Performance Appraisal plays a vital role in any organization human resource framework. Performance Appraisal is an important tool in the hands of personal management because this technique accomplishes the main objective of the organization to the development of the people by appraising the worth of the individual. There are different method of Performance Appraisal based on the type of the organization, size of the organization and also the period when it is used. 720 Degree Performance Appraisal, considered an “all-round” appraisal, is one of the most recently introduced concepts. As the name suggest, 720 Degree is 360 Degree twice. 720 Degree Performance Appraisal is the evaluation of an employee from all the aspects and giving timely feedback to ensure that the person is able to achieve the set goals before the next appraisal. Many management experts feel that doing a comprehensive 360 Degree Appraisal is not complete in itself. They feel that an effective procedure to measure improvements and receive feedback is essential for the success of any appraisal. The 720 Degree evaluation is emerging as a possible alternative appraisal technique. Organizations are slowly but steadily realizing the need for this new system, which is better than the existing 360 Degree evaluation, especially in terms of the focus of the evaluation and the involvement of the evaluators in the process. Here, an attempt is made to highlight the need and significance of 720 Degree Performance appraisal in the modern business world and also differentiate this new emerging technique from the 360 Degree Performance appraisal.

1. INTRODUCTION
Employee performance is related to job duties which are expected of a worker and how perfectly those duties were accomplished. Many managers assess the employee
performance on an annual or quarterly basis in order to help them identify suggested areas for enhancement. Performance appraisal (PA) system depends on the type of the business for an organization. PA mostly relates to the product output of a company or the end users of an organization. It is a powerful tool to calibrate refine and reward the performance of the employees. It helps to analyze his achievements and evaluate his contribution towards the achievement of overall organizational objectives. Performance Appraisal is the assessment of individual’s performance in a systematic way. It is a developmental tool used for all round development of the employee and the organization. The performance is measured against such factors as job knowledge, quality and quantity of output, initiative, leadership abilities, supervision, dependability, co-operation, judgment, versatility and health. Assessment should be confined to past as well as potential performance also. The performance appraisal is a periodic event to reflect and evaluate past performance with the intent to identify strengths and weaknesses of an employee’s performance and to identify developmental goals. A performance appraisal is just one part of a performance management system.

Effective performance management requires on-going communication between supervisors and staff. The assessment and review part of the process provides the opportunity for documentation and formal communication. It’s the time for the supervisor and the employee to set developmental goals that reinforce the organization’s strategic plan and, if there are areas of problem performance, action plans for improvement. There should be discussion of the employee’s career progress and plans made for training and long-term career growth. Many supervisors see the appraisal process as a motivation tool to improve employee performance. The employee’s main objective is to obtain feedback from the supervisor on his or her work performance. Ideally, employees receive feedback at all times and not just through the review process. The employee will also expect organizational support in his or her career growth. Together, the employee and the supervisor should identify areas for improvement and set goals for training and skill development. Anything the supervisor can do to enhance the employee’s skills will benefit both the employee and the organization.

2. DIFFERENT TECHNIQUES OF PERFORMANCE APPRAISAL
There are two types of measures are used in performance appraisal: Objective measures which are directly quantifiable and Subjective measures which are not directly quantifiable. Performance Appraisal can be broadly classified into two categories: Traditional Methods and Modern Methods. The performance appraisal methods are:

I. Traditional Method
II. Modern Method

2.1 Traditional Methods
Traditional Methods are relatively older methods of performance appraisals. This method is based on studying the personal qualities of the employees. It may include knowledge, initiative, loyalty, leadership and judgment.
i.) **Ranking method:** In the ranking method, the evaluator places employees from a particular group in the order of overall performance, starting with the top performer—who is rated the highest—and moving down to the poorest performer in the group who receives the lowest ranking.

ii.) **Graphic Rating Scales:** A scale that lists a number of traits and a range of performance for each, the employee is then rated by identifying the score that best describes his or her performance for each trait.

iii.) **Paired comparison method:** Paired comparison is a variation of the ranking method in which the performance of each employee is compared with every other employee. The employee who receives the greatest number of favorable comparisons is ranked the highest.

iv.) **Forced Distribution method:** To eliminate the element of bias from the rater’s ratings, the evaluator is asked to distribute the employees in some fixed categories of ratings like on a normal distribution curve. The rater chooses the appropriate fit for the categories on his own discretion.

v.) **Critical incident method:** The critical incident method requires the evaluator to maintain records of employees’ favorable and unfavorable performances. These critical incidents become the basis for evaluation.

vi.) **Essay method:** In the essay method, the evaluator writes a brief narrative of the employee’s performance. The major criticism of this method is that it is very subjective because the evaluation criteria left entirely to the discretion of the evaluator and the results are dependent on the writing skills of the evaluator.

vii.) **Checklist method:** The rater is given a checklist of the descriptions of the behaviour of the employees on job. The checklist contains a list of statements on the basis of which the rater describes the on the job performance of the employees.

