appraisal and feedback acts more like a jury.

Numerous management thinkers have given their viewpoint on the diverse approaches of employee performance appraisal which can be segmented into three broad categories i.e. trait orientated appraisals (for example trait scales), behaviour oriented appraisal (for example critical incidents) and outcome or results oriented appraisals (for example management by objectives). Kreitner (1986) opined that the trait oriented appraisal approach has the dubious distinction of being the most widely used and one of the weakest approaches. Personality traits are not by themselves measures of behaviour or performance as they are unstable within individuals. They tend to be unfair and do not stand up well in court. Performance appraisal systems that focus on specific job-related behaviour are strongly recommended by experts in the field. Their rationale is that behaviour rather than

personality traits or abilities are responsible for the job success or failure (Maund, 2001). The outcome/results oriented appraisal approach focuses on what has been achieved against measurable and participatively set goals.

Management by Objectives (MBO) as propounded by Peter F. Drucker is also used as a technique of performance appraisal which stresses upon the link between individual and departmental objectives. This approach gave credence to performance appraisal being a two-way process rather than top down. However, Maund (2001) viewed that in order to get away from the top down 'sterile and biased' approach; the use of self-appraisal should be introduced. By using this method, the appraisees state how they feel, the value of training received, the effects of amendments to their jobs, perceptions of key objectives of the job, future aspirations and training and development required to meet those aspirations (McKenna et al., 2002; Maund, 2001). Keeping in view the pros and cons of different appraisal techniques some organisations started using 360 degree appraisal and feedback system. Scott Wimer (2002) rated, in order to embrace fully the 360 degree feedback results, expect results to be confidential. Along with this confidentiality, raters have fears of retribution. Ron Cacioppe and Simon Albrecht, (2002) opined, that the 360 degree feedback systems evolved from methods developed in performance appraisal processes, organizational surveys, developmental feedback and the customer feedback part of total quality management. This employees' appraisal technique was started in mid-eighties at the Indian Institute of Management, Ahmedabad by T V Rao and his team as Top Management Styles and Organisational Effectiveness, it was not branded as 360 degree appraisal and feedback system (Rao and Rao, 2003). In fact in India, we made one significant mistake and stuck to it for the last 30 years (Rao, 2004). This was to call the system, a performance appraisal system and not a performance management system. To ensure effective practice of the system, Singh (2003) has pointed out that the process of 360 degree appraisal and feedback system can be broken into three stages or levels viz., planning, implementation and result stage. At each of these stages, various factors involved in 360 degree appraisal and feedback process can be identified along with their role and contribution. It is argued that successful management of all these factors

can contribute to effective use of this process. Maund (2001) lists this technique as the most exciting development in the field of performance management. Organisations are using 360 degree appraisal and feedback system by gathering, usually through a questionnaire, views of seniors, peers, the appraisee manager and sometimes the internal and external customers as well, thus making the system seem to be revolving at 360 degree appraisal and feedback system as the name speaks. Swanepoel (2003) feels that this approach fits more comfortably into the latest trends in leadership strategies such as empowerment, self-responsibility and team work. Due to involvement of human issues there may occur distortion in the form of 'halo' effect (over-estimation), the 'horn' effect (under-estimation) or the 'Veblen' effect (rating everyone average), that are likely to creep in and play a part, mostly subconsciously, when we judge others (Marchington and Wilkinson, 2002). Such problems can never be completely removed from a Performance Evaluation System, although they can be allowed for and minimized.

360 degree appraisal and feedback system is a process whereby multiple sources provide evaluation for the assessee to offer a more balanced and comprehensive view of his/her performance. These evaluations may come from immediate superiors, subordinates, peers, customers, and self. Organisations need to go for 360-degree feedback since it is an effective tool to change the culture and norms of giving and receiving feedback (Dalton, 1998). 360 degree appraisal and feedback system may lead to smoother work relationship among managers and encourage use of teamwork (Antonioni, 1996; 2000). Citing the case of an organisation where 360 degree feedback system was implemented (Antonioni, 2000), the author suggests that 360 degree feedback system led to improved interpersonal communication about work behaviours and expectations. This in turn leads to smoother work relationships. Further, transparent and better quality discussions on process improvements with co-workers, and internal suppliers and customers are also likely to improve teamwork. It is suggested that 360 degree feedback brings positive changes in behaviour (Ghorpade, 2000) when used as a development tool (Conger and Toegel, 2003; Rogers, Rogers and Metlay, 2002) in an atmosphere of trust, openness and sharing. Researchers have linked 360 degree feedback to enhanced employee performance (Swain and Schubot, 2004) by describing systems and case studies of organisations where these systems have been implemented. The improved performance may come through improved communication and receptiveness to feedback (Rao and Annapurna, 2002; Singh and Vohra, 2005), enhancement in skill levels of participants and enhanced continuous learning. This, in turn could lead to setting more challenging goals, development in skills, positive changes in behaviour, and improved performance. Studies have suggested that 360-degree feedback systems lead to enhanced employee performance but have tested this empirically. Further, some of the above mentioned variables (e.g. improved communication, smoother work relationships, etc.) are also related to each other. While literature is replete with studies looking at the positive effects of 360-degree feedback process, none of them have empirically looked at the mediating effects of other variables in these relationships. This study attempts to look at the effect of 360-degree feedback on performance empirically as well as the variables mediating the relationship between 360-degree feedback and employee performance.

Sharma (2004) opined that the major consideration for organization which have gone for 360 degree feedback system, has been strategic integration and alignment of performance management with business goals in the increasingly competitive environment. The 360 degree appraisal system with feedback on an employee's performance from all angles: above, below, sideways and even outside of the organisation, recognizes the complexity of management and the value of input from various sources in order to give more open and reliable feedback and identify broader development areas and also raise self-awareness (Baron and Kreps, 1999) However within this system also, Makin, Cooper and Cox (1996) have identified the three specific problems in addition to the other normal problems of employee appraisal. Performance appraisals are expected to serve a number of purposes simultaneously. Swanepoel (2003) agree that performance appraisals are for administrative and developmental purposes however, the former adds a strategic purpose as well. Here, more specific possible purposes for performance appraisal are as follows; First is strategic purposes: This calls for flexibility in the system in order for it to be adjusted to the changing goals

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and strategies of an organisation. Many companies do not use performance appraisal to communicate its objectives. This is supported by research referred to regarding the purposes of performance appraisal where no question were included about the extent to which it is tied to the company's strategic objectives. Second is administrative purposes: according to Swanepoel (2003) and supported by evidence of the use of performance data to make reward decisions, placement decisions, promotion and retrenchment and for validating selection procedures. Some examples of this; as providing feedback on individual performance, reviewing salary, conditions of service and other rewards, providing a basis for promotion, dismissal, probation, and avoiding trouble through meeting legal or political needs. This third purpose is developmental purposes. Swanepoel (2003) adds that it can focus on the organisational level as well by: "facilitating organisational diagnosis and development by specifying performance levels and suggesting overall training needs; providing essential information for affirmative action programmes; promoting effective communication within the organisation through ongoing interaction between superiors and subordinates." It is argued that successful management of all these purposes can contribute to effective use of this process. In the study conducted by Punia and Dahiya (2006) it has been brought out that the performance appraisal plays a governing role in the professional success of employees. The entry of an individual in the organisation breeds the expectations of employer from the new entrant and alongside the entrant also look forward to the continuous value addition for the furtherance of professional growth. A system of continuous evaluation and monitoring can act a catalyst in matching the mutual expectations. Therefore, to have a focused approach, minimize the biases, making employee appraisal more effective and achieving overall managerial efficacy it becomes imperative to study the views of corporate personnel on the different modes of appraisal vis-à-vis their managerial implications, and the present study is an endeavor in the direction.

OBJECTIVES AND METHODOLOGY OF THE STUDY

Performance appraisal in any organisation has a critical job for attaining managerial effectiveness and competitive advantage. In fact this achievement is a composite phenomenon and encompasses many sub-functions like employee motivation and commitment, communication, leadership and team building trends, and the none less management of change. Therefore, the primary objective of the study has been to elicit employees' comparative opinion on performance appraisal systems being implemented in the Indian organisations however the incidental objectives contributing to the primary objective will be as under:

o   To compare the employees' opinion on the different competency dimensions of the two appraisal systems.

o   To findout relationships of diverse competency dimensions with employees' demographic factors.

This study is exploratory by nature based upon the data collected from three hundred and sixty respondents working in different organisations. The data has been collected with the help of a well structured questionnaire encompassing forty statements directly or indirectly related to the five key dimensions of the performance appraisal system. The key dimensions identified and studied have been 'Leadership Development and Team Building'; 'Communication and Feedback'; 'Motivation and Commitment'; 'Openness to Change Management' and 'Analysis and Business Planning'. The comparisons have been made across four categories of respondents i.e. overall status, implementing 360 degree appraisal and feedback system, implementing traditional appraisal system and any other system of employee appraisal. The second objective of the study has been reached at by finding out the relationship of the five competency dimensions with employee demographics. The study is supported by need based statistical techniques like mean score, t-test, and correlation coefficients.

MAJOR FINDINGS

The use of 360 degree appraisal and feedback system is gaining popularity in Indian organizations due to certain inbuilt merits of the system. However, still a large number of the organisations are implementing the traditional appraisal system of employee appraisal. Despite the potential for 360 degree appraisal and feedback to motivate behavioral change, little information exists on how to best communicate feedback to the recipient to ensure that

it is accepted, internalized, and used to enhance performance. In the present study the systems' comparative contribution on the five different competency dimensions i.e. 'Leadership Development and Team Building'; 'Communication and Feedback'; 'Motivation and Commitment'; 'Openness to Change Management' and 'Analysis and Business Planning' has been analyzed and discussed henceforth through separate heads.

Comparison of Competency Dimensions in the Two Appraisal Systems (Overall Status)

Here the views of all the respondents have been studied on the five competency dimensions of the two appraisal systems and the results have been shown as per the Table-1. Overall significance of 360 degree appraisal and feedback system in all competency dimensions is more than the traditional appraisal system. The contribution of 360 degree appraisal and feedback system has been found more in development of leadership and team-building as compare with traditional appraisal system The results very strongly bring out that the 360 degree appraisal and feedback system breeds effective leadership talent and managerial skills amongst the employees and encourages employees to share ideas and suggestions to develop team building quality. In contrast the respondents have viewed that the traditional system does not recognize much and celebrates teams' accomplishments, contributions and success with all team members. These findings have also been substantiated by the outcome of t-test with significant difference of mean scores. The similar outcome has been observed in rest of the dimensions where 360 degree appraisal and feedback system strongly support the enrichment and development of the diverse competency dimensions. It appears from the results that the new appraisal system works as a tool of infusing self motivation and recognize as system that helps in identifying the good performers for the future purposes. This new appraisal system also acts as a change master and provides a platform to the employees' open participation in the planning of performance appraisal and their analysis is also included in it. Thus, all together, the 360 degree appraisal and feedback system has been favoured by the employees as compared to the traditional system with regard to all the competency dimensions and the outcome of t-test also statistically verifies this significance of difference.

Comparison of Competency Dimensions in the Two Appraisal Systems (Implementing 360 Degree Appraisal and Feedback System)

If one carries the attitude of excellence, the goal will be to do the best in any task. In the accomplishment of 'the best' appraisal system has a definite role to play as it helps the employees in peeping oneself. The Table-2 depicts the contribution of two appraisal systems in development of all the competency dimensions. It is apparent that 360 degree appraisal and feedback system has emerged as a stronger means in contrast to traditional appraisal system. The results very strongly bring out that the 360 degree appraisal and feedback system breeds effective leadership talent and managerial skills amongst the employees and encourages employees to share ideas and suggestions to develop team cohesiveness. It appears from the views of respondents that communication of the appraisal system is helpful in their personal growth in the 360 degree appraisal and feedback system as compared to the traditional appraisal system. Employees have been found more motivated and it is also helpful in boosting up the commitment level of the respondents. Respondents positively believe that 360 degree appraisal system work as a change tool for them. From the results respondents has viewed this new appraisal system work as a better analysis system with a sound feedback planning of performance appraisal system. The employees have also viewed that the traditional system of performance appraisal does not encourage the employees to question those procedures of working which they may not understand which otherwise is the strength of the 360 appraisal and feedback system and the results have been further authenticated by the outcome of t-test.

Comparison of Competency Dimensions in the Two Appraisal Systems (Implementing Traditional Appraisal System)

Here those respondents who have viewed that their organisation is implementing traditional appraisal system have put some glance on the issue of comparative study of the two appraisal systems with the help of different competency dimensions. The Table-3 depicts undisputed supremacy of 360 degree appraisal and feedback system over the traditional appraisal systems as can be seen from the for all the competency dimensions. Leadership development and team building shows the highest mean score in 360

degree feedback and appraisal system as compared with traditional appraisal system. It shows highest difference in mean score of these two appraisal system among other competency dimensions also which shows its superiority. Communication factor also plays an important aspect in the organizations as it is helpful in clarifies all the doubts of the employees and a regular feedback system also shows high priority among employees. The performance system of employee appraisal can act as a mechanism of employee motivation and the respondents have rated the 360 degree appraisal and feedback system to be a tool of infusing self motivation; a system that helps in recognizing the good performers for the future purposes. Respondents have clear sight towards change management in the 360 degree appraisal and feedback system. Most of the respondents also favoured 360 degree appraisal and feedback system in analysis of business plans with its better implementation. Hence, it appears that 360 degree appraisal and feedback system is strongly preferred by the employees for all the competency dimensions and the results of t-test also show significant difference at 0.01 level and 0.05 level of significance.

Comparison of Competency Dimensions in the Two Appraisal Systems (Implementing Any Other Appraisal System)

This supplements a comparative significance of various competency dimensions and explains which dimension support the appraisal system and the discussion concentrates on the segment where any other method of performance appraisal is being implemented. Information on this all has been presented in Table-4. The results very strongly bring out that the 360 degree appraisal and feedback system breeds effective leadership talent and managerial skills amongst the employees and encourages employees to share ideas and suggestions to develop team cohesiveness. The dimension of communication and feedback efficacy the respondents have strongly favoured the 360 degree appraisal and feedback system in contrast to the traditional system of performance appraisal as the mean score of the dimension has been found to be much higher. In sum the 360 degree appraisal and feedback system has larger amount of communication efficacy as compared to the traditional system of performance appraisal and the same is tested as significant as per the Table-4. The respondents have

rated the 360 degree appraisal and feedback system to be a tool of infusing self motivation and a system that helps in recognizing the good performers for the future purposes so that their commitment level has been enhance in appraisal system. The employees have also viewed that the traditional system of performance appraisal does not encourage the employees in boost up their motivation level. Most of the respondents have offered liberal views for 360 degree appraisal system and found it more change friendly. It also goes in favour of 360 degree appraisal system as an instrument of change absorption, yet the difference has been found statistically significant as given in the Table-4. The 360 degree appraisal and feedback system perform have attitude of change towards performance appraisal, that what gets measured gets done and thus rated this techniques as a better change master. Results show attitude of respondents have analysis of their business plans well in advance in 360 degree appraisal and feedback system rather than traditional appraisal system. In sum the respondents have acknowledged the 360 degree appraisal and feedback system to be much superior to the traditional system or other systems of employee appraisal in the entire competency dimension.

Relationship of Competency Dimensions with Employee Demographics (Overall Status)

Apart from the discussion of comparative analysis of various competency dimensions in this section discuss the relationship of different variables like age, gender, academic qualifications and work experience with competency dimensions at two implementing situations of the appraisal system. Younger technically qualified female employees and with moderate corporate exposure believes that the 360 appraisal and feedback system is more conducive to leadership development and team building phenomenon in contrast to the traditional appraisal system. Again younger less experienced female employees with general qualification strongly judge that the 360 degree appraisal and feedback system facilitates communicated and regular feedback system more intensively. However the relationship of age has found negative significant correlation with 360 degree appraisal and feedback system at 0.05 level of significance. This implies the younger employees have strongly favoured this system of employee appraisal. They also reflect that the 360 degree appraisal and

feedback system is much helpful in motivating the employees and also boost up their commitment level. At the other side younger general qualified female employees with less corporate experience also consider the traditional appraisal system as an equally stronger tool of employee motivation and also for enhancing the commitment level of employees. However the relationship of age and experience has brought out significant relationship with 360 degree appraisal system and traditional appraisal system respectively. From the results it appears that younger female employees with general qualification and less corporate sector experience believe that change management work as a backbone for the 360 degree appraisal and feedback system and also openness to change for both the appraisal systems. However, again the relationship of age and experience has brought out significant relationship with 360 degree appraisal system and traditional appraisal system respectively. Again respondents show almost same results in both the appraisal systems. It means that younger female employees with general qualification and less corporate sector experience believe that organisations do regular analysis of the business plans which also support the improvements of the appraisal systems. In summation younger age employees strongly favour 360 degree appraisal and feedback system on almost all the competency dimensions and the relationship has emerged to be significant. Another interesting dimension that emerged from this part of the study in Table-5 is that after gaining some experience the employees have been found favouring traditional appraisal system in contrast to the 360 appraisal system which has the every possibility that on being more experienced they may start favouring the 360 degree appraisal and feedback system.

Relationship of Competency Dimensions with Employee Demographics (Implementing 360 Degree Appraisal and Feedback System)

Most of the respondents show younger female employees with general academic qualification think that 360 degree appraisal and feedback system is helpful in build up leadership and team building qualities. But in traditional appraisal system elderly male employees with general academic qualification and more work experience believe that leadership and team building qualities are promoted more in this appraisal system. Younger female employees with general qualification consider that 360 degree appraisal

and feedback system is helpful in providing a good communication environment with regular feedback system. Younger general academic qualified female employees with less experience think that 360 degree appraisal and feedback system is more helpful in motivating the employees and it also provide a better platform for enhancing commitment level amongst the employees. On the other side again younger general qualified male employees with less experience claim the traditional appraisal system to be more motivating and commitment building dimension. Elderly general qualified female employees with more experience favor the change management and freely participating in every activity of the 360 degree appraisal and feedback system. Elderly general qualified female employees with high experience shows interest in feedback analysis and regular appraisal planning of 360 degree feedback and appraisal system. Other side traditional appraisal system presents elderly general qualified male employees with more experience think that analysis and business planning is the part of traditional appraisal system. In summation of Table-6 male employees strongly believe that traditional appraisal system is favoring enhancement of personal qualities like leadership, team building, communication and planning, which is helpful in their personal growth. On other hand technical qualified employees shows their interest in 360 degree appraisal and feedback system for improvement in the organization.

Relationship of Competency Dimensions with Employee Demographics (Implementing Traditional Appraisal System)

This table implies that younger general academic qualified male employees with more work experience believe that leadership and team building qualities plays an important role for personal growth of the employees. Younger general qualified male employees with more work experience viewed that the 360 degree appraisal and feedback system facilitates communicated and regular feedback system more intensively. On the other hand traditional appraisal system shows that mature technical qualified female employees with more corporate exposure think that regular feedback with good communication support the traditional appraisal system. Younger technical qualified female employees with less work experience viewed that the 360 degree appraisal and feedback system is much helpful in motivating the employees

and also augment their commitment level. Younger technical qualified female employees with less corporate exposure judge this dimension as a mean of liberated participation of employees in appraisal system. But traditional appraisal system presents a negative correlation with gender and work experience; and a positive correlation with age and academic qualification. It shows elderly general qualified female employees with more work experience think change management work as an augmentation for both individual and organization. Again younger technical qualified male employees with less corporate exposure believe in regular business planning with its analysis is being helpful in decision making. In summing up the female employees strongly favour 360 degree appraisal system on almost all the competency dimensions and the relationship has emerged to be significant. Another interesting point that emerged from this part of the study is that technical qualified employees are strongly believe in only two dimension one is leadership development and team building, and analysis of business planning is helpful in growth of 360 degree appraisal and feedback system as has been shown in Table-7.

Relationship of Competency Dimensions with Employee Demographics (Implementing Any Other Appraisal System)

Table-8 shows younger technical qualified female employees with moderate work experience believe leadership and team building qualities helpful in their personal expansion. On the other side traditional appraisal system presents younger technical qualified male employees with less work experience believe leadership and team building qualities are important not only for individual but also for organizations. It presents younger female technical qualified with less corporate exposure believe in good communication level with a regular feedback system can be helpful in their improvement. Elderly technical qualified female employees with high work experience believe appraisal system is helpful enhancement of motivation and commitment level. But in traditional appraisal system presents younger technical qualified female employees with less work experience also consider the traditional appraisal system as a stronger tool of employee motivation and also for enhancing the commitment level of employees. In analysis and business planning shows younger technical qualified female employees with less work experience consider same results in both the appraisal systems. It means that younger female employees with general qualification and less corporate sector experience believe that organisations do regular analysis of the business plans which also support the improvements of the appraisal systems. In conclusion younger age technical qualified female employees strongly favour both the appraisal systems 360 degree appraisal and feedback system; and traditional appraisal system on almost all the competency dimensions and the relationship has emerged to be significant.

CONCLUSION

After comparison of the diverse competency dimensions it has been found that the 360 degree appraisal and feedback system fosters all the competency dimensions very vigorously as compared to the traditional appraisal system as viewed by all the respondents taken together. The difference in their viewpoint has also been found statistically significant where t-value has shown significant difference at one level or the other for all the competency dimensions. The respondents have strongly favoured for 360 degree appraisal and feedback system on all the five dimensions. The application of t-test also brought out significant differences on all these five dimensions. The respondents have viewed both the systems of performance appraisal on almost equal ranking on the dimension of change management. Though the respondents have favoured both the systems but here also the 360-degree appraisal and feedback system has taken an edge over the traditional system. While analyzing the relationship of competency dimensions with employee demographics it has been found that younger age employees strongly favour 360 degree appraisal system on almost all the competency dimensions and the relationship has emerged to be significant. Another interesting dimension that emerged from this part of the study is that after gaining some experience the employees have been found favouring traditional appraisal system in contrast to the 360 appraisal system which has the every possibility that on being more experienced they may start favouring the 360 degree appraisal and feedback system. yet the difference is not statistically significant. Therefore, keeping in view the worth of 360 degree appraisal and feedback system and employees' inclinations towards the system; it is high

time that the organisations should switch over to this new system for attaining overall effectiveness and gaining competitive advantage in this dynamic industrial society.

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Table-1: Comparative Analysis of Competency Dimensions of the Two Appraisal Systems

(Overall Status)

Competency Dimensions	360 Degree Appraisal System		Traditional Appraisal System		t-value
	Mean	S.D.	Mean	S.D.	
Leadership Development and Team Building	3.59	.57	2.88	.67	13.57**
Communication and Feedback	3.54	.59	2.87	.64	13.11**
Motivation and Commitment	3.49	.64	2.92	.65	10.71**
Openness to Change Management	3.48	.65	2.88	.72	10.51**
Analysis and Business Planning	3.49	.69	2.86	.78	11.40**

Note: - ** Significant at 0.01 level.

  * Significant at 0.05 level.

Table-2: Comparative Analysis of Competency Dimensions of the Two Appraisal Systems (Implementing 360 Degree Appraisal and Feedback System)

Dimensions	360 Degree Appraisal System		Traditional Appraisal System		t-value
	Mean	S.D.	Mean	S.D.	
Leadership Development and Team Building	3.52	.59	3.27	.64	2.62**
Communication and Feedback	3.56	.64	3.23	.66	3.42**
Motivation and Commitment	3.51	.70	3.31	.68	2.12*
Openness to Change Management	3.42	.66	3.35	.78	0.60
Analysis and Business Planning	3.52	.73	3.26	.75	2.36**

Note: - ** Significant at 0.01 level.   * Significant at 0.05 level.

Table-3: Comparative Analysis of Competency Dimensions of the Two Appraisal Systems
(Implementing Traditional Appraisal System)

Dimensions	360 Degree Appraisal System		Traditional Appraisal System		t-value
	Mean	S.D.	Mean	S.D.	
Leadership Development and Team Building	3.66	.53	2.76	.62	14.88**
Communication and Feedback	3.56	.55	2.75	.60	13.26**
Motivation and Commitment	3.51	.62	2.79	.60	10.73**
Openness to Change Management	3.51	.64	2.75	.63	11.18**
Analysis and Business Planning	3.51	.66	2.76	.59	11.40**

Note: - ** Significant at 0.01 level.

Table-4: Comparative Analysis of Competency Dimensions of the Two Appraisal Systems
(Implementing Any Other Appraisal System)

Dimensions	360 Degree Appraisal System		Traditional Appraisal System		t-value
	Mean	S.D.	Mean	S.D.	
Leadership Development and Team Building	3.15	.74	2.60	.61	2.26*
Communication and Feedback	3.28	.76	2.65	.47	2.74**
Motivation and Commitment	3.27	.63	2.65	.40	3.43**
Openness to Change Management	3.44	.68	2.44	.48	6.20**
Analysis and Business Planning	3.24	.80	2.43	.47	4.30**

Note: - ** Significant at 0.01 level.   * Significant at 0.05 level.

Table-5: Relationship of Competency Dimensions with Employee Demographics
(Overall Status)

Competencies	Appraisal Status	Age	Gender	Academic	Experience
Leadership Development and Team Building	360 Degree	-.02	-.05	-.06	.09
	Traditional	.01	.06	.07	-.08
Communication and Feedback	360 Degree	-.10*	-.04	.06	-.06
	Traditional	-.03	.03	.03	-.06
Motivation and Commitment	360 Degree	-.11*	-.05	.03	.04
	Traditional	-.07	-.03	.02	-.15**
Openness to Change Management	360 Degree	-.12*	-.07	.03	-.01
	Traditional	-.05	-.03	.08	-.12*
Analysis and Business Planning	360 Degree	-.11*	-.02	.03	-.02
	Traditional	-.07	-.07	.07	-.12*

Note: - ** Significant at 0.01 level.   * Significant at 0.05 level.

Table-6: Relationship of Competency Dimensions with Employee Demographics
(Implementing 360 Degree Appraisal and Feedback System)

Competencies	Appraisal Status	Age	Gender	Academic	Experience
Leadership Development and Team Building	360 Degree	-.01	-.18	.36**	.03
	Traditional	.15	.28**	.09	.11
Communication and Feedback	360 Degree	-.02	-.05	.44**	.01
	Traditional	.12	.26**	.10	.13
Motivation and Commitment	360 Degree	-.06	-.10	.34**	-.03
	Traditional	-.04	.13	.04	-.04
Openness to Change Management	360 Degree	.05	-.16	.36	.08
	Traditional	.12	.18	.09	.13
Analysis and Business Planning	360 Degree	.07	-.01	.49**	.11
	Traditional	.05	.25**	.06	.08

Note: -   ** Significant at 0.01 level.   * Significant at 0.05 level.

Table-7: Relationship of Competency Dimensions with Employee Demographics
(Implementing Traditional Appraisal System)

Competencies	Appraisal Status	Age	Gender	Academic	Experience
Leadership Development and Team Building	360 Degree	-.05	.02	-.21**	.11
	Traditional	.14*	.06	.02	.02
Communication and Feedback	360 Degree	-.16**	.06	-.09	.01
	Traditional	.08	-.03	-.12	.03
Motivation and Commitment	360 Degree	-.16**	-.03	-.11	-.01
	Traditional	.08	.07	-.07	-.04
Openness to Change Management	360 Degree	-.24**	-.02	-.10	-.09
	Traditional	.08	-.02	.03	-.04
Analysis and Business Planning	360 Degree	-.19**	.02	-.19**	-.04
	Traditional	.05	-.02	-.03	-.02

Note: -   ** Significant at 0.01 level.   * Significant at 0.05 level.

Table-8: Relationship of Competency Dimensions with Employee Demographics
(Implementing Any Other Appraisal System)

Competencies	Appraisal Status	Age	Gender	Academic	Experience
Leadership Development and Team Building	360 Degree	-.19	-.17	-.41*	.07
	Traditional	-.03	.02	-.02	-.19
Communication and Feedback	360 Degree	-.08	-.29	-.26	-.03
	Traditional	-.03	.15	-.00	-.05
Motivation and Commitment	360 Degree	.17	-.06	-.11	.31
	Traditional	-.27	-.34	-.17	-.36
Openness to Change Management	360 Degree	.20	-.23	-.06	.16
	Traditional	-.15	-.34	-.15	-.26
Analysis and Business Planning	360 Degree	-.02	-.36	-.18	-.06
	Traditional	-.37	-.42*	-.14	-.50**

Note: -   ** Significant at 0.01 level.   * Significant at 0.05 level.