

## **Chapter 3**

### **METHODOLOGY**

#### **What prompted this study?**

A large number of organizations are increasingly resorting to the use of 360 degree feedback and appraisals. A few of them are even making this as a part of their appraisal system. There are enormous resources involved in a 360 degree feedback as compared to the traditional appraisal systems. Most organizations have difficulties implementing performance appraisals for want of managerial time. Managers often complain that they have not time for appraisals. Should they perform or do performance assessment. In such a time starved managerial world, 360 Degree feedback adds to the pressure of time.

While in a traditional appraisal system each manager needs to spend an hour to two hours at the most for each of his junior to set key performance areas, in a 360 system each person appraised needs to have his/her role set members spend on an average four to six hours or so for six to nine assessments at the rate of 40- 45 minutes an assessment. Thus when a 360 degree feedback used if a hundred managers are covered about 400 to 600 man-hours of time goes into it. In addition to this the workshops covering each individual take about 8 hours to 16 hours per candidate. . Is it worth doing it for a company?

Will it lead to any improvements in the leadership and managerial effectiveness of the managers? These are all the issues the Indian literature does not answer. These are not answered even in any other form of literature on 360 degree feedback. If we are able to establish that good performers behave differently than the average or relatively weak performers at least we can say that through 360 degree Feedback we can help the assessee to

improve himself on the dimension isolated. Thus the main motive behind this study is to investigate if good performers get different feedback in 360 as compared to the average performers. If they do then the effort subsequently to use extensively the 360 degree feedback and help the candidates improve from average performers to star performers.

For example if we find that star performers articulate vision for their departments more than their counterpart average performers or that they are more systems driven than the average performers we can then train all average performers in future to be more vision articulating and systems driven. Suppose we find that it makes no difference then we need not waste time in training them up on vision and systems orientation.

Thus this study started with an intention to find the differences between star performers and average performers.

### **Overview of the Methodology:**

The study thus, aimed at assessing the differences between the high and low performers. High performers are called as star performers and low performers are labelled as average performers. Both the groups were identified with the help of the CEO of the company (Chairman or MD) along with the HR Head. They were requested to classify their senior managers going through the 360 Degree Feedback assessments into "A", "B" and "C" Category performers. The B category performers were dropped for analysis of the study and only the "A" and "C" category performers were taken up for this study. The questionnaire was modified for some of the companies to suit their requirements. In all six companies were studied and a total of 490 assessors assessed 56 stars and 292 assessors assessed 32 average performers. The assessments were made on the tool following the RSDQ model described earlier. The tool was modified slightly for some of the companies to suit their requirements. A

few of the items were dropped or modified for these companies and hence the data were not uniformly available for each of the star performers. The study includes only those dimensions where a large part of data was available for star and average performers.

This chapter of the thesis details first various steps involved in preparing a good and valid 360 DF questionnaire, various processes involved in ensuring alignment with corporate objectives while safeguarding and reinforcing organizational values. It then goes on to present the sample and other methodologies used in some detail.

### **Developing a 360 Degree feedback Tool: the basis of the RSDQ Instrument**

Assumption: The level/grade at which the tool to be developed is aimed at - Top Management, Unit heads, Branch Heads, Functional Heads, Departmental Heads - basically all senior managerial positions of leadership and responsible for policy & strategic decisions. Before going into details of the processes of creating a valid tool, it is necessary to define some terms commonly used in the exercise:

Assessor(s) - are those individuals who will be evaluating the participant on whom the questionnaire is administered. They could be the boss of the participant, direct subordinates or one level below, colleagues of the participant, internal customers, external customers and other individuals in or out of the organization, but who have had a working relation with the participant

Participant or Assessee - is the person who is going through the exercise, on whom the questionnaire is administered, on whom data is sought from various individuals, who is seeking information on his work styles

Internal customers - are those who have working relations with the participant, to whom an output from the participant goes, either service or products, and could be from the same division as the assessee/participant

### **Where do you start from, in making a 360 DF questionnaire**

A very good place to start is with the objectives of the exercise. Why is a 360 required, what is to be aimed at, what will be accomplished, what are we trying to achieve, what are we trying to change, what should the output of the exercise be like, what is the theme of the whole intervention, Why a 360 DF at all?

