

Report On  
Impact of 360-degree Performance Appraisal in BanglaCAT

By

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An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Bachelor of Business Administration

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Brac University  
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## **Declaration**

It is hereby declared that

1. The internship report submitted is my own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

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Deputy Registrar, Brac University  
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## Letter of Transmittal

Mr. Shamim Ahmed  
Deputy Registrar, Brac University  
Lecturer & Assistant Dean (Accreditation & Quality Assurance)  
BRAC Business School  
66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report

Dear Sir,

It is an immense pleasure for us to submit the Internship Report on “Impact of 360-degree Performance Appraisal in BanglaCAT” which I have prepared during my internship period.

I sincerely believe that this report will help me to enrich my adaptability quality in the long run when I will involve myself in practical field. I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible.

I trust that the report will meet the desires.

Sincerely yours,

---

Abdul Jabbar Bappi Khan

15104178

BRAC Business School

BRAC University

Date: August 25, 2019

## **Non-Disclosure Agreement**

This agreement is made and entered into by and between BanglaCAT and the undersigned student Abdul Jabbar Bappi Khan from BRAC University.

## **Acknowledgement**

Many Acknowledgements are due to a multitude of people who have immensely helped me with this study. Regardless of the fact of having tremendous load of responsibilities, they chose to support me by providing adequate information.

It is also great pleasure to me in expressing my immense indebtedness, deep sense of gratitude, sincere appreciation and profound regards to Mr. Mamunur Rahman Khan, Manager of Human Resource Department, BanglaCAT.

I would like to thank who were both directly and indirectly related to the project work, provided me with crucial information that helped me to complete this report. Heartfelt appreciation is expressed to the following officials for their valuable time and cooperation: Jeenat Jahan, Assistant Manager of HR, BanglaCAT, Sonia Akther, Executive of HR, BanglaCAT, Saadi Ahmed, Assistant Manager of Recruitment and Selection Division, BanglaCAT and so on.

Finally, credits and achievements, if any, are due to my faculty advisor Mr. Shamim Ahmed Deputy Registrar, BRAC University, Lecturer & Assistant Dean (Accreditation & Quality Assurance) BRAC Business School. His instructive advice and guidance have emerged as stepping stone in making this report fruitful. This report will show my creativity only as he entrusted his every belief on my capability and analytical ability in preparing this report.

## **Executive Summary**

A large number of organization are using 360-degree performance appraisal method as leadership development and annual performance feedback and increment. My study and findings are based on my personal experience of my internship period in BanglaCAT and also the survey results of 112 employees of BanglaCAT working in different departments who are eligible for the appraisal. In this report, I tried to identify the impact of 360-degree performance appraisal and how it effects the internal decision making of BanglaCat. Based on the survey result, there are some key findings and I have also given some recommendation to improve the 360-degree performance appraisal system in BanglaCAT to make it more efficient and impactful.

**Keywords:** 360-Degree Feedback; Performance; Performance Appraisal; Evaluation; Impact; Employee; BanglaCAT

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## **List of Acronyms**

EVP	Executive Vice President
SVP	Senior Vice President
AVP	Additional Vice President
Jr.	Junior
Sr.	Senior
MBO	Management by Objective
CPO	Chief People Officer
SCM	Supply Chain Management

# Chapter 1

## Introduction

### 1.1: Origin of the Report

The report titled “Impact of 360-degree performance appraisal of BanglaCAT” is prepared with the full intention to complete the BUS 400 course of BBA department of BRAC University as a requirement. This report was prepared under the guideline of Mr. Shamim Ahmed, Deputy Registrar, BRAC University, Lecturer & Assistant Dean (Accreditation & Quality Assurance), BRAC Business School of BRAC University and Mr. Mamunur Rahman Khan, Manager, BanglaCAT, Human Resource Department. I have joined as an Intern in the Human Resource department from May 15<sup>th</sup> 2019 in order to gain practical knowledge and insights of BanglaCAT organization. As we have to work on a specific topic, so as my final internship report I chose to do on the Impact of 360-degree performance appraisal of BanglaCAT.

### 1.2: Objective of the Report

The primary objective of this report is to understand the impact that 360-degree performance appraisal have in the BanglaCAT organization.

The secondary objective is understand, more about 360-degree performance appraisal method and how it can be combined with other methods to make it more effective and efficient.

### 1.3: Methodology

Both Primary and secondary data collection method have been used to collect data for this report.

**Primary Data Collection:** I have conducted a small survey consisting of 10 question related to 360-degree performance appraisal, to understand the employee’s perspective on 360-degree performance appraisal method and the impact it has on their job as well as in the organization. I have also talked with my supervisor to know more insights about this appraisal method and BanglaCAT to support my argument.

**Secondary Data Collection:** For secondary data research I have surf the internet to gather information of BanglaCAT and also I have read some papers on 360-degree performance appraisal from Research gate to support my argument in 360-degree performance appraisal.

#### **1.4: Limitation of the Report**

During my internship period there were several limitations which I faced while writing my report. These are-

- a) **Confidentiality:** There were a lot of confidential information which I was not permitted to disclose outside the organization which is why I cannot include that information in my report.
- b) **Time Constrains:** Time was the biggest challenging factor while doing my report. As I was a full-time intern for three months, there were limited time to write the report as well as gain sufficient information and knowledge. I did my best to maintain my work load and academic standings.

