

PERFORMANCE APPRAISAL OF MOBILINK ORASCOM BY USING 360° FEEDBACK - A CASE STUDY OF MOBILINK REGIONAL OFFICE PESHAWAR-PAKISTAN

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Abstract

Reliable information in the processed form (data) is the key towards effective decision making. And when it comes to evaluate humans in respect of their qualities, the process demands an extra care and attention. This study was undertaken to investigate the reliability of 360° feedback for performance appraisal. The present research study followed this procedure to assess the contribution of sales department in the overall performance of Mobilink Orascom. All the 30 employees of Sales department at regional office Peshawar were the subjects to this research study and the department was our main sample. Data was collected from the employee self and his/her Boss, Peer, Sub-ordinate, and Customer. It was summated as likert scale and analyzed with chi-square and Pearson's correlation. The results for all these groups as well as the 360° Feedback rejected null hypothesis of no contribution in favor of significant contribution by sales department towards the overall success of their company and their employees Performance is effective. The correlation showed that 360° feedback is almost in agreement with all the participating bodies. Peer as an exception in their views about the significance of their fellows performance, is still positively ($r = .320$) related with the multi rated values. We can say that 360° feedback is a representative measure of all the parties concerned although those competing parties may be having opposite views within themselves. It is concluded that services business should focus on sales related activities as it counts for their high gains.

Keywords: 360° feedback, Performance Appraisal, Likert scale, Chi-square, Pearson's correlation.

1. INTRODUCTION

Data is considered as one of the most important ingredient in human resource management decisions. Without proper information, decision making process comes to no end. As all the forthcoming processes are somehow dependant on proper and reliable data, a need for an efficient method for the purpose arouses. When appraising or evaluating people in a services industry, their quantitative gains has it own place but the qualitative factors could not be surpassed. So it is important that it can cause an ineffective person a high earner and a very important being as of no value.

Around the World Performance Appraisal of employees is very much important aspect of the employees' career. This not only affect he career of the employees but also make them disturb mentally. In Pakistan the process of performance appraisal is called Annual Confidential Report. (ACR). This ACR is made annually. And contain all the related activities of the employees. But this paper is regarding the international telecommunication company named as Mobilink. The data is collected from the regional Peshawar office. The employees are related to the marketing department. The purpose is to check the effect performance of the sales department employees on the overall organization productivity.

Few of the organization in Pakistan use 360 degree feedback method for evaluating the performance of the employees. This method is to create the fairness in evaluating the department and to build the environment of trust in the organization.

The following organizations used this method.

1. Pakistan Tobacco Council
2. Telenor Pakistan
3. Mobilink
4. Shell

2. LITERATURE REVIEW

Literature review in support of multi rater or 360 degree feedback comprises the following statements.

“The 360 degree feedback process involves collecting perceptions about a person’s behavior and the impact of that behavior from the person’s boss or bosses, direct reports, colleagues, fellow members in the project team, internal and external customers and as well as the suppliers.” (Lepsinger, 1997)

Rowson (1998) in his report highlighted the challenges faced by people around the world when they were using multi-rater feedback. They based their study on the observations of the coaches who have worked with a variety of managers from different cultures using a 360 degree feedback as data collection instrument.

Janice and Robert (2000) in their study investigated how perceptions of performance appraisal use relate to employee satisfaction with both appraisal and appraiser. The research brings renewed support for the importance of individual development in the performance appraisal process.

Beehr et al. (2001) studied the feedback from a 360 degree ratings based on competency principles and used the data for developmental purposes. They studied the interrelationships among these ratings and its relationships with performance and selection data. Interrelationships among feedback ratings from supervisors, peers, and self, feedback ratings and selection test data and feedback ratings and performance appraisals on about 2000 employees of a Midwestern Insurance Company were examined. The 360 ratings by peers and managers were related to performance appraisals.

Trochim (2006) pointed out that an important distinction must be made between a "Likert Scale" and a "Likert item". The Likert Scale is “the sum of responses on several Likert items”. Because Likert items are often accompanied by a visual analog scale (e.g., a horizontal line, on which a subject indicates his or her response by circling or checking tick-marks), the items are sometimes called scales themselves.

Patterson (2007) stated that “Performance appraisal also known as employee appraisal, is a method by which the job performance of an employee is evaluated (generally in terms of quality, quantity, cost and time). Performance appraisal is a part of career development.”

3. OBJECTIVE OF THE STUDY

1. To study the contribution of sales department in the overall performance of Mobilink Orascom.
2. To investigate into the representativeness of 360-degree feedback.
3. To forward recommendations based on research findings for improvement in HRD/HRM practices.

