

Quality of 360-degree performance feedback: A matter of social exchanges.

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ABSTRACT,

360 degree performance feedback is a multi-source feedback system that can be used to review employees within organizations. This system can be influenced by many factors. This paper is about the influence of relationships among employees on the 360 degree performance feedback. The literature review consists of the literature of the 360 degree performance feedback and the social exchange theory. This, because the aim of this research is to investigate of the influence of relationships on the feedback system from the social exchange theory point of view. Current literature hardly considers the influence of relationships. But because human beings are social, it could be that there is an influence. Therefore, it can be expected that there will be an influence on the feedback system. This is also how the research question is designed. The research is conducted in collaboration with the HR department of the University of Twente. Several employees are interviewed. Based on the results of the semi-structured interviews, it can be concluded that there is an influence in the structuring of feedback. This can be a conscious bias or an unconscious bias. Other companies can be researched in future research.

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Keywords

Multi-source feedback, 360 degree performance feedback, social influences, social exchange theory, biases, experiences.

1. INTRODUCTION

Multi-source feedback is globally used for assessing performance within organizations. As the term indicates, the feedback is generated by different sources or stakeholders. 360 degree feedback is a type of multi-source feedback, that already existed in the 1970s (Fleenor & Prince, 1997). This type of feedback provides employees, or a company feedback generated by multiple stakeholders, such as supervisors, managers, directors, or peers (Carson, 2006). Employees tend to have a better understanding of what is expected from them by organizations, when they receive feedback from various stakeholders (Kopsidas, 2021). It increases the emphasis on performance measurement, changing behaviour and the attitudes of employees (Ward, 1997). This type of feedback is used in organizations to monitor and enhance development by multiple actors. Some research suggests that using multiple stakeholders for feedback increase reliability, enhanced fairness, and increased acceptance between ratee's (Antonioni & Park, 2001) (Greguras & Robie, 1998) (Oh & Berry, 2009) (Carson, 2006). But how reliable is the feedback from stakeholders? Can this type of feedback be biased? If so, how will this affect the feedback for the company or employees? And can this be prevented? These are questions that lead up to the purpose of this paper. Antonioni and Park also stated that there are various factors that can have an influence on the performance feedback received by actors. In their paper they investigated the implications of providing feedback within a company in the context of relationships and emotions of actors. Previous research showed that relationships do affect the feedback given (Antonioni & Park, 2001). Positive relationships, which can be defined as a relationship where mutual benefits are experienced, between people had a more positive outcome on feedback messages towards the actors. So, people who like each other are more likely to give positive feedback to each other. Negative relationships had a more negative message for the feedback. For family and friends there is also an effect on the feedback. People tend to be scared to hurt the people close to them, which can influence the message given for feedback (Zhang & Stafford, 2009) (Garavan, Morley, & Flynn, 1997).

There is already research done concerning consequences of 360 degree feedback. Most of these consequences are founded in external factors (Carson, 2006). But as stated before, relationships do have an influence as well. But there is barely any research done to the influences of relationships on 360 degree performance feedback. This paper will present the influence of relationships between stakeholders or/and peers and the consequences it has on 360 degree performance feedback. When this is considered in the feedback process, it can possibly improve the 360 degree performance feedback and degree of usefulness. Relationships between people and their work behaviour can be seen from the social exchange theory perspective. This theory is one of the most influential conceptual theories for understanding workplace behaviour (Cropanzano & Mitchell, 2005). As stated before, people tend to be less honest when it comes to people they care for. Which can lead to lacking quality and usefulness of the feedback. The relationships between people can therefore impact giving and receiving feedback. This will be researched in order to improve quality and usefulness of feedback for employees and organizations. Organizations can use the more honest and less biased feedback to take further steps in the improvement of the organization. This can be additional training for employees, adjusting the work environment, changing the management hierarchy, etc. Although relationships have an influence on feedback, it is yet to be researched which consequences this has

for the 360 degree performance feedback. Because this feedback system collects data or feedback from multiple sources, the relationships between actors could have an influence. Literature does not yet have information regarding this influence on this specific question.

Therefore, the research question centred in this paper is:

In which way does the relationships between actors influence the 360 degree feedback within a company?

This research paper will be a review of the current literature in context of the research question and interviews to review this phenomenon in practice. The review of the current literature can be found in the first chapter. After this the interview results will be displayed. Based on these types of research, the answer of the research question can be concluded. Suggestions of further research and implications of this research can be reviewed in the discussion.

2. THEORETICAL FRAMEWORK

In the theoretical framework a few concepts will be elaborated in order to define a framework that will be used in the further research. But first, it is important to define the term feedback itself. This term is repeatedly used in this paper; therefore, we need to define the term. Feedback relates to *the information presented that allows comparison between an actual outcome and a desired outcome* (Poulos & Mahony, 2008) (p. 143).

