

# The Comparison of Existing Methods and 360 Degree Feedback to Evaluate Managers' Performance and Assess Its Relationship with Their Job Satisfaction

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## ABSTRACT

This study was conducted with the purpose of comparing the existing methods and 360 degree feedback to evaluate managers' performance and assess its relationship with their job satisfaction. This research is among descriptive researches and correlative type. The subjects are 159 managers of Arjan Novin vegetable oil Company in Behbahan city. To calculate the sample volume with reference to Talkman or Morgan-Cohen table, it is found that the number of samples should be 113 people for obtaining reasonable and reliable results. Researcher-made questionnaire for evaluating the existing performance, questionnaire to evaluate performance with 360 degree feedback; and Wysocki and Krommjob satisfaction standard questionnaire with 39 statements were used. Cronbach's Alpha coefficient is 0.93, 0.87, 0.92 which is an acceptable coefficient for reliability coefficient of questionnaire, content validity of both questionnaires was confirmed by experts. The obtained results were analyzed by Levene's test and t- test to compare the means in two independent groups. The gained results indicated that there is no significant relationship between investigation on managers' performance with existing method and their job satisfaction; and also there is a significant and positive relationship between investigation on managers' performance with 360 degree feedback and their job satisfaction.

**KEYWORDS:** Existing Methods, 360 Degree Feedback, Performance Investigation, Job Satisfaction.

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## INTRODUCTION

In recent decades, because of continuous increasing changes in different areas, managers have been faced with new challenges. The main characteristic of these conditions is uncertainty. Much of these variations result from human extensive demands and needs which they are also constantly changing. Since the main root of these changes is rooted in human demands and tendencies, managers' attitude and beliefs are important to lead and satisfy these needs in the level of community and organization.

Many managers are promoted as a result of their operational or technical knowledge; often these managers have limited management experience or education. High Performance programs develop the planning, organizing, resourcing, monitoring, coaching and other managerial skills which underpin a new manager's role. We do this without teaching her or him 'how to suck eggs'!

High Performance works with managers to develop a personal system of goal setting with each staff member based on a 'coaching' model. Mutually agreed-upon goals and actions lead to appropriate monitoring and support. This allows the manager to provide frequent recognition or correction. Staff rewards or disincentives need to be considered and individualized. The positive or negative consequence of any action needs to be made clear. High Performance helps to build these management skills.

Managers are expected to manage change and develop the talents of their team members. Beyond achieving operational objectives, a manager needs to identify key talents for different roles. She or he also needs to know how to coach team members to grow their talents into strengths while managing their limitations. This is "talent management" and it is key to staff retention. High Performance assists organizations to recruit and develop talented staff, and gives the organization's managers the resources to retain them.

If employees are aware of client main aimat investigating their performance and changing non-standard methods to desirable methods (which increase the efficiency of employees), they not only won't oppose the assessment and its result;but also usually interested in being informed of real position in the organization (even if it is contrary to their view). Of course, these statements do not mean that the assessment meeting will be held without tension and employees treat easily and simply with criticism of their performance, but the use of scientific

evaluation methods cause: first, decreasing in meeting tension and second, creating a power in employees to change and improve previous non-standard methods.

At its most general level of conceptualization, job satisfaction is simply how content an individual is with his or her job. At the more specific levels of conceptualization used by academic researchers and human resources professionals, job satisfaction has varying definitions. Affective job satisfaction is usually defined as a one-dimensional subjective construct representing an overall emotional feeling individuals have about their job as a whole (Kalleberg 1977, p. 124–143).

Facing this subject, at first employees will usually consider that this method is one of organization control systems and will oppose with it. One of central management skill is the ability to use employees' assessment in developing and creating motivation in them. Regular and consistent feedback on employees' performance is very important if will be in line of strengthening of staffs, utilizing their maximum ability, and creating maximum participation in the organization.

## RESEARCH BACKGROUND

The research titled as: "the relationship between the evaluator effect and three sources of 360 degree feedback evaluation" which was conducted by Antonioni and Park and published in the journal of management, investigates if the evaluator effect has similar effect on easy making assessments and on three groups of 360 degree feedback source (superiors, subordinates, colleagues) and if there is an interaction between evaluator and the time he/she spends to observe the subject or not. The results indicate that the effect of evaluator on easy making evaluation of colleagues and superior is more than on subordinate feedback; and also show that this effect is increased by increasing the time of observation.

