Universiti Utara Malaysia

THE RELATIONSHIP BETWEEN 360 DEGREE FEEDBACKS AND
LEADERSHIP DEVELOPMENT

By

**SUHAILA MOHD NAZER**

**810985**

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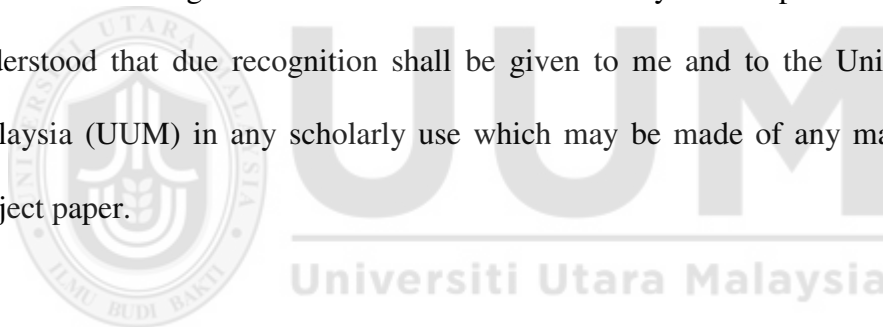
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# ABSTRACT

The characteristic of a good leader is one of the important factors in ensuring a company's goals and vision. Accordingly, Petra Energy Berhad also seriously looks into leadership development in the organization. Furthermore, various types of human resource management issues such as high turnover rate and high number of people to retirement contributed to the desolation quality corporate leaders. Recognizing the problem, Petra Energy Berhad has selected 360 degree feedback as a tool in determining the sustainability leadership development in this company. Therefore, this study was conducted to identify the relationship between a 360-degree feedback and leadership development. This is quantitative research and utilizes questionnaires as a method of collecting data on 120 people in Petra Energy officials directly involved in the use of 360 degree feedback as their leadership development. The results showed that the use of 360-degree feedback related to the development of the quality characteristics of the leader in Petra Energy Berhad. The results of this study also made proposals to strengthen the implementation of 360-degree feedback as a tool in shaping the characteristics of quality leaders.

Keywords: 360 degree Feedback, leadership development, turnover rate

# ABSTRAK

Ciri-ciri pemimpin yang bagus merupakan salah satu faktor penting dalam memastikan sesebuah syarikat mencapai matlamat dan visi mereka. Sehubungan dengan itu, Petra Energy Berhad juga memandang serius kepada pembangunan pemimpin dalam organisasinya. Tambahan pula, pelbagai jenis masalah pengurusan sumber manusia seperti kadar lantik henti yang tinggi dan bilangan persaraan yang ramai menjadi penyumbang kepada ketandusan kualiti pemimpin syarikat. Menyedari masalah tersebut, Petra Energy Berhad telah memilih 360 degree feedback sebagai alat dalam menentukan kelangsungan pembangunan pemimpin di syarikat ini. Oleh itu, kajian ini dijalankan bagi mengenalpasti hubungan antara 360 degree feedback dengan pembangunan pemimpin. Kajian ini berbentuk kuantitatif dan menggunakan soal selidik sebagai alat pengumpulan data kepada 120 orang pegawai di Petra Energy yang terlibat secara langsung dalam menggunakan 360 degree feedback sebgai pembangunan kepimpinan mereka. Hasil kajian menunjukkan bahawa bahawa penggunaan 360 degree feedback mempunyai hubungan ke atas pembangunan ciri-ciri kualiti pemimpin di Petra Energy Berhad. Hasil kajian ini juga telah mengemukakan cadangan bagi memantapkan lagi perlaksanaan 360 degree feedback sebagai alat dalam membentuk cirri-ciri kualiti pemimpin.

Kata kunci: 360 degree Feedback pembangunan pemimpin, kadar lantik henti

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# INTRODUCTION

## 1.1    Introduction

"There has probably never been a time in the world's history when leadership development has been more critical to organisations"

(Martineau, Hoole and Patterson 2009, p47)

Nowdays many organizations are investing in Leadership Development even though it is costly.  Fulmer and Goldsmith (2001) stated that Hewlet-Packard, Johnson & Johnson, Shell and World Bank had spent about US60.7 billion on Training and Leadership Development in 1998, and US65 billion in 1999. According to Hubbard (2005) by year 2000, the training in USA reached a record high of 2 percent of payroll whereby its about $820 per employee. In addition, Krause and Wilson (2012) found that American organizations had US40 billion per year on leadership development.