2.1 Defining 360 degree feedback

There are multiple terms used interchangeable with 360 degree feedback. Multi-rater feedback, upward appraisal, co-worker feedback, multi-perspective ratings, full-circle feedback, multi-source feedback, are all terms that seem to more or less refer to the same concept (Fleenor & Prince, 1997) (Garavan, Morley, & Flynn, 1997). Different researchers define the concept differently, but the core of the definition is aligned. Mary Carson defined 360 degree feedback in 2006 as 'a performance appraisal methodology that captures input from and employee's supervisors, colleagues, subordinates, and, possibly, customers and themselves'. Another definition is 'a feedback process where individuals receive rating from three to four different sources' (Antonioni & Park, 2001). Three-hundred-sixty degree performance feedback can also be defined as 'the systematic collection and feedback of performance data on an individual or group derived from a number of the stakeholder in their performance', (Ward, 1997). These are just some stated definitions in the literature, but they all conclude the same thing. It is a feedback process where an individual receives feedback from multiple stakeholders. An individual can be assessed based on self-assessment, be assessed by supervisors or managers, subordinates, co-workers, customers, suppliers, family, and friends. This type of feedback is time consuming because of the complex process and the possibly many stakeholders involved.

Employees can adjust their behavior based on received feedback. An emotional response can be a response to a trigger or situation. This emotional response can lead to behavioral response from an employee (Alexander, 2006). Employees receive feedback from multiple sources. This can lead to repetitive feedback. When feedback is repetitive, it is less likely to be invalid. Which can enhance the pressure on the employees to accept and adapt, if necessary. If one human communicates their feelings and thoughts about another human is the purest form of interpersonal feedback. Negative feedback can be interpreted by employees as rejection (Alexander, 2006). It can enhance feelings of vulnerability and defensiveness, which threatens a learner's self-concept. Thus, negative feedback can interrupt relationships

between human beings. Positive feedback can enhance the feelings of humans regarding psychological safety and reinforcing selected behaviors. In 360 degree feedback negative feedback can be seen as corrective feedback. Applying this type of feedback can encourage the employees to give each other a thoroughly thoughtful examination. Receiving corrective feedback can be difficult depending on the level of defensiveness of an employee, which can influence the relationships between employees.

Not only employees, themselves, can benefit from the feedback given by the system. Organizations or companies can also benefit from the use of 360 degree performance feedback. It can help reinforce the value of specific abilities, behavior, or actions to overall organizational values (Ward, 1997). Peter Ward states that individual feedback may be more useful in an organization, when the 360-degree assessments are aligned with the visions and values of the organization. Organizational needs can be met by using the feedback system, if implemented in the right way. There are three types of feedback instruments, that can be used. There are instruments that measure generic skills. There are instruments that focus on specific organizations and their assessment needs. There are 360-degree assessment systems that are developed internally and relate to specific positions or teams within the organization (Ward, 1997). The type of process used does not matter, as long as the strengths and weaknesses are exposed. Based on the feedback, the organization can develop their operations.

2.2 Social exchanges

2.2.1 *Social exchanges between people*

As discussed in the previous paragraph, 360 degree performance feedback is designed by multiple actors. This can be employees mutually, employees and their supervisors, or other stakeholders. When giving and receiving feedback between those actors, there will be an exchange. Employee A will give employee B feedback, as the process of 360 degree performance feedback continues employee B could give employee A also feedback. There is then a social exchange between these two employees. This situation can apply to other actors within the 360 degree performance feedback. The social exchange theory has been one of most influential theoretical perspectives in the field of social psychology, (Cook, Rice, Chesire, & Nakagawa, 2006). Some definitions of the social exchange theory are the following: A social exchange is a set of acts performed by people which both contain value for those people or the total pay-off to a person from an exchange is the total value a person receives from another person and themselves, (Meeker, 1971). Different views of the social exchange have been discussed in the literature. The core concept involves as series of interactions that generate unspecified obligations, (Cropanzano & Mitchell, 2005), (Wayne, Shore, & Liden, 1997). The theory suggests that the interactions can be seen as interdependent on the actions of other people. These interdependent transactions can generate high-quality relationships. These relationships tend to evolve into trusting, loyal and mutual commitments. For this to happen, the different people must apply a few 'rules' of exchange. The best known rule of the exchange process is repayment. This rule is distinguished in three types; repayment as transactional pattern of interdependent exchanges; repayment as a folk belief, and repayment as a moral norm. Interdependence is one of the defining characteristics of social exchange. This reciprocal interdependence emphasizes the interpersonal transactions. When a person supplies a benefit, the receiving party should respond in kind explored patterns of exchange sequences, (Cropanzano & Mitchell, 2005). This concept tends to reduce