Some objectives of organizations within our country which decided in favour of 360 DF have been on the lines of (see Rao and Rao, 2005):

1. Enhancing leadership skills of the top management
2. Making the Top Management sensitive to the impact of their managing styles; Reality check, To give the top team a better understanding of the impact their style and decisions has on their respective team members and organization
3. Estimating present levels of Delegation and increasing the same
4. Team building and management
5. Orienting the Top Team to Long term planning and foresight
6. Succession planning
7. To have a better system of right placement and right fit across the group companies
8. Promoting identified values of the organization
9. Decision making - to have a team of quality decision-makers at the top
10. Orient the top team to Strategic thinking and communicating
11. Enhancing communications throughout the organization

12. Systems orientation and thinking
13. To reward appropriately those high level of performers
14. As a supplement to the annual performance appraisal system
15. To make the organization more performance driven
16. To bring about more professionalism
17. To enhance communication processes in the organization
18. As a strategy to identify for improvement specific grade of non performers
19. To identify Star Performers for fast growth track
20. To better match talent with existing organizational requirements and needs
21. As part of a organizational strategy for building future leaders
22. Potential appraisal
23. To introduce mentoring and coaching that is sustainable and meaningful
24. To Build the second line of managers (as part of succession planning)
25. To Improve their subordinate development role, customer orientation and focus on short term as well as long term goals and objectives
26. To build sensitivity towards building desired culture in the organization

The list is never ending. Having assisted companies with the 360 DF exercise over the years, it has been observed that this tool can be utilized for specific purposes as well as general ones. From simple dimensions of communications to complex strategic ones can be focused at through the tool. Most importantly, the tool can be used as a device to communicate

organizational values, behaviour patterns and expectations which may have been identified as important-to-be-had in the company to be stable in a future globally competitive scenario.

India has few organizations, as of today, who use 360 DF for rewards and placements. The numbers are increasing as more and more organizations are joining the bandwagon. For a tool that is relatively new in the country, the present number of companies who have adopted it is a good indicator of its acceptance and utility as a performance manager and developer. Once a clear and well-defined objective exists and the grade/level for which the Feedback exercise has been identified, the actual process of questionnaire creation begins.

The easiest, fastest, simplest way to collect variables is through a group activity. All the participants (only) going through the exercise assemble for an orientation of the intervention. The HR department, or the consultant, plays the role of explaining the exercise and what is to be achieved. To whom will the questionnaires go to, who collects the data, how is the data going to be used, who owns the data and final reports etc. can be decided here it along with all the participants. It is, however, useful and beneficial to decide some of these issues beforehand with the top management or decision makers, and communicate the same as a policy decision to the participants. This prevents unnecessary debate and wastage of time during such orientations.

The participants, next, answer 3 basic questions (on various sheets of paper)

- 1) List down what you want to know from your subordinates; what are the various area's on which feedback would be of use to you & help you be a better manager

- 2) List down what you want to know from your seniors
- 3) List down what you want to know from your colleagues and internal customers

Please note that no names are to be written on the papers and that each paper should have the proper title e.g. "Feedback from Subordinates" . In instances, where more than two grades or levels are being targeted, additional questions and instruction may be on lines of:

- 1) What are the different area's which you feel your Superior's should know about their styles, impact and behaviour; what are some functions, activities, initiatives seniors are good at and which should be continued; what are some activities, functions, behaviour which should be reduced or stopped
- 2) List various areas on which you would want to give feedback to your colleagues/peers
- 3) What are the various areas on which you would want to give feedback to your subordinates?