## **Chapter 2**

### **Overview of the Organization**

#### **2.1: Background of BanglaCAT**

BanglaCAT is the authorized dealer of Caterpillar Inc. USA in Bangladesh, and it is one of the largest contributors in the Power Generation and Infrastructure Development of the country. A fortune 100 Company, for nearly a century Caterpillar Inc. has been the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel electric locomotives. (BanglaCAT, 2019) BanglaCAT started its operation from 11<sup>th</sup> October 2004 in Bangladesh and since then they are delivering top class customer service to nationwide customers and organization. BanglaCAT believes in providing unparalleled customer service and meeting the customer's need with utmost efficacy, honesty and sincerity.

The corporate office of BanglaCAT is in Bannai, manufacturing facility is in Bhulta and Chittagang and there is a warehouse in Tejgaon. BanglaCAT also have a facility in Sylhet. Currently there are 17 division in BanglaCAT with 700+ employees working under the banner.

#### **2.2: Sister concerns of BanglaCAT**

BanglaCAT is a very big multi-national organization. There are several sister concerns of BanglaCAT. They are-

1. Bangla Trac Power Limited
2. Bangla Trac Communications Limited
3. Bangla Trac Engineering Limited
4. Acorn Limited
5. Burger King
6. Tiffin Box

## 7. Acorn Infrastructure Service Limited (AISL)

### **2.3: Vision**

To make progress possible through excellence in technology, integrity & best in class customer services.

### **2.4: Mission**

Add value to our stakeholders by

- Using the expertise to understand their needs
- Providing innovative solutions
- Actively encouraging a culture of continuous improvement
- Developing and utilizing people, technology and capital efficiently and effectively

### **2.5: Company Tagline:**

“YOUR INDUSTRY OUR ENERGY”

### **2.6: Employee Grades:**

Each and every employee of BanglaCAT falls under a Grade. The management of BanglaCAT have divided all the employees into 9 different Grades. Certain Grade of employees enjoy certain types of benefit and allowance. S-1, S-2 and T-1 grades are for the support staff, The M-grades are for engineer, executives, diploma graduates, graduates and so on. The M-grades strats from M-4 upto M-1(A) according to the hierarchy of the organization. There is a D grade for the director and executive board.

Currently the CEO of BanglaCAT is Tarique E Haque and the Head of HR is A K M Monir Hossain. The CPO is Noor-E-Elahi and so on. Below is a chart of Grades in BanglaCAT with designation to get a clear idea which designation employees fall under which grade-

<b>Grade</b>	<b>Designation</b>
<b>D</b>	Director, Executive Board
<b>M-1(A)</b>	EVP, SVP, VP
<b>M-1(B)</b>	AVP, Sr. Manager
<b>M-2</b>	Manager, Deputy Manager
<b>M-3</b>	Asst. Manager, Sr. Executive/Engineer
<b>M-4</b>	Officer, Executive, Engineer, Jr. Exe, Jr. Eng., Training Eng./Exe, Asst. Eng., Auto CAD operator, Programmer, Tele operator.
<b>S-1</b>	Rental operator, Office Assistant, Service
<b>S-2</b>	Driver, Peon, Guard, Cleaner, Helper.
<b>T-1</b>	Technician, Sr. Technician.

*Table 1: BanglaCAT employee grades with designation*



## **Chapter 3**

### **Literature Review**

#### **3.1 Human Resource Management**

HR or Human Resource is one of the core department of an organization. Human Resource Management is a strategic approach to manage people effectively in a company or organization in order to gain competitive advantage. Many organization have their own dedicated HR department to run the business operation smoothly. Human resource management involves developing and executing programs that are designed to increase the effectiveness and efficiency of an organization.

#### **3.2 HR objectives and Function**

Human Resource Management is simply the administration of its human resource. The purpose of Human resource management lies on successfully utilizing the manpower to attain the organizational goals and objectives. HR have many objectives. The core objective of Human Resource are-

- 1) Create such an organizational structure from where productivity can be derived
- 2) Maintain a bridge of connection between employees and management to communicate effectively
- 3) Dedicate time to find the right person for the right position
- 4) Embracing wider societal and ethical developments.

There are lot a lot of function in Human Resource Division. Through a diagram the function of HR is represented below-



*Figure 1: Human Resource Management Functions*

### **3.3 Performance Appraisal**

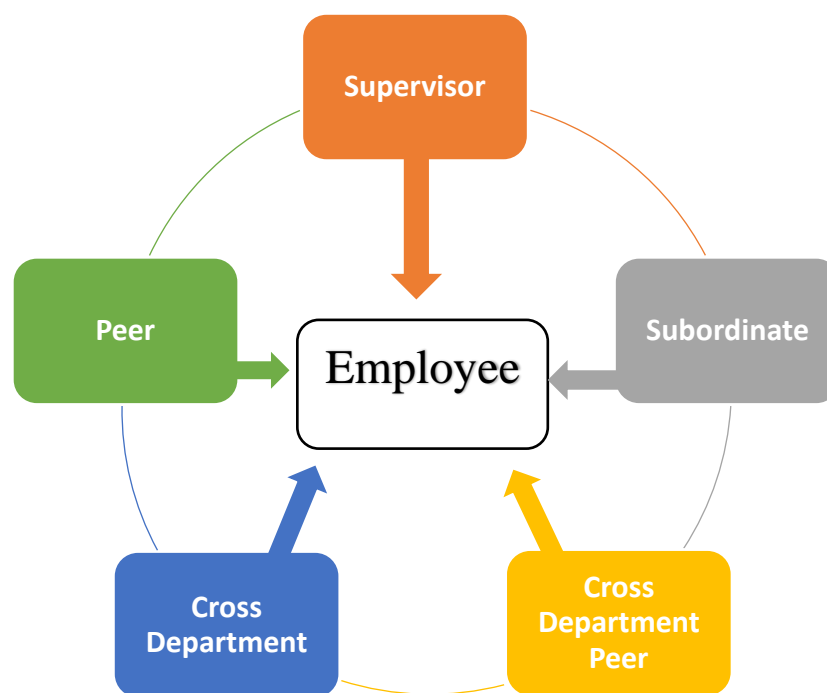
Performance Evaluation is defined as a formal and productive procedure to measure an employee's work and results based on their job responsibilities. In an organization it is important to measure an employee's performance in order to know whether the employee is performing his duties effectively or not. An employee needs to perform his job responsibilities and duties according to the need of the organization, sometime they need to go beyond that. (Jadhav, 2017)

