



## THE EFFECT OF METHODS OF EMPLOYEE EVALUATION ON EMPLOYEE PERFORMANCE IN SOME SELECTED TRANSPORT COMPANIES IN EDO STATE, NIGERIA

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**Abstract:** The study examined the effect of methods of employee evaluation on Employee performance in some selected organizations in Edo State. The study precisely evaluated the effects on employee performance of 360 degree feedback mechanism and the number of clients contact. Two research hypotheses were stated to guide the study, Pearson Product Correlation (PPC) technique was utilized to determine the parameter estimate in the two constructs. The PPC for number of 'clients contact' on employee performance is significant. The correlation coefficient( $r$ ) which is the effect of the number of client contacts on employee performance is 0.578. The PPC for the multi rater Feedback (360 degree feedback) on employee performance is significant with correlation coefficient ( $r$ ) value 0.509. This indicates that '360 degree feedback' is statistically significant to employee performance. The population of the study was 535 with sample of 229 obtained from utilizing Taro Yamane formula. Findings indicates that each of the identified variables are positive and significantly correlated to the dependent variable showing their importance to corporate organization in the selected study area in Edo State. It is therefore recommended to the selected organizations to adopt a multi rater feedback mechanism which will impact on its employee performance, similarly is the role of clients' contacts as a measure of employee performance in the selected organizations in Edo State.

**Keywords:** Employee evaluation, employee performance, transport companies

### I. Introduction

Any business, including that of your business, needs to focus attention on front-line service staff that is those employees that have direct, daily contact with customers. The connection between front-line employees and customers should be at the center of management attention. Managers need to take into consideration the additional factors that yield profitability at every level in the organization, including investment in quality workers, technology that supports front-line employees, concrete

recruiting and training practices, and compensation linked to employee performance. When employees are provided with the tools and skills they need, employee satisfaction rises as does the ability to service customers better. Employee satisfaction raises employee productivity, and higher productivity means greater service and value to customers. This value leads to increased customer satisfaction and loyalty, which promotes profitability or organizational growth and continued success and corporate growth in an organisation. The problem has been that of organisations not recognizing efforts made by



workers even when it is obvious that individual workers meets target in bringing in more customers such more passengers who are the main clients in the case of the organisations being researched in this study.

How an employee perform daily in their business will have an effect on the organisations business success or failure. Among factors involving employee's performance includes but not limited to number of clients contact and the number of sales made by employees. For example, employees who are in the client service unit of an organisation i.e. making contacts with passengers are expected to handles their request favorably which in turned impact on their performance, otherwise they could lose some valuable and important customers some of who may be important corporate customers hence affecting negatively the corporate growth of the organisation. Similarly, feedback of performance measurement obtained from different categories of workers in an organisation about their colleagues ranging from junior through same level employees to superior colleagues could impact its performance if done without biased. Organizations have control over setting these expectations and monitoring them regularly. Understanding performance metrics as stated above, employee performance review methods and ways to improve performance will help you ensure your workforce can meet your business's needs and customers' needs.

Performance represents one of the most important aspects of organizational growth that must be taken into account when talking about the internal marketing of a company and reaching performance to the highest level becomes more and more challenging, given the continuous development of the companies and the continuous increase of the market standards. This assumes not only providing quality of service and products, but also having a performing worker. The more the employees exceed expectations, the greater the company's competitive advantage will be. A strong company will always attract and retain talents.

## **II. Literature Review**

2.1 Today, no matter where you are in the world, one thing is that expectations on customer service is increasing at an alarming rate and notably this cannot be underestimated because, customers have become more informed and are fully aware of their expectations/needs/wants on what to expect from an organization. According to a research study by Kiragu (2015), there has been intense competition for delivery of quality services which serves as a driver for growth in an organization. The number of clients' contact which presumably includes the quality of contacts of customer service of an organization, number of close deals an employee is able to attract to an organization, as well as the number of satisfy customers an employee is able to attract to the organization. As quantity is often easier to measure than quality, there are multiple ways to measure this employee KPI. The metrics used to judge quantity will vary between industries. Some jobs are more difficult to quantify, or not well suited for this method. For example, in many countries hospitals will have a cap on beds, set by the government. If so, doctors and nurses cannot be quantified for how many patients they permit. However, measuring how many days patients spend on beds for instance would be more useful. However, in this study, as transport organizations the number of customers that patronize it becomes an important measures of performance of workers especially the repeat patronage of customers of these organizations, meaning how a worker is able to attract as many customers as they can.