Leadership development is a continuous process to expand the learning and performance capacity of people in the organization and communities to meet shared goals and objective (Allen and Kusy, 2011). Lawson (2008) also claimed that leadership development is a structured process that provides individuals with the opportunities, training and experience to become effective leaders. Companies with a strong leadership development programs will outperform the competitors and exceed business goals as compared to organizations without Learning and development. According to Lawson (2008), organizations which did not practise leadership

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development would face crises in finding replacements when critical positions become vacant.

According to Shaik, Hafiza and Haslizayanti (2009) Malaysia Airline System (MAS) also have their Leadership Development Program through six transformational leadership behaviour; their talents are monitored by HR metric. However it is not much impact as MAS is still recruiting and offering voluntary leave (unpaid leave). Research was also done by Shaik, Hafiza and Haslizayanti (2009) for Tenaga Nasional Berhad (TNB), which also has leadership development program. TNB Talent Exchange among Government Linked Companies (GLC). The development program also did not give much impact. Instead it is used as an opportunity to spot new talents. Subsequently, Malaysia also looks seriously into leadership development. This is seen in the Ninth Malaysia Plan (2006 – 2010) where the government had attempted Malaysia's industrial economy through the implementation of the National Economic Development Mission (National Mission). The priority areas as outlined under the National Mission were:

•	To enhance the nation's global competitiveness

•	Improve the quality of human capital development

•	A more equitable distribution of income and wealth; and to

•	Improve the quality of life.

According to Boatman and Wellins (2011), organizations in Malaysia nowadays have been seen to give priority to leadership development by increasing their spending for leadership development. 37 percent Malaysian leaders had reported that

their organization's leadership development programs were effective in using methods as follows; 1) formal workshops and 2) coaching from managers Boatman and Wellins (2011).

## 1.2    Background of the study

Petra Energy Berhad (PEB) is one of the companies in the Oil and Gas industry and it is also a public listed company. The company also look seriously into leadership development. Their headquarters is located at Menara OBYU, Bandar Damansara Perdana, Petaling Jaya, Selangor Darul Ehsan. Their vision is to be Oils & Gas Development Company. It spearheads a consortium of subsidiary companies comprising Petra Fabricators Sdn Bhd, Petra Resources Sdn Bhd, Petra Marine Sdn Bhd, Petra Services Sdn Bhd, Petra Energy Development Sdn Bhd (Coastal Energy KBM Sdn Bhd), Jurutera Perunding Akal Sdn Bhd and PE Ventures Sdn Bhd (Bumi Subsea Sdn Bhd) (see Figure 1.1).
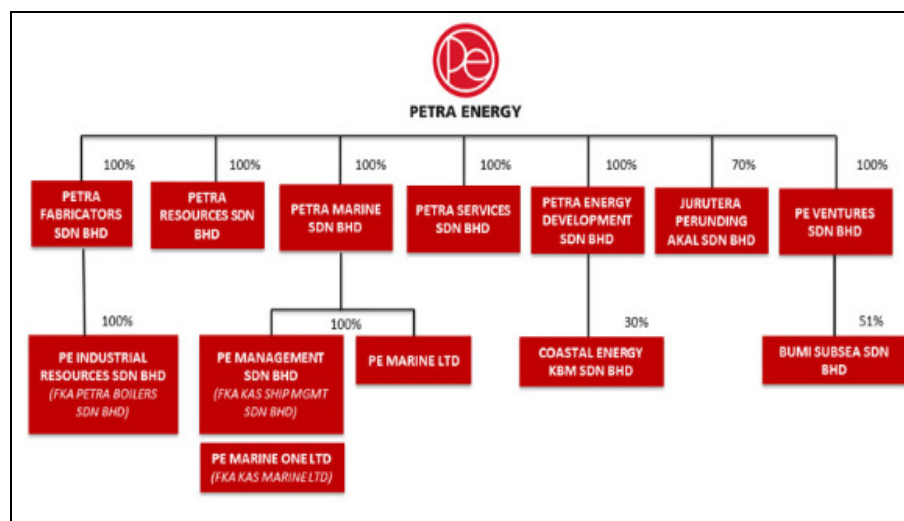


*Figure 1.1: Corporate Structure for Petra Energy Berhad*

Petra Energy Berhad have four main service facilities in Kemaman (Peninsular Malaysia) and Miri, Bintulu and Labuan (East Malaysia) are located in close proximity to customers' oil & gas facilities, thus enabling them to provide round-the-clock services and during occurrences of unforeseen equipment breakdown and emergency plant shutdown.