There are a lot of ways to measure employee's performance. Some are named below-

1. Management by Objectives (MBO) Method
2. Critical Incident Method

3. Behaviorally Anchored Rating Scales (BARS) Method
4. Behavioral Observation Scales (BOS) Method
5. 360 Degree Performance Appraisal Method
6. Checklist and Weighted Checklist Method
7. Graphic Rating Scale Method

Among all the performance evaluation technique, BanglaCAT uses 360 Degree Performance Appraisal Method.



*Figure 2: 360-degree performance evaluation*

### **3.4 360-Degree Performance Appraisal method in BanglaCAT**

In 360-degree performance evaluation is a process where an employee receive feedback from their supervisors and subordinates based on their performance. The feedback is based on many criteria such as behavior and competence, skills such as listening, planning and goal-setting, teamwork, character, and leadership effectiveness. BanglaCAT follows 360-degree evaluation process in order to do their annual appraisal. In this method one employee is rated in different criteria by 5 people. They are-

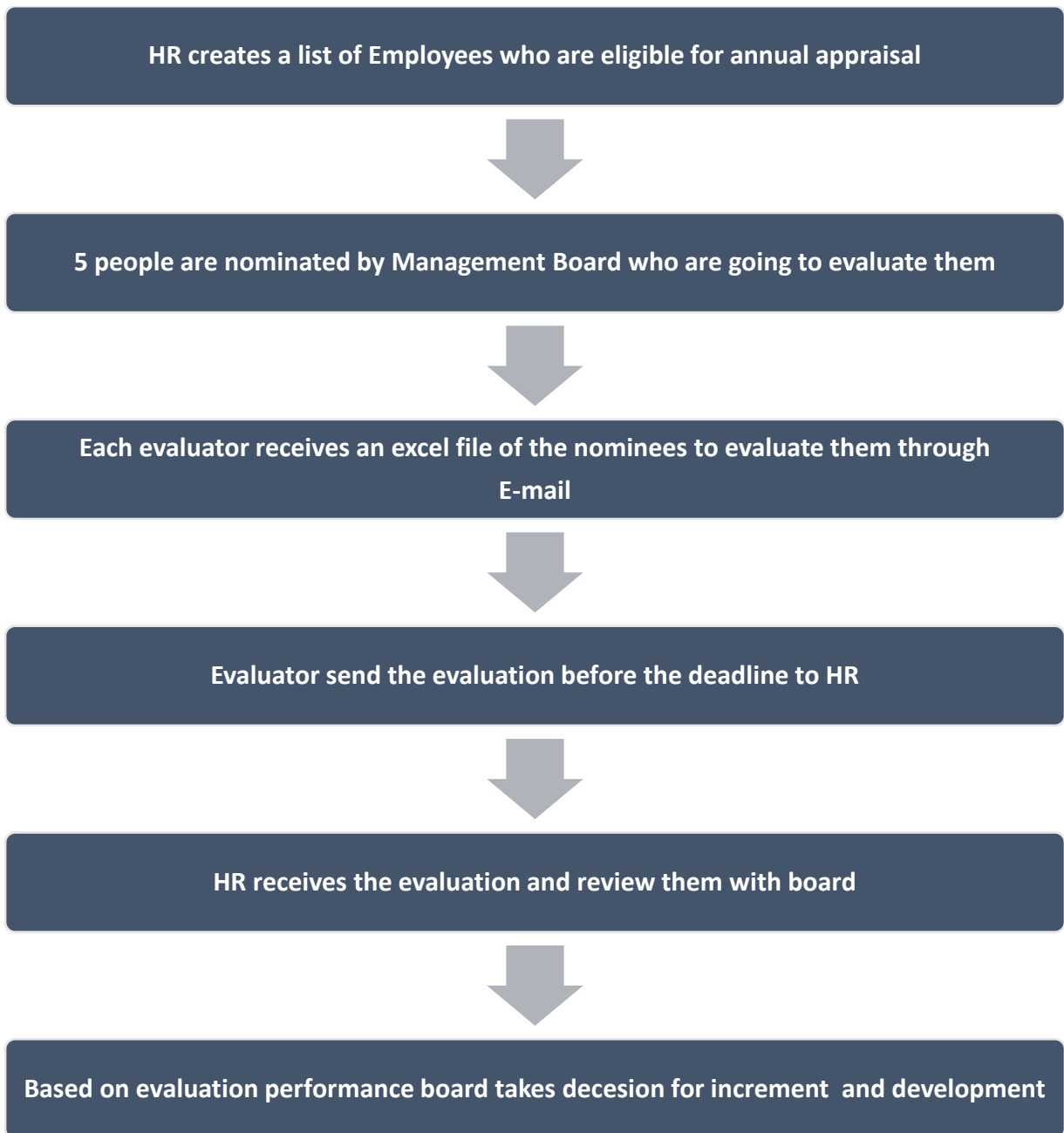
1. Supervisor
2. Cross Department
3. Peer
4. Cross Department Peer
5. Subordinate

Usually the nominees are chosen by the department heads and then the evaluation form are sent to the nominees so that they can rate the nominees. The whole process is done in Microsoft Excel.