risk and enhance cooperation. Repayments as a 'folk belief' relates to cultural expectations, that involves people receiving what they deserve. Repayment as a moral norm can be defined as a standard that describes how people should behave. People that follow the norms are obligated to behave mutually, (Cropanzano & Mitchell, 2005). Another set of rules can be negotiated rules. These rules are generally more specific. The exchange obligations and duties are more detailed and understood. Meeker (1971) suggested there is a third group of rules. As stated before, he argues that the interpersonal exchanges can be considered as individual decisions. He set some rules to guide the decisions and choices made; reciprocity, rationality, altruism, group gain, status consistency, and competition (Cropanzano & Mitchell, 2005) (Meeker, 1971). Reciprocity has already been discussed, because this refers to the reciprocal rules. Rationality represents the use of logic to consider possible consequences and the process the requirement of the things of value. Altruism refers to rule whereby a person will seek to benefit another person, regarding the costs or the person themself. When all benefits are gathered in one location, Meeker (1971) speaks of group gain. A person can take what they need from this location, regardless of their contribution. When the benefits gathered and located based on a person's station within a social group, it is called status consistency. Competition can be seen as the opposite of altruism. This rule is about harming others even when it risks one's own earnings, (Meeker, 1971). These rules can influence the exchange given by people, whether that is an organization or in day-to-day life. And could be considered in this research when giving or receiving feedback, whether that is consciously or unconsciously.

2.2.2 *Social exchanges within an organization*

As previously discussed, social exchanges occur between different people. Consequently, social exchanges also occur between people within an organization or company. Certain workplace antecedents lead to interpersonal connections (Cropanzano & Mitchell, 2005). Interpersonal connections occur when interact with each other. This can be considered as social exchange relationships. These types of relationships occur when employers make provision for employees, which can cause beneficial consequences. Within the workplace, the social exchange theory can be considered as a mediator between transactions. The theory supports the exchanges that are happening between people. Beneficial transactions between strong relationships tend to produce effective work behavior and positive employee attitudes (Cropanzano & Mitchell, 2005). Within the workplace there are different types of relationships, which indicate different implications for behavior. These different types of relationships can depend on strength or private/professional relationships. The leader-member exchange theory is an exchange relationship between an employee and a manager. The leader-members exchange theory focuses on the dynamic interaction between leaders and their followers or subordinates and its degree of importance. Another aspect of the theory stresses the focus on the working relationship and the quality of this relationship (van Brekeulen, Schyns, & Le Blanc, 2006). The quality of the relationship depends on the perceived value of the tangible or intangible commodities exchanged (Wayne, Shore, & Liden, 1997). But these relationships can cause uncertainty. Different types of exchange processes generate interpersonal relationships with different strengths.

The research in this paper will be based on the literature of the 360 degree performance feedback, as discussed in first paragraph, and the literature regarding the social exchange theory, as discussed in the second paragraph. The first paragraph will create a guideline for the interview question when it comes

to the aspects of 360 degree performance feedback. Based on this literature the process of 360 degree performance feedback within the organization can be analyzed. The second paragraph will be used to support and explain the psychological influences on the feedback received and given by employees and supervisors, regarding the social pressures that can occur. The distinguishment between positive and negative feedback and the influence of the strength of relationships on this will be analyzed in the perspective of the social exchange theory. Next to this, will the hierarchical influence also be analyzed in this perspective. As stated before, there is an influence of relationships on feedback, the theoretical framework will be used to investigate the influence and the outcomes for the feedback in the 360 degree performance feedback. Mostly, honesty and reliability of the feedback will be taken in consideration.

3. METHODOLOGY

3.1 Research design

As discussed in the introduction, the aim of this thesis is to investigate the influence of relationships between actors on 360 degree performance feedback within organizations. Some research is already done about the positive or negative relationships. But the influence of the relationships regarding honesty and therefore reliability is unknown. To investigate this, a qualitative method will be used. Gathering in-depth information directly from the source is desired and interviews can provide this (Zohrabi, 2013). For this reason, interviews were held to gather data regarding this problem. In order to answer the research questions stated in the introduction, the interviews were held with actors within a company. The actors in this case are the employees and their managers.

3.2 Company selection, data collection method, and data analysis

3.2.1 Company selection

This thesis and its research are about the influence of relationships between actors on 360 degree performance feedback within a company. Consequently, it is only useful to interview actors within organizations that actually apply the system of 360 degree performance feedback. Another requirement for this research is relationships between the actors, whether this is a formal relationship or an informal relationship. The relationships reviewed will be between employees mutually and between employees and their supervisors. They can both be dependent and independent of each other. This assists in the research of the social exchange aspect. To investigate the hierarchical difference in relationships, the employees and supervisors must be working together for a longer period of time. These are the requirements given for this research investigating the influence of relationships between actors on the 360 degree performance feedback. Considering the requirements of the respondents for the research, employees and managers of a company applying 360 degree performance feedback were interviewed in this research. The possible influence of other factors can be considered once the interviews are conducted. If these occur, they will be considered in the results and conclusions. The Human Resource Department of the University of Twente was kind enough to help with this research. It was a difficult process to find an organization that was willing to help us, this was also due the time concern. One organization was invited by the researcher and Dr. Anna Bos-Nehles, the supervisor of this research. This company did not respond, therefore Dr. Anna Bos-Nehles invited the Human Research Department of the University of Twente. A total of seven employees were interviewed among which the HR manager,

managers, and employees. They were asked to answer the questions honestly and according to their personal experiences.

