

MANAGEMENT BY OBJECTIVES AND 360-DEGREE FEEDBACK AS GOOD  
PERFORMANCE APPRAISAL STRATEGIES FOR EFFECTIVE PERFORMANCE OF  
EMPLOYEES IN CHAMPION BREWERIES PLC IN UYO, AKWA IBOM STATE

By

Dr. MBOM, Joseph Effiong  
Department of Management  
Faculty of Business Administration  
University of Nigeria  
Enugu Campus

**ABSTRACT**

*The study assesses the management by objectives and 360-degree feedback as good performance appraisal strategies for effective performance of employees in Champion Breweries Plc in Uyo, Akwa Ibom State. Two specific research objectives were formulated to guide the study. The research design was an Expost Facto type. The population of the study comprised of all the 258 staff, comprising members of Board of Directors, the Managing Director, functional managers, supervisors, line managers and other workers. 157 employees was used for the study. The instrument used for this study was a structured questionnaire. The instrument was subjected to reliability test and it produced 0.89 reliability coefficient which was high enough to justify the use of the instrument. The findings from the data collection and analysis show there is significant influence of management by objective and 360 feedback performance appraisal method on the performance of employee in Champion Breweries Plc. It was recommended that the management of Champion Breweries Plc should ensure that their workers adopt management by objective and 360-Degrees appraisal methods to appraise their employees' performance for remarkable improvement.*

**KEYWORDS** Performance Appraisal, Employees' Performance and Employees' Growth

**INTRODUCTION**

Organisations need some means of ensuring performance standards are being achieved and objectives are being met. They also need to plan for the future by setting organisational objectives. According to (Verboncu, Zalman, 2005) performance is "a particular result obtained in management, economics, marketing, etc. that print features of competitiveness, efficiency and effectiveness of the organization and its procedural and structural components. The success of an organization, an employee's growth, personnel development, satisfaction on the job is dependent on the overall performance of both the employer as well as the employee. These performances are mostly under check either monthly or quarterly or bi-annually or yearly to ascertain that the organization's objective is maintained. Performance appraisal is vital for all employees in order to maintain a competitive position, and it is important that the method for doing this is successful. The process of appraisal usually involves comparing the performance with standards.

Performance appraisal of employees serves a number of purposes in organizations. Management uses appraisal for human resource decisions. Appraisals provide input into important decisions such as promotions, transfers, and terminations. It identifies training and development needs. It pinpoints employee skills and competencies that are currently inadequate but for which programs can be developed to remedy.

Leading companies the world over use a very progressive approaches to performance management by adopting Management by Objectives (MBO) or a 360-degree approach. Management by Objectives include a scale that asks for a numerical assessment of the employees' success in meeting the organizations' goals. These scales guide the managers in the rating process by including specific descriptions of excellent, good, fair, and poor levels of goal attainment. MBO based on the opinion of Rajput, (2015) is just more than performance appraisal — it's a construct for managing the entire organization. Its breadth includes the organization's vision, values, strategies, goals, and performance measurement. Thus, the essence of MBO is participative goal setting, choosing course of actions and decision making. The 360 degree performance appraisal system is advanced kind of appraisal which is used by many organizations where performance of employee is judged using the review of around 7 to 12 people. These people work with the employee and they share some of their work environment. The feedback is gathered in the form of reviews in terms of competencies of the employee. The 360 degree performance appraisal system is a way to improve the understanding of strength and weaknesses of employee with the help of creative feedback forms.

### **Aim of the study**

The main aim of this work is to assess the influence of performance appraisal on employees' performance. This study specifically seeks to:

1. Assess the influence of Management by Objectives performance appraisal method on employees' performance in Champion Breweries Plc, Uyo.
2. Evaluate the effect of 360-Degrees appraisal method on employees' performance in Champion Breweries Plc, Uyo.

### **Research Questions**

To what extent does Management by Objectives appraisal method influence performance of employees in Champion Breweries Plc, Uyo?

To what extent does 360-Degrees performance appraisal method affect employees' performance in Champion Breweries Plc, Uyo?

### **Hypotheses**

The following null hypotheses were formulated to guide the study at 0.05 level of significance:

**HO<sub>1</sub>**: Management by Objectives performance appraisal method does not significantly influence the performance of employees in Champion Breweries Plc, Uyo.

**HO<sub>2</sub>**: 360-Degree Feedback performance appraisal does not significantly affect performance of employees in Champion Breweries Plc, Uyo.