Each rater is distributed an excel sheet through e-mail where they need to put value between 1-5 to each and every criterion. Based on the rating a score is generated and represents the effectiveness and efficiency of that particular employee.

Raters can also insert comment to say anything positive or negative about that employee.

There are several steps in 360-degree performance appraisal that BanglaCAT follows. The whole process takes about two months to complete. The appraisal process is anonymous and done through Microsoft Excel and Outlook Mail. As I was directly related with this task I have a better understanding how this works in BanglaCAT. A list of figure will show the steps that BanglaCAT follows to do the annual appraisal.



*Figure 3:360-degree performance evaluation steps followed by BanglaCAT*

## Chapter 4

### Survey Analysis

A survey was conducted consisting 10 questionnaire particularly related to performance appraisal method of BanglaCAT to better understand the impact and the employee perspective. This survey certainly helped me to understand the impact of 360-degree appraisal method and gain more insights of BanglaCAT. Due to time shortage and other conditions I was able to collect only 112 sample respondents from various department such as Human resources, Supply chain management, Rental, Finance, Marine, Administration, Service, and IT & ERP of BanglaCAT to help me fulfill the survey. The insights are shared in details as follow-

#### Q1: 360-degree performance evaluation is effective for this company?

This was a major question regarding the impact of 360-degree performance appraisal where 82% respondents agreed that this method is highly effective for BanglaCAT and 14% disagree with the statement. Majority of the employees believe that this appraisal method is effective for this organization.

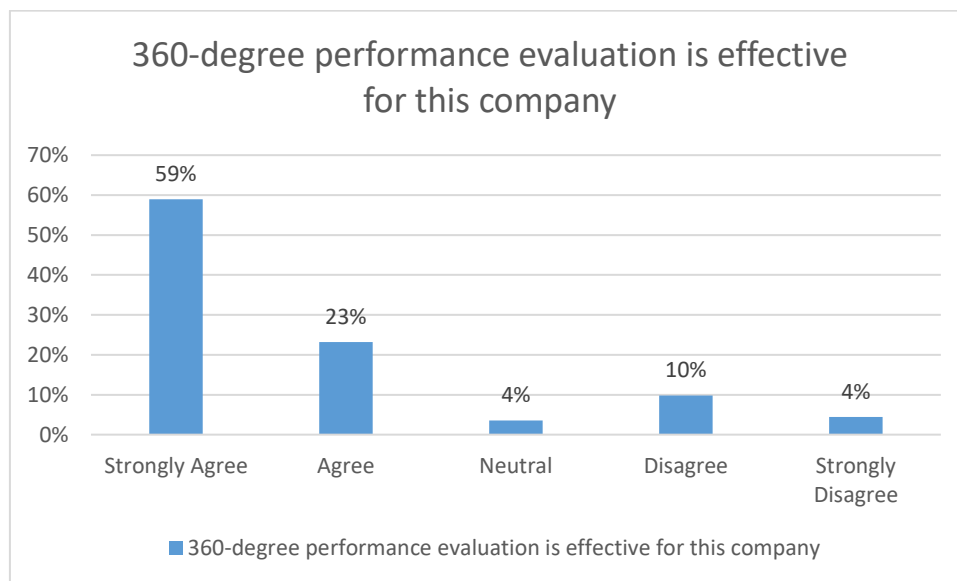
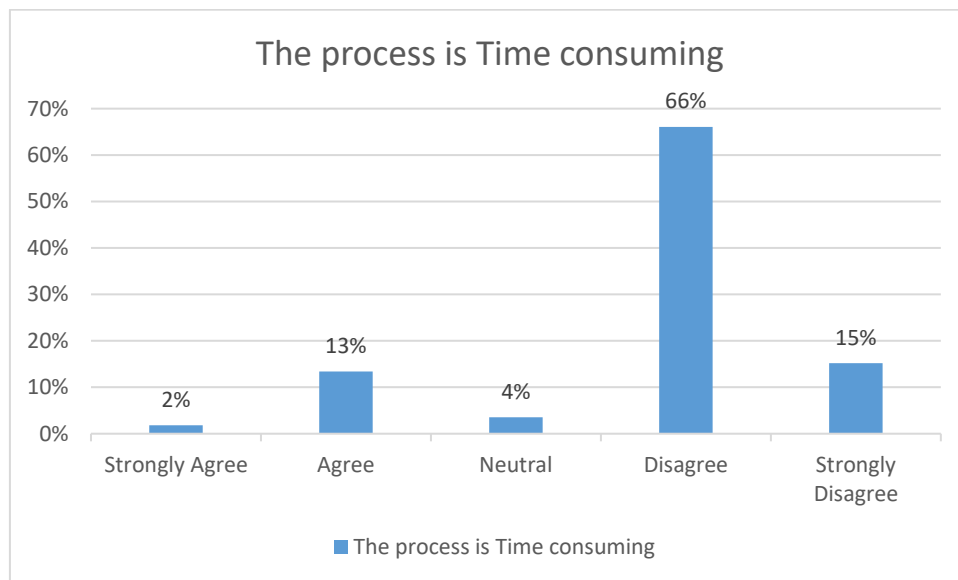


Figure 4: 360-degree performance evaluation is effective for this company

**Q2: The process is Time consuming**

The whole appraisal process is done in Microsoft Excel which is very easy to understand and takes so less time to complete one appraisal. BanglaCAT use to do this appraisal manually on papers which took almost 6 months to complete, but now the process is much faster by using PC applications such as Microsoft outlook and Excel that the appraisal is completed within 2 months. As the process is not that much time consuming so majority of the employees agreed that the process is not time consuming. 81% disagreed with the statement that the process is time consuming.



