

# Examining the relationship between 360 degree feedback, organizational justice and organizational sustainability

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## ABSTRACTS

This study tests the composite relationship between's 360 degree feedback and organizational justice while accentuating the manageability of an equitable and reasonable workplace in an organization. A sample of 150 employees occupying various positions in information technology (IT) and banking sector organizations in Bhubaneswar, Odisha contribute to this research. The results of the regression analysis (RA) establish that the implementation of 360-degree feedback appraisal system in an organization not only gives rise to organizational justice, yet additionally helps in sustaining this justice and making justice a basic piece of the organizational culture.

**KEY WORDS:** 360 degree feedback, Organizational justice, sustainability, Regression analysis, Organizational culture.

## 1. INTRODUCTION

The usage of an effective, reasonable, and proficient use of 360 degree feedback framework is key for monetary achievement, maintained development, and building up a solid and skilled workforce in the organization (Espinilla, 2013). 360 degree feedback appraisal system functions as an important instrument to evaluate and support employee performance and to establish strategic organizational plans, goals, and objectives (Daoanis, 2012). Research condemn conventional execution examination frameworks for their absence of reasonableness and value, compensating people at the upper-level of the organization's hierarchy. Firms should plan and actualize evaluation frameworks that representatives see as 'reasonable' and make the culture that is strong for its workers. The performance appraisal system should integrate the organization's strategy, culture, and philosophy (Rowland & Hall, 2012). Study proposes that 360-degree feedback is an effective multi-dimensional improvement device that draws upon the learning of individuals inside a man's own hover of impact: directors, peers, and direct reports which evaluates a worker's execution examination through numerous sources, for example, companions, subordinates, and administrators make a comprehensive and fair-minded audit of representative execution. 360-degree feedback can likewise straightforwardly influence apparent reasonableness value, and 'authoritative equity'. Thus, enhancements in authoritative equity have an immediate and beneficial outcome on the association's execution and sustainability. Organizational justice contains three measurements: (a) distributive equity, (b) procedural equity, and (c) interactional equity. Distributive justice is defined as how much supervisors assign monetary prizes or advancements among staff; procedural equity concerns the strategies administrators receive for result circulation and representative's responses toward the decency of those particular systems (Tyler, 1987); interactional justice concerns the fairness of interactional communication and organizational procedures (Bies & Moag, 1986; Folger & Konovsky, 1989; Gelens, 2013). Observational investigation recommends that the connections between organizational justice and worker work responsibility, work fulfilment, states of mind, and practices in the association (Dundar & Tabancali, 2012). In any case, the degree to which a 360 (degrees) feedback evaluation influences levels of organizational justice is unverifiable and remains a huge hole in the writing. Moreover, observational confirmation needs to look at the perplexing connections between organizational justice and sustainability. Sustainability contains an organization's results from its activities and speaks to how much the firm can keep its business exercises possible and down to earth in the long run (Smith & Sharicz, 2011).

### Theoretical Background:

**Sustainability:** Colbert and Kurucz (2007), states that the sustainability as being to "keep the business going", and another frequently used term in this context refers to the "future proofing" of organizations. Boudreau and Ramstad (2005), refer to "achieving success today without compromising the needs of the future".

Eccles (2011), suggest that organizations are developing sustainability policies, but they highlight that these policies are aimed at developing an underlying "culture of sustainability", through policies highlighting the importance of the environmental and social as well as financial performance. These policies seek to develop a culture of sustainability by enunciating the values and beliefs that support the organization's objectives.

**The 360-degree performance appraisal:** The primary study founded that every senior academicians are having full learning about the performance appraisal system. The traditional performance appraisal is not helpful to the employees in the educational institutions thus senior academicians are agreed to appraise Superiors, Peers, and Subordinates. They have agreed with 360-degree feedback is a good modern assessment system and it is an essential technique for educational institutions the 360 degree feedback gives a clear picture of the employees and also helps to know strength and weakness, which is useful for people growth and development of employees (Das and Panda,

2015; Lepsinger and Lucia, 1997) highlight that the 360 degree feedback appraisal process involves collecting views about a Person's behavior and the influence of that behavior from a number of rating sources. Thus, a 360 degree feedback program tries to transfer feedback to the receiver in regards to his/ her behavior in the workplace environment and how it influences other individuals that activity with that employee. The 360 feedback is a useful tool and help employees be more efficient in their current roles besides to help them know what areas they have to concentrate for improvement. The feedback from all sides from employees, seniors, peers, subordinates, providers, customers for an individual, that person will likewise rate himself and afterward coordinate the execution from others evaluations. The outcomes indicated that in that location has been an overall positive effect reported of 360 Degree feedback on management skills and leadership development (Das and Panda, 2016).