The next step would be to collect all such data and categorize them in their respective columns of :

- A) Data from Subordinates
- B) Data from Seniors/Boss
- C) Data from Colleagues/ Peers/ Internal Customers

Repetitions are to be eliminated and grouping made on dimensions i.e. collect together all common parameters or area's of data e.g. column of data from subordinates could have -

### **Feedback I want to know about myself From Subordinates**

1. Do I help my subordinates understand clearly job, roles and responsibilities
2. Do I delegate satisfactorily
3. Do my subordinates feel empowered
4. Is my communication on company policies and strategies clear and enough
5. Is there freedom to work
6. Do I critically look at the inputs given by subordinates
7. Am I providing feedback to subordinates
8. Can I be counted on to assist subordinates whenever they have problems
9. Am I clearly communicating expectations to subordinates
10. Do they feel I provide opportunities to express their opinions/suggestions
11. Do they feel I add value to them, the department and the organization
12. Do they feel I am technically competent in our functional area
13. Do they feel they can come to me and get problems solved
14. Do they feel I stand up for them in times of need
15. Do I give them credit where due
16. Am I optimistic
17. Do I listen to them
18. Am I open minded enough
19. Do I always shoot down their ideas or at least give them a chance to voice idea's
20. How do I conduct meetings and discussions
21. Do they clearly understand what I expect from them and in how much time
22. Am I biased, or do I show favouritism
23. Do I administer rewards in a fair manner



24. Are they learning under me and are they satisfied at the job

Item numbers 4, 7, 9, 10 & 17 can be grouped under the common dimension of Communication. Similarly, other dimensions like Team building, Vision, Subordinate growth and development etc. can be identified based on various inputs collected from the participants. For a simple questionnaire or tool of 360 DF, these dimensions are adequate and all that needs to be done is to convert these points into proper question form. For example, the dimension Communication can have the following questions:

- Does he keep subordinates informed on company Policies and Strategy
- Does he provide feedback to subordinates frequently on their work
- Does he clearly communicate expectations to subordinates
- Does he provide opportunities for subordinates to express their suggestions
- Does he listen to his subordinates idea's even though they may be different from his own

Needless to say, a suitable rating scale should also be decided on. The important thing to be kept in mind while formulating the rating scale is the ease with which the rating scores can be converted to Percentage figures on the final report. A complex rating scale will only tend to make the preparation of the final report a lengthy and complicated procedure, maximizing chances for errors.

Once the prototype of the questionnaire is ready along with the instructions, it is wise to do a pilot test, in order to know if the instructions are clear or any other errors exist. The pilot test should not be conducted on more than a couple of employees. It is also wise to prepare the

report in its final form, just to ensure that there are no hurdles in data processing and report creation. These being done, the instrument is ready for distribution.

The following have been found to be the advantages of this RSDQ model over the other models available from the west (see for a detailed description of various experiences Rao and Rao, Rao (2005).

- It is based on Indian experiences and indigenously evolved. And is therefore more relevant to Indian organizations and suits Indian psyche.
- It provides feedback in a gradual manner from simple to complex issues.
- It provides feedback on more easily and faster changeable areas to less amenable and slow change areas
- It is comprehensive leadership building tool
- It has flexibility to incorporate any aspects within the RSDQ framework
- It has been incorporated and tried out successfully with Top management, CEOs, Senior and Middle level executives, Youth, Sales and Marketing persons, Head Masters, Principals, Family Heads and all categories of persons.

These advantages have been explained below:

It is based on Indian experiences and indigenously evolved. And is therefore more relevant to Indian organizations and suits Indian psyche.

The work on RSDQ model began the eighties at the Indian Institute of Management, Ahmedabad. The first program on Leadership Styles and Organizational effectiveness offered in 1986 at the IIMA did not have such a neat RSDQ model. It merely focused on leadership styles, managerial styles, decision making styles, delegation and other personality and

managerial effectiveness variables. It is out of the experiences of those attending these programs the Roles part of it was added. It was the discussions in the initial programs that have lead to the formation of the focus on Roles and Activities. The participants of these programs generated these activities. Prof. Khandwalla added a lot to the listing of these tasks and roles. Over the last decade and half the roles list got enhanced, tested and retested, consolidated and experimented. Reliability studies conducted (Test-Retest reliability studies with a two month gap) indicated that these are relatively stable across a two month period with no feedback and any other significant intervention taking place. Recent studies of a service organization also indicated that feedback can help change the nature of performance of these roles in Indian settings.