Besides that, currently Petra Energy Berhad has six vessels, they name of vessels are Petra Challenger, Petra Discovery, Petra Endeavour, Petra Orbit, Petra Anis and Petra Galaxy. All vessels are fully equipped and comply with international and industry standards and guidelines. They are classed in accordance with the rules and regulations of globally recognized classification society, American Bureau of Shipping and possess appropriate notations denoting capabilities and complies with all regulations and recommendations imposed by International Maritime Organisation and Flag State.



*Figure 1.2 : Petra Energy Vessels name Petra Discovery*

By having a good combination of subsidiary, service facilities; they can provides a comprehensive range of integrated brown field services for the upstream oil and gas industry and specialist product and services for the petrochemical industry. The group also involved in development and production activities of small field cluster. Since 2000 they have been awarded many projects from client such as Exxon Mobil, Sarawak Shell, Sarawak/Sabah Shell, PETRONAS, BJ Oilwells, Gas District Cooling (KLIA) Sdn Bhd, Schlumberger, PETRONAS Carigali , PETRONAS Ammonia and Vinyl Chloride Malaysia. The latest award they received from PETRONAS Carigali is Collaboration with CEC International Ltd via SFRSC for the development & production of KBM cluster fields.

Petra Energy has firmly established itself as an integrated provider for topside major maintenance hook-up construction and commissioning of offshore and onshore oil and gas installations. The scope encompasses all surface engineering capabilities that include design, engineering, procurement, fabrication, installation, hook-up, construction, commissioning including offshore marine services. For maximum benefits to clients, Petra Energy Berhad are executed on a "singlepoint of responsibility and accountability" or integrated basis that ensure operation efficiency, reduced costs and faster project turn-around. In order to achieve their target and vision, the service facilities and combination of subsidiary that they having now does not guarantee their success if their Leadership Style and Job-person Match not in-place.

Currently the company has about 2800 employees, where 800 are permanent and contract staff while the other 2000 is daily contract employees, who are 100%

involved in the project. Apart from the employees, the responsible leaders to spearhead the company's success are EXCO Members comprising Dato' Anthony Firdauz Bujang, Group Chief Executive Officer Mr Ahmadi bin Yusoff, Executive Director and Director of Strategic Planning and Corporate Service, Mr Mohd Kamal Yusoff, Chief Executive Officer PRSB , Mr Jamaluddin Obeng, Director Business Development and Corporate Communication, and Miss Ng Peng, Chief Financial Officer.

**Table 1.1:** **Total Employees for Manager and above by Category at Petra Energy Berhad**

| No | Category | Total Employees | % |
|---|---|---|---|
| 1 | BABY BOOMERS | 32 | 44% |
| 2 | Gen X | 27 | 38% |
| 3 | Gen Y | 13 | 18% |
| | Grand Total | 72 | 100% |

Beside that the company has 72 employees who are managers and above. These are leaders of subsidiary firms and Heads of Department or Unit. Table 1.1 shows that 32 of them are Baby Boomers Generation (44%), 27 employees (38%) of are Generation X and only 13 employees (18%) are Generation Y.

In addition, based on the actual data given by Petra Energy Berhad, there were 394 employees who resigned, terminated or retired from the company in 2013. Table 1.2 shows that 14% of them were Baby Boomers, 37% were Generation X and 48% were Generation Y. Table 1.2 also shows that 36% of Generation Y left the company

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after working in the organization for less than two years, 10% worked between three to five years and two percent worked for more than five years.