**2.2 Modern Methods**

Modern Methods were devised to improve the traditional methods. It attempted to improve the shortcomings of the old methods such as biasness, subjectivity, etc.

i.) **Management by objectives (MBO):** MBO is a results-based system that relies on the manager and the employee to jointly agree on objectives, the attainment of which becomes the basis of evaluation for the next appraisal period.

ii.) **Behaviourally Anchored Rating Scale (BARS):** BARS combines elements from critical incident and graphic rating scale approaches. The supervisor rates employees’ according to items on a numerical scale.

iii.) **Assessment Centers:** Employees are evaluated over a period of time; say one or three days, by observing their behaviors across a series of selected exercises or work samples.

iv.) **Psychological Appraisals:** These appraisals are more directed to assess employees’ potential for future performance rather than the past one. It is done in the form of in-
depth interviews, psychological tests, and discussion with supervisors and review of other evaluations

v.) **Human Resource Accounting (HRA):** The people are valuable resources of an organization or enterprise. Information on investment and value of human resource is useful for decision making in the organization.

vi.) **360 Degree:** It is a popular performance appraisal technique that involves evaluation input from multiple levels within the firm as well as external sources. 360 Degree feedback relies on the input of an employees, superior, colleague, subordinates, sometimes customers, suppliers and/or spouses.

vii.) **720 Degree:** 360 degree appraisal method is practiced twice. When 360 degree appraisal is done, then the performance of the employee is evaluated and having a good feedback mechanism, the boss sits down with the employee again a second time and gives him feedback and tips on achieving the set targets.

3. **STATEMENT OF THE PROBLEM**

The 720 Degree evaluation is emerging as a possible alternative appraisal technique. Organizations are slowly but steadily realizing the need for this new system, which is better than the existing 360 Degree evaluation, especially in terms of the focus of the evaluation and the involvement of the evaluators in the process. *Now, recently Cadbury introduces ‘720-degree’ feedback.* This study is concentrated on the need and significance of 720 Degree Performance appraisal in the modern business world and also differentiates this new emerging technique from the 360 Degree Performance appraisal.

4. **OBJECTIVES**

I. To examine the comparative significance of the 720 degree performance appraisal with 360 degree performance appraisal system.

II. To pinpoint the pitfalls of 360 degree appraisal and to highlight the need and significance of 720 degree performance appraisal in the modern business world.

5. **METHODOLOGY**

The study is descriptive in nature. The secondary data is used for the study. The secondary data is collected from the various books, journals, articles etc.

6. **IMPRESSION OF 360-DEGREE APPRAISAL**

As the name implies, this method uses multiple appraiser, including supervisor, subordinates and peer of the targeted persons. The appraisal is 360 degree in that information is collected & feedback is provided in full circular fashion top to bottom & back to top. It is a technique which is systematic collection of performance data on an individual group, derived from a number of stakeholders like immediate supervisors, team members, customers, peers and self. In fact anyone who has useful information on how an
employee does a job may be one of the appraisers. This technique is highly useful in terms of broader perspective, greater self-development and multi-source feedback is useful. 360-degree appraisals are useful to measure inter-personal skills, customer satisfaction and team building skills. However on the negative side, receiving feedback from multiple sources can be intimidating, threatening etc. Multiple raters may be less adept at providing balanced and objective feedback. The style of 360 degree performance appraisal is a method that employees will give confidential and anonymous assessments on their colleagues. 360 degree appraisal is also a powerful developmental tool because when conducted at regular intervals (say yearly) it helps to keep a track of the changes others’ perceptions about the employees. A 360 degree appraisal is generally found more suitable for the managers as it helps to assess their leadership and managing styles. This technique is being effectively used across the globe for performance appraisals. Some of the organizations following it are Wipro, Infosys, and Reliance Industries etc.

6.1 Components of 360 Degree Appraisal
360 degree respondents for an employee can be his/her peers, managers (i.e. superior), subordinates, team members, customers, suppliers/ vendors - anyone who comes into contact with the employee and can provide valuable insights and information or feedback regarding the “on-the-job” performance of the employee. 360 degree appraisal has four integral components:

• Self-Appraisal: Self-appraisal gives a chance to the employee to look at his/her strengths and weaknesses, his achievements, and judge his own performance
• Superior’s appraisal: Superior’s appraisal forms the traditional part of the 360 degree appraisal where the employees’ responsibilities and actual performance is rated by the superior
• Subordinates appraisal: Subordinates appraisal gives a chance to judge the employee on the parameters like communication and motivating abilities, superior’s ability to delegate the work, leadership qualities etc.
• Peer Appraisal: feedback given by peers can help to find employees’ abilities to work in a team, co-operation and sensitivity towards others.

