Human Resources Management

 360- Degree appraisal at GE

GE is based in Durham, North Carolina. The company has 170 employees working as teams in the production of Gego jet engine needed by Boeing for its 777 long-range aircraft. Every team is a signed an engine to construct right from assembly to the final loading in trucks for delivery.. the teams are not given instructions for their construction of the engine, but are given deadline on when the engines are to be completed and shipped. Therefore, for each team, the goal is to focus on engine production. This is a goal that can only be reached when the team members effectively manage themselves.

Team member also deal with ordering parts, and tools, involved in the training, set schedules for their vacations, work overtime and make adjustments to their production process in order to attain efficiency. They are also responsible for diagnosing problems, monitor the quality of products and solve arising problems faced by team members.Making decisions on the above mentioned aspects are based on consensus. This is the main founding principle that the plant operates under. The members have gotten used to the idea that they can have to compromise with certain ideas that they do not fully agree with or support. This culture of consensus enables the members of groups not to blame one another when things do not work out has they had hoped.

The main aim for GE is to establish a performance appraisal program that delivers and fits the unique needs of the organization. This study will show how an effective performance appraisal should and can deliver. Understanding of these unique features will assist GE establish an effective performance appraisal program. The study will also be of help to professionals in the Human resources and business line managers among other people interested in designing tools for performance appraisal (Mondy, and Noe, 2008). The study will show the challenges and benefits of performance appraisal approaches and how to deal with the shortcomings. The use of the 360 degree feedback can be a good towards GE, but its limitations have to be mentioned.

The main challenge that GE plant in Durham, North Carolina, faces are a performance improvement among team members and the manager. For their performance to be improved, it is essential that all employees in the plant are involved in performance improvement strategies so that they become valuable to the plant. This paper shows the need for GE to use the benefits of two approaches for appraisal by implementing both the 360- degree appraisal and Management by Objectives (MBO. Feedback found from this tool will help all members at the GE plant map and plan specific paths for their own development and growth. The results of 360- degree appraisal will also help Paula Sims and other administrators in making administrative decisions relating to promotions and pay.

 Problem and academic theories

The role of the manager for this plant, Paula Sims is to inspire the whole teams maintain their attention towards a common goal which is about making cheap, quick and perfect jet engines. She ensures that the efforts of the entire teams are coordinated in a way that the decisions they make do epitomize the performance of the plant and to have the necessary resources for improvement and growth. Sims says that communicating what she wants is a challenging task. For one to be successful, it is essential to have listening skills, and this involves listening to what teams and councils have to say. Listening is part of the feedback culture of the plant which Sims has taken for her advantage. Listening to what the teams say has enabled her to monitor her personal effectiveness. Her work of carrying out follow ups on team activities has always misinterpreted.

The team members feel like she does not trust them. She is also part of the decision making process. She ensures that the employees at the plant are aware of the problems, and her task is to report the solutions reached other senior GE managers. In finding these solutions, it is essential for Sims to have good listening skills. She only makes decisions about the major issues that teams are faced with such as improving safety and reduction of production cost.Performance feedback acts a vital component to many organizations. The major and basic need for GE organization is to evaluate the performance of employees continually and continuously so as to find out whether they improve and know the actual demands of the organization.

Performance appraisal can be done in many ways to suit the unique characteristics and situation of organizations as shown in various studies (Wilson and Western, 2000: Seddon, 2001, Freeman, 2002; Segall, 1989, Long, 1986, Randell, 1994).The studies indicate that, in certain volatile environments, performance appraisal systems do not tend to incorporate the direction, goals, and strategic needs of a firm. They do not incorporate the aspirations of employees for their future development. GE in its endeavor to implement the 360-degree\_feedback appraisal system has to consider if this performance appraisal method fits the unique needs of employees and the nature of the organization. Verbeeten (2008 states that the definition of measurable and clear goals are positively related to quality and quantity performance.

Results from these measurements will show how behavioral aspects do impact on performance, and it is possible to identify the economic effects of such behaviors in an organization (Verbeeten, 2008).The employees and the manager of GE plant need to know how they perform in their job. Though this can seem to be a simple statement, it is an activity that can have multiple challenges. Performance appraisal is a task which forms a section of the entire performance management process (Dowling et al., 1999). Performance appraisal is the evaluation of a person’s work performance necessary for making objective decisions based on the results (Robbins et al., 2000). There are numerous methods for measuring performance appraisal for employees, but not all these methods are suitable for all cases.