According to the research of Tower print Company that its activity is in the field of human resources management, 8 percent of large companies now use 360 degree feedback and 69 percent are planning to start it in the next three years. Orpyd (2000) writes that the use of 360 degree feedback almost among 500 Fortune Magazine Companies has been the public. In the year 1997, Grouner told that more than 13 percent of American organizations have used 360 degree feedback. To help the organization managers in order to recognize the importance of improving services, 360 degree method has been carried out since 1993 to evaluate performance. The purpose of this method is creating open channels to receive feedback and accelerate the principles of customer-based approach in improving services and strengthening culture (Chang, 2002, Page 141).

Nearly 20 years ago, 360 degree feedback system has been introduced in organizations and its popularity has become more than before by revealing its benefits, because in addition to its effects on employees' performance are understandable on their behavior (Shahbaz Moradi, 2002, page 46). The organizations are rapidly applying 360 degree feedback system. In the year 1995, it was discovered in a survey that 20 large companies around the world used 360 degree feedback evaluation method (Jones and Berli, 2000, page 21).

Sudabeh Biklik (2001) in her research titled: "the investigation of job satisfaction in female employees in the ministry of housing and urban development compare to male employees" obtained these results that the effective factors on employees job satisfaction such as satisfaction with management, evaluation method, salary and fringe benefit, job security, facilities and physical conditions of the workplace are in low level of satisfaction meaning that the employees are generally dissatisfied from the above mentioned cases.

Saeed Zarrabi in his thesis (M.S) titled: "investigation and assessment of the quality of services in Bank Saderat Iran and it relationship with customers' satisfaction" obtained the results that indicated there is a significant and positive relationship between the quality of services and customers' satisfaction in confidence level of 95%. He also indicated that there is a significant difference between priority elements of services quality in confidence level of 95%. Evaluation is mentioned as a series of formal actions to investigate employee performance in a time interval that consists of all their behavior in that time (Alavi, 1990, page 34, Shahbaz Moradi, 2002, page 11).

Performance assessment is a formal process in order to assess and notify employees of the assigned duties and responsibilities, the considered attributes and characteristics, and also recognizing employees' potential talents for improvement and growth in different dimensions (Abtehi, 1998, page 223).

Performance evaluation is a process by which employees are formally investigated and assessed in the determined interval (Saadat, 2000, page 214).

Lepsinger and Lucia (1997) stated that 360 degree feedback process is total perceptions associated with an individual behavior. Therefore, 360 degree feedback is going to attract individual attention in workplace so to impact on other members of the organization (their colleagues).

360 degree evaluation generalizes input data feedback from a top-down one dimensional approach to a multidimensional approach (subordinate, colleagues and customers) and can be a "without border evaluation". The

concept of 360 degree feedback is considered to be consistent with a no boundary organizational theoretical approach. Common words which are used for 360 degree feedback are: “beneficiaries’ assessment”, “multi-criteria feedback”, “full-cycle assessment”, “multi-source assessment”, “colleague-subordinate assessment”, “group performance evaluation”, “multi-perspective evaluation” (Maccarty, 2001). Lepsinger and Lucia mentioned that 360 degree feedback has too much agreement with multi-source feedback. They presented a multi-source assessment system which the most common assessment sources used in it, are: managers, subordinates, the individual himself, colleagues and etc... (360 degree feedback is common in many of these sources with multi-sources feedback. This procedure has also four main elements:

- Top-down assessment: traditional assessment that evaluates managers and subordinates and is still an important part of 360 degree feedback procedure which can provide informative data for people. In this kind of assessment, there are four managers which can have a valid source for feedback. The simplest and closest sources to individuals is “immediate supervisor” and “matrix managements”, “previous immediate manager” and other directors are involved in the assessment (Jones and Berli, 2000).
- Bottom-up assessment: one of the main initiatives of 360 degree feedback is to create a context for providing feedback to elites. In elite assessment or bottom-up feedback, subordinates evaluate managers and supervisors performance in multiple dimensions and give the assessment results to the main individual. Bottom-up feedback is as an element of extensive procedure in 360 degree feedback and also a significant process that helps organization and individual development.

Supervisors are aware of job needs in their units and know the relevance of each job with the overall structure of the organization. They are constantly in contact with employees and can distinguish their strength and weaknesses. Since supervisors normally monitor the staffs’ rewards and punishments, so it is obvious that employees are given more credit to their evaluation (Seyed Javadbin, 2008, pages 348-349).