*Table 1.2: Total employees left Petra Enery Berhad for the year 2013 by Age and Year Of Service.*

| Category / Years of Service | < 2 years | | 3 to 5 Years | | > 5 Years | | Grand Total | |
|---|---|---|---|---|---|---|---|---|
| | Total | % | Total | % | Total | % | Total | % |
| Baby Boomers | 16 | 4% | 10 | 3% | 31 | 8% | 57 | 14% |
| Gen X | 58 | 15% | 31 | 8% | 58 | 15% | 147 | 37% |
| Gen Y | 142 | 36% | 39 | 10% | 9 | 2% | 190 | 48% |
| Grand Total | 216 | 55% | 80 | 20% | 98 | 25% | 394 | 100% |

After the company had considered the retirement and resignation issues, its management started to increase their budget for learning and development for Talent Management and Succession Management. In order to identify talent gap and needs for talent pool, the company started to use the 360 degree appraisal as a method to develop its talented staff to become effective leaders. This was because the 360 degree appraisal process required feedback from managers, direct report, superiors, peers and customers on employee attitudes, effectiveness and performance. As mentioned by Lepsinger and Lucia (2009), 360 degree feedback involved the perception about a person's behaviour and the impact of that behaviour from the person's boss or bosses, direct reports, colleagues, fellow members of project teams, internal and external customers. This view is also supported by Fleenor, Taylor and Chappelow (2008), They said in 360-degree process, feedback is solicited not only from an individual's boss and peers but also from the individual himself or herself, direct reports, superiors (the boss's peers) and others such as customer. Roa and

Chawla (2005) also said that 360 degree feedback come from many sources, thereby providing more balanced evaluation that is accepted as fair and objective.
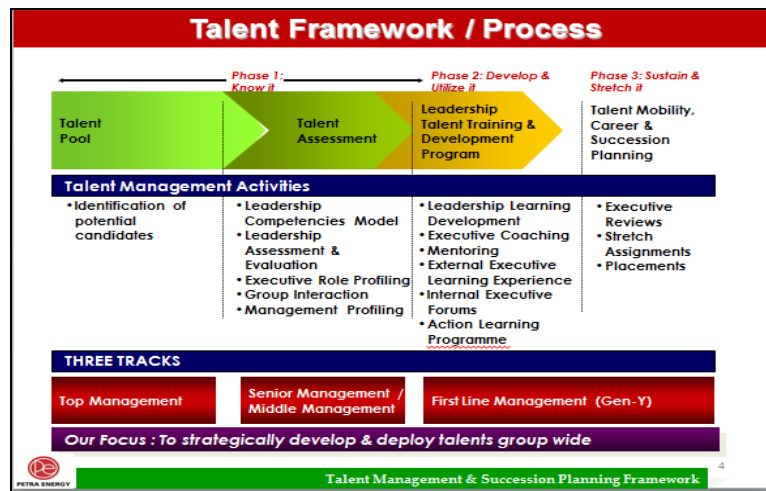


*Figure 1.3: Talent Management and Succession Planning Framework at Petra Energy Berhad*
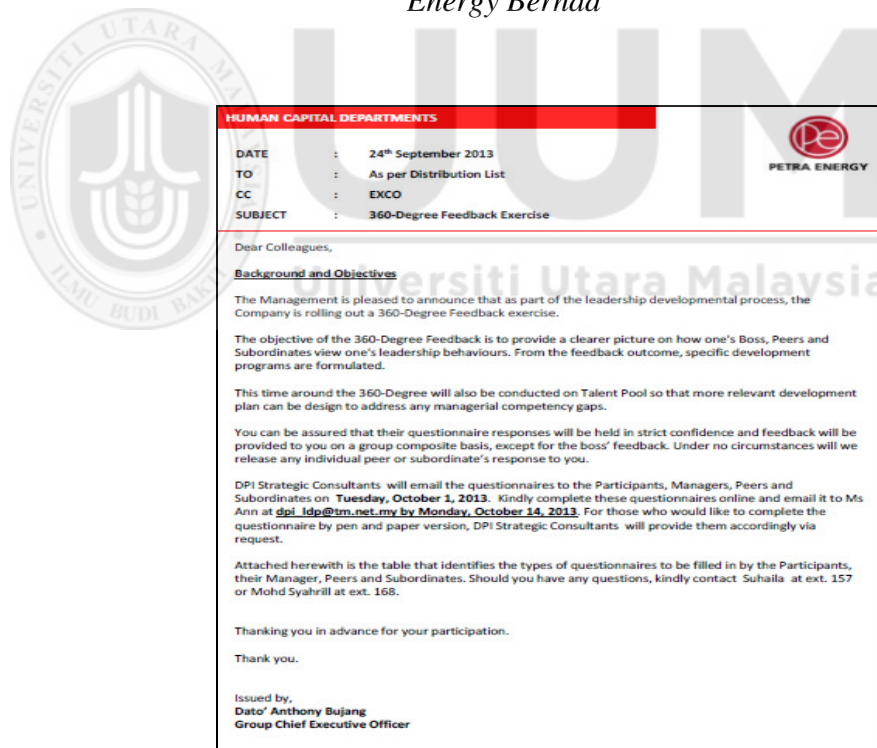