*Figure 5: The process is Time consuming*

**Q3: The evaluation criteria are valid**

This question was asked to know whether the criteria that they are being judged are valid or not. What the employees think about those criteria's. Though, I cannot reveal the questionnaire of the criteria's due to confidentiality, the survey data suggest that 50 % thinks that the criteria's that they are being judged are valid where as 41% thinks they are in-valid or they are not just

the right criteria to judge and 9% have neutral opinion. The result kind of suggest that BanglaCAT needs to work on the judgment criteria's.

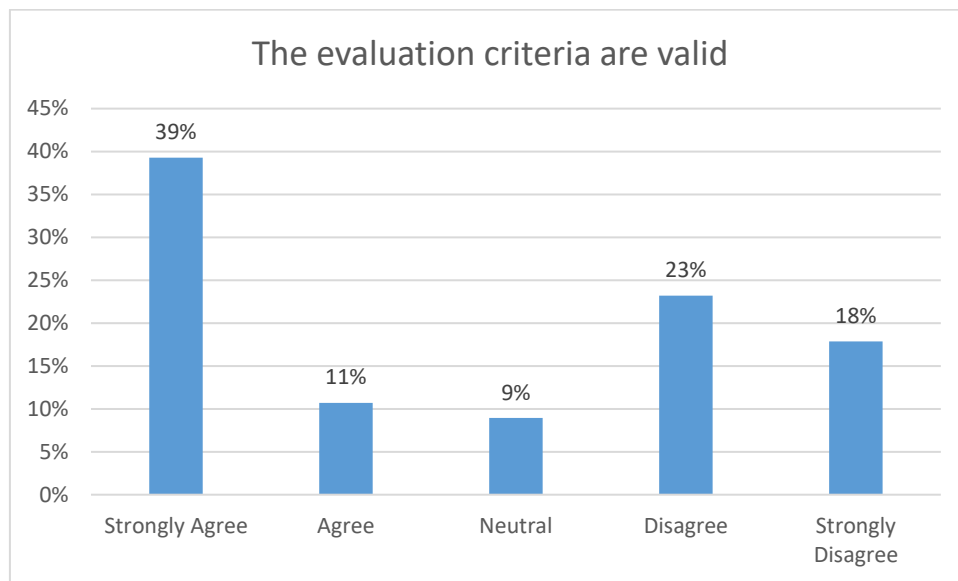
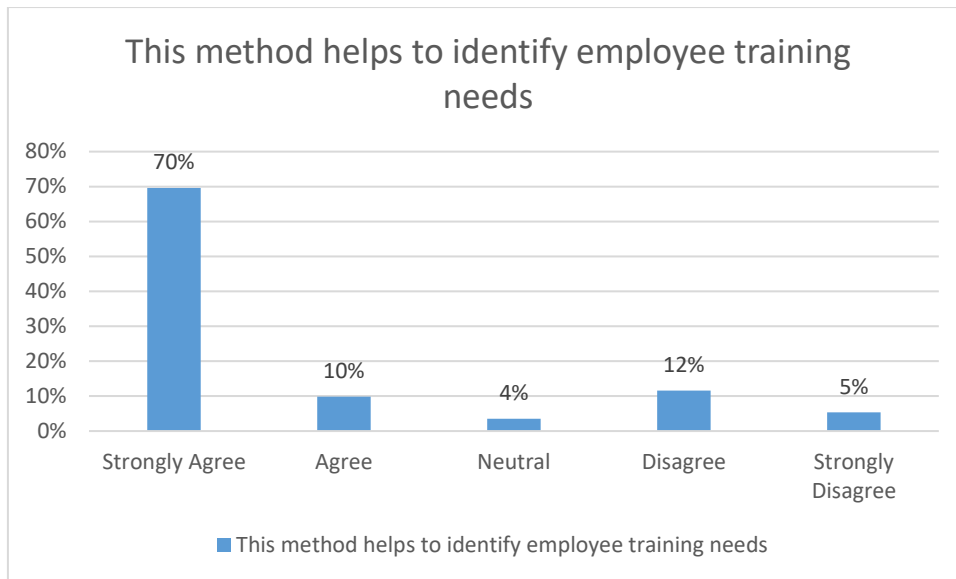


Figure 6: The evaluation criteria are valid

#### **Q4: This method helps to identify employee training needs**

Training and development is a crucial part of an organization. Without proper training one employee cannot give his 100%. So, in order to find the training needs or performance gap 360-degree appraisal is a great method where the actual training needs can be identified through the evaluation. 80% employees agreed that this helps to identify training needs where 17% disagreed with this.