## **Literature Review**

For organizations to be successful, everyone – managers, supervisors, and employees alike – must work together in a united effort. They must regularly communicate with each other and give feedback to ensure that the institution is moving forward in the same direction and adapt in an ever-changing world. The workers must be continually motivated and innovated with each other. When work performance is excellent, it should be acknowledged and recognized. This requires that job expectations and job responsibilities be clearly communicated and understood. When work performance is unacceptable, employees and managers need to talk, to identify what isn't working and what needs to be done to improve. Therefore, to provide the framework for promoting continuous improvement, performance appraisal system is normally used to evaluate whether employees meet the performance requirements of their positions.

Performance is understood as achievement of the organization in relation with its set goals. It includes outcomes achieved, or accomplished through contribution of individuals or teams to the organization's strategic goals. Performance requires a comprehensive vision of interdependence between internal and external parameters, quantitative and qualitative, technical and human, physical and financial management of resources (Alazard, Separi, 2001). People in any group or organization are less anxious about work if both goal clarity and goal agreement are present. Considerable conflict arises when purposes are unclear or when people disagree on what the priorities should be. Through the medium of performance, an organization is able to effectively achieve what it sets out to. Indeed, it is the people's capacities and resources that determine an organization's capability to perform and to satisfy or influence its stakeholders. These capacities and resources reflect a measure of the internal state of an organization that is expressed through its results. It is realized that organisations could not be successful if they do not have a good performance management system. Each manager needs to devise his/her own system of managing performance. While some norms of performance management are explicit others are not so clear even to the managers. According to (Bethuel 2013), performance management is a means of getting better results from the organisations, teams and individuals by understanding and managing performance within the agreed framework of planned goals and competency requirements. It is a process for establishing shared understanding about what is to be achieved and an approach to managing and developing people.

Performance appraisal hinges on evaluation done on an employee's job performance over a specific period of time. Mondy & Wayne (2008) observed that the works performed by the different employees differ in many aspects due to the difference in their backgrounds, experiences, knowledge, skills, abilities, and aptitudes. Such differences determine the need for training and development activities. It is the equivalent of a report card on an employee and how their manager assessed their performance over the prior year. So, it is necessary for management to identify such differences so that employees having better job performance ability, skills and knowledge can be rewarded in one hand, and the wrong placements of the employees may be checked through transfer or punishments on other hand (Priya and Mohideen, 2016). In this regard, performance appraisal provides a measure in order to know the level of performance so that the employee may improve his/her performance. It defines an employee's job-related behaviors and outcomes which help reward, motivate and empower employees at work. It also helps to identify future potentialities of an individual.

Managers measure and control organizational performance because it leads to better asset management, to an increased ability to provide customer value, and to improved measures of

organizational knowledge. Managers at all organizational levels and in all work areas manage their available assets—people, information, equipment, and so forth—by making decisions that they hope will lead to high levels of performance. Because achieving high levels of organizational performance is important in both the short run and long run, managers look for ways to better manage their assets so that they look good on the key performance measures used by both internal and external evaluators. There are various methods they employ to achieve these goals, two of the methods are as summarized below:

### **Management by Objective (MBO)**

The concept of ‘Management by Objectives’ (MBO) was given by Peter F. Drucker in 1954. He called it management by objectives and self control. It is also known as work planning and review or goal setting approach to appraisal and under that an employee is not appraised by his individual qualities, but his performance with respect to the agreed goals and objectives. It is as a process whereby the employees and the superiors come together to identify common goals – the organizational goals as well as individual goals, the standards to be taken as the criteria for measurement of their performance and contribution and deciding the course of action to be followed. This method mostly cares about the results achieved (goals) but not to the way how employees can fulfill them. It means management by objectives and the performance is rated against the achievement of objectives stated by the management. Ideally, when employees themselves have been involved with the goal setting and the choosing the course of action to achieve them, they are more committed. They are highly motivated because they’ve been able to actively participate in the process of setting goals, instead of simply having the goals dumped on them. Their involvement in this type of decision-making helps meet many of their higher-level needs for accomplishment, achievement, recognition, and self-worth (Monga, 2009).

Furthermore, Weihrich (2010), submitted that MBO begins with managers at the top of the company setting goals. Then managers and employees at each successively lower level develop their own goals. Employees’ goals are designed to support the goals of their own managers. In this way, the entire organization is linked together in the pursuit of objectives. The focus is on outcomes that are clear, specific, measurable, and supported by action plans, benchmark dates, and deadlines. All aspects of the goal-setting process also apply to the employees’ personal and developmental goals, such as building their skills or knowledge base. After employees meet with their managers to establish their goals and action plans, the employees return to work newly energized and focused on specific short-term and longer-term targets. Simultaneously, their managers monitor the employees’ performance, provide coaching and support, remove barriers or help employees overcome them, and make adjustments and course corrections as necessary. The employees’ performance and progress are clear, measured, documented, and transparent every step of the way. Therefore, the appraisal method is commendable and result oriented.