### **2.1.1 Number of sales**

The number of sales is particularly easy way to pinpoint a sales employee's output, that is how many customers they are able to attract to the organization. This holds especially true with 'simple sales'. This means that, for example, organized street vendors only steer on the number of sales, because, when given sufficient time, the people with the best skills will sell the most in an hour on the same location. This is an example of an outcome metric.



However, when sales are more complex (i.e. a longer sales cycle), the number of sales becomes less reliable because lower frequency and randomness/luck will play a larger role in the successful outcome of the sale.

Complex sales cycles, like software solution sales (which can have a sales cycle of up to one and half years) are best measured by other metrics. These are so-called process metrics, as they represent the actions one needs to do that increase the chance of a successful sale. For example, the person who calls the most customers has, in the end, the best shot at making a successful sale. In this case, the number of phone calls would be a more reliable metric of long-term sales success.

Employee performance metrics like this include the number of (potential) client contacts one has, the number of phone calls one makes, the number of company visits, the number of active leads, etc.

#### **Number of units produced**

Different industries have different ways to express their quantitative output. In traditional manufacturing, the number of units produced was often a reliable quantitative metric. In modern (service) organizations, similar metrics are still being used. For example, companies with employees in data entry roles sometimes monitor keystrokes per minute to ensure efficiency.

##### **2.1.2 360 degree feedback mechanism**

This method was said to be much better-rounded than the one-sided feedback of an individual manager alone. Co-worker perception is important and helps people understand how their peers view their work. Team members learn to work more effectively together when they understand how their work affects those around them. This method also increases accountability and can improve communication. Varied and balanced feedback can provide any individual with priceless information on how to improve their skills and performance in order to enhance their career.

When a manager is the sole person responsible for assessing and delivering feedback on individual

performance, it's easy for an employee to take any form of criticism personally. Or become defensive. Or to assign blame to the fact that manager simply doesn't like them. When criticism comes from a variety of sources, it's harder to do so. 360 degree feedback is essentially effective because of the enhanced perspective of multiple people who interact with an individual differently yet routinely. The more unbiased information that can be gathered, the more it will help to create a comprehensive assessment of performance. From there, the fine tuning of skills, and focus on areas that need improvement, will help to promote employee growth and development and improve the organization's effectiveness overall.

As a result of this, businesses, educational systems and other business parastatals are exploring ways to better deliver the best of services to their customers. This involves the capability to invite and retain the finest and most qualified employees. The business organizations that are determined and able to apply the necessary policies and procedures will maintain and increase their competitive advantage over other organizations and at the same time increase the business effectiveness. Also, the tough business environment creates the necessity to rate employee performance in order to measure the returns an organization gets in exchange of the salary it pays. Evaluation is one of the most required and useful practices in order to determine how an organization or an employee performing. Without rating its productivity, companies or managers cannot be aware of how well they are doing. Feedback may be seen as a mirror which reflects employees' level of productivity. It provides an opportunity to see you from other people's perspectives. Mandal proposes that Feedback of any nature is important for initiating improvements (Mandal, 2002). 360 degree feedback combines the advantages of giving feedback and evaluating performance in its unique character. Since the last decade, 360 degree feedback has attracted attention as a Human Resources method (CIPD, 2003; Ward, 2004). The process has been widely used by many organisations



and popularity of the approach has been increasing (Waldman & Atwater, 1998). Effectiveness of 360 degree feedback procedure as a development instrument is rightly proved (Tyson & Ward, 2004) and accepted by experts. However, the efficiency of the method in evaluating performance is not totally clarified. Fletcher summarized the position of multi-rater feedback practice as ‘Initially, it tended to be used purely for development purposes, and often on a one-off basis, but increasingly; it is becoming part of the formal, annual appraisal process’ (Fletcher, 2001). The question of whether it is effective or not to implement 360 degree feedback in order to evaluate performance in preference to development purposes has not been clarified in the literature. The motive of this study in this respect is finding an answer to the question of whether 360 degree feedback appraisal is an effective way of performance evaluation of workers or not.

