Discursive Shifts and 360-Degree Feedback: Applied Managerial Movements for Human Capital Leadership

Ralph A. Gigliotti
Rutgers University

The conceptual and pragmatic pivot from a scientific management model towards a human relations model has sweeping implications for the study of leadership and organizational communication. In particular, this essay will focus on human capital management. Specifically, this essay will explore three differences between these two approaches to employee management – the discursive shift from extrinsic motivation to intrinsic motivation, the shift from marginalized employee to empowered employee, and the shift from an independent system to an interdependent system. Using 360-degree feedback as a primary unit of analysis, the paper concludes with an applied matrix of the relevant knowledge, skills, and abilities for leaders to utilize in their human capital systems.

The differences between the scientific management model and the human relations model are significant. Drawing on the work of Taylor (1911), Braverman (1974) describes scientific management as "an attempt to apply the methods of science to the increasingly complex problems of the control of labor in rapidly growing capitalist enterprises" (p. 86). The turn towards a human relations model adjusts the focus from authoritative control towards employee morale and democratic leadership in organizational life. The conceptual and pragmatic pivot towards a human relations model has sweeping implications for the study of organizational communication. In particular, this essay will focus on human capital management, an increasingly popular movement in the field of human resources. This recent approach to management in the workplace is creating new avenues and challenges for employee engagement. The discursive emphasis within a human capital system reflects the transition from scientific management to human relations. Specifically, this essay will first highlight three differences between these two approaches to employee management – the shift from extrinsic motivation to intrinsic motivation, the shift from marginalized employee to empowered employee, and the shift from an independent system to an interdependent system. Using 360-degree feedback as a primary unit of analysis, the next section of the essay will closely explore one of the tools in human capital management, performance management, and the ways in which it embodies the three discursive shifts. Finally, by integrating the discursive shifts with the literature on 360-degree feedback, the paper concludes with an applied matrix of relevant knowledge, skills, and abilities for leaders to utilize in their human capital systems.

LITERATURE REVIEW & THEORETICAL INTEGRATION

Human Capital Management

Human capital management is an approach to organizing a workforce that perceives people as the most important assets or form of value (human capital) within organizations (Baron & Armstrong, 2007;

Fulmer & Ployhart, 2014). The five pillars that uphold a human capital system include workforce planning and job analysis, recruitment and selection, compensation, benefits, and engagement, performance management, and training and development. In a human capital system, these five management dimensions hinge upon the mission of the institution. This mission-centered model is widely used in business and government, with the potential for increased implementation in non-profit organizations (Miltenberger, Gigliotti, & Middlebrooks, under review). A communication-centered understanding of human capital management has the potential to advance applied communication scholarship and enhance the communication capabilities of practitioners involved in this approach to management. In the context of organizational life, the five pillars of a human capital system influence both operational and *discursive* activity. This communicative focus echoes Barnard's (1938) insights on organizations: "In an exhaustive theory of organization, communication would occupy a central place, because the structure, extensiveness, and scope of organization are almost entirely determined by communication techniques" (p. 91). This essay recognizes the discursive emphasis in human capital management as a significant indicator of the transition from scientific management to human relations. By bridging the gap between organizational communication and human capital management, future studies may contribute to this meaningful area of interdisciplinary research.