An effective system for appraisal has to address fairness, openness and clarity. It also needs to recognize the leadership qualities of an appraiser and productivity by providing rewards.There are three main approaches for performance appraisal measurement (Decenzo and Robbins, 1998). These are; the relative standards, absolute standards and objectives.The absolute standards enable employees to compare their performance with a set of standards (Dessler, 2000). Under this group, various methods can be used which include, checklists, critical incident appraisal, essay appraisal, graphic rating scales, behavioral based rating and forced choice scales (Decenzo, 2002). The relative standards method involves comparing individual performance in comparison with other individuals.

This method uses relative standards and not absolute standards (Decenzo, 2002). Some methods under the relative measurements are paired comparison, individual ranking and group order ranking. Final category of performance appraisal is a category that focuses on objectives. With this method, employee’s performance is measured with how they managed to accomplish a certain set of objectives. The method is also essential for successful completion of an assigned job.. This approach is known as the Management by Objectives (MBO). With this approach, the organizational objectives are converted to be the individual’s objectives. the approach deals with adherence to four critical steps which are planning, self-control, action, periodic reviews and goal setting.

 360 Degree Feedback Appraisal

The 360 degree feedback appraisal is a formalized approach in which an individual receives feedback from various sources or multiple raters. These sources are individuals who on a regular basis interact with the individual being reviewed. The approach deals with collecting information on performance from multiple sources and not just one person who is always the supervisor (Colquitt, Lepine & Wesson, 2011). The sources of performance information can be given by peers, managers working with the employees or from reports. Their feedback is kept anonymous and confidential. A group of people working with the appraiser can be ten to 15 people who are expected to fill in online feedback online for a set of queries about employee workplace competencies.

The persons receiving feedbacks are also expected to fill in the self-rating survey. Managers and leaders will use the survey to get a better understanding of their weaknesses and strengths and also the employees. This makes it possible to develop a plan. Individual responses are combined with those responses from other people of the same rating category.It is essential to understand that the 360 Feedback is a tool for helping to develop individuals who are not in the management role. This is because a manager like Paula Sims of GE does not have a performance report meaning that it will be impossible to measure her performance.

The 360 Feedback is not a suitable performance appraisal tool that Sims can use to measure her performance. the non managers who are the employees can, however, benefit from the 360 feedback and thus enabling them become more effective in their role, unlike other tools for performance measurement. Through the feedback, employees can have a good understanding of the areas they are required to improve in their performance, as well as, preparedness for future management and leadership roles.This means that the 360 Feedback can help GE employees in two ways. First, it is a tool for development whereby, employees will recognize their weaknesses and strength and thus becoming effective. Feedback process further provides employees with an opportunity to say what they feel to a co-worker in an anonymous and confidential l manner.

Otherwise, without the tool they may feel uncomfortable to give direct response or comfort a coworker for the things they do not like about him or her. The second most essential aspect about the 360 feedback is that it is a tool for performance appraisal to measure the individual performance of an employee. The challenge that GE might, however, face in the use of the 360 feedback is the creation of an atmosphere based on trust in measuring performance. the other challenge that GE will face in implementing this tool is that feedback is always based on competencies and behaviors more than job requirements, basic skills and objectives that are oriented to performance.

 This means that the decision to consider the use of the 360 degree feedback by GE has to be based on the need to incorporate this tool within a huge process of performance based management, and should have clear communication as to why the 360 Feedback has to be used. Therefore, the problem that the GE plant is facing is how it can achieve a good performance management program that focus on improving employee performance, improving the managers’ performance and a program that clearly communicates its goal to prevent mistrust. Despite of these challenges, there is the need to consider the positive elements of the 360 degree feedback which include increasing the employee’s self-awareness, improve their performance in the workplace and can conclude on the best directions close to the truth.

The approach also has its effectiveness that is linked to the process integrity. Thus, it is possible to know an employee’s areas of competencies (Shrestha, 2007).The raters, who can be colleagues, subordinates, peers and managers, remain anonymous. This enables them to provide accurate evaluation of performance. Challenges of dealing with the 360 degree feedback for the GE plant are that the approach only deals with challenges based on individual behavior of employees. It does not mention how the cause of problems such as lack of skills, organization structure, a tool to downsize the organization and pay problems.

 The problem

The GE plant manager, Paula Sims is faced with the common problem experienced by managers in their effort to improve team work processes. SIMS has the goal of improving team processes so as to ensure the success of the entire GE plant by use of team based structure the managers aims to achieve desirable outcomes that can otherwise not be accomplished when individual work in isolation. The anticipated teamwork benefit is always not automatic. In order to develop effective teams at GE, it is critical to orchestrate and create teams, which people are compensated, appraised, selected and trained. This is to reflect the unique relationships that enable employees work together as a group.