**Organizational justice:** Organizational justice is employees perceptions of the degree of fairness with which organizational authorities treat them (Whitman, 2012). High levels of organizational justice can lead to an increase in positive work attitudes and behaviors, job satisfaction, and job commitment (Silva & Caetano, 2014). Organizational justice is employees' perceptions of the degree of fairness with which organizational authorities treat them (Whitman, Caleo, 2012). High levels of organizational justice can lead to an increase in positive work attitudes and behaviors, job satisfaction, and job commitment (Silva & Caetano, 2014). Evidence suggests that “organizations should become platforms for individuals, as opposed to individuals becoming resources for organizations” (Patterson, 2001).

Organizational justice comprises three main dimensions:

- Distributive justice: established primarily on the grounds of equity theory (Adams, 1965) and the perceived fairness of the outcome that the individual receives.
- Procedural justice: the perceived fairness of all the procedures used in decision-making (Lin & Hsieh, 2010).
- Interactional justice: related to the fairness of interactional communication and organizational procedures (Bies & Moag, 1986).

Considering the given distributive justice, Procedural justice and Interactional justice as the main component of organizational sustainability, hypotheses have been formulated as follows:

H1: There is a significant positive relationship between the 360 degree feedback and sustainability.

H2: There is a significant positive relationship between the 360 degree feedback and distributive justice

H3: There is a significant positive relationship between the 360 degree feedback and Procedural justice

H4: There is a significant positive relationship between the 360 degree feedback and Interactional justice

## 2. METHODOLOGY

**Research design and data collection:** Study the purpose and the method of data collection as descriptive and correlational relationships between variables. This research was a survey of the most important benefits is the ability to generalize the results. Variables include: 360 degree feedback as the independent variable and organizational justice and firms sustainability as the dependent variable. Organizations in the information technology and banking sector employees of Bhubaneswar completed a questionnaire survey which provided the data. Four organizations have implemented 360 degree feedback appraisal system and agreed to participate the survey. Participants were 150 senior level managers, middle level manager and entry level managers from IT sector corporations who have been working in their current organizations and with job experience between 0-5years, 6-10years and more than 10 years in their present positions. The participants were 78% men and 22% women employees.

**Procedures:** In this study data were collected from the respondents through a direct questionnaire survey. Respondents rated, on a 5-point Likert scale (1=strongly disagree, 2=disagree, 3=neither disagree nor agree, 4=agree, 5=strongly agree), eight items were used to measure 360 degree feedback (Q1–Q8) and five items were used to measure distributive justice (Q9–Q13), six items were used to measure procedural justice (Q14–Q19), nine items were used to measure interactional justice Q20–Q28) and five items were used to measure sustainability of firms (Q29–33).

**Reliability of the test:** The questions and Chronbach's alpha values for all constructs are summarized in (Table.2), as well as provided here. The highest Cronbach's Alpha for the 360 degree feedback, distributive justice, procedural justice, interactional justice and sustainability. The cronbach alpha value of each factor is higher than 0.7 that confirms the reliability of the questionnaires.