Discursive Shifts

In referring to discursive shifts, an emphasis is placed on the ways in which language shapes human behavior. Paradigms matter and the lenses through which one conceptualizes employee management have the potential to dramatically influence human activity within organizational life. Recognizing the value of these important historical shifts, the first transition from a scientific management model to a human relations model is the movement from extrinsic motivation to intrinsic motivation. By understanding the ingredients for unlocking human motivation in organizations, leaders across sectors may enhance the management of employees and stakeholders in a human capital system. Motivation, as defined by Pritchard and Ashwood (2008), "is the process used to allocate energy to maximize the satisfaction of needs" (p. 6). As a precursor to McGregor's Theory X, Taylor (1911) suggests "that in nineteen out of twenty industrial establishments the workmen believe it to be directly against their interests to give their employers the best initiative" (p. 69). In his description of Schmidt, the pig-iron handler, it becomes clear that the employee is extrinsically motivated and one's management style must reflect this motivation. Interestingly, Taylor's minimal emphasis on employee satisfaction rests primarily in his desire to avoid a union strike (p. 74). As illustrated in the human relations literature, however, the focus turns from external to internal motivation. Maslow's (1943) seminal work in humanistic psychology, for example, focuses on a hierarchy of needs arranged in order of importance ranging from foundational physiological needs to the penultimate goal of self-actualization. Unsatisfied needs serve as a catalyst for human motivation. In the context of organizational life, the work of McGregor (1960) and Herzberg (1964) offer two additional explanations for human motivation in the workplace. Deci and Ryan (1985) develop this idea further in their self-determination theory. The authors define intrinsic motivation "as the doing of an activity for its inherent satisfaction rather than for some separable consequence (Ryan & Deci, 2000, p. 56). Intrinsic motivation occurs both within individuals and between individuals. Human interactions and the environment play an important role in cultivating this spirit of self-determination. The human capital system discursively attends to the intrinsic needs of the individual employee and this discursive shift departs from Taylor's antiquated understanding of human motivation.

The second shift worth noting is the transition from the marginalized employee to the empowered employee. The tripartite emphasis on efficiency/productivity, rationality, and control in scientific management positions the employee as inferior to capital. Braverman (1974) goes so far as to suggest that "...labor itself has become part of capital. Not only do the workers lose control over their instruments of production, but they must now lose control over their own labor and the manner of its performance" (p. 116). By distinguishing the "doing work" from the "thinking work," Taylor marginalizes the voice of the employee in organizational decision making. The objectification of the employee as simply a cog in the organizational machine stands in contrast with the empowered and valued employee in a human capital

system. The term "human capital" implies an intentional focus on the human being as a valuable asset. As Becker and Gerhart (1996) defend, human resource decisions impact organizational performance. Additionally, the authors suggest increased attention on this "strategic asset" in organizations (p. 782). A human capital management approach seeks to empower the employee to contribute meaningfully to the life of an organization and by doing so, organizations are able to leverage the knowledge, skills and abilities of the individuals within the system. Again, not only is there an operational impact on organizational performance, but also there exists a noticeable shift in the ways in which one communicates with and about employees. As Ruben & Stewart (2005) describe it, communication is a process through which individuals create and use information to relate to the environment and one another. This implies that communication outcomes are co-constructed between senders and receivers, or in the case of this essay, managers and employees. This shift may also capture the ways in which organizational members discursively constitute the organization, whereby organizations are understood to be in a "state of becoming" that is ultimately informed by discourse (Fairhurst & Putnam, 2004, p. 5).

The final shift under consideration is the evolution of organizations from independent systems to interdependent systems. Edwards (1979) captures many of the ways in which organizations, particularly businesses, evolved from simple and unsophisticated entities in the nineteenth-century to the more complex and interdependent operations that exist today. As the organizational structure itself evolved, the forms of control also evolved during this time. One may argue that although organizations inherently exist as interdependent systems, the perception of the organization during the scientific management era failed to recognize this symbiotic relationship between organization and environment. The emphasis on division of labor and tasks appear to isolate the individual from the larger purpose of the organization. For Braverman (1974), "A necessary consequence of the separation of conception and execution is that the labor process is now divided between separate sites and separate bodies of workers" (p. 124). Furthermore, recognizing this bifurcation, "hand and brain become not just separated, but divided and hostile, and the human unity of hand and brain turns into its opposite, something less than human" (p. 125). Moving beyond scientific management, however, Roethlisberger and Dickson (1939) reorient scholars and practitioners toward the social relationship between individual and environment, organization and ecosystem. Communication once again lies at the core of this transformation from independent to interdependent system. According to Thayer's (1968) original writing on the topic, "Communication may thus be conceived as the dynamic process underlying the existence, growth, change, the behavior of all living systems – individual and organization" (p. 104). The five pillars of the human capital system are informed by communication and dependent upon effective communication. For example, a successful human capital system recognizes the ways in which employees contribute to the organizational mission. Simultaneously, the very survival of an organization depends upon a healthy interdependent relationship with the environment. Ruben (2003), drawing upon the relevant systems theory literature, speaks to the nuances of communication involved in this general systems orientation whereby "the individual systems and components within [the environment] depend for their survival, growth, and change upon their ability to fit themselves with one another and with the environment" (p. 110). The next section of the essay will hone in on one relevant human capital tool, 360-degree feedback, as a vivid exemplar of the three aforementioned discursive shifts.