3.2.2 Data collection method

As stated before, this research is about the possible influence of relationships on the feedback generated by the 360 degree performance feedback system. Therefore, the relationships between the actors need to be investigated and to be understood. Open-ended interviews allow to grasp such an understanding and therefore is a preferable qualitative data collection method, (Jackson, Drummond, & Camara, 2007). This type of data collection increases the flexibility and responsiveness of the respondents and interviewer. The interviews can be semi-structured or unstructured, (Jackson, Drummond, & Camara, 2007). This is distinguished based on previous acquired knowledge. An interview can be considered as semi-structured when previous knowledge is required. If this is not required, an interview can be considered as unstructured. This research will apply semi-structured interviews because the interviews will be based on the knowledge reviewed in the theoretical framework. The questions and their in-depth responses of the respondents will be gathered and analyzed to answer the research question mentioned in the introduction. Therefore, the interview questions will be designed beforehand based on research objectives. The research objectives can be defined as the following:

- Identify how the 360 performance feedback applies to the actors and how the system is used within the company.
- Investigate the influence of different types of relationships between actors on the type of feedback given and received. This will help to see if there is a difference in the feedback depending on the relationships.
- Identify the type of feedback and how it is evaluated by the actors. Depending on the type of feedback and the feelings of the actors when receiving such feedback.
- Identify the feedback process when giving feedback by actors. Considering the thinking process of actors when giving and receiving feedback, can help to gain insight whether the actors consider their relationships.

The final questions of the interview can be reviewed in Appendix 8.1

3.2.3 Data analysis

If possible, the interviews will be recorded. The interviews can be transcribed post-interview. Validity was ensured by reviewing the transcription again in accordance with the recordings of the interviews. The interview questions will generate direct responses. Some responses can be indirect or sub-related, if so, the responses were reframed to generate a direct response. This was verbally confirmed or rejected by the respondent.

Once all data of the interviews is collected, it will be processed. The data will be categorized and compared to each other. This process started after the interviews were transcribed. The transcribing process was done with the help of the Microsoft Teams software, which was used to record and transcribe the interviews. The transcriptions of the software were reviewed to ensure the quality and correctness of the interview transcriptions. After this was done, the interviews were coded based on the answers of the respondents. For this process, the transcriptions were reviewed one by one and in comparison, to each other. The important answers or keywords of answers were highlighted. The highlighted parts were compared to each other. Based on these

comparisons the answers were coded. The results will be analyzed regarding the theoretical framework and the following desk research. Based on the comparisons and analysis of the data, the research question will be answered.

4. FINDINGS

The results of the interviews will follow in the next sections. Starting with the experience and frequency of the 360 degree performance feedback. Next the influences of the relationships in giving and receiving feedback will be presented. The feelings regarding critical feedback will follow next.

4.1 Experiences of 360 degree performance feedback within the company.

4.1.1 General experiences of the respondents

The first question asked to the respondents was about their experience with 360 degree performance feedback within the University of Twente. All respondents stated they had a positive experience regarding this type of feedback system. The learning and improvement aspect was mentioned by four out of the seven employees. Therefore, the code for this is *'learning'*. All agree that it is useful to receive feedback from colleagues you work with. Two respondents stated explicitly that it must happen in a safe environment in order to be completely open to each other. Therefore is *'trust'* also a code that is useful in this research. After interviewing all respondents, the process of the 360 degree performance feedback in the University of Twente becomes clear. The respondents are familiar with the process and performing this in an organization. All employees have a positive experience with the feedback systems as it helps them to learn and develop as a person, but also within their particular function.

Respondent 5 stated: *'I am used to work with such a form'*. Respondent 7 stated: *'I have done it many times over the last 25 years'*. Respondent 4 says: *'Perspectives of others help you to develop.'*

4.1.2 Receiving process of feedback by the respondents

The code mostly used regarding evaluating the received feedback was *'implementation'*. This code was used for these results because implementation is the process of putting a decision, plan, or in this case, feedback into practice. All respondents stated that they would process the feedback and put this into action. Results indicated that if the feedback was recognizable, it would be put in practice. When receiving negative feedback, respondents would want an explanation or additional feedback to support the negative feedback.

The respondents would *'have to do something with it'*, this was actually stated by respondent 3, respondent 4, respondent 5, respondent 6 and respondent 7.

4.1.3 Expectations regarding the feedback colleagues give

Expectations of the feedback the respondents would receive are similar. The label that applies to this is *'feedback process'*. Among this label the codes *'competences'* and *'feedback form'* were placed. All respondents refer to the feedback form and the competences yearly set by the Human Resource Department of the organization. The expectations are in line with the process of structuring feedback themselves. But the competences are a recurring term in the answers. A follow up meeting is expected by all of the respondents when there is negative or critical feedback received.