### 2.2.1 Statement of the Research Problem

Satisfied employees help produce satisfied customers. Satisfied employees are likely to assist customers with a more pleasant performance and a higher level of customer service. This creates a more satisfying customer experience, increases customer loyalty, and ultimately drives increased profitability or growth. This study is to address the issue of how many clients’ contacts an employee has in order to improve its performance such as contacts with clients, bringing new customers to the organization and number of deals closed, these are usually an issue in an organization. A dissatisfied employee may not be able to put in the best possible in order to contribute to corporate growth of the organisation. Meeting targets of either sales, or addressing customers’ problems favorably should be reciprocated by the organisation by recognizing such workers one way or the other so he can do more. These are some of the issues that needs to be addressed in an organisation to improve workers performance.

Historically, performance management has been characterized by a one-time annual conversation between manager and employee based solely on the manager’s

assessment of the employee’s performance over the course of the previous year. Needless to say, these conversations have often been a source of worry for everyone involved, not to mention, highly ineffective at improving performance or stoking enthusiasm. It is therefore the view of the researcher to jettison the use of this traditional measurement by experimenting the use of multi rater feedback mechanism which is a method of obtaining feedback on employee performance from a variety of sources to see its effect on employee performance. This could be a powerful tool that allows each employee to understand how his or her effectiveness is viewed by a variety of people in varying roles around them, especially those they interact with routinely.

### 2.2.2 Objectives of the Study

- i. To assess the how number of clients contact impact on employee performance in some selected transport companies in Edo State, Nigeria;
- ii. To determine the effect of the use of 360 degree feedback mechanisms on employee performance in some selected transport companies in Edo State, Nigeria.

### 2.2.3 Hypotheses Testing

- The study is premise on the following hypotheses

### 2.3 Hypothesis Development

- In examining how number of clients contact and the use of 360 degree feedback mechanisms affect employee performance in the selected transport companies in Edo State, Nigeria, it is necessary to examined how number of clients contacts relate to employee performance as well as the effect of the use of 360 degree feedback i.e. multi rater feedback mechanism on employee performance in selected transport companies in Edo State, Nigeria

H<sub>01</sub>: There is no relationship between number of clients contact and employee performance in selected transport companies in Edo State, Nigeria;

H<sub>02</sub>: 360 degree feedback mechanisms does not relate to employee performance in selected transport organization in Edo State, Nigeria.



### III Research Methodology

This research started with a general literature review with an aim to define the research objectives and questions. Cross sectional design method was adopted in order to elicit data from respondents through the administration of a well-structured questionnaire which tries to gather data that aided in analyzing the variables that were identified in this study. In parallel, a more focused literature review was carried out to develop a survey instrument. Afterwards, the survey validity was conducted while the instrument shows a positive reliability and validity. The questionnaire templates were randomly distributed among the staff of the selected transport companies whose main staff and businesses are located in Benin-City and this was done by using convenience sampling methods to relevant workers. The questionnaire was divided into two sections, that of the demographic characteristics and variables being analyzed. Each variable elicited questions that are related to capturing or measuring the said variable. The population of this study is staff of the selected transport companies, however sample size of 229 was obtained using the Taro Yamane formula from the population which was 535. A minimum of Cronbach alpha value of 0.7 was obtained from the pilot study conducted showing the reliability of the instrument, while the instrument was subjected to content validity, which is an expert opinion validity as used in (Osugwu, 2004). The analysis of the study was conducted using descriptive and inferential statistics done through correlation and regression analysis. Specifically; Pearson Product Moment Correlation was used to measure the relationship between the study variables.

### IV Analysis, Results and Discussion of findings.

The table below represents the responses from the respondents.