6.2 Benefits of the 360 Degree Feedback
The 360 Degree Feedback has the following benefits:

• As an all-around rating process, it is a modern and creative alternative to the traditional top-down evaluation process.
• Organizations and individuals can have a broader view of the performance of the employees as multiple sources are involved in the feedback process.
• As more than one person is responsible for the evaluation, many of the common evaluation errors and rate’s biases can be reduced or eliminated, resulting in a more objective measurement of an employee’s performance.
• Since computer software packages are used extensively in the feedback process, a lot of time is saved as the evaluators can do the ratings rapidly and conveniently through online evaluation instruments.

• The perception of feedback as a sincere, well expressed, honest and objective exercise enhances the acceptance of the results of the process.

• It enables the managerial personnel to have a reliable feedback of their performance and be aware of their own developmental requirements.

• This process is legally better defendable as multiple evaluators are involved in the process.

6.3 Defects of the 360 Degree Feedback

The 360 Degree Feedback suffers from the following limitations:

• It is a costly and time-consuming process as it involves numerous evaluators and multiple sources.

• The lack of honesty and impartiality in the evaluators can distort the feedback data, thereby making it vulnerable to criticism and failure.

• Too much reliance on technology and bureaucracy can hamper the feedback process as the whole process becomes a mechanical exercise due to the intransigency of participants and the rigidity of the system.

• When the participants are not sure of the confidentiality of their feedback report, they may tend to hide the realities while sharing or receiving feedback information.

• Extension of exchange feedback can cause troubles and tensions to several staff.

Another method that is gaining popularity is the 720 Degree appraisal.

7. CONCEPT OF 720 DEGREE PERFORMANCE APPRAISAL

720 Degree Performance Appraisal, considered an “all-round” appraisal, is one of the most recently introduced concepts. The major setback in the previous methods of appraisal was that it did not guide the employee after the appraisal hence the 720 Degree Appraisal was introduced when the employees performance is measured, analyzed and targets are set in the first appraisal and after a short period his performance is measured again and proper feedback and guidance is given to ensure that the employee achieves the target. Hence, 720 degree performance appraisal can be stated as twice 360 degree performance appraisal: once when the appraisal is done and the targets are set and the second where the feedback is given and the boss gives tips to achieve the goals. Hence, there is a pre and a post round of feedback. The 720 Degree Performance Appraisal system is a kind of double check for the 360 Degree Performance Appraisal system. 720 Degree Performance Appraisal is the evaluation of an employee from all the aspects and giving timely feedback to ensure that the person is able to achieve the set goals before the next appraisal. In other words a 720 Degree Appraisal is basically a 360 Degree Appraisal performed twice. A second 360 Degree is performed at a timely interval and compared against the results of the first 360 Degree appraisal. Cadbury introduces ‘720-degree’ feedback on April 2010.
7.1 Dimensions Of 720-Degree Performance Appraisal

The performance is appraised from 5 dimensions and feedback or the appraisal meeting is conducted twice (pre and post feedback) to ensure the efficient performance of the employee. Including the pre and the post feedback, that plays a vital role, the 720 Degree performance appraisal has 7 phases.

a) **Pre Appraisal Feedback**: This is the first appraisal step that is done after the feedback is collected from the different dimensions or people with whom the employee would interact. In this step, the performance is evaluated, targets are set and feedback or training is organized to help the employee achieve the target.

b) **Self-Appraisal**: The employee is given a questionnaire and asked to evaluate his performance and through this method, the employee gets an opportunity to express his thoughts and his valuation of strengths, weakness and judge his performance.

c) **Peers/Colleagues Appraisal**: The feedback from the peers or colleagues is important as it helps to understand the ability of the employee to work as a team, co-operate, co-ordinate with others and bring out the best.

d) **Customer Appraisal**: In order to survive in the current competitive market, Organizations aim at achieving high customer satisfaction. Customer feedback helps to analyze the customer point of view and help to improve the person and the Organization.

e) **Sub-Ordinates Appraisal**: The feedback of the subordinates is essential to analyze the organizing skills of the employee and to understand his abilities like communication and motivating abilities, ability to delegate the work, leadership qualities and way of handling responsibilities.

f) **Managers/Superiors Appraisal**: In this, the performance, responsibilities and the attitude of the employee is evaluated by the Superiors or Managers.

g) **Post Appraisal Feedback**: It is this step that makes the 720-degree performance appraisal different and better than the 360-degree performance appraisal method. In this step, the performance is evaluated based on the target set in the Pre appraisal and feedback is given. Timely feedback and guidance helps to make the employee improve his performance.