*Figure 1.4: Employee Information (EI) from CEO to Talent Pool on 360 Degree Implementation at Petra Energy Berhad.*
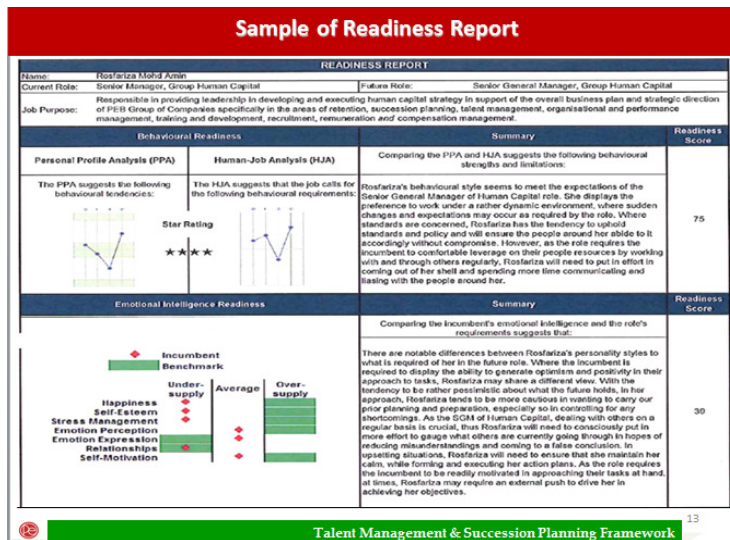
*Figure 1.5: Sample of Readiness Report for one of Talent at Petra Energy Berhad*

## 1.3    Problem Statement

Petra Energy Berhad had faced problems in archiving their mission and vision due to lack of effective leadership. This was due to:-

a) **Massive Retirement**

Base on the statistic mention in the background Petra Energy will loss 44%, employees fall under Managers' category which is the highest percentage in the Manager Category. Massive retirement of baby boomers will result in talent shortage, knowledge drain and leadership gaps especially at the top level that are currently filled by baby boomers (Lawson, 2008). Oracle (2012) also mention that according to Pricewaterhouse Coopers (PwC) nineteen percent of managers and twenty nine percents of executive are eligible for retirement by 2015. As

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Oil and gas company Petra Energy Berhad also need to make sure they have a quality leadership as this sector need to face a lot of challenges during operation. This has been proven by Brainard (2011) the primary reason injuries occur in the oil and gas industry, is typically due to poor choice of leader. Marcella and Rowlands (2009) also mention that leader in oil and gas industry need a different mix of skill which focus not just on technical ability but also on effective communication and emotional intelligent, they also claimed that oil and gas leader need to operate with an understanding of geopolitics.

**b) <u>High Resignation from Generation Y Group</u>**

The second issue was when the baby boomers left the organization, it was difficult to find their replacement. In addition, it also was difficult to retain new talent from the Generation Y pool. Based on background of the study, the analysis showed that the highest percentage group who resigned from the company in 2013 was the Generation Y workers with less than two years' experience. Besides that Adler (2008) found that the cost of replacing new executive could be anywhere from three to five times that of position's salary.