**Table 4.1: Respondents responses to number of clients contacts**

| N | Items                                                                                                                 |      | SA          | A          | U          | D        | SD     | Total      |
|---|-----------------------------------------------------------------------------------------------------------------------|------|-------------|------------|------------|----------|--------|------------|
| 1 | The higher the number of clients contact by an employee the higher his performance                                    | No % | 142<br>71   | 28<br>14   | 23<br>11.5 | 7<br>3.5 | 0<br>0 | 200<br>100 |
| 2 | Volume of sales by an employee will impact on his performance                                                         | No % | 151<br>75.5 | 29<br>14.5 | 16<br>8    | 4<br>2   | 0<br>0 | 200<br>100 |
| 3 | The higher the number of satisfied customers the higher the employee ratings                                          | No % | 162<br>81   | 31<br>15.5 | 7<br>3.5   | 0<br>0   | 0<br>0 | 200<br>100 |
| 4 | The higher the number of satisfied customers an organization has the more customer loyalty the organization will have | No % | 176<br>88   | 18<br>9    | 5<br>2.5   | 1<br>0.5 | 0<br>0 | 200<br>100 |
| 5 | The higher the number of satisfied customer the higher the customer lifetime value                                    | No % | 174<br>87   | 22<br>11   | 4<br>2     | 0<br>0   | 0<br>0 | 200<br>100 |

Table 4.1 shows the respondents responses on the assertion that number of clients contact affect employee performance indicating that 142 respondents representing 71% strongly agreed with this assertion, while 28

respondents representing 14% agreed, 23 respondents representing 11.5% undecided and 7 respondents representing 3.5% disagree with the assertion made. This shows that majority of the respondents representing over



82% agreed that surely the number of clients contact on employee performance of the selected transport companies in Edo State. Statement number 2 in Table 4.1 stated that the Volume of sales by an employee will impact on his performance while 151 respondents representing 75.5% strongly agreed with the statement and 29 respondents representing 14.5% merely agreed and 16 respondents representing 8% were undecided, while 4 respondents representing 2% disagreed disagree with the statement made in serial number 2. This shows that the majority of the respondents representing 91% agreed that the volume of sales by an employee will impact on its performance in the selected companies in Edo State. Statement number three in Table 4.1 indicated that the higher the number of satisfied customers the higher the employee ratings in terms of performance, hence it was observed that 162 respondents representing 81% strongly agreed with the stated statement, while 31 respondents representing 15.5% agreed and 7 respondents representing 3.5% undecided. This simply means that majority of the participating respondents with 193 responses representing 96.5% agreed with the stated assertion in statement number three.

Similarly, from statement Number 4 in Table 4.1, 176 of the respondents representing 88% strongly agreed with the statement that the higher the number of satisfied customers an organization has the more customer loyalty the organization will have, while 18 responses representing 9% agreed, and 15 of the participating respondents representing 2.5% were undecided, and 1 respondent representing 0.5% disagreed with the statement. Therefore, majority of the participating respondents with the figure of 194 representing 97% agreed with the stated assertion. Analysis of statement number 5 in Table 4.1 shows that from all the participating respondents' 174 responses representing 87% agreed with the statement that the higher the number of satisfy customer the higher the customer lifetime value in the selected organization. While 22 responses representing 11% agreed with the statement and 4 respondents representing 2% undecided. Therefore, from the responses obtained from the field majority of the participated respondents numbered 196 representing 98% agreed with the statement number 5 in Table 4.1.

**Table 4.2: Pearson Product Correlation for number of clients' contact and employee performance in organization.**

|                                                                        | Number of client contacts | Employee performance   |
|------------------------------------------------------------------------|---------------------------|------------------------|
| Employee performance Pearson Correlation<br>Sig. (2-tailed)<br>N       | 1<br><br>200              | .578**<br>0.000<br>200 |
| Number of clients Pearson Correlation<br>Contacts Sig. (2-tailed)<br>N | .578**<br>0.000<br>200    | 1<br><br>200           |

\*\*. Correlation is significant at the 0.01 level (2-tailed).



**Table 4.2** shows the relationship between number of clients contact and its effect on employee performance in the selected companies in Edo State. The correlation coefficient ( $r$ ) which is the effect of number of client contacts on employee performance of the selected companies in Edo State is 0.578 and the significance level is 0.01 ( $p < .01$ ). The Table 4.2 further shows that while the  $p$ -value is 0.000, which is less than 0.01, hence by the rule the null hypothesis is then rejected while the alternative

hypothesis accepted. Which then indicates that number of clients contact is significant and relates to employee performance in the selected companies in Edo State, it therefore means that the higher the number of clients contact made by an employee the greater the performance of such employee and by extension it will impact on corporate growth of the organization.