Indian mind is a little role bound. Roles are incorporated into the performance appraisals. Roles and activities are measurable and manageable. Given these consideration the Roles part of RSDQ model is clearly more suitable and powerful for Indian Managers and leaders.

The Styles questionnaire is based on long years of experience and research by Rao (see Rao and Vijayalakshmi, 2000). The three styles identified are very much Indian and at the same time have a research base. The three styles correspond to the four stage maturity model of Abigail Stewart. This model is based on the premise that the psychosocial maturity of an individual is an indication of the corresponding maturity and growth stages envisaged by Sigmund Freud and Erick Erickson (Rao and Stewart, 1975). Rao and Abigail Stewart worked with David McClelland who got his data of TAT stories written by Indian and other country managers analyzed for their maturity and depiction of leadership styles. The three Leadership styles therefore have both a theoretical base as well as insights based on observation of Indian Managers across the last two decades. The three styles are: Benevolent (correspondence to Oral stage and dominated by the use of mouth- charismatic leader's use their oral skills to

influence people and enjoy loyalty), Critical (corresponding to anal and phallic stages where order and assertiveness are the qualities and discipline is the focus) and Developmental (corresponding to Freudian Genital stage of differentiated ego formation). Interestingly working over the last two decades another former student of David McClelland, Daniel Goleman recently came up with six style model of leadership. These six styles of leadership envisaged by Daniel Goleman (2002) include:

- Visionary leader who moves people towards shared dreams and creates a strongly positive climate. This style is considered appropriate when changes in vision or direction are needed.
- Coaching. who connects what people wants with the organizational goals. This style helps build an employee improve [performance by building long term capabilities
- Affiliative who creates harmony by connecting people to each other. This style of leadership has healing effects, heals rifts in teams and strengthens connections and motivates during stressful times
- Democratic: who values people's inputs and gets contributions and commitment through participation. This style is useful in building participation and synergy.
- Pace setting: meets challenging and exciting goals. This style is useful to get high quality results from a motivated and competent team.
- Commanding: who soothes fears by giving clear direction in an emergency? It has negative effects but suits in crisis situations

Of these types the Visionary leader is a combination of Benevolent and Developmental. Coaching styles is purely developmental, Affiliative is benevolent, Democratic style is developmental commanding style is critical and Pace setting style is a combination of

developmental and benevolent. Although the distinctions and overlaps are not as clear the theory has a lot of commonalities and differences. The Indian styles come in to operational cross various settings like managing mistakes, goal setting, managing rewards, managing conflicts etc. Our own researches have established that there is high correlation between the style and the impact on the subordinates.

Benevolent style has been found to create dependency (negative) and loyalty (positive), critical style has been found to create counter dependence (negative) and incompetence (negative), and developmental style has been found to create interdependence and learning. The style questionnaire focuses on the situations rather than style after indicating the effects of each style on people.

Our experience has indicated that 360 degree feedback does lead to participants identifying situations where they could use a different style to maximize their effectiveness. In the 360 degree feedback workshops the focus is on enabling to understanding ones own styles, rigidity or flexibility and identify the situation as well as individuals where and with whom the participant may experiment with different styles. Our experience is that participants do try to change their style. One area where heightened awareness leads to good results is the management of mistakes, It has also been found that the style links up well with other qualities.

Delegation is a major issue in Indian organizations. In an insecure culture continuous successes need to be reported. Familiarity and travelling of already travelled ground ensures security, most managers use their success as the building block for growth but are unable to try new areas to generate new successes. Most organizations have found benefits coming out of

this section. Several participants thought they delegate a lot until they were told through 360 Degree feedback that they do not even leave routine divisions for their subordinates to take. This is one area where changes have been observed. This part however is not used for this study for lack of complete data on the ten item questionnaire for all the six firms.