**Table.2. Factor Matrix, Cronbach's  $\alpha$ , Composite reliability, and eigenvalues by variable blocks with component-analysis extraction method**

Constructs	Variables	Factor 1	Cronbach's $\alpha$
360 degree feedback	Q1	0.820	0.893
	Q2	0.891	
	Q3	0.364	
	Q4	0.888	

	Q5	0.798	
	Q6	0.754	
	Q7	0.735	
	Q8	0.699	
Distributive justice	Q9	0.978	0.959
	Q10	0.985	
	Q11	0.751	
	Q12	0.927	
	Q13	0.978	
Procedural justice	Q14	0.970	0.921
	Q15	0.968	
	Q16	0.940	
	Q17	0.968	
	Q18	0.920	
Interactional justice	Q19	0.885	0.981
	Q20	0.949	
	Q21	0.807	
	Q22	0.976	
	Q23	0.977	
	Q24	0.807	
	Q25	0.954	
	Q26	0.960	
Sustainability	Q27	0.976	0.797
	Q28	0.933	
	Q29	0.947	
	Q30	0.949	
	Q31	0.643	
	Q32	0.537	
	Q33	0.971	

**First hypothesis:** There is a significant positive relationship between 360 degree feedback and sustainability.

H<sub>0</sub>: There is no correlation between 360 degree feedback and sustainability.

H<sub>1</sub>: There is a correlation between 360 degree feedback and sustainability.

As can be found in the table below the P-value (0.003) is less than the significance level (0.05), hence reject the null hypothesis and H<sub>1</sub> accepted and confirmed that there is a linear correlation between 360 degree feedback and sustainability (Table.3). Durbin – Watson statistic for independence as well as the amount of errors in the bottom of the table with a 1.767 and co-efficient of determination ( $R^2$  – 0.849) is obtained. Durbin – Watson statistic is a close number two (at a distance 1.5-2.5) is dependent residuals is approved (Table.4 & 5).

**Table.3. Significance regression test**

Factors	Values
Test statistic (F)	16.89
Significance level (Sig.)	0.003

**Table.4. The Durbin–Watson test**

Coefficient of determination R	Adjusted coefficient of determination	Standard deviation	Durbin-Watson statistic
0.849	0.799	0.06	1.767

**Table.5. Regression model of factor**

Factors	Non-standard factor (B)	Std. error	Standard factor ( $\beta$ )	t-values	Sig.
(Constant)	1.444	0.616	-	2.345	0.010
360 Degree feedback	0.653	0.159	0.922	4.110	0.003

**Second hypothesis:** There is a significant positive relationship between 360degree feedback and distributive justice.

H<sub>0</sub>: There is no correlation between 360 degree feedback and distributive justice.

H<sub>1</sub>: There is a correlation between 360 degree feedback and distributive justice.

As can be found in the table below the P-value (0.020) is less than the significance level (0.05), Hence reject the null hypothesis and H<sub>1</sub> accepted and confirmed that there is a linear correlation between 360 degree feedback and distributive justice (Table.6).

Durbin – Watson statistic for independence as well as the amount of errors in the bottom of the table with a 1.767 and co-efficient of determination ( $R^2 = 0.780$ ) is obtained. Durbin – Watson statistic is a close number two (at a distance 1.5-2.5) is dependent residuals is approved (Table.7 & 8).

**Table.6. Significance regression test**

Factors	Values
Test statistic (F)	14.14
Significance level (Sig.)	0.020

**Table.7. The Durbin–Watson test**

Coefficient of determination R	Adjusted coefficient of determination	Standard deviation	Durbin-Watson statistic
0.780	0.724	0.08	0.949

**Table.8. Regression model of factor**

Factors	Non-standard factor (B)	Std. error	Standard factor ( $\beta$ )	t-values	Sig.
(Constant)	1.007	0.800	-	1.258	0.027
360 Degree feedback	0.778	0.207	0.883	3.761	0.020

**Third hypothesis:** There is a significant positive relationship between 360degree feedback and Procedural justice.

$H_0$ : There is no correlation between 360 degree feedback and Procedural justice.

$H_1$ : There is a correlation between 360 degree feedback and Procedural justice.

As can be found in the table below the P-value (0.024) is less than the significance level (0.05), hence reject the null hypothesis and  $H_1$  accepted and confirmed that there is a linear correlation between 360 degree feedback and Procedural justice (Table.9).

Durbin – Watson statistic for independence as well as the amount of errors in the bottom of the table with a 1.767 and co-efficient of determination ( $R^2 = 0.599$ ) is obtained. Durbin – Watson statistic is a close number two (at a distance 1.5-2.5) is dependent residuals is approved (Table.10 & 11).