**Table 4.3: How does 360 degree feedback impact on employee performance in the selected transport companies in Edo State?**

| SN | Items                                                                                                     |         | SA          | A          | U          | D        | SD     | Total      |
|----|-----------------------------------------------------------------------------------------------------------|---------|-------------|------------|------------|----------|--------|------------|
| 1  | Collection of anonymous feedback about an employee will impact on his performance rating                  | No<br>% | 118<br>59   | 46<br>23   | 26<br>13   | 10<br>5  | 0<br>0 | 200<br>100 |
| 2  | A Managers appraisal alone may not be objectives in an employee ratings                                   | No<br>% | 156<br>78   | 27<br>13.5 | 11<br>5.5  | 4<br>2   | 2<br>1 | 200<br>100 |
| 3  | The ratings of employee by customers could impact in an employee performance                              | No<br>% | 143<br>71.5 | 49<br>24.5 | 8<br>4     | 0<br>0   | 0<br>0 | 200<br>100 |
| 4  | 360 degree feedback could identify a training gaps in an employee                                         | No<br>% | 169<br>84.5 | 26<br>13   | 3<br>1.5   | 2<br>1   | 0<br>0 | 200<br>100 |
| 5  | 360 degree feedback mechanism improves transparency within the organization                               | No<br>% | 138<br>69   | 32<br>16   | 21<br>10.5 | 5<br>2.5 | 4<br>2 | 200<br>100 |
| 6  | The method of 360 degree feedback about an employee creates self-awareness about strengths and weaknesses | No<br>% | 132<br>66   | 49<br>24.5 | 14<br>7    | 5<br>2.5 | 0<br>0 | 200<br>100 |
| 7  | Multi-rater feedback strengthen the raters and the rates                                                  | No<br>% | 158<br>79   | 34<br>17   | 8<br>4     | 0<br>0   | 0<br>0 | 200        |

The statement number 1 in Table 4.3 shows the responses on the assertion that collection of anonymous feedback about an employee will impact on his performance rating, hence 118(59%) strongly agreed with the assertion, and 46(23%) of the respondents agreed while 26(13%) of the respondents were undecided and 10(5%) responses

disagree with the statement. This indicates that majority of the respondents representing 164(82%) responses agreed that the collection of anonymous feedback about employee performance will impact on his performance rating. Similarly, the statement number 2 in Table 4.3 shows that a managers appraisal alone may not be objectives in an



employee ratings, while 156(78%) of the participated respondents strongly agreed, and 27(13.5%) of the respondents agreed and 11(5.5%) of the participated respondents undecided, 4(2%) disagreed with the statement and 2(1%) of the respondents strongly disagree with the statement. This shows that majority of the participated respondents numbering 183(91.5%) agreed with the statement. Similarly statement number 3 of Table 4.3 indicates that the ratings of employee by customers could impact in an employee performance in the selected companies in Edo State. Responses from the participated respondents shows that 143(71.5%) strongly agreed with the statement, while 49(24.5%) of the respondents agreed with the statement and 8(4%) of the responses are undecided. This shows that majority of the participated respondents numbering 192(96%) responses agreed with the statement number 3 in Table 4.3. The statement number 4 in Table 4.3 indicates that 360 degree feedback (multi rater feedback) could identify a training gaps in an employee and the responses from the participated respondents indicate that 169(84.5%) of the respondents strongly agreed with the statement as stated and 26(13%) of the responses agreed, while 3(1.5%) of the respondents are undecided and 2(1%) of the participants disagree with the statement. This indicates that majority of the participated respondents representing 195(97.5%) agreed with the stated assertion.

Looking at statement number 5 of Table 4.3 which states that 360 degree feedback mechanism improves transparency within the organization from the responses of the participated respondents 138 (69%) strongly agreed with the assertion while 26(13%) of the respondents agreed and 21(10.5%) were undecided, however, 5(2.5%) disagree with the statement and 4(2%) strongly disagree with the statement. This shows that majority of those that participated in the research with figure of 164(82%) agreed with the statement showing its importance to the selected companies. Further, statement number 6 of Table 4.3 shows that 132 (69%) strongly agree with the statement made, just like 49(24.5%) of the respondents agreed with the statement, and 14(7%) participants were undecided, while 5(2.5%) responses disagree with the statement. Therefore, 162(80.5%) constitutes the majority of the participating respondents who agree with the statement. This shows how important statement number 6 of Table 4.3 is to the selected companies in Edo State. Also, statement number 7 of Table 4.3 shows that 158 (79%) of the participated respondents strongly agree with the statement, just like 34(17%) of the respondents agreed with the statement, and 8(4%) participants were undecided. Therefore, 192(96%) constitutes the majority of the participating respondents who agree with the statement. This shows the importance of statement number 7 of Table 4.3 in this study.