In the evaluation of individual him/herself, they select that this method can be useful if assessment is done for obtaining feedback. Most organizations apply this method to balance personal goals with other organizational goals (Seyed Javad bin, 2008, pages 348).

The main advantage of subordinate assessment is their ability to recognize the skills of creating communication by subordinates, general existing tendencies in employees and the ability to provide the required resources. In other side, other employees often have little information about supervisors’ job tasks, this factor in addition to the mentioned issues minimize the validity of this type of assessment (Seyed Javad bin, 2008, pages 350).

It is noteworthy that manager’s assessment by subordinate is not the same as subordinate assessment by manager; and here the main aim is to achieve information about manager performance and his/her management method and give it to him/her as feedback to become a more successful manager (Saadat, 2007, pages 224-225).

Employees’ performance can be assessed by their workmates. Colleagues’ assessment of each other performance is safer and more reliable when first, the workmates remain the same and without alteration almost for a long time; second, the tasks which are done by group members to be related and interdependent to each other; third, the colleagues who evaluate each other performance are not in direct competition with each other to get the same rewards (eg. promotion to a higher post). (Saadat, 2007, page 225).

Job satisfaction is the result of employees’ perception which job content and job context provide whatever that is valuable for staff. Job satisfaction is a positive and pleasant feeling that is the consequences of job assessment or individual experience. This state is a positive feeling and helps a lot to individual physical and psychological health (Moghimi, 2007, page 394). The purpose of job satisfaction is overall attitude of individual toward his/her work. One who has high level of job satisfaction also has a positive attitude towards his/her job. One who is not satisfied with his/her job (has not job satisfaction) has a negative attitude toward the job and work. When it is discussed about employees’ attitude, often the purpose is not other than their job satisfaction (Parsaeian and Arabi, 1999).

## **RESEARCH METHOD**

This research is among descriptive researches and correlative type. The subjects are 159 managers of Arjan Novin vegetable oil Company in Behbahan city. To calculate the sample volume with reference to Talkman or Morgan-Cohen table, it is found that the number of samples should be 113 people for obtaining reasonable and reliable results. Researcher-made questionnaire for evaluating the existing performance, questionnaire to evaluate performance with 360 degree feedback; and Wysocki and Kromm standard questionnaire job satisfaction with 39 statements were used. Cronbach’s Alpha coefficient is 0.93, 0.87, 0.92 which is an acceptable coefficient for

questionnaire reliability, content validity of both questionnaires was confirmed by experts. The obtained information was analyzed by Levene's test and t- test to compare the means in two independent groups.

### DATA ANALYSIS

The main hypothesis of the research:

**H0:** There is no significant difference between assessment results with existing method and with 360 degree feedback.

**H1:** There is significant difference between assessment results with existing method and with 360 degree feedback.

Since assessment variables with existing method and with 360 degree feedback have an interval scale, to compare these two variables first, their variances have been compared by Levene's test and then the averages compared by independent t-test which its results are shown in the table below:

**Table 1: The comparison of assessment averages with existing method and with 360 degree feedback**

Type of assessment	Number	Average	Standard deviation	Levene's test		Independent t-test		
Assessment with traditional method	113	76/8584	7/32153	Test statistics	Meaningful level	T statistics	Degrees of freedom	Meaningful level
Assessment with 360 degree feedback	113	73/1925	4/93496	25/292	P<0/001**	4/414	224	P<0/001**

Meaningful in the level of 0.05      \*\* Meaningful in the level of 0.01      NS: No significant

According to the information obtained from above table, since the amount of Levene's test statistic (25.292) in the level of  $\alpha=0/01$  is significant (P<0/001), so it is resulted that the variances of two assessment variables with existing method and 360 degree feedback are not homogeneous. On the other hand since the amount of t statistic (4.414), with degree of freedom 224 in the level of  $\alpha=0/01$  is significant (P<0/001), it is deduced that there is a significant difference between the averages of assessment results with existing method (76.85) and 360 degree feedback (73.19). Therefore, hypothesis H0 is rejected and hypothesis H1 confirmed.