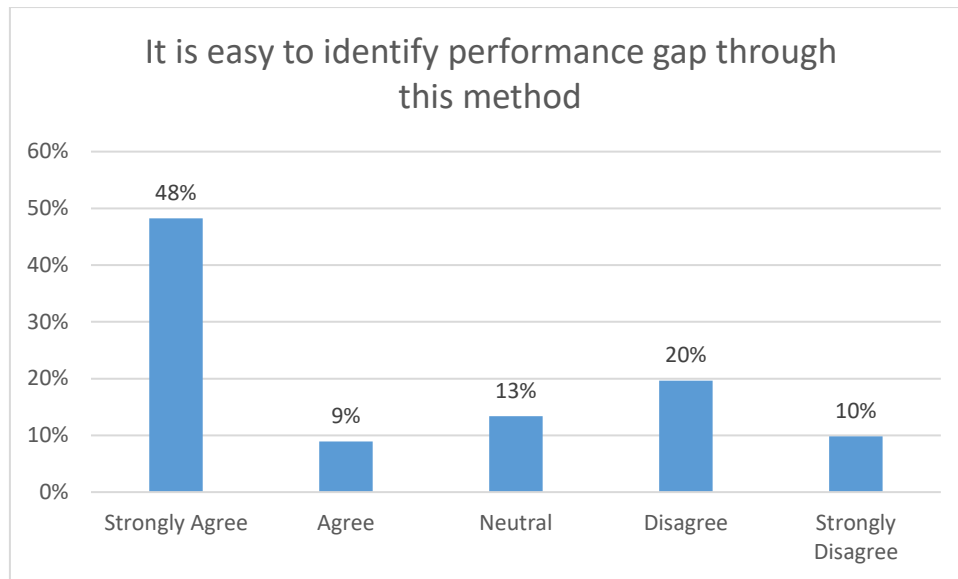


*Figure 7: This method helps to identify employee training needs*

**Q5: It is easy to identify performance gap through this method**

Identifying performance gap is very crucial for an organization. The success of an organization depends on how their employees are performing. So effective and efficient level of performance should be delivered from the employees. Organizations should be able to identify the performance gap. As per the survey 67% employees agreed that 360-degree performance evaluation in BanglaCAT is able to identify the performance gap. Whereas only 30% disagreed.

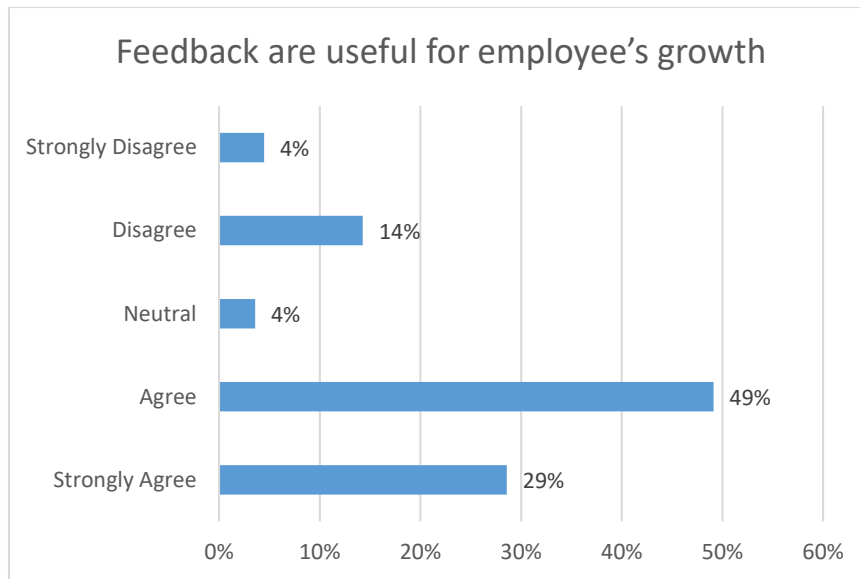
This shows that this format of evaluation is pretty much successful to identify the performance gap.



*Figure 8: It is easy to identify performance gap through this method*

**Q6: Feedback are useful for employee’s growth**

There is a comment section in the evaluation form where evaluators can comment about the nominees to give feedback. This feedbacks are send to the employees after the evaluation but the names of the nominees are not being disclosed. So, this helps the employees to understand how they are doing or whether they should change any factors to perform better. In the survey 78% employees agreed that the feedbacks actually helped them for their growth where 20% disagreed. As the majority agreed in the statement so we can conclude that the feedback section actually helps the employee for their own growth.



*Figure 9: Feedback are useful for employee's growth*

**Q7: Do you think raters are biased?**

A performance evaluation is no work if the evaluators are being biased. Biasness can give us false result which does not reflect the true performance of an employee. In BanglaCAT the rate of biasness is low. As per the survey, 58% employees disagreed with the statement and think that the evaluator are not biased where as 29% think the evaluator are biased toward some employees during evaluation. It is hard to be biased in 360-degree performance evaluation, as 5 people are evaluating one person.