**Table.9. Significance regression test**

Factors	Values
Test statistic (F)	8.981
Significance level (Sig.)	0.024

**Table.10. The Durbin–Watson test**

Coefficient of determination R	Adjusted coefficient of determination	Standard deviation	Durbin-Watson statistic
0.599	0.533	0.14	1.400

**Table.11. Regression model of factor**

Factors	Non-standard factor (B)	Std. error	Standard factor ( $\beta$ )	t-values	Sig.
(Constant)	0.299	1.447	-	0.206	0.043
360 Degree feedback	1.117	0.373	0.774	2.997	0.024

**Fourth hypothesis:** There is a significant positive relationship between 360degree feedback and Interactional justice.

$H_0$ : There is no correlation between 360 degree feedback and Interactional justice.

$H_1$ : There is a correlation between 360 degree feedback and Interactional justice.

As can be found in the table below the P-value (0.031) is less than the significance level (0.05), Hence reject the null hypothesis and  $H_1$  accepted and confirmed that there is a linear correlation between 360 degree feedback and Interactional justice (Table.12).

Durbin – Watson statistic for independence as well as the amount of errors in the bottom of the table with a 1.767 and co-efficient of determination ( $R^2 = 0.831$ ) is obtained. Durbin – Watson statistic is a close number two (at a distance 1.5-2.5) is dependent residuals is approved (Table.13 & 14).

**Table.12. Significance regression test**

Factors	Values
Test statistic (F)	14.74
Significance level (Sig.)	0.031

**Table.13. The Durbin–Watson test**

Coefficient of determination R	Adjusted coefficient of determination	Standard deviation	Durbin-Watson statistic
0.831	0.775	0.09	1.595

**Table.14. Regression model of factor**

Factors	Non-standard factor (B)	Std. error	Standard factor ( $\beta$ )	t-values	Sig.
(Constant)	0.242	0.980	-	0.247	0.042
360 Degree feedback	0.971	0.253	0.912	3.842	0.031

**Table.15. Summary of regression analysis to test hypothesis**

Hypothesis	R	R <sup>2</sup>	F	Sig.	Beta	t-values	Results
Hypothesis 1	0.849	0.849	16.89	0.003	0.922	6.351	It has relationship
Hypothesis 2	0.780	0.780	14.14	0.020	0.719	6.113	It has relationship
Hypothesis 3	0.599	0.599	8.981	0.024	0.774	4.534	It has relationship
Hypothesis 4	0.831	0.849	14.74	0.031	0.912	4.534	It has relationship

#### 4. CONCLUSION

Hypothesis	Results
H <sub>1</sub> : There is a significant positive relationship between the 360 degree feedback and sustainability.	Supported
H <sub>2</sub> : There is a significant positive relationship between the 360 degree feedback and distributive justice	Supported
H <sub>3</sub> : There is a significant positive relationship between the 360 degree feedback and Procedural justice	Supported
H <sub>4</sub> : There is a significant positive relationship between the 360 degree feedback and Interactional justice	Supported

Results obtained from the inferential statistics ascertain there is a positive correlation between 360 degree feedback, organizational justice and firm sustainability, Therefore on the basis of the results (H1; H2; H3 and H4 were accepted). Writing on execution examination framework concentrates on setting up strong calculated roots for the innovativeness and accomplishment of the 360-degree feedback framework, where giving more data than that customary execution evaluation framework For example, the social subjective hypothesis presents the mindfulness idea, which recommends that people are more ready to assess themselves than others, along these lines furnishing directors with extra outside assessments, and improving administrative adequacy and proficiency in regards to execution assessment (Predescu, 2010).

Hence, the objectivity that the 360-degree feedback evaluation framework gives prompts a more complete and adjusted feedback report, advancing abnormal amounts of apparent justice by workers inside the organization. (Predescu, 2010). This study supports the significant relationships between 360-degree feedback appraisal system and perceived justice in an organization. Organizations face significant challenges in shaping and managing employee's performance because of performance's changing nature and structure.

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