### Research Hypothesis 1

**H0:** There is no significant difference between assessment results with existing method and the assessment itself.

**H1:** There is a significant difference between assessment results with existing method and the assessment itself.

Since assessment variables with existing method and the assessment itself have an interval scale, to compare these two variables first, their variances have been compared by Levene's test and then the averages compared by independent t-test which its results are shown in the table below:

**Table 2: The comparison of assessment averages with existing method and with the assessment itself**

Type of assessment	Number	Average	Standard deviation	Levene's test		Independent t-test		
Assessment with traditional method	113	76/8584	7/32153	Test statistics	Meaningful level	T statistics	Degrees of freedom	Meaningful level
Assessment with 360 degree feedback	113	73/3982	6/67022	2/652	0/105 <sup>NS</sup>	3/714	224	P<0/001**

Meaningful in the level of 0.05      \*\* Meaningful in the level of 0.01      NS: No significant

According to the information obtained from above table, since the amount of Levene's test statistic (2.652) is not significant (P<0/05), so it is resulted that the variances of two assessment variables are homogeneous. On the other hand since the amount of t statistic (3.714), with degree of freedom 224 in the level of  $\alpha=0/01$  is significant (P<0/001), it is deduced that there is a significant difference between the averages of assessment results with existing method (76.85) and the assessment itself (73.39). Therefore, hypothesis H0 is rejected and hypothesis H1 confirmed.

**Research Hypothesis 2**

**H0:** There is no significant difference between assessment results with existing method and managers’ assessment (supervisors).

**H1:** There is a significant difference between assessment results with existing method and managers’ assessment (supervisors).

Since assessment variables with existing method and managers’ assessment (supervisors) have an interval scale, to compare these two variables first, their variances have been compared by Levene’s test and then the averages compared by independent t-test which its results are shown in the table below:

**Table 3: The comparison of assessment averages with existing method and with managers’ assessment (supervisors)**

Type of assessment	Number	Average	Standard deviation	Levene’s test		Independent t-test		
				Test statistics	Meaningful level	T statistics	Degrees of freedom	Meaningful level
Assessment with traditional method	113	76/8584	7/32153					
managers’ assessment (supervisors)	113	83/7788	591036/	3.335	0/069 <sup>NS</sup>	7.468	224	P<0/001**

Meaningful in the level of 0.05

\*\* Meaningful in the level of 0.01

NS: No significant

According to the information obtained from above table, since the amount of Levene’s test statistic (3.335) is not significant (P<0/05), so it is resulted that the variances of two assessment variables are homogeneous. On the other hand since the amount of t statistic (7.468), with degree of freedom 224 in the level of  $\alpha=0/01$  is significant (P<0/001), it is deduced that there is a significant difference between the averages of assessment results with existing method (76.85) and managers’ assessment (83.77). Therefore, hypothesis H0 is rejected and hypothesis H1 confirmed.

**Research Hypothesis 3**

**H0:** There is no significant difference between assessment results with existing method and colleagues’ assessment.

**H1:** There is a significant difference between assessment results with existing method and colleagues’ assessment.

Since assessment variables with existing method and colleagues’ assessment have an interval scale, to compare these two variables first, their variances have been compared by Levene’s test and then the averages compared by independent t-test which its results are shown in the table below:

**Table 4: The comparison of assessment averages with existing method and with colleagues’ assessment**

Type of assessment	Number	Average	Standard deviation	Levene’s test		Independent t-test		
				Test statistics	Meaningful level	T statistics	Degrees of freedom	Meaningful level
Assessment with traditional method	113	76/8584	7/32153					
colleagues’ assessment	113	69.8230	04353/7	1.947	0/164 <sup>NS</sup>	7.361	224	P<0/001**

Meaningful in the level of 0.05

\*\* Meaningful in the level of 0.01

NS: No significant

According to the information obtained from above table, since the amount of Levene’s test statistic (1.947) is not significant (P<0/05), so it is resulted that the variances of two assessment variables are homogeneous. On the other hand since the amount of t statistic (7.361), with degree of freedom 224 in the level of  $\alpha=0/01$  is significant (P<0/001), it is deduced that there is a significant difference between the averages of assessment results with existing method (76.85) and colleagues’ assessment (69.82). Therefore, hypothesis H0 is rejected and hypothesis H1 confirmed.