As respondent 3, which is the HR manager, states: *'Every year we choose some competences and ask people to reflect on it'*.

Respondent 7 then states; *'Most of the time I skip the competences on the form, because I feel like they are too generic'*.

4.2 The influences of relationships on the feedback process

The following codes referred to the influence of relationships in the feedback process. With a clear distinguishment in giving feedback and receiving feedback.

4.2.1 Considering relationships in the feedback process

The results were differently on the question if they considered relationships in the feedback process. Therefore, the codes are also opposites; *'influence'* and *'no influence'*. Three out of the seven respondents indicated that they did not consider the relationship in the feedback process. The other four respondents said that it did have an effect in the 360 degree performance feedback process. The results indicating that their relationships with co-workers do not affect the feedback they give. This is also connected to the code *'learning'*. Because the respondents aim to learn something and therefore indicate that there is no influence. The other respondents concluded that relationships could have an effect, but they always try to be objective. This indicated that they would maybe formulate their feedback differently for different people. Respondents said that they would be more likely to give feedback to employees they know well and have a good overview of their skills and competences. They hope relationships have a positive influence on the feedback they give. Trust is important in this process.

The statement given by respondent 2: *'I hope it does not affect it. I always try to be objective'*. Respondent 4 said: *'I do not care. For me, I want to learn something'*.

Respondent 7 stated: *'When you receive open feedback from someone, it requires transparency and vulnerability. Then it strengthens the relationship'*.

4.2.2 Difference of relationships in structuring feedback

The previous codes were for giving feedback people they have different relationships with, but those can also be used for receiving feedback from people they have different relationships with. But here there is one code added. Next to *'influence'* and *'no influence'*, the third code is *'depending influence'*. Two respondents answered explicitly that there was no difference. They did not structure feedback differently for people, dependent on a good or poor relationship with. They see this as part of the process and therefore do not structure differently depending on the relationship. Two respondents were hesitating more when answering. They initially answered with *'no'* but admitted after that they could be biased. Although they try to be as objective as possible, but they do not exclude biases. The other three respondents answer that different types of relationships do influence the structure of the feedback. They will be more likely to formulate the feedback differently.

Respondent 1 and 7 both state that *'it is easier to give feedback to people you have a good relationship with'*.

Respondent 3 stated: *'For me, there is no difference. I am on a point of giving feedback from a personal and professional perspective, as equal as possible'*.

Respondent 5 speaks of a conscious bias, because this person claims there is *'more to say about a person when there is a poorer working relationship with, then about someone who has a good working relationship with'*

4.2.3 Difference of relationships in receiving feedback

There results regarding the influence of different relationships on the receiving process of feedback can be devoted to the same codes as the codes for the results of the influence on structuring feedback. The code 'influence' and 'no influence' are applicable. Three respondents claimed that they will experience the feedback given differently depending on the relationship. When they receive feedback from someone, they have a bad or poor relationship with, they will take it less seriously. It also depends on the intention of a person. The results regarding 'no influence' are because respondents either do not ask feedback from people they have a bad relationship with or because they not feel different. Some even aims to ask feedback from a colleague they have a poor relationship with.

Respondent 2 stated: *'Otherwise it doesn't help me, and I always try to improve myself'*.

Respondent 7: *'If someone gives you feedback to criticize you or really aims to help you, the feeling is different'*

4.2.4 Difference in hierarchy

These results indicated if the respondents would attach different value to feedback of supervisors or employees. The previous code 'influence' and 'no influence' are again applicable. The results devoted to the code 'influence' indicate that respondents could imagine that some people would be likely to attach more value to the feedback of supervisors or that they personally attach more value to the feedback of supervisors. The results regarding 'no influence' indicated that it does not matter whether the feedback comes from an employee or a supervisor. Some even attach more value to feedback from colleagues than supervisors.

Respondent 7 stated: *'Yeah, you would take it more seriously. Especially, when the supervisor takes his authority to give feedback'*.

Respondent 4: *'it's all about the content'*. Respondent 2: *'even appreciate the feedback from other people more than from my supervisors'*.

4.3 Perspectives on critical feedback

Lastly the respondents were asked about their perspectives on critical feedback. They gave their opinions on receiving and giving critical feedback.

4.3.1 Receiving critical feedback

The results regarding receiving critical feedback can be divided in different codes. The codes 'implementation' and 'learning' can again be used. Because results for the code 'implementation' indicate that the respondents do not like to receive negative feedback. But after they reflect on the feedback given, they will do something with it or at least try to do something with it. Therefore, the critical feedback must be valid and recognizable. The other results were devoted to the 'learning' code. The respondents immediately mentioned the learning process and the possibly to improve themselves.

Respondent 6 stated: *'The person giving the feedback must explain it, because when you can't explain it, you must not give critical feedback'*. Respondent 1 states: *'You always have points of improvements'*.