On the qualities any number of qualities can be incorporated. Qualities include three categories. Those which are lasting traits more difficult to change (example cool versus short tempered or irritable, trusting versus suspicious etc.) and those that are relatively easy to change (organized versus disorganized, listening to others versus preoccupied with own concerns etc.). Here the candidate can choose and work better on those that give long term results as well as short term results. These experiences make it clear about the indigenously created and developed tools are more relevant and the return on investments is high for these.

It provides feedback in a gradual manner from simple to complex issues. The merit of the RSDQ model is that it offers wide area of choice for change. The roles or tasks are the easiest to change. For example of one received the feedback that he is not articulating or communicating the vision the action steps to be followed are easy in terms of articulating and communicating the vision. The change can be initiated immediately after the program. Similarly improvements in performance feedback, introduction of systems, becoming more internal customer sensitive, are all easy to act areas. Delegation has been found to be the most "easy to act" area. Several participants who have attended our workshops have spent their time on delegating more and releasing their time for higher level tasks to be performed.

A few of them have also worked on areas like "reduction of short temper and irritability" and reported changes though marginal after some time. The areas to choose from are wide and the RSDQ model offers such wide choices.

It is comprehensive leadership building tool and has flexibility to incorporate any aspects within the RSDQ framework

In view of the inclusion of styles, roles, delegation and qualities the tool is comprehensive. It offers scope for incorporating any other areas either in roles, or styles, or delegation or qualities. Leadership is treated as a role, style, empowerment (delegation) and as a set of qualities. Due to its multidimensional nature it is a superior tool. It has been incorporated and tried out successfully with Top management, CEOs, Senior and Middle level executives, Youth, Sales and Marketing persons, Head Masters, Principals, Family Heads and all categories of persons.

Using this model many questionnaires have been developed so far for a variety of categories of participants. Some of these are highlighted in the following sections. RSDQ model is more amenable to change and is more amenable to be incorporated or integrated into the appraisal systems of organizations. The questionnaire used in this study is reproduced in Appendix 1.

On the four components of the questionnaire the more manageable aspects are those dealing with the roles. There are the following roles identified so far:

- 1) Vision and Values
- 2) Strategic Thinking and Leadership
- 3) Technology and systems Management and Leadership
- 4) People Management and Leadership
- 5) Culture Building
- 6) Internal Customer Management and Leadership
- 7) Team work and Team Leadership
- 8) Managing Seniors (Boss Management)

- 9) Ceremonial Roles including liaison with Government and other agencies
- 10) External Customer satisfaction and Management
- 11) Performance Management
- 12) Organizational Values and Discipline

This list can be expanded. Under each of these roles the activities are to be listed. The activities may be more specific or broad tasks. The roles may vary from organization to organization and the importance attached to the activities also may vary from organization to organization.

Feedbacks on how well the individual is performing these roles help the individual recognize the areas where he needs to improve performance. The areas will in turn help the individual to plan performance. We ask performance of any one or more of these activities or tasks may lead to the individual recognizing them, incorporating them and preparing action plans to overcome the weakness. The areas may be incorporated into the Performance Management or KPAs or KRAs.

### **About the Organizations in This study**

For maintaining anonymity and the commitment made to the respective industries who the researcher is constrained from giving many details of the organizations. This is also because 360 degree Feedback data are sensitive and are not easily available. Also no attempt has been made in this study to relate any background variables of the companies with the findings. In fact all the star performers in each of the six companies were treated alike and the average performers were treated as coming from one population. The star performers of all the six companies and average performers of all the six companies were not combined and studied together as the tools used as the scales used had to be modified to accommodate the



requirements of the organization. For example in managerial roles organization 1 used a six point scale and has modified a large number of items to suit their need. The same organization the leadership styles questionnaire used a five point scale instead of six point scale and the three leadership styles were assessed using a rating method than a forced distribution method. For example in the rating method when the respondent answers a question like

Which of the following represent the style used by the candidate in all the six organizations the data were collected as a part of their leadership development intervention and the data collection ranged over a period of three years?