**Research Hypothesis 4**

**H0:** There is no significant difference between assessment results with existing method and employees’ assessment.

**H1:** There is a significant difference between assessment results with existing method and employees’ assessment.

Since assessment variables with existing method and employees' assessment have an interval scale, to compare these two variables first, their variances have been compared by Levene's test and then the averages compared by independent t-test which its results are shown in the table below:

**Table 5: The comparison of assessment averages with existing method and with employees' assessment**

Type of assessment	Number	Average	Standard deviation	Levene's test		Independent t-test		
Assessment with traditional method	113	76/8584	7/32153	Test statistics	Meaningful level	T statistics	Degrees of freedom	Meaningful level
Subordinate (employees) assessment	113	65.7699	7.45104	1.891	0/170 <sup>NS</sup>	11.284	224	P<0/001**

Meaningful in the level of 0.05

\*\* Meaningful in the level of 0.01

NS: No significant

According to the information obtained from above table, since the amount of Levene's test statistic (1.891) is not significant ( $P<0/05$ ), so it is resulted that the variances of two variables are homogeneous. On the other hand since the amount of  $t$  statistic (11.284), with degree of freedom 224 in the level of  $\alpha=0/01$  is significant ( $P<0/001$ ), it is deduced that there is a significant difference between the averages of assessment results with existing method (76.85) and employees' assessment (65.76). Therefore, hypothesis H0 is rejected and hypothesis H1 confirmed.

### Research Hypothesis 5

**H0:** There is no effective relationship between performance assessment with existing method and job satisfaction.

**H1:** There is a more effective relationship between performance assessment with existing method and job satisfaction.

Since performance variables with existing method and job satisfaction have an interval scale, Pearson's correlation coefficient is used to compare the above hypothesis which its results are shown in the table below:

**Table 6: The correlation between assessment with traditional method and job satisfaction**

The Correlation Between	Pearson's Correlation Coefficient (R)	Number	Meaningful Level (P)	Result
Assessment With Traditional Method For Job Satisfaction	<sup>NS</sup> +0/171	113	P=0.070	No Significant (P<0.05)

Meaningful in the level of 0.05

\*\* Meaningful in the level of 0.01

NS: No significant

As it is shown in the above table, since the calculated amount for Pearson's correlation coefficient ( $P=0.070$ ,  $N=113$ ,  $r=+0.171$ ) in the level of  $\alpha=0.05$  is not significant, it is deduced that there is no significant relationship between managers' performance assessment with existing method and their job satisfaction. Therefore, hypothesis H0 is not confirmed.

### Research Hypothesis 6

**H0:** There is no more effective relationship between performance assessment with 360 degree feedback and job satisfaction.

**H1:** There is a more effective relationship between performance assessment with 360 degree feedback and job satisfaction.

Since performance variables with 360 degree feedback and job satisfaction have an interval scale, Pearson's correlation coefficient is used to investigate the above hypothesis which its results have been shown in the table below:

**Table 7: The correlation between assessment with 360 degree feedback and job satisfaction**

The correlation between	Pearson's correlation coefficient (r)	Number	Meaningful level (p)	Result
Assessment with 360 degree feedback and job satisfaction	+0/213*	113	P=0.024	Significant-positive (P<0.05)

Meaningful in the level of 0.05

\*\* Meaningful in the level of 0.01

NS: No significant

As it is shown in the above table, since the calculated amount for Pearson's correlation coefficient ( $P=0.024$ ,  $N=113$ ,  $r=+0.213$ ) in the level of  $\alpha=0.05$  is significant, it is deduced that there is a significant and positive relationship between managers' performance assessment with 360 degree feedback and their job satisfaction. Therefore, hypothesis H0 is rejected and hypothesis H10 confirmed.

## GENERAL CONCLUSION

According to the obtained information, it is concluded that the variances of two assessment variables with existing method and the assessment itself are homogeneous and there is a significant difference between the averages of assessment results with existing method and the assessment itself. The variances of two assessment variables with existing method and managers' assessment are homogeneous. There is a significant difference between the averages of assessment results with existing method and managers' assessment.

The variances of two assessment variables with existing method and colleagues' assessment are homogeneous and there is a significant difference between the averages of assessment results with existing method and colleagues' assessment. The variances of two assessment variables with existing method and employees' assessment are homogeneous and there is a significant difference between the averages of assessment results with existing method and employees' assessment. There is no significant relationship between managers' performance assessment with existing method and their job satisfaction, it is deduced that there is a significant and positive relationship between managers' performance assessment with 360 degree feedback and their job satisfaction.

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