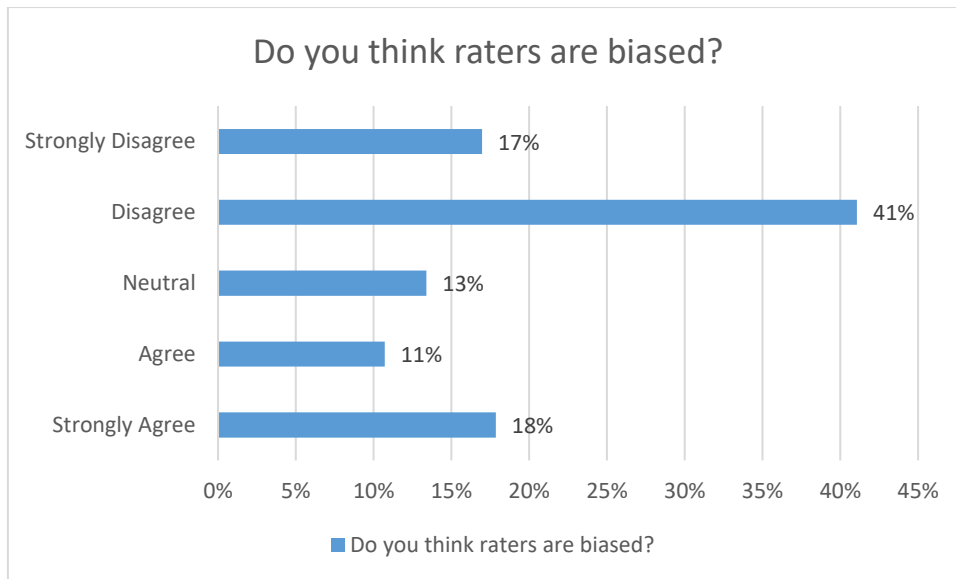


Figure 10: Do you think raters are biased?

**Q8: Did 360- performance appraisal helped you to improve and develop yourself?**

A straight forward question was asked whether 360-degree performance appraisal helped them to improve themselves. 58% strongly agreed that it did help to improve themselves, 21% agreed. 17% disagreed and think it did not help them to improve. Majority of employees think it did help them to improve with the rating score and feedbacks that are given to them.

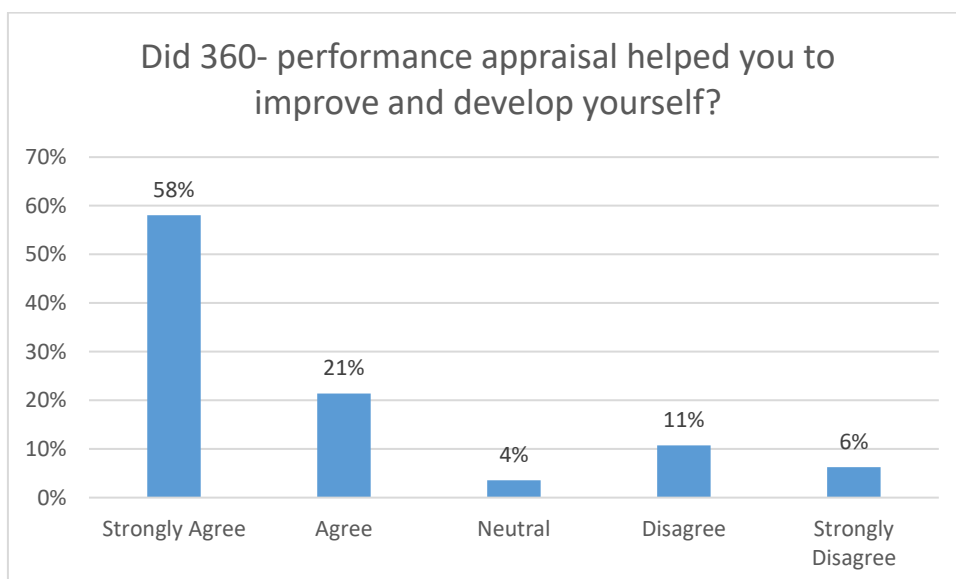
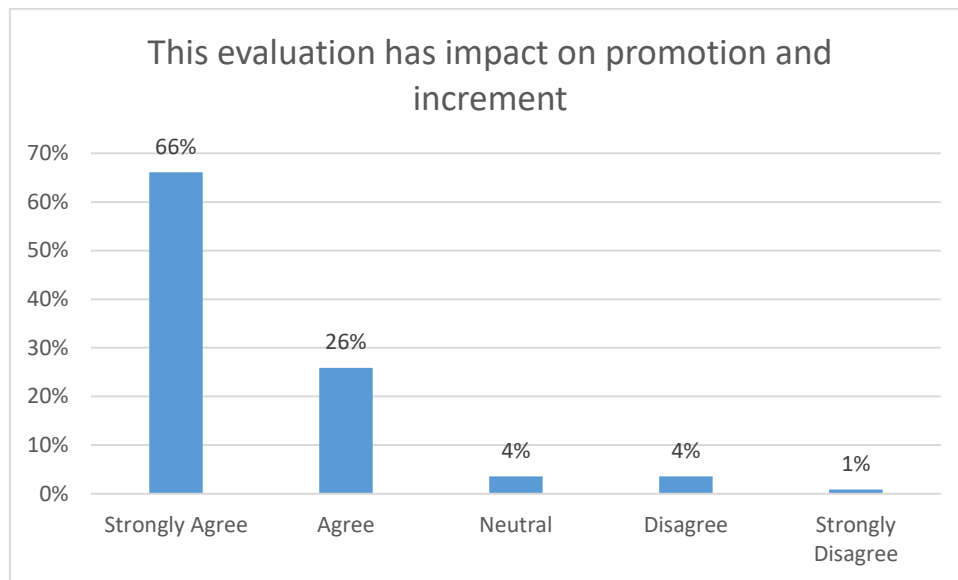


Figure 11: Did 360- performance appraisal helped you to improve and develop yourself?