Company 1: An Automobile Manufacturing company employing about 4000 managers

Company 2: A public sector undertaking in manufacturing sector with about 3000 managers

Company 3: A logistics Management Company with about 4000 managers

Company 4: A consumer products manufacturing company with around 4000 managers

Company 5 A Family Owned business conglomerate in different locations with about 200 managers

Company 6: A Pharmaceutical company with about 2000 managers

All the companies are large sized. They represented different types of ownership. All of them are professionally managed. The participants were taken from the senior and top management. They are all heads of different departments where their performance is largely measured by

their leadership and managerial effectiveness and comparisons of their performance in financial terms is difficult to measure.

### **Identification of Star (A category) and Average (C Category) Performers**

There was no easy way of identifying. The top level managers come from different departments. Some of them included the VP strategy and corporate planning, or HR manager, or Finance manager, Head production etc. While they have their KPAs, they do not have comparable financial targets. In the light of this there was not much of an alternative to assess them on the basis of their performance appraisals and collective assessments of the CEO and HR Chief. The CEOs were asked for appraisal many of the organizations maintained that they have no system of performance appraisal for their top level managers or it is highly confidential data as it involves the very top management of the company etc. there was considerable amount of reluctance on the part of the organizations to supply any appraisal data. However they were willing to give confidential ratings taking into consideration the performance incentives they gave to the various managers and using the performance appraisal ratings of the CEOs.

## **Research design**

The research design focused on identifying the star performers and average performers from among a sample of the senior and top level managers of the company and studying them using their 360 degree profiles. For research purposes it is difficult to get data if we start from the beginning to identify star or average performers. The investigator found that there was a high reluctance of any company to classify their managers in to star and average performers and let them study their 360 profiles. Hence the investigator had to use the method of collecting data for a large number of senior managers and subsequently get them classified as star performers and compare them with a relatively low rated performance category of managers.

Thus the design involved: Administering the 360 degree feedback tools on all the senior or top level managers of a company. These normally ranged from 15 to 30 in a company. Then getting the star performers identified and subjecting their 360 profiles to analysis to find the differences if any.

## **Hypothesis**

The main hypothesis formulated using the RSDQ model are the following:

### **Managerial roles:**

- 1) The star performers perform better each of the managerial roles and leadership roles upon the 55 activities of the RSDQ questionnaire.
- 2) Specifically the hypotheses are as follows:
- 3) The star performers articulate and disseminate their vision and values to significantly higher degree than the average or weak performers.

- 4) The star performers formulate policies and set short and term goals better than the average performers.
- 5) The star performers are more technology and systems savvy than the average performers.
- 6) The star performers inspire and develop their juniors better than the average performers
- 7) The star performers focus on culture of their departments and articulate and develop culture better than the average performers
- 8) The star performers manage their teams and team work better than the average performers
- 9) The star performers manage their colleagues and internal customers better by understanding their needs and meeting them better than the average performers
- 10) The star performers also liaise well with their seniors and manage their seniors and their expectations better than the average performers
- 11) The star performers manage their customers and customer expectations better than the average performers
- 12) On the whole the star performers perform various leadership and managerial roles better than the average performers.
- 13) This will be true with almost all the organizations without an exception.

### **Leadership Styles**

- 1) The star performers show more of development styles than the average performers in all situations
- 2) The star performers show less of benevolent styles than the average performers in all situations

- 3) The star performers show less of critical styles than the average performers in all situations
- 4) The star performers create less of dependency climate in their units as perceived by their juniors as compared to the average performers.
- 5) The star performers create less of climate of personal loyalty in their units as perceived by their juniors as compared to the average performers
- 6) The star performers create less of tension and resentment climate in their units as perceived by their juniors as compared to the average performers
- 7) The star performers create more of empowerment climate in their units as perceived by their juniors as compared to the average performers
- 8) The star performers create more of learning climate in their units as perceived by their juniors as compared to the average performers
- 9) The star performers create more of job-satisfaction, motivation and morale climate in their units as perceived by their juniors as compared to the average performers

### **Qualities:**

- The star performers exhibit to significant degree positive qualities from among the 25 qualities measured in the RSDQ model like calm and composed, proactive, cost conscious, quality conscious, receptive, change oriented etc.
- These hypotheses were proposed to be tested against the null hypothesis that there is no significant difference between the star performers and average performers on any of the dimensions outlined in the RSDQ model tool.