Performance Management in Human Capital Systems

Human resource management decisions directly influence organizational performance. Traditionally, these management decisions maintained their value based on the broader financial implications. Human resource decisions, particularly in for-profit organizations, must support the critical values of enhanced efficiency, decreased cost, and improved organizational effectiveness. As Becker and Gerhart (1996) indicate in their study, "the choice of HR systems can have an economically significant effect on firm performance" (pp. 796-797). Upon translating these values into the public and non-profit industry, human resources should add value and worth to one's role in an organization. As society has evolved from an industrial to a knowledge-based economy, McGregor (1988) notes the increasing importance of social capital in organizations: "In briefest terms, the rise of human capital in public production systems merely

establishes that public workforces are strategic assets rather than simple production inputs. In the case of knowledge-based outputs, people are the product itself" (p. 944). Human resource practices must be aligned with the needs of an organization. This essay supports the broader claims that the success of a public or non-profit institution may ultimately reflect the ways in which employees are treated within the organizational system. Effective performance management must be a critical imperative for organizational leadership.

360-Degree Feedback

In their overview of 360-degree feedback, Lepsinger and Lucia (1997) define this mode of assessment as "The process of collecting perceptions about a person's behavior and the impact of that behavior from the person's boss, direct reports, colleagues, fellow members of project teams, internal and external customers, and suppliers" (p. 6). Other names for this approach include multi-rater feedback, multi-source feedback, full-circle appraisal, and group performance review. The feedback process in the American workplace evolved dramatically in the 1950's as "periodic performance review meetings between individuals and their bosses became the norm" (p. 7). As performance review meetings became increasingly common, direct supervisors maintained their authority throughout the process. During the mid-1960's and 1970's, according to Lepsinger and Lucia, "academics and practitioners began exploring the question of how to provide people with a broader and more accurate picture of their performance" (p. 7). The traditional hierarchical structure of organizational life empowered direct supervisors to dominate the conversation regarding performance reviews. Despite their immediate observations of employee performance, the traditional one-on-one appraisal process limited the scope of performance reviews. Recent changes in organizations across the country have increased the value of communication within and among teams in the workplace. Additionally, managers at all levels of non-profit and government institutions have more people reporting to them than ever before. Dyer (2001) points to the fact that leaders receive less feedback as their position in the organizational hierarchy rises. As Lepsinger and Lucia (1997) note, "neither upward nor downward feedback includes the perspectives of a significant population – colleagues, members of project teams, other senior managers, and customers – who depend on and are affected by the behavior of a given manager" (p. 9). The limitations and challenges of traditional appraisal processes demanded a transformative change in human resource feedback. This transfer of communicative influence reflects the shift from marginalized employee to empowered employee by attending to the voices of many employees in a meaningful and systematic approach to performance management.

Interestingly, the focus on 360-degree feedback did not develop in a classroom, board meeting, or union gathering. Rather, in the mid-1980's, a study was conducted by the Center for Creative Leadership, a non-profit research and training organization in Greensboro, NC. Lepsinger and Lucia highlight three key findings from the gathering that led to the emergence of 360-degree feedback:

> The first was that feedback is an important element of a person's professional and personal development. The second finding showed that the most effective executives were learners – they made everything into a learning experience. The third finding was that many people in organizations operated in feedback-poor environments (p. 8).