4.3.2 Giving critical feedback

All respondents stated that they do not avoid giving critical feedback. The results can be devoted again to the 'learning' and 'implementation' codes. It is part of the process and necessary when wanting to learn. The respondents do apply a certain structure when providing critical feedback to another person.

They will consider the use of words and take the person as individual into account.

Respondent 2: *'it's part of the job'*. Respondent 3: *'will do it in a professional way'* Respondent 7: *'it is my reaction on their behavior and that it maybe tells more about her than the person'*.

5. DISCUSSION

5.1 Analysis of the results

5.1.1 360 degree performance feedback within the company

5.1.1.1 The 360 degree performance feedback process within the company

Based on the answers of the respondent one formal process of the performance of 360 degree performance feedback can be established. The first step of the process is introduced within the Human Resource Department of the company. The competences where employees will be assessed on are suggested by the department. These competences are based on the desired future policy of the organization. This is the foundation of the feedback form. On the form there are different sections for tips, tops, and chances. At the end of the academical year, employees are asked to gather feedback about themselves, this can be from colleagues, supervisors, or external stakeholders. Employees can choose themselves who give them feedback. Annual reviews will then be held by supervisors with their employees to discuss their performance and the received feedback.

5.1.1.2 Positive implementations

Although the respondents do have some suggested improvements about the feedback system, they do have a good experience. Based on the answers given regarding the feedback received, one can say that the feedback system is effective. This because the respondents have said that they will always implement the feedback they receive. Suggesting that the desired frequency of the feedback would be implemented, the feedback system could possibly more effective.

But as one of respondents mentioned that when the feedback becomes repetitive, they are less likely to implement the feedback. This contradicts the theory of Alexander (2006) as mentioned in paragraph 2.1. Within the organization the respondents state there is a safe environment to give feedback. This indicates that feedback is given as honestly as possible. Because the negative feedback is, within the organization, considered as possible points of improvements or as stated in the theoretical framework, corrective feedback. For this organization, the 360 performance feedback can also be considered as beneficial. As Ward stated in 1997 employees can perform better if the assessment criteria are aligned with the company's vision. As said before the company bases the assessment criteria on the company's future vision.

5.1.2 Relationships and 360 degree performance feedback

Based on the results described in paragraph 4.2, relationships do have an influence the feedback in the 360 degree performance feedback. The different types of relationships have a different influence on the feedback and the system. Concepts as safe environment, openness, transparency, and honesty are mentioned in the process of giving feedback. The degree of formality did not have an impact on the feedback given.

5.1.2.1 The influence of positive relationships on the feedback system

The data has been processed and it does show that positive relationships have an influence on the feedback system. People prefer to ask feedback to employees they have a good relationship with. This can be because they work closely together or have a common interest. The respondents found that it would be easier to give honest feedback to employees they have a good work relationship with. Therefore, they tend to give more feedback to those employees. The other way around, the core is the same. Employees are more open to receive feedback from employees they have a good relationship with. They will accept the feedback better and are more likely to implement the feedback as well. As stated in the literature reviewed in 2.2, positive relationships between employees can enhance the performance and work attitude of employees. Because the feedback is more honest and can therefore be seen as more reliable. As positive relationships influence the feedback, and its implementation, it can be possible that it can influence the performance and work attitude of the employee in a positive way as well.

5.1.2.2 The influence on negative relationships on the feedback system

As there is an influence by positive relationships, there is also an influence of negative relationships on the 360 degree performance feedback. When the respondents are asked to structure feedback for other employees, they have a negative or poor relationship with, they experience more problems. Human beings will almost never be completely unbiased. This is because of the cognitive bias, whereby people tend to judge someone, or something based on the similarity between the actual outcome their personal desired outcome (Kruglanski & Ajzen, 1983). The respondents find it difficult to be aware of their own biases. Because when people are not aware of their biases, it is easier to only point out the negative aspects of someone, whether it is relevant or not. Because the respondents then tend to be more fixated on the aspects, they think are insufficient. The respondent tends to formulate feedback differently to avoid hurting someone or to avoid negative reactions by the employee receiving the feedback. This confirms the statements made earlier by Garvan et al and Zhang & Stafford.

People tend to avoid negative feedback and therefore ignore the negative or poor relationships they have with other employees. Because the employees can choose who give them feedback, they are more likely to avoid asking people they have a negative or poor relationship with. This is because people like to receive positive feedback and do not like to be hurt. The respondents will not ask the employees they have a bad relationship with. When they do receive feedback from people, they have a poorer relationship with they are less likely to accept the feedback. They will not be likely to implement the feedback. Especially, if they think they will receive certain feedback for the wrong purposes. This can be because they think they receive the feedback to make them feel irritated or if it gives them the feeling the feedback is not given to help them improve or develop at all.