### Sample:

The sample consisted of the following categories of senior and top level managers. Unit heads, departmental heads, functional heads and top level managers from the first three layers of the organization

All of them were participants of a 360 Degree feedback intervention by the company. The number of candidates participated in the intervention are presented below in Table 3.1:

<b>Table 3.1</b>		
<b>Total number of sample from which the star and average performers were drawn.</b>		
S. No.	Company	No of Candidates
1	Public sector Electronics company	37
2	Logistics Company	29
3	Automobile company	30
4	Cigarette company	47
5	Pharmaceutical company	25
6	Family business conglomerate	18
	<b>TOTAL CANDIDATES</b>	<b>186</b>

### Selection of Star and average performers

From each of these companies the CEO and the HR manager were asked to give assessment on the star performers. They were asked to classify the managers into three categories of performers. The instructions given are presented in Appendix 2. When the study started the CEOs and their HR managers felt that the distinction between average and average performers is difficult to make. However, the doubtful assesseees were classified as weak performers. Hence it was decided to totally ignore the category of doubtful average performers and treat only those who are definite inconsistent performers as average performers. The final number of candidates assessed are presented in the following table 3.2.:

<b>Table 3.2</b>					
<b>Details of the sample of stars and average performers from six companies</b>					
S. No	No of Star Performers "A" s	No of Assessors assessing the "A" s	No. of average performers "C"s	No. of Assessors assessing the "C"s	Total No of candidates
1	10	Not available	9	Not available	37
2	5	69	7	86	29
3	4	53	5	72	30
4	17	210	7	76	47
5	10	70	4	31	25
6	6	68	4	27	18
<b>Total</b>	<b>52</b>	<b>470</b>	<b>36</b>	<b>292</b>	<b>186</b>

### Data Analysis:

The data were available for roles on a five point scale, For styles on a six point scale and for qualities on a seven point semantic differential scale. For one of the companies the data were available only on a percentage scale. The means and standard deviations were calculated for each of the groups of star performers and average performers company wise. It was decided to

do this company wise as there are data variations and also the nature of companies varied. It was also intended to test the hypothesis that the star performers will do better than the average performers on each of the RSDQ variables across the companies. A good testing of this hypothesis required company wise analysis than a combined analysis.

### **Reliability and Validity of the Questionnaire:**

In one of the sample firms 17 participants were assessed by 172 assessors. The CEO and the HRD Director were asked to rate the individuals in terms of their sustained performance and their leadership effectiveness. They were asked to categorize seventeen individual who are heading different divisions and functions. They did not assess one of the seventeen candidates as he was with the company for a short period of time. The incentives given to the employees were also taken from the company. The company gave incentives for the top management on the basis of their previous year's performance. Only ten persons were covered under the incentive scheme during that period and hence only their cases were taken. Each of them were rated as outstanding performance (OS) and given the highest incentives, Very Good (VG) performance and were given some incentive and Average Performer (AS).

The participants scores on the Roles part of the 360 tool were added to get a summated rating. These were added across nine roles (including all the 55 items of the managerial and leadership Roles). The maximum possible score across nine roles in percentage terms is 900. The scores obtained by each of the participants are given in Table 2.1 column2. The incentive assessments are given in column 5 and the performance assessments by the CEO and the top manager is given in column 4. Column 3 presents the A B C categorization of the seventeen candidates on the basis of their relative scores on the roles questionnaire. The overall



performance of the candidates on the Roles part of the tool was summed up and each participant was classified as A, B, C category Performers.