**Table 4.4: Pearson Product Correlation for 360 degree feedback and employee performance.**

|                      |                     | 360 degree feedback | Employee performance |
|----------------------|---------------------|---------------------|----------------------|
| Employee performance | Pearson Correlation | 1                   | .509**               |
|                      | Sig. (2-tailed)     |                     | .000                 |
|                      | N                   | 200                 | 200                  |
| 360 degree feedback  | Pearson Correlation | .509**              | 1                    |
|                      | Sig. (2-tailed)     | .000                |                      |
|                      | N                   | 200                 | 200                  |

\*\*. Correlation is significant at the 0.01 level (2-tailed).

**Table 4.4** shows the relationship between 360 degree feedback and its effect on employee performance in the selected organizations in Benin-City, Edo State. The correlation coefficient (r) which is the effect of 360 degree feedback and employee performance of the selected companies in Edo State is 0.509 and at significance level of 0.01 and p value is 0.000 hence  $p < .01$ . Therefore by the rule, the null hypothesis is then rejected while the alternative hypothesis accepted. This indicates that 360 degree feedback is statistically significant to employee performance in the selected companies of Edo State. In order words if the organization introduce a 360 degree feedback mechanism, employee performance will improve and which will hence impact on the organizational growth of the companies studied.

## 4.2 Discussion of Findings

### 4.2.1: To determine the influence of number of clients contact on employee performance in the selected companies in Edo State, Nigeria.

The findings from the result of the analysis of the first hypothesis revealed that the variables were positively and statistically significant to employee performance. This demonstrates the importance of the number of clients contact in employee performance in the selected organizations in Edo State. This assertion tallies with some

of the research conducted by some authors. It was noted that the number of clients' contact which presumably includes the quality of contacts of customer service of an organization, number of close deals an employee is able to attract to an organization, as well as the number of satisfy customers an employee is able to attract to the organization are some of the evidence of the importance of this assertion. As quantity is often easier to measure than quality, there are multiple ways to measure this employee KPI. The metrics used to judge quantity will vary between industries. Some jobs are more difficult to quantify, or not well suited for this method. For example, in many countries hospitals will have a cap on beds, set by the government. If so, doctors and nurses cannot be quantified for how many patients they permit. However, measuring how many days patients spend on beds for instance would be more useful. However, in this study, as transport organizations the number of customers that patronize it becomes an important measures of performance of workers especially the repeat patronage of customers of these organizations, meaning how a worker is able to attract as many customers as they can. Similarly, number of sales is particularly an easy way to pinpoint a sales employee's output that is how many customers they are able to attract to the organization. This holds especially true with 'simple



sales'. This means that, for example, organized street vendors only steer on the number of sales, because, when given sufficient time, the people with the best skills will sell the most in an hour on the same location. This is an example of an outcome metric. However, when sales are more complex (i.e. a longer sales cycle), the number of sales becomes less reliable because lower frequency and randomness/luck will play a larger role in the successful outcome of the sale. Complex sales cycles, like software solution sales (which can have a sales cycle of up to one and half years) are best measured by other metrics. These are so-called process metrics, as they represent the actions one needs to do that increase the chance of a successful sale. For example, the person who calls the most customers has, in the end, the best shot at making a successful sale. In this case, the number of phone calls would be a more reliable metric of long-term sales success.

Employee performance metrics like this include the number of (potential) client contacts one has, the number of phone calls one makes, the number of company visits, the number of active leads, etc.