7.2 The Need Of 720 Degree Performance Appraisals In The Modern Business World

The main need of 720 degree performance appraisal is the improvement of the performance of the people in their jobs and to ensure that the expectations of the employer, employee and the customers are met. The main need of 720-degree performance appraisal can be summarized as follows:

i.) 720-degree performance appraisal method is more development focused than performance alone, and supplements training and development functions in a better way.

ii.) Provide information about the performance ranks. Assist in taking decisions regarding salary fixation, confirmation, promotion, transfer and demotion.
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iii.) Provide timely feedback about the performance, set targets and monitor the performance based on the targets set.
iv.) Helps to check the effectiveness of personnel procedures and practice i.e. validation.
v.) It is needed to ensure that employees reach organizational standards and objectives.
vi.) To discover the work potential and to understand the areas where training is required to guide the employees to perform their best.
vii.) To understand the expectations of the employees and prevent grievances and in disciplinary activities.
viii.) Provide information to diagnose deficiency in the employee regarding skill, knowledge, determine training, and prescribe the means for employee growth and information for correcting placement.
ix.) Set realistic target, monitor the performance and provide timely feedback to ensure that the performance is enhanced

7.3 Merits Of 720-Degree Performance Appraisal

720 Degree performance appraisal will help in creating a synergetic work environment and will help to bring out the best of each employee. The other benefits of the 720 degree performance appraisal are as follows:
i.) It helps in better analysis and improved feedback from different dimensions
ii.) Helps to develop a better and co-operative team
iii.) Reduces the appraisal barriers like prejudice, bias and discrimination
iv.) Customer feedback is valued. Better customer service and satisfaction can be obtained
v.) Encourages transparency and feeling of treated justly

8. A COMPARATIVE STUDY OF 360 DEGREE APPRAISAL SYSTEM AND THE 720 DEGREE APPRAISAL SYSTEM

Although 360 Degree appraisal system and the 720 Degree appraisal system are capable of re-assessment and both involve the use of more than one evaluator, which in turns means that the different components of the appraisal system are handled by different people unlike the traditional appraisal system, which is based on a unitary system of evaluation, there are some differences between 360 Degree appraisal system and the 720 Degree appraisal system.

- The 720 Degree appraisal system is a kind of double check for the 360 Degree appraisal system
- 360 Degree appraisal system means superior, subordinate, customer and peers and in 720 Degree appraisal system, they will be rechecking with the same persons who have given feedback and ask them twice.
- The 720 Degree appraisal system is more focused on the customer’s feedback on specific position in the organization such as directors, managers and other higher
or mid-level managers and is therefore reliant on the Voice of the external customers while the 360 Degree appraisal system is focused on the internal customer’s feedback on employee performance.

- The 720 Degree appraisal system is more focused on Management/ Higher level staffs while the 360 Degree appraisal system is general.
- 360 Degree appraisal system is done by superiors, peers, subordinates and internal customers of a firm whereas 720 Degree appraisal system consists of appraisal by all the persons consists of top management, superiors, peers, subordinates, internal clients and auditors, external suppliers, customers and all stakeholders of the firm.
- The 360 Degree has a Single evaluation cycle while the 720 Degree has dual evaluation cycles.
- The 360 Degree appraisal facilitates the formal assessment of an employee by the evaluators like the customer or the employee, possibly with the help of appraisal forms. But the 720 Degree appraisal goes one step further and insists on a better focused, personalized and in depth review of the employees occupying managerial positions. The evaluation of the employee is usually done through detailed personal interviews with the performance evaluators.

9. CONCLUSION
Many management experts feel that doing a comprehensive 360 Degree Appraisal is not complete in itself. They feel that an effective procedure to measure improvements and receive feedback is essential for the success of any appraisal. The 720 Degree evaluation is emerging as a possible alternative appraisal technique. Organizations are slowly but steadily realizing the need for this new system, which is better than the existing 360 Degree evaluation, especially in terms of the focus of the evaluation and the involvement of the evaluators in the process. 720 Degree appraisal system is more development focused than performance alone, and supplements training and development functions in a better way. A powerful developmental tool because when conducted at regular intervals it helps to keep a track of the changes, others’ perceptions about the employees. Many organizations are beginning to realize that the skill base of their executives and managers does not match the requirements of a rapidly changing environment. Without these critical competencies, executives and managers are less likely to be able to lead these organizations toward successful implementation of strategic changes.

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