Because of this issue, the company then started to look at talent management and succession planning. It started to increase its budget on learning and development specifically it increased the budget for leadership development. It had chosen the

360-degree feedback as a tool to identify its training needs. This was done because the 360 degree tool could benefit the company as follows-:

a) **Helping Manager with accurate feedback for personal and professional development.**

As mention by Lepsinger and Lucia (2009), 360 degree feedback involved collecting of perception about a person's behaviour and the impact of that behaviour from the person's boss or bosses, direct reports, colleagues, fellow members of project teams, internal and external customers. This is also support by Fleenor et all (2008), they said In 360-degree process, feedback is solicited not only from an individual's boss and peers but also from the individual himself or herself, direct reports, superiors (the boss's peers) and others such as customer. Roa and Chawla(2005) also said that 360 degree feedback come from many sources, thereby providing more balanced evaluation that it is more acceptable as fair and objective. This has been proven by Fleenor et all (2008) claimed that CCL are using 360-degree feedback for development purpose to provide most accurate data possible to participants. It also agrees by Giber, Lam, Goldsmith and Bourke (2009) mention since 2000, the practice of 360 degree assessment has become much more central to leadership development process.

b) **Continuous process for leadership development**

Leadership development is structured process that provides individuals with the opportunities, training and experience to become effective leaders (Lawson 2008). Fleenor et all (2008) highlight that Centre for Creative Leadership (CCL) believe that effective 360-degree feedback encourage continuous learning. Therefore 360 degree feedback can be used for leadership development as 360 degree encourages continuous learning and leadership development. Giber, Lam, Goldsmith and Bourke (2009) survey result on 2000, show 34percent of participants rate 360 degree feedback are good for leadership development, compare to 59percent in 2008.

c) **Helping in an organization's succession planning.**

The detailed reports generated by 360 degree evaluation make it easier for an organization to match manager's skill with particular job or function. 360 degree can be look as initiative for integrated Human Resource Development (HRD), including career development initiative & management development and link to succession planning (Rao, Rao, Mahapatra & Chawla, 2004).

### d) Helping facilitate organizational change.

Multi-rater feedback system can make sure that manager align their self with the organization's strategic and value. It's agreed by Fleenor et all (2008), 360 degree feedback can drive organization to compile individual feedback result into competencies that can develop further or establish need for organization.

After using 360-degree feedback, Petra Energy Berhad was able to determine its talent's strength and development needs. However Petra Energy also needed to face the challenge of making sure that the 360 degree feedback system worked well. The challenges that the company faced were as follows-:

### a) To Establish the purpose and result

The company knew that 360 degree feedback was not end in itself, It was a performance measurement device. It had to think out in advance the precise reason why it was used. If these were not communicated clearly to those who would be affected, then the latter would create their own reasons. The idea of receiving feedback from people other than the superior would seem strange or an attack on the establishment. The company had to try to communicate clearly via Employee Communication as per figure 1.4.

## b) The Appointment of Project Manager

All 360 degree feedback projects require project managers to be appointed from within the organization. The people selected must be able to devote time to the project and must be very committed to the process. Project Managers also need planning and problem solving skills and also have high degrees of communication, influencing and mediation skills. Petra Energy also had faced problem to select suitable candidates. However the Group Chief Executive Officer was really committed and had given his full commitment/ support to this project by appointing one of Human Resource Managers to carry out this role.

## c) To Ensure That Raters Do Not Hold Back From Providing Frank Feedback.

This happened because of the culture in the organization such as complacency in the organization about people, result and performance. As a result the respondents did not take the process seriously enough. They did not really understand why a project was being carried out and how the results would use for. Again, careful briefing of respondents, particularly on the aims of the project would be absolutely necessary to ensure honest feedback.

### d)  <u>To Ensure Staff Do Not React Poorly To The Result</u>

Inevitably, participants would be surprised on the difference between how they saw themselves and how others saw them. If a project manager did not properly handled this, it would lead to rejection of the information, the show of emotional reaction, the decline in morale and a worsening of the performance rather than an improvement.

Even through there were challenges to the implementation of 360 degree feedback, Petra Energy needed to face them to make sure their managers acted as good leaders in order to achieve their vision and mission. After four years of implementation, Petra Energy now had a talent pool of good leaders. Every Manager would have his readiness report as per figure 1.5 so that Human Resource Department could monitor their development.

In Malaysia, they were limited studies that had examined leadership development through the 360 degree feedback. Most of study focus 360 degree feedback as performance management system. Studies done by Rao et all (2004), the 360 degree feedback had been accepted as a good tool for performance management system. Shaver (1998) found that Human Resource Development (HRD) professionals were looking for ways to make the link between the 360 degree evaluation and performance management. Thus, this study was seen to extend the body of research by examining the relationship between employee's feedback, employee's acceptance and employee's satisfaction on 360 degree feedback and leadership development.