#### **4.2.2: To assess the effect of 360 degree feedback on employee performance of the selected organizations Edo State, Nigeria.**

Findings revealed 360 degree feedback which same as multi rater feedback enhanced the performance of an employee in an organization. Evaluation is one of the most required and useful practices in order to determine how an organization or an employee performing. Without rating its productivity, companies or managers cannot be aware of how well they are doing. Feedback may be seen as a mirror which reflects employees' level of productivity. It provides an opportunity to see you from other people's perspectives. Mandal proposes that 'Feedback of any nature is important for initiating improvements' (Mandal, 2002). 360 degree feedback combines the advantages of giving feedback and evaluating performance in its unique character. Since the last decade, 360 degree feedback has attracted attention as a Human Resources method (CIPD, 2003; Ward, 2004).

The process has been widely used by many organisations and popularity of the approach has been increasing (Waldman & Atwater, 1998). Effectiveness of 360 degree feedback procedure as a development instrument is rightly proved (Tyson & Ward, 2004) and accepted by experts. However, the efficiency of the method in evaluating performance is not totally clarified. Fletcher summarized the position of multi-rater feedback practice as 'Initially, it tended to be used purely for development purposes, and often on a one-off basis, but increasingly; it is becoming part of the formal, annual appraisal process' (Fletcher, 2001). The question of whether it is effective or not to implement 360 degree feedback in order to evaluate performance in preference to development purposes has not been clarified in the literature. The motive of this study in this respect is finding an answer to the question of whether 360 degree feedback appraisal is an effective way of performance evaluation of workers or not. One suggestion is that multi-rater feedback approach strengthens the contact between the raters and the rates (Gallagher, 2008). Another positive aspect of multi-source feedback is that by evaluating their boss, raters may feel empowered (Alimo-Metcalf, 2003). Opportunity of rating their boss may give employees the experience of power and right to speak. Multi-rater feedback systems provide high quality feedback and are used for performance coaching (Atwater et al., 2007). Feedback from various sources provides more reliable information in order to inform the receivers about the level of their performance. It is declared by Gallagher that multi-rater feedback system leads managers to draw a clear frame of employee strengths and weaknesses; it reveals the 'blind spots' of receiver performance (Gallagher, 2008). Atwater and colleagues (2007) propose that 360 degree feedback practice may diagnose misalignment between internal and external stakeholders. That may lead to communication between them. Deci and Ryan (1985) illustrate that recognition of good performance may improve perceived competence of employees and following that it may



enhance intrinsic motivation (Deci and Ryan, 1985; cited by Kuvaas, 2007). Gitlespie and Parry (2006) carried out a literature review and found that 360 degree feedback implementations lead to team interactions. 360 degree feedback provides the opportunity for employees to evaluate themselves and the way other people work with them evaluate their behavior (Rohan-Jones, 2004). Heathfield (2001) claims that multi-sourced feedback decreases gender, race and age discrimination. Another positive effect of 360 degree feedback is provision of legal protection (Carter et al., 2005; Gitlespie and Parry, 2006).

## **V. Conclusion and Recommendation**

### **5.1 Conclusion**

Based on the findings in this study, the following conclusions were made:

1. That the number of clients/ passengers contact is an important determinant of employee performance;
2. Findings also indicates that the higher the number of satisfied customers in the selected organisations the more loyal to the organisation which impacts on employee performance.
3. Managers' appraisal alone may not be objectives in an employee ratings and therefore needed a more robust systems as 360 degree feedback mechanism which impact on employee performance.
4. Findings also indicates that 360 degree feedback mechanism improves transparency in employee rating in the organisation;

### **5.2 Recommendation**

1. Based on the above conclusion, it is recommended that the employees of the selected organisations should ensure that frantic efforts are made to increase the number of clients'/passengers contacts so as to impact on his positive assessment and improves his performance, this includes ensuring that more sales are made by bringing more customers or patronage to its transport business. Additionally, efforts should be made to attend to all customers satisfactorily as a satisfied customers could lead to repeat patronage hence impact on

the employee whose efforts gives rise to that. This will not only increase the employee performance but will also impact on the corporate growth of the selected organizations.

2. Similarly, it is hereby recommended that having shown that multi rater feedback mechanism impact on employee performance, this system of appraisal be implemented so as to be fair and just to both the raters and the rates. This will also prevent a superior who might be waiting for vendetta at the time of employee appraisal exercise. By this employee performance will be high and continuous stay in the organization will be guaranteed as experience can therefore not be bought or found elsewhere other than where the employee works.

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