The benefits of 360-degree feedback are expansive. In her presentation to the CES and AEA Joint Annual Conference, Unger (2005) highlights the benefits of 360-feedback. The individual has an opportunity to expand one's self-awareness of the perception of others, one may demonstrate his or her competence to others, the individual can confirm his or strengths, and above all, by using 360-degree feedback in the non-profit or government workplace, an individual employee may focus on his or her development from a number of different sources. Teams also have the potential to benefit from the use of 360-feedback. For instance, team members are empowered to give feedback and they maintain greater openness and transparency in the professional relationship. Finally, 360-feedback, according to Unger, can transform the culture of an organization as a whole (p. 7). By incorporating a myriad of voices in the

appraisal process, "360-degree feedback promises to provide a more balanced form of appraisal" (Daley, 2010, p. 564). Reflecting on the discursive shift from extrinsic to intrinsic motivation, this performance management tool seeks to cultivate and nurture a spirit of intrinsic motivation in organizational life. Importantly, by empowering others to contribute to this evaluation process, leaders have an opportunity to encourage buy-in from a number of relevant stakeholders. The implications on leadership discourse and employee performance are significant and further studies may empirically investigate the impact of 360-feedback in greater depth.

The integration of various information sources (including supervisor, subordinate, peer, and self-ratings) provides the foundation for 360-degree feedback (Daley, 2010, p. 564). In their study on the topic, Scott and Rains (2005) found anonymous communication to be appropriate in a variety of organizational settings. The confidentiality and/or anonymity of feedback in 360-degree appraisals is important for ensuring open and honest reviews. Ultimately, trust remains critical to the success of this performance management tool. Anonymity remains a common component of 360-degree appraisal programs found in many organizations today (Westerman & Rosse, 1997).

This multi-rater feedback addresses competencies beyond the performance of one's job (Beehr et al., 2001). As the authors posit, those who provide feedback should examine competencies which "are less closely related to a job-specific task and… are more closely related to behaviors that are related to other jobs in the organization" (p. 776). This feedback model emphasizes the centrality of teamwork and development, both of increased importance in the current knowledge-based economy. In order to receive an exemplar score within the 360-model, one must perform his or her job responsibilities effectively, contribute to the well-being and effectiveness of one's team(s) in the workplace, and enhance the overall culture of an organization.

Particularly at the managerial level, 360-feedback is an increasingly popular method of assessment within human capital organizations across the country. For instance, as Lepsinger and Lucia (1997) highlight in their text, "60 percent [of human resource professionals] use it for executive levels, 72 percent use it with senior managers, 71 percent use it with middle managers, and 31 percent use it with first-line managers" (p. 15). Several governments, according to Carlson (1998), have used 360-feedback in their review of government officials. Recent scholarship calls for the use of 360-feedback for physicians (Hammerly, et al., 2014), educational leaders (Dyer, 2001), and military professionals (Murphy, 2013).

Performance appraisals are by no means a "one size fits all" tool for every organization. Rather, in assessing and evaluating employee performance, one must actively consider the organizational culture, employee responsibilities, opportunities for professional development, and the broader purpose of individual assessment. A successful appraisal system will meet the needs of a given organization and will be carefully implemented at the right time in the life of an organization. When using 360-degree feedback in organizations, human resource managers must consider "the right approach for collecting and presenting feedback in your organization, generating enthusiasm and commitment among key decision-makers in the organization, ensuring that the data collected are useful and of high quality," and finally, decision makers must be sure to "provide meaningful training, development, and follow-up activities" (Lepsinger and Lucia, 1997, pp. 21-22). The value of this feedback tool lies in its ability to appropriately meet the needs of an increasingly interdependent human capital system.

As Carlson (1998) reminds us, "a multi-rater assessment system – and each choice associated with it – carries both rewards and risks (p. 47). For instance, a number of studies have examined the limitations of multi-rater feedback and some question the validity of the responses. Despite the sentiment that anonymity leads to more honest performance appraisal feedback, Ghorpade (2000) calls this claim into question - suggesting that anonymity may allow for the inclusion of inaccurate, biased, and self-serving information into such assessments. Some human resource managers see value in more objective forms of feedback (i.e. BARS, MBO) that focus on specific job criteria from the sole perspective of a direct supervisor.

KSA'S FOR EFFECTIVE 360-DEGREE FEEDBACK

Despite the inherent limitations and challenges associated with these feedback systems, the continual "flattening" of organizational structures in the United States will likely increase the need for multi-rater feedback mechanisms. Non-profit and government leaders in human capital systems must be familiar with this mode of performance management. Furthermore, leaders must recognize the important communication qualities involved with both the design and implementation of 360-degree appraisal systems. Integrating the earlier section on discursive shifts with this current example of 360-feedback, the final section of this essay provides an applied inventory of relevant knowledge, skills, and abilities for effectively utilizing this approach to performance management in a human capital system – knowledge areas and skills that reflect the pivot towards intrinsic motivation, empowered employees, and the interdependent system associated with human capital leadership (see Table 1).