## 1.4    Research Question

After having explained the background of the study and the problem statement, the next issue is the research question. The question would guide this research. The research questions were as follows:-

a) Does an employee's reaction to 360 degree feedback have a relationship with leadership development?

b) Does the employee's acceptance of 360 degree feedback have a relationship with leadership development?

c) Does the employee's satisfaction with 360 degree feedback have a relationship with leadership development?

## 1.5    Research Objectives

After having the research question it can create the objective if this research. Objective for this research is:-

a)    To examine the relationship between employee's feedback to 360 degree feedback and leadership development.

b)    To examine the relationship between employee's acceptance of 360 degree and leadership development.

c)   To examine the relationship between employee's satisfaction of the 360-degree and leadership development.

## 1.6    Significance of the Study

Organization, individual and the field of Human Resource / Organization Development may benefit on this study. This research will find out employee's feedback, acceptance and satisfaction of 360 degree feedback as leadership development. The result of this study will provide those interested in the field of Leadership Development through 360 degree feedback. Petra Energy Berhad specifically may benefit from this research by recognizing the result of employees feedback, acceptance and feedback on 360 degree feedback as leadership development tools.

## 1.7    Scope of the Study

This study focuses on the employee's feedback on 360 degree feedback, the employee's acceptance on 360 degree feedback and the employee's satisfaction on 360 degree feedback as tool of leadership development in Petra Energy Berhad. The researcher focused on these three variables because to the best researcher knowledge as Group Human Capital in-order to make sure company used a good tool for leadership development. This study is limited to employees in Petra Enegy Berhad. This is due to the massive retirement of current leaders and high resignation of Gen

Y who become successors to current leaders who going to retire. To know the result of this study, the survey has been done by using on-line questionnaire through Google Doc. The organization become a case study in this research is Petra Energy Berhad. It involved five EXCO Members, 72 Managers and 43 of subordinates, peers and client.

## 1.8    Organization of the Thesis

This research will consist of five chapters. The content of each chapter are as follows:

a)    Chapter 1: This Chapter will give brief overview of the study, the problem statement, research objectives, research questions, research theory, significance of study and scope of study.

b)    Chapter 2: This Chapter will review current literature on 360-degree feedback. The contains is introduction of the literature review, current trends of leadership development, 360 Degree process and part that contribute to leadership development, Individual reaction and acceptance of 360 degree feedback, 360 degree effectiveness to support leadership development, previous research finding and summary of this chapter.

c)    Chapter 3: This Chapter will discuss about the methodology of this; it will contain the introduction, description of participants in this study, the instrument have been used, procedures that have been used to collect the data, the research design and data analysis.

d)   Chapter 4: This Chapter will share the raw data and analysis of the survey which it become a result of this research.

e)   Chapter 5: This Chapter will discuss about finding of the research according to research objective and recommendation for future research.

# CHAPTER 2

# LITERATURE REVIEW

## 2.1    Introduction

This chapter discuss related literature review leadership development and the measurement variable which will be related to 360 degree feedback. This chapter is very important as it will explain the definition, conceptual of the study, the issue behind it and relevant previous research that interrelated with topic. Furthermore, it will determine hypothesis of the research.

## 2.2    Leadership Development

Velsor, McCauley and Ruderman (2010) define leadership development as the expansion of a person capacity to be effective in leadership roles and process, Leadership roles and process refer to those that facilitate setting direction, creating alignment and maintaining commitment in group of people.

According to Allen and Kusy (2011) leadership development is continuous process to expand the learning and performance capacity of people in the organizations to meet share goals and objective.  In relation with this definition developing leadership capacity is the same as changing any other behaviour or activity , its takes consistent coaching, practice and reflection.

Similarly to Avolio (2010) in which he agree that leadership development is a time-based process and cannot be accomplished at one point in time. In line with this Murphy and Riggio (2003) mention that leadership development should focus on demonstrating to individuals how they may generate influence to create positive change as he believe that leadership is a behaviour not a role.