<b>Table 3.3</b> <b>Assessments of 17 top management candidates on 360 Tool, CEO/HR managers' combined assessments and incentive assessments during the preceding year</b>				
(1) S No of candidate	Roles assessment on Tool on the assessment of others		(4) Performance Ratings by Top	(5) Incentives Assessment
	(2) Total score	(3) Rank		
1	553	9 (B)	Na	Na
2	556	8 (B)	A	-
3	615	2 (A)	A	OS (A)
4	500	13 (C)	C	-
5	528	10 (B)	B	AS (C)
6	459	15 (C)	B	-
7	559	7 (B)	B	OS (A)
8	583	4 (A)	A	-
9	525	11 (B)	A	VG (B)
10	643	1 (A)	A	AS (C)
11	521	12 (B)	B	VG (B)
12	581	5 (A)	A	VG (B)
13	579	6 (A)	B	OS (A)
14	405	17 (C)	C	AS (C)
15	588	3 (A)	B	-
16	428	16 (C)	C	-
17	486	14 (C)	B	AS (C)

From Table 3.3 the following observations may be made:

- No of perfect matches between Ratings and Tool based assessment (A, A); (B, B); (C, C) = 11 out of 16 (67%)
- No of matches with one degree of difference (B, A); (C, B) ;( A,B); (C,B) = 5 (33%)
- No of matches between performance incentives and role ratings = 6 out of 10 or 60%

- No. Of matches with one degree difference between performance incentives and role related ratings = 3 (30%)
- With opposite assessments between incentive assessments and top management ratings = 1 (10%)
- No of matches between Top Management performance ratings and Incentives = 3 or 30%
- No of matches with one degree difference between incentive decisions and performance ratings across three year period = 6 or 60%
- No of opposites assessments between performance assessments and incentive decisions = 1 (10%)

The above table makes it clear that performance incentive decisions given in a particular year may not adequately reflect consistency in performance. The top management may think that a particular employee is not a consistent performer but may still assign him incentives in a particular year depending on the performance of his unit, division etc. It becomes difficult for top management to ignore the unit performance and go mostly by the individual's impact. Many a top management profess long term but reward short term.

Hence for the purposes of this study the combined ratings of the CEO and HR Director were decided to be taken as measures of suctioned performance of the employees and used as tool for assessing the star performers and average performers.

Khandwalla (2004) reports some more properties of the Managerial roles part of an earlier version of this tool developed at the Indian Institute of Management, Ahmedabad. He categorized the 27 activities in the managerial roles questionnaire roles into strategic,

operational and leadership related ( nine activities or items each). Forty five senior manager level competencies have been grouped into six categories of competencies:

- Contextual sensitivity related
- Management of initiatives
- Introduction of innovations
- Resilience and effective coping
- Effective task execution
- Interpersonal competence and leadership building

He found a strong relationship between the roles and their corresponding competencies. The results of this study provide an indirect support to the validity of this tool. The studies by Rao and Dutta (2002) correlating the data from the Assessment centers and 360 Degree feedback surveys using the same tool used in this study lends further support to the validity of the tools.

Rao and Rao (2002) attempted to identify the impact of three different leadership styles on the learning climate generated in the organization as perceived by 48 top level management in a company. The leadership style studied is: benevolent or paternalistic style, critical style and developmental style. The impact variables studies include the extent to which they produce loyalty and dependence, resentment and counter dependence and learning, job satisfaction and morale. The study indicated that while benevolent style creates dependence and resentment, critical style creates resentment and it is developmental style that tends to create learning and job satisfaction. The results of this study lend further support the validity of the styles part of the questionnaire. The study details are presented in Chapter 5 on leadership styles.

The above evidence of the Reliability validity of the tool. In addition in the process of development of the tool described in the early part of this chapter there is a built in face validity of the tool as the tool development goes through a process of participative review by the users them selves.

It is appropriate to mention here that some times a point of view is expressed on 360 tools that the best form of validity of the tools is through the user feedback. If the user finds the feedback as useful and the 360 tool ahs served its purpose of helping him to recognize the impact he/she is making that itself is a good evidence of its validity. The RSDQ model tool based on the researches outlined earlier is a reasonably well researched tool. For example the correlations with styles, the changes taking place after an year are all illustrations of the potential of this tool.