**Q9: This evaluation has impact on promotion and increment**

The annual performance appraisal is conducted to understand employees overall standing in the organization. BanglaCAT performs 360-degree performance evaluation to rate their employees. When employees are asked whether this appraisal have any impact on promotion and increment, 92% agreed that it does have impact in promotion and increment whereas only 5% disagreed. This shows that the 360-degree evaluation actually impacts employee’s promotion and increment. That is why BanglaCAT gives so much focus to this evaluation format.

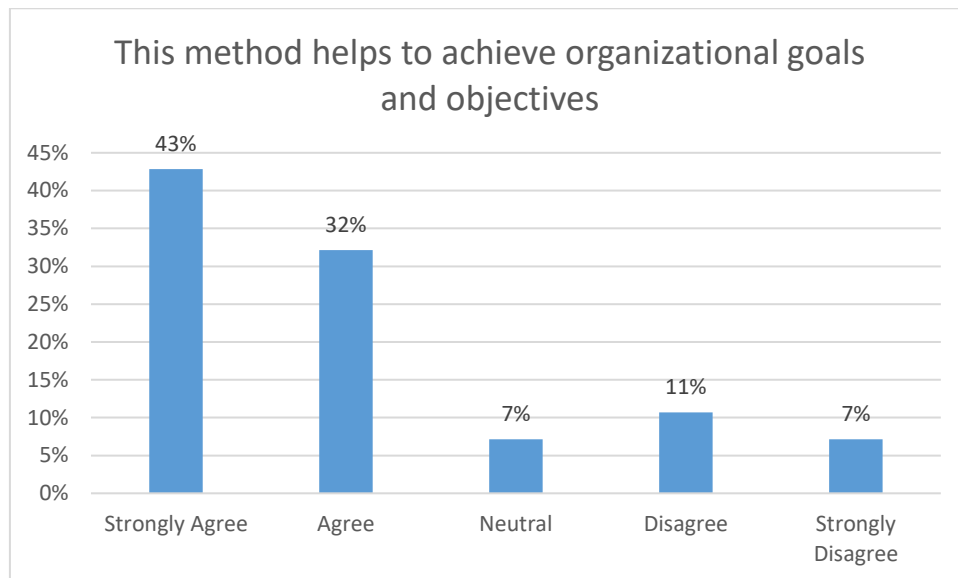


*Figure 12: This evaluation has impact on promotion and increment*

**Q10: This method helps to achieve organizational goals and objectives**

The whole point of doing a 360-degree annual appraisal is to understand whether organization is on the right track of achieving its goals and objective. The annual appraisal helps to understand whether the employee is aligned with the company’s goals and objective and his performance. In the survey, 65% employees agreed that 360-degree performance appraisal helps to achieve organizational goals and objective as the management can take decisions based

on the evaluation score about the employees. They can identify the efficient and non-efficient employees and take necessary steps to align them with company's goals and objectives. Even this helps to set new goals and objectives for the organization.



*Figure 13: This method helps to achieve organizational goals and objectives*

## **Chapter 5**

### **Conclusion**

To conclude, I would say 360-degree performance appraisal have both advantage and disadvantages. In spite of that the 360-degree evaluation method is very much applicable and worthy of all the evaluation method. As a large organization with so many employees this evaluation method is certainly the best format for BanglaCAT. It helped BanglaCAT to understand their employee's performance gap as well as the organizational goals and objective. The process is easy to execute and Cost effective. There are some drawbacks of this appraisal method. BanglaCAT should eradicate those drawback and implement more feasible and approachable method combining with 360-degree performance appraisal to make it stronger.

#### **5.1 Key Findings**

After the conduction of the survey there are some findings that can be enlighten. By observing the survey result the key findings are-

- The 360-degree performance appraisal is less time consuming to execute and it actually helps to identify performance gap for the employees
- Many employees think that raters are being biased to certain employees while rating the evaluation.
- This 360-degree performance appraisal helps to identify company goals and objective and whether employees are aligned with it or not.
- 360-degree performance appraisal of BanglaCAT actually have a big impact on the employees as their promotion as well as development depends on this evaluation heavily.

## 5.2 Recommendations

There are a lot of organizations that are using 360-degree performance appraisal for their evaluation technique and was able to derive a lot of benefits, while others were unable to do so. It is not for the reason that the weakness of the technique but due to how they used it. There are some recommendations that I would like to suggest to BanglaCAT to make the 360-degree performance appraisal more effective. They are-

- a) **Selection of appropriate raters:** Selection of raters can a bigger challenge in 360-degree performance appraisal. Instead of letting the employee choose the raters the board should choose the raters. Also, the raters should be unbiased while rating a particular employee.
- b) **Customized Survey:** Many organization follows standard generic question patterns to do 360-degree performance appraisal. Instead of those standard question companies should do more customized and relevant questions. The question should be formed with specific purposes.
- c) **Communicate the purpose and process:** Employees should know about the intended purpose of 360-degree performance appraisal. The purpose should be well-communicated throughout the organization before the appraisal starts. One thing organizations can do is they can arrange orientation program to communicate the purpose and process of 360-degree performance appraisal.



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## Appendix A.



### Performance Evaluation Feedback Survey

**Please answer every question**

Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
360-degree performance evaluation is effective for this company					
The process is Time consuming					
The evaluation criteria are valid					
This method helps to identify employee training needs					
It is easy to identify performance gap through this method					
Feedback are useful for employee's growth					
Do you think raters are biased?					
Do you think this performance evaluation helps you?					
This evaluation has impact on promotion and increment					
This method helps to achieve organizational goals and objectives					

***Thank you for your cooperation***