Lawson (2008) defined leadership development as strategic investment in a structured process that provides individuals with the opputunities, training and experiances to become effective leaders in their organization. Lawson (2008) also agree that leadership is a behaviour not a role and it need to applies to everyone throughout the organization regardless of rank, title, position or job grade and an organization's leadership pipeline must start with people who are not leaders yet.

According to Lawson (2008, p.122) a successful leadership program must be planned and reflective following component:

1. The top leaders of the organization must demonstrate a strong commitment to the program.

2. The program must be linked to the vision, values and strategies of the organization

3. The program must be tied to succession planning.

4. The program must meet both individual and organizational needs.

5. Leadership compentencies must be clearly identified, defined and communicated throughout the organization.

6. There must be a developmental assessment related to the leadership competencies.

7. Individual development plans must be part of a leader's performance objective.

8. Leaders at all level must be involved in teaching and coaching.

9. Educational activities must be linked to organizational and business issues.

10. Senior management must monitor the program.

From the above review its show that leadership is not a role and it need a continuous development in order for the organization to have a good leadership to archieve their goals. Hence organization need a systems in developing their future leadership.

**2.3   360 Degree Process and Part to Contribute for Leadership Development**

360 degree feedback is questionnaire in Figure 2.1 that ask people (superiors, direct report, peers and internal and external customer on how well a manager performs in any number of behavioural areas (Sharpe, 1998).

**Sample Instrument**

Rate each of the statements below along the scale to the right. Be sure to mark an answer for every statement.

| | Very Satisfied | Satisfied | Somewhat Satisfied | Somewhat Dissatisfied | Dissatisfied | Very Dissatisfied | Not Applicable |
|---|---|---|---|---|---|---|---|
| **Customer Oriented** | | | | | | | |
| *How satisfied am I that my manager:* | | | | | | | |
| • understands the product or service well | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| • anticipates customer needs | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| • meets customer deadlines | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| • responds to complaints or problems quickly | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| • answers phone calls and correspondence promptly | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| **Communicates Well** | | | | | | | |
| *How satisfied am I that my manager:* | | | | | | | |
| • seeks feedback | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| • listens well | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| • expresses himself or herself well verbally | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| • expresses himself or herself well in writing | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| • uses constructive criticism | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| **Respects Individuals** | | | | | | | |
| *How satisfied am I that my manager:* | | | | | | | |
| • helps with my professional development | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| • keeps promises | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| • is open to different opinions | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| • is fair | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| • supports a balance between work life and home life | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |

*Figure 2.1: Sample of 360 Degree Questionnaire (Cat, 1998, p.2)*

Ward (1997) also agree that 360 degree is multi-feedback whereby he define it as the systematic collection and feedback of performance data on an individual from a number of the stakeholder in Figure 2.2) on that individual performance. According to Ward (1997), participants can be confidentially assessed by themselves, their boss, their staff, team members and internal /external customer. Its also not a quick process as there are important stages after feedback has been collected and reported on which are essential for changing behaviour. The 360 Degree Process in Figure 2.3

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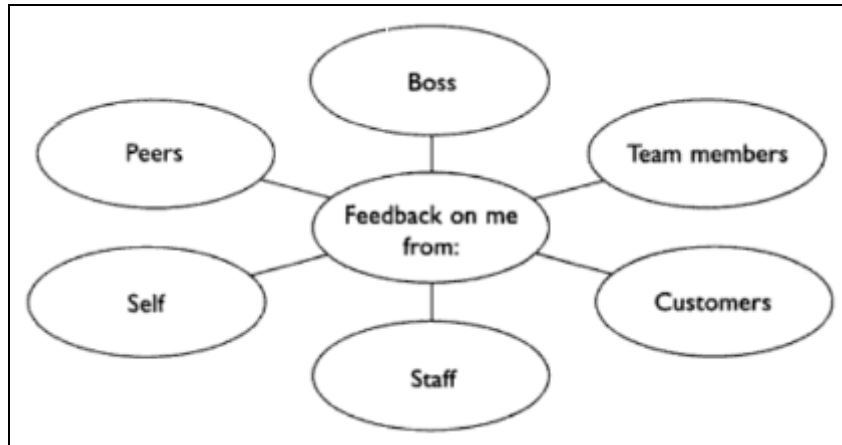
*Figure 2.2 : 360- Degree Feedback Stakeholder (Peter,1997, p.5)*