5.1.2.3 The influence of hierarchical ranking on the feedback system

The influence of the hierarchical ranking on the feedback system is low, regarding the respondents. The respondents did not care whether the feedback came from a supervisor or an employee. This can be because the respondents are already for a longer period working in a business. Some respondents indicated that when they are younger, they are more likely to find feedback from supervisors more valuable. This can be explained in the line

of the Leader-Member Exchange Theory, (van Brekeulen, Schyns, & Le Blanc, 2006). Also, younger employees can be considered as more uncertain and therefore seek or more assurance from their supervisors. The employees working already for a longer period of time tend to find the feedback from fellow employees more valuable. This is because they work more closely together, and a supervisor does not see them in their function everyday.

5.1.3 Critical feedback in the 360 degree performance feedback system

Critical feedback can not be avoided in such a system as 360 degree performance feedback. Respondents are more likely to learn from critical feedback, even when they found it harsh to hear. This can be because although they do not like to receive such feedback, they are willing to learn and improve, also on possible negative feedback. Also, the respondents are very much aware that there always will be points of improvement. Especially if the feedback is well explained and recognizable by the employees. Because then they are more open to the feedback and more willing to adapt according to the feedback. And critical feedback is part of the process, without critical feedback there is not much to learn or improve. People are willing to learn and see the benefits of the feedback system

5.2 Theoretical implications

The process of the 360 degree performance feedback systems is explained in 5.2. This is in line with the theory discussed in 2.1. Because the employees can choose themselves who give them feedback, a social exchange is not always applicable. Employees can receive feedback from someone without having to give feedback to this person.

5.2.1 360 degree performance feedback

The literature about the consequences of 360 degree performance feedback is already extensive, as stated before. But the influence of different types of relationships is yet to be researched. This research can be seen as a starting point for this subject. For the literature regarding the 360 degree performance feedback, this is only an example of the practice of the feedback system. This differs per organizations (Antonioni & Park, 2001) (Carson, 2006) (Ward, 1997). It does strengthen the literature regarding the negative feedback and its consequences (Alexander, 2006). Positive relationships generate positive feedback, which confirms the statements of Antonioni & Park mentioned in the introduction. Repetitive feedback should be more valid as stated by Alexander in 2006. This research has a slight bit of information that rejects this statement.

5.2.2 Social Exchange Theory

This research concerns the influence of positive or negative relationships in the feedback system. Next to this, the influence of hierarchical consequences is also briefly described. For the employees that are working for a longer period of time within the company, value feedback from supervisors not differently then from other employees or value the feedback of supervisors even less. This can be seen as a contrary effect in the context of the Leader-Member Exchange Theory (van Brekeulen, Schyns, & Le Blanc, 2006). In this, it is stated that members, in this case employees, seem to attach more value to the feedback of leaders, supervisors in this case. This is because employees may have a fear of the consequences regarding the feedback and the power such a supervisor has or can have. Which is in this research more

or less contradicted. Also, the addition to the current research about the social exchange theory is not as high as expected before hand. This, because within the feedback system performed at the University of Twente, the mutual social exchange between people does not have to be necessarily there. Employees are allowed to choose themselves who give them feedback and it is not mandatory that the employee give feedback to them as an exchange. Therefore, it also contradicts the implied possible unspecific obligations (Cropanzano & Mitchell, 2005) (Wayne, Shore, & Liden, 1997). But this research can have an extension to the literature regarding the possible expectations and obligations within the 360 degree performance feedback system. Because this research indicates that the system does not generate such obligation (Cropanzano & Mitchell, 2005) (Wayne, Shore, & Liden, 1997). The rules stated by Meeker can also be used to explain these results. The exchange repayment as moral norm would be defined as how people think they should behave, which is confirmed by this research. Because employees give feedback on the expectations of how people or other employees should behave.

5.2.3 Attribution Theory

Instead of the social exchange theory, another theory can be considered. The attribution theory is a theory what can possibly help explaining the results of the influence of relationships on the 360 degree performance feedback system. The attribution theory can be used to explain how people, and therefore employees, deal with the performance of others (Hollyforde & Whiddett, 2002) (Martinko, Harvey, & Douglas, 2007). Luck or opportunity will most of the time be used by people to explain unexpected successes or failures. Luck is not related to skills, abilities, or performance but by chance. When certain situations allow someone to undertake an activity or opportunity he or she would otherwise not have, it is an opportunity. The attribution theory helps people then explain certain success or failure. It is helps in explaining people's beliefs regarding their behavior and the reasons of this behavior.

The feedback system is initially designed to assess people on their performance. It is initiated in this company o asses the employees and help them improve their performance and their development. In the Green & Mitchell model discussed by Martinko et al 2007, *dimensions of information were related to attributions and attributions were related to disciplinary actions*, p564. Based on information, people make certain attributions. Feedback is based on these attributions. Therefore, it shows that people have different perceptions on others. Feedback is then based on different opinions and attributions. It can explain how people see behavior of others and interpret this different. Feedback on insufficient results leads to downgrading of the motivational values (Korn, Rosenblau, Rodriguez Buritica, & Heekeren, 2016). On the other hand, positive performance leads to a positive change. This enhances the findings that the respondents are less likely to accept the negative feedback they receive from people they have a poorer relationship with.