TABLE 1
KSA'S FOR EFFECTIVE 360-DEGREE FEEDBACK

Knowledge Areas	Skills
1. Performance Appraisals *Know…* - Why to appraise individuals in the workplace - What to appraise in the workplace - Who will conduct the appraising - When to engage in the performance appraisal process - How to appraise	**1. Performance Appraisals** *Have the ability to…* - Structure the assessment process positively - Recognize the difference between judgmental [or evaluative] and developmental purposes for performance appraisals - Meet the legal standards of job-relatedness - Identify who should conduct the appraisal in an organization - Gear appraisals to the work cycle (i.e. anniversary date or focal point method) - How to build various performance appraisal models (i.e. BARS, MBO, competency-based, developmental, and 360-degree appraisals)
2. 360-degree Feedback *Know…* - History and development - Benefits - Limitations - How to build a 360-degree appraisal	**2. 360-degree Feedback** *Have the ability to…* - Identify and articulate the history, development, and purpose of 360-degree appraisals - Recognize the benefits and limitations of this assessment tool - Construct a comprehensive and "balanced" 360-degree appraisal that meets the needs of your organization
3. Administration/Communication *Know…* - How to administer a 360-degree appraisal - Identify when an organization is ready for this mode of assessment - Communicate with an employee both before, during, and after the appraisal process	**3. Administration/Communication** *Have the ability to…* - Follow all procedures in accordance with the 1978 Uniform Guidelines on Employee Selection Procedures (Equal Employment Opportunity Commission, 1997) - Recognize the goals, interests, and needs of your organization in order to build an appropriate assessment tool

▪ Communication styles and their impact ▪ How to gather relevant and appropriate information	▪ Communicate clearly and regularly with those who report to you (both before and after the appraisal) ▪ Maintain a professional tone throughout the appraisal process when sharing both positive feedback and areas of improvement ▪ Conduct adequate training sessions for all stakeholders involved in the appraisal process (i.e. peers, subordinates, internal and external customers)
4. Development *Know…* ▪ The difference between a judgmental (or evaluative) appraisal ▪ Resources beyond the boundaries of your department for employee growth and development	**4. Development** *Have the ability to…* ▪ Articulate opportunities for employee growth upon reviewing an individual's appraisal ▪ Share external resources for development that match an employee's interests and abilities ▪ Assess individuals on their current performance while maintaining a focus on one's growth in an organization

CONCLUSION

As modern organizations continue to meet the challenges of a rapidly changing workplace, human resource managers must be willing to broaden the scope of performance assessment. 360-degree appraisals provide employees with a myriad of feedback sources. Grounded in the developmental model of performance assessment, individual employees can identify specific areas of growth. Furthermore, the tool, if managed appropriately, has the potential to empower and privilege multiple voices throughout the appraisal process. This "balanced" mode of assessment, albeit unsuitable for every organization, shall continue to influence organizations with a tripartite emphasis on intrinsic motivation, employee engagement, and interdependent systems. Human capital systems call for leaders who recognize the importance of communication in effective performance management.

Moving beyond 360-feedback, the operationalization of human capital management tools in light of the aforementioned discursive shifts are countless. For example, the emphasis on engagement strategies in a human capital system reflects the shift of focus from extrinsic motivation in the scientific management model to intrinsic motivation in the human relations model. Exploring the shift from marginalized employee to empowered employee in a human capital system may be seen in the development of mutually beneficial performance management tools in the workplace. Finally, the increased value on training and development opportunities in human capital systems illustrates a shift of focus from independent systems to interdependent systems where organizational learning is of existential importance. These transitions mirror the conceptual and ideological differences between the scientific management and the human relations models. As this essay concludes, a communication-centered understanding of the shift from scientific management to human relations allows for a deeper understanding of human capital leadership in contemporary organizational life.

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