### **360 Degrees Feedback**

360-degree feedback, also known as ‘multi-rater feedback’, is the most comprehensive appraisal where the feedback about the employees’ performance comes from all the sources that come in contact with the employee on his job. These sources include superiors, subordinates, peers, team members, customers, and suppliers apart from the employee himself, who can provide feedback

on the employee's job performance. Degree defines the extent of multi-source feedback comprehensiveness. The extent to which different sources are involved in providing feedback defines the degree of the multi-source system. Further, using more sources ensures a holistic assessment of an employee's/manager's performance. 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 (Price, 2017).

This technique, according to Jyothi and Venkatensh (2011) 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. Organizations often choose the source of feedback based on the criticality of performance interaction. Multi-source feedback is not commonly practiced. In fact, any organization opting for multi-source feedback must check for organization and employee readiness. Checking for acceptance is vital since implementation is the key to success of this effort. 360 Degrees feedback fit well into organizations that have introduced teams, employee involvement and quality-management programs. By relying on feedback from co-workers, customers, and subordinates, these organizations are hoping to give everyone more of a sense of participation in the review process and gain more accurate reading on employee performance (Nitu Yadav, 2017). 360-degree evaluations are consistent with evidence that employee performance varies across contexts and that people behave differently with different constituencies. The use of multiple sources, therefore, is more likely to capture this variety of behavior accurately.

The objective of 360 degree feedback process differs from company to company, however the schedule remains quite the same. A timeline has been identified for 360 degree performance review which includes different steps which organization has to follow. The step starts with the communication about 360 degree performance appraisal method among the employees to Selection of raters; Distribution of survey; Submission of questionnaires; Completion of report; Facilitation of feedback; Completion of development plan and ends with re-evaluation of participants. Expert of this field often claim that a properly and effectively implemented 360 degree feedback process makes employee more comfortable with the organization and lead to their overall development along with boosting their performance. (Verma, 2011)

In this Era, the use of 360 degree feedback system has brought a team oriented meaning to organizations. Organization is not restricted to bunch of people but it has become a bigger team. In a traditional way the appraisal was the responsibility of human resource management only, but now the objective of 360 degree performance appraisal is to collect anonymous feedback about the employee from their superiors, colleagues, peers and also from the customer. This holistic approach helps to evaluate performance and well-being of the employees who are working for the organization; it provides a comprehensive view towards the performance of employees; it improves the credibility of the performance appraisal system. The feedbacks from colleagues help to strengthen the self development process of the employee. It also increases the responsibility and alertness of employee towards their clients. The different ideas coming from different raters combined provide more accurate 360 degree assessment. More persuasive opinions can be gathered from different participants. Here, not only manager but colleagues are

also responsible for assessment of staff performance which empowers them. Employees who generally undervalue themselves get motivated. Finally, honest culture can be established among workers in the organization using 360 degree performance appraisal system.

## **Methods**

### **Research Design**

Expost facto was used for the study.

### **Area of the Study**

The study was carried out in Champion Breweries Plc Uyo .

### **Population of the Study**

The population comprised all the 258 staff, comprising members of Board of Directors, the Managing Director, functional managers, supervisors, line managers and other workers.

### **Sample and Sampling Technique**

A sample size of 157 employees was used for the study. Convenience sampling technique was used to select the sample.

### **Instrumentation**

The instrument used for the study was a structured questionnaire.

### **Validation of the Instrument**

The instrument used for the research was made to pass through face and content validation using experts in test, measurement and evaluation.

### **Reliability of the Instrument**

The reliabilities of the instruments were established using crombach alpha reliability method. The analysis produced 0.89 coefficient value, considered to be high enough for use of the instrument.

### **Procedure for Data Collection**

The researcher with briefed research assistants administered copies of the questionnaires to all the employees in the Champion Breweries Plc, Uyo.

### **Method of Data Analysis**

Percentage analysis was used to answer the research questions, while regression analysis was used to test hypothesis at 0.05 level of significance.

## HYPOTHESIS TESTING

### Hypothesis One

The null hypothesis states that there is no significant influence of management by objective performance appraisal method on the performance of employee in Champion Breweries Plc. In order to test the hypothesis regression analysis was performed on the data, (see table 1).

**Table 1**

**Regression Analysis of the influence of management by objective performance appraisal method on the performance of employee in Champion Breweries Plc.**

Model	R	R-Square	Adjusted Square	Std. error of the Estimate	R Square Change
1	0.98a	0.96	0.96	0.35	0.96

**\*Significant at 0.05 level; df= 155; N= 157 critical R-value = 0.139**

The table shows that the calculated R-value 0.98 was greater than the critical R-value of 0.139 at 0.5 alpha level with 155 degree of freedom. The R-Square value of 0.96 predicts 96% of the influence of management by objective performance appraisal method on the performance of employee in Champion Breweries Plc. This rate of percentage is highly positive and therefore means that there is significant influence of management by objective performance appraisal method on the performance of employee in Champion Breweries Plc. It was also deemed necessary to find out the extent of the variance of each case of independent variable (management by objective performance appraisal method) as responded by each respondent (see table 2).