The literature about the consequences of 360-degree performance feedback is already extensive, as stated before. But the influence of relationships is yet to be researched. This research can be seen as a starting point for this subject. This research concerns the influence of positive or negative relationships in the feedback system. Next to this, the influence of hierarchical consequences is also briefly described. This can be seen as a contrary effect in the context of the Leader-Member Exchange Theory.

5.3 Validity

This research can be considered valid because the respondents answered according to their best knowledge and experience. The interview questions were pointed to the influence of relationships on the feedback system and answered by the respondents as the questions were intended. Because the questions were asked and formulated equally, it could be said that the research is reliable.

5.4 Practical Implications

The feedback system is well-used in the practice, also in this specific organization. The results of this research can be used to impact the practical feedback system within the organization. It makes the companies aware of the influence this have on people and possible influence on the organization. Whether this is in this specific company or in any other company. For this specific company, there can be several options to improve their feedback system. First, it is important for the organization to create a safe environment, where employees trust each other and give each other honest feedback. Next to this, it is important that the participants are well educated in giving feedback and the use of the feedback system. This will increase the trust and the credibility of the feedback. Lastly, the organization could make people more aware of their biases. A complete other option for the organization can be the implementation of anonymous feedback. This can be tested by introducing a pilot. Based on these results, the organization can investigate what option is best.

5.5 Limitations and future research

5.5.1 Limitations

This research does have several limitations. The first limitation is related to the type of company used in this research. The company is a public organization. The University of Twente is a public organization and therefore puts less emphasis on economical performance. The employees are less driven by certain achievements linked to economical performance. In a private organization it could be possible that the use of the 360 degree performance feedback is different or has more consequences for the employees. This could influence the answers given by the respondent and therefore the results.

Another limitation for this study can be related to the sample. A total of seven employees were interviewed. The validity could be increased by involving more employees. There was no great distinction between employees and managers within this organization, when this distinction is more emphasized in another company this could also have an influence on the results. Also due to the limited time in this study, only seven people were interviewed.

Furthermore, the inexperience of the researcher in conducting interviews could have an influence. Structuring semi-structured interviews has not been done before by the researcher. This had an influence on the questions asked in the interview. Some questions were not clear enough formulated to be understood and interpreted by the respondents. This has an influence on the usability of the results. Also, due to lacking resources, one interview was not conducted completely in the right way, which made it difficult to gather results. To interpret the results of the transcribed interviews, a method of coding was used. Coding was never done by the researcher before. And it was only coded by one person. Therefore, it could be that the quality of the codes and the results were influenced by the perceptions and possible biases of the single researcher.

5.5.2 Possible future research

A possibility regarding the future research can be the difference between employees and managers. It can then be reviewed if managers and employees share the same opinion and have the same view on the feedback. This can also help in researching if managers assess their employees differently than their fellow managers. Another possible future research could be done within a different company. Doing the same research in a private organization or in different types of companies in general could generate different results.

6. CONCLUSION

The main goal of this research was to investigate the influence of relationships on the 360 degree performance feedback system. The research question was stated as: *In which way does the relationships between actors influence the 360 degree feedback within a company?*

As stated in the theoretical framework there could be a hierarchical influence on the feedback system, according to the Leader-Member Exchange Theory. The results of this research indicate that this is possible, but mostly not the case within this company. Fellow employees can have a more valuable influence according to the respondents.

Based on the results, there is an influence on feedback by relationships. Positive relationships increase the creditability and the ability to implement of the feedback. Because the feedback is formulated more honestly this will increase the reliability of the feedback. While negative feedback decreases the creditability and the ability to implement the feedback. Although people try to be objective as possible, they do admit that they are not always unbiased. Therefore, the feedback will be structured differently, which can influence the honesty and reliability.

Regarding the influence of other factors in structuring feedback was not necessarily indicated by the respondents of this research. Respondents did state that they could be biased in giving feedback, this could be considered as other influences. But bias is a broad term, so to conclude this would be premature.

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9. APPENDIX

9.1 Interview questions

1. What is your experience with 360-degree performance feedback?
2. How often is 360 performance feedback performed in the organization?
3. How do relationships with co-workers affect the feedback you give?
4. Is there a distinguishment in the way you structure feedback for colleagues you have a good relationship with and colleagues you have a poorer relationship with?
5. How do you evaluate the feedback you receive?
6. How do you react to critical feedback?
7. How do you feel about giving critical feedback?
8. Is there a distinguishment in the way you receive feedback from colleagues you have a good relationship with and colleagues you have a poorer relationship with?
9. How would you expect colleagues give feedback to you?
10. How do you experience the feedback of colleagues or supervisors? Is there a difference?
11. Is there anything else you want to mention, regarding this subject?