Therefore, appraisal is a component that will ensure that the objectives of the organizations’ are met through the team structure used at GE.In considering the benefits of the 360 Appraisal approach, it is essential for Sims to understand also the negative elements it has and how it can deal with it. This way she has to consider other methods of appraisal based on goal in measuring performance. She has to determine the objectives, expectations and goals of performance appraisal before selecting the most suitable approach. The main objectives of performance are nurturing and evaluating. An effective appraisal, on one hand, has to be error free, trustworthy and reliable. It can also be able to compare the parts of an organization or between employees in their respective groups.

 Select this problem for consideration case study

This case provides a common problem faced by managers dealing with performance management. It is common to find business leaders like Paula Sims who simply use a method of appraisal without considering its benefits and advantages in measuring employee performance. She fails to make her appraisal objective, but she has considered a method that supports participative concepts and transparency, which is the 360 appraisal technique. Considering the use of the 360 degree system for her personal evaluation can only be possible if her bosses fill in structured questionnaires in collecting responses to her performance.

The case is also an in-depth analysis of how the 360 degree system can be used in a company that uses teams for accomplishing its objectives rather than individual working. Other organizations like the GE plant that make use of this appraisal system include Godrej soap, Reliance, Inforsys and Wipro.The 360 degree system is a participative framework that involves, the supervisors, subordinate, self and the employee. It gives an employee to examine his or her performances and gives constructive feedback. Sims has to ensure that she communicates with the employee what he or she is expected to do. The case shows that employees are not given any type of instructions but are only told when the engines should be completed. This shows that Sims need to inform every employee a clear plan of what the organization expects of them.

the advantages of using the 360 appraisal system are that the top management as well as employees will have greater self-awareness. It also facilities empowerment and it is possible for a manager to initiate her personal change (Shih, and Kim, 2005).The 360 challenges include disagreements, its complex, cost and time consuming and there are a biased response from colleagues. Other challenges mentioned earlier is that it only focuses on problems based on behavior but not the causes of the problems. It also does not show the way employees skills fit the objectives of the organization. In dealing with these shortcomings, Sims has to accompany the 360 appraisal system with Management by Objectives (MBO) approach.

This method enables employees and managers to define the objectives for each person, project and department. These objectives will be used in monitoring performance of the entire organization (Roberts, 2003).The main advantage of MBO is that is concerned with setting goals and planning of managers and the units they are in charge. The main essence of the MBO approach is implementing a joint goal setting between the subordinate and supervisor. With this approach, it will be essential for the subordinates who are the GE employees to work with Paula Sims their manager is creating performance goals that are in line with the overall objectives of the organization (Shrestha,2007).

MBO approach is essential for clarifying the objectives hierarchy based on a series of clearly defined ends-means chains. Through the MBO approach, the GE plant will benefit from this powerful motivational system. The GE plant will undergo an extensive discussion process in adopting MBO. This means that communication and collaboration will be greatly enhanced. There is also the element of an objective performance appraisal by adopting MBO, unlike the 360 Appraisal systems. The MBO approach will also help GE plant in identifying superior talents for leadership and talents thus enabling promotions of employees in the future. The approach also enables the control of periodic development and subsequent evaluation of individual plans and goals (Robbins, Bergman, Stagg, and Coulter, 2000).

Some of the negative elements of using the MBO approach include lack of support by the top management. the plans and goals within the plant many not, are the same with those of the top management, and that some managers can fail to sit with their subordinates in designing goals. Therefore, in using the MBO approach Sims has to look out for ways of dealing with these shortcomings so as to implement a powerful and successful appraisal system. Using both the MBO and 360 Appraisal systems will be the best choice for Paula Sims in order to enjoy the merits that both have and let one deal with the shortcoming that the other has (Khoury, and Analoui, 2004).

 Background to the organization

The 360 Appraisal systems for the GE plant is a case based on the background of organizational culture and structure. The model used by GE plant is one based on teams and not on individual performance as a unit within the company. The changes in how work is done as results of globalization, information technology, knowledge-based work, hyper-competition and empowerment of workers indicate that in the future workplaces will be more collaborative than in the past (Grifell-Tatjé, and Marques-Gou, 2008). The current challenging economic workplace means that many companies are now facing the need for much larger premiums for effective performance among teams than in the past.

However, most firms have realized that the use of teams is not always a universal panacea since teams have also failed in attaining their goals (Harris, 2008).Therefore, GE plant is faced with the need to exert effort required to accomplish a task at the expected performance level. Also, there is the need to ensure adequate skill, knowledge and ability are in line with the task work. Finally, there is the need to establish task performance strategies that fit the work and the setting which tasks is being carried out. This is the background which the GE plant case is based.