**Table 2**

**Analysis of variance of the influence of management by objective performance appraisal method on the performance of employee in Champion Breweries Plc.**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	493.13	1	493.13	4036.44	.000b
Residual	18.94	155	0.12		
<b>Total</b>	<b>512.06</b>	<b>156</b>			

The above table presents the calculated F-value as (4036.44) and the P-value as (000). Being that the P-value (000) is below the probability level of 0.05, the result therefore means that there is significant influence of management by objective performance appraisal method on the performance of employee in Champion Breweries Plc.

### Hypothesis Two

The null hypothesis states that there is no significant influence of 360 feedback performance appraisal method on the performance of employee in Champion Breweries Plc. In order to test the hypothesis regression analysis was performed on the data, (see table 3).



**Table 3**

**Regression Analysis of the influence of 360 feedback performance appraisal method on the performance of employee in Champion Breweries Plc.**

Model	R	R-Square	Adjusted Square	Std. error of the Estimate	R Square Change
1	0.88a	0.78	0.78	0.85	0.78

**\*Significant at 0.05 level; df= 155; N= 157 critical R-value = 0.139**

The table shows that the calculated R-value 0.88 was greater than the critical R-value of 0.139 at 0.5 alpha level with 155 degree of freedom. The R-Square value of 0.78 predicts 78% of the influence of 360 feedback performance appraisal method on the performance of employee in Champion Breweries Plc. This rate of percentage is highly positive and therefore means that there is significant influence of 360 feedback performance appraisal method on the performance of employee in Champion Breweries Plc. It was also deemed necessary to find out the extent of the variance of each case of independent variable (360 feedback performance appraisal method) as responded by each respondent (see table 4).

**Table 4**

**Analysis of variance of the influence of 360 feedback performance appraisal method on the performance of employee in Champion Breweries Plc.**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	400.12	1	400.12	554.03	.000b
Residual	111.94	155	0.72		
<b>Total</b>	<b>512.06</b>	<b>156</b>			

The above table presents the calculated F-value as (554.03) and the P-value as (000). Being that the P-value (000) is below the probability level of 0.05, the result therefore means that there is significant influence of 360 feedback performance appraisal method on the performance of employee in Champion Breweries Plc.

**Discussion of Findings**

The result of the data analysis in table 1 was significant due to the fact that the calculated R-value 0.98 was greater than the critical R-value of 0.139 at 0.5 alpha level with 155 degree of freedom. The R-Square value of 0.96 predicts 96% of the influence of management by objective performance appraisal method on the performance of employee in Champion Breweries Plc. The significance of the result is in agreement with the findings with Monga, (2009), who states that this method mostly cares about the results achieved (goals) but not to the way how employees can fulfill them. He also stated the It means management by objectives and the performance is

rated against the achievement of objectives stated by the management. Ideally, when employees themselves have been involved with the goal setting and the choosing the course of action to achieve them, they are more committed. They are highly motivated because they've been able to actively participate in the process of setting goals, instead of simply having the goals dumped on them. Their involvement in this type of decision-making helps meet many of their higher-level needs for accomplishment, achievement, recognition, and self-worth. The significance of the result caused the null hypotheses to be rejected while the alternative one was accepted.

The result of the data analysis in table 3 was significant due to the fact that the calculated R-value 0.88 was greater than the critical R-value of 0.139 at 0.5 alpha level with 155 degree of freedom. The R-Square value of 0.78 predicts 78% of the influence of 360 feedback performance appraisal method on the performance of employee in Champion Breweries Plc. The significance of the result is in agreement with the findings with Jyothi and Venkatensh (2011), who stated that 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. They also stated that organizations often choose the source of feedback based on the criticality of performance interaction. The significance of the result caused the null hypotheses to be rejected while the alternative one was accepted.

### **Conclusion**

From the findings of the study, it was revealed that management by objective performance appraisal method and 360 feedback performance appraisal method significantly influences performance of employee in Champion Breweries Plc.

### **Recommendations**

Based on the findings of the study, it was recommended that:

1. The management of Champion Breweries Plc should ensure that their workers pass through series of performance appraisal regularly as that can help create consciousness in them for high job performance.
2. They should adopt management by objective and 360-Degrees appraisal methods to appraise their employees' performance for remarkable improvement.

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