4. HYPOTHESIS

Null-H₀: The performance of sales department had no contribution to the overall performance of Mobilink Orascom.

Alternate-H₁: Sales department employees contribute considerably to the overall performance of Mobilink Orascom.

5. DESIGN/METHODOLOGY/APPROACH

This study gathered the data through a series of interviews and questionnaires. It sought the perceptions and experiences of management and participants in relation to the implementation process and the outcomes of the research. Research methodology for this study is given as under.

6. ANALYTICAL FRAMEWORK

The chi-square test was probably the most popular goodness-of-fit used in the social sciences today. This judgment is based solely on the frequency with which this test was applied in the literature. There are statistical measures that evaluate the significance of difference between what is observed and what is expected according to a chance (i.e., expected according to some ideal model or standard). One of these procedures is the chi-square statistic, used by Champion (1981).

$$\chi^2 = \sum[(O_k - E_k)^2 / E_k]$$

O_k = Observed frequencies in the k_{th} cell.

E_k = Expected frequencies in the k_{th} cell.

DATA

The data is collected from the Mobilink Office in the Peshawar.

SAMPLE

Regional office Mobilink Peshawar was the main sample of this research study. To make the study more specific and concise, sales department, as a whole was taken as sample (n=30) for collecting the data.

TOOLS

Questionnaire were the main data collecting tool, data were gathered using Likert scale in order to ensure the objectivity of the responses (Likert, 1932).

STATISTICAL TOOLS

The test used in the research work is comparison of mean, chi-squarer, and Pearson correlation test.

MODEL

The model of the study is Simple Linear model. Where the performance of the employees of the sale department is dependent variable and the productivity of the organization is independent variable.

RESULTS

The different results of the study are given in the following chart.

Non-Parametric Correlation among Groups

** Significant at 1%

Spearman's rho		Boss	Subordinate	Self	Peer	Customer	Aggregate
Boss	Correlation Coefficient	1.000	-.098	-.013	.105	.311	.485**
	Sig. (2-tailed)	.	.608	.944	.582	.095	.007
	N	30	30	30	30	30	30
Subordinate	Correlation Coefficient	-.098	1.000	.404*	-.039	.042	.527**
	Sig. (2-tailed)	.608	.	.027	.840	.827	.003
	N	30	30	30	30	30	30
Self	Correlation Coefficient	-.013	.404*	1.000	.029	.165	.653**
	Sig. (2-tailed)	.944	.027	.	.880	.383	.000
	N	30	30	30	30	30	30
Peer	Correlation Coefficient	.105	-.039	.029	1.000	.245	.320
	Sig. (2-tailed)	.582	.840	.880	.	.193	.085
	N	30	30	30	30	30	30
Customer	Correlation Coefficient	.311	.042	.165	.245	1.000	.461*
	Sig. (2-tailed)	.095	.827	.383	.193	.	.010
	N	30	30	30	30	30	30
Aggregate	Correlation Coefficient	.485**	.527**	.653**	.320	.461*	1.000
	Sig. (2-tailed)	.007	.003	.000	.085	.010	.
	N	30	30	30	30	30	30

* Significant at 5%

7. FINDINGS

The study for appraising employee's Performance using likert scale, likert items and applying Psychometric variables resulted in significant contribution on the part of the subjects being rated. The use of Psychometric was a sound experience as is found by Fletcher et al. (1998). Employee's self appraisal was highly significant at 5% level of significance and high value of $\chi^2 = 35$. Bosses rate these subjects as contributing effectively towards the core company's Performance. The test value ($\chi^2=21.8$) is statistically significant. Sub-ordinate rating, although significant statistically, but is very low as compared to other ratings. It seems that customers are very satisfied with Sales personnel. They opined at χ^2 value of 28 and according to these employees are taking a significant part in the company's success. Similarly Peer ratings to each other ($\chi^2=20$) are supporting the same statement. Conclusively the 360-Feedback is highly significant at χ^2 values of 54 and tabulated value of 5.991. We reject null hypothesis in favor of alternate one that Sales department contribute significantly towards the overall Performance and success of Mobilink.

Spearman's rho, a mean to non-parametric correlation was applied to the data (table no.4.5) in order to know the agreement of individual groups with the 360 feedback as well as the relationship among these groups viz., self, boss, peer and customer.

Results show that beside peers, all other groups are closely related to the aggregate rating. The correlation between 360 rating and boss rating ($r = .485$), between 360 rating and subordinate ($r = .527$) and between self and multi rater score ($r = .653$) is statistically significant at .01 level of significance. While the relationship of customer and multi rater score ($r = .461$) is statistically significant at .05 level of significance.

Peers were recorded to have weak compliance with multi rated score as correlation value of .320 is statistically insignificant. It does not mean that peer rated widely different from all other groups, the reality is that their rating is having an association with 360-feedback but it is not very closely associated with it and the strength of conformity is weak.

Boss ratings are found to have negative correlation with those of the subordinate and employee self ratings although the correlation is statistically insignificant. There is no single group which happened to be statistically correlated with boss's ratings. Similarly subordinates are also opposite (negative) in views in relation with peers of the subject being rated. The strength of their (subordinates') relationship with the rated self is positive, statistically strong and significant as well.

8. DISCUSSION AND CONCLUSION

The Self grading is itself an assessment scaling, making things clear by itself. Sales personnel rated themselves effective towards organizational goals achievement. The value of χ^2 (35) do signifies their status at 5% level of significance. The value of χ^2 (boss' evaluation) test (21.8) is significant at 5.991 of significance level confirms it. The Bosses were agreed to 22 employee's contributors, strongly to 3 out of 30 and towards 5 persons their views was non-contributory as such.

Subordinates evaluated their bosses: people working in sales department. And hence the results from the said category of employees were up to the mark, it explains that more than 25 subordinate out of 30 employees had satisfactory results. The χ^2 -value of 7.0 rejects H_0 and support the notion that Sales contributed to the success of Mobilink.

Customers showed greater response in the evaluation of the employee's performance, infact all the employees from the Sales Department were considered as the key and have contributing role to the growth of the company. The χ^2 results are favoring H_1 at 5% level of significance as the calculated value of 28.00 is more than tabulated value (5.991). We conclude that in the views of the customers, Sales department contributes to the overall performance of Mobilink Orascom.

Peers on other side maintain the main collaboration between the employees performance, they rated 21 employees out of 30 as standard performers towards the growth of the Sales Department. As the χ^2 -value calculated for this group is more than tabulated ($20 > 5.991$), we reject H_0 that sales department does not contribute to the overall performance of Mobilink.

From 360 degree rating we conclude that in the collective opinions of all, i.e. Boss, Sub-ordinate, Peers, Customers and the employee Self, Sales department significantly contributes to the overall performance of Mobilink and their performance is highly associated to its results. The χ^2 value (54.2) obtained is highly significant and confirmative to the views. A calculated value of 54.2 is more than tabulated value of 5.991 at 5% level of significance.

Beside peers, all other groups are closely related to the aggregate rating. The correlation between 360 rating and boss rating ($r = .485$), between 360 rating and subordinate ($r = .527$) and between self and multi rater score ($r = .653$) is statistically significant at .01 level of significance. While the relationship of customer and multi rater score ($r = .461$) is statistically significant at .05 level of significance. Peers were recorded to have weak compliance with multi rated score as correlation value of .320 is statistically insignificant. It does not mean that peer rated widely different from all other groups, the reality is that their rating is having an association with 360-feedback but it is not very closely associated with. The study for appraising employee's Performance using likert scale, likert items and applying Psychometric variables resulted in significant contribution on the part of the subjects being rated. The use of Psychometric was a sound experience as is found by Fletcher et al. (1998). Employee's self appraisal was highly significant at 5% level of significance and high value of $\chi^2 = 35$. Bosses rate these subjects as contributing effectively towards the core company's Performance. The test value ($\chi^2 = 21.8$) is statistically significant. Sub-ordinate rating, although significant statistically, but is very low as compared to other ratings. It seems that customers are very satisfied with Sales personnel. They opined at χ^2 value of 28 and according to these employees are taking a significant part in the company's success. Similarly Peer ratings to each other ($\chi^2 = 20$) are supporting the same statement. Conclusively the 360-Feedback is highly significant at χ^2 values of 54 and tabulated value of 5.991. We reject null hypothesis in favor of alternate one that Sales department contribute significantly towards the overall Performance and success of Mobilink.

9. PRACTICAL IMPLICATION

This research shows the criterion in one organization. It is suggested that the findings will have similarity for the greater telecom industry as the plan for effective performance, target setting and performance enhancement accumulates strength.

10. ORIGINALITY/VALUE

This research paper weighs an important perspective on whether HR improvements such as 360° feedback have an entrenched strategic value. It also looks at the connection between 360° feedback and the new public management

Keywords 360-degree feedback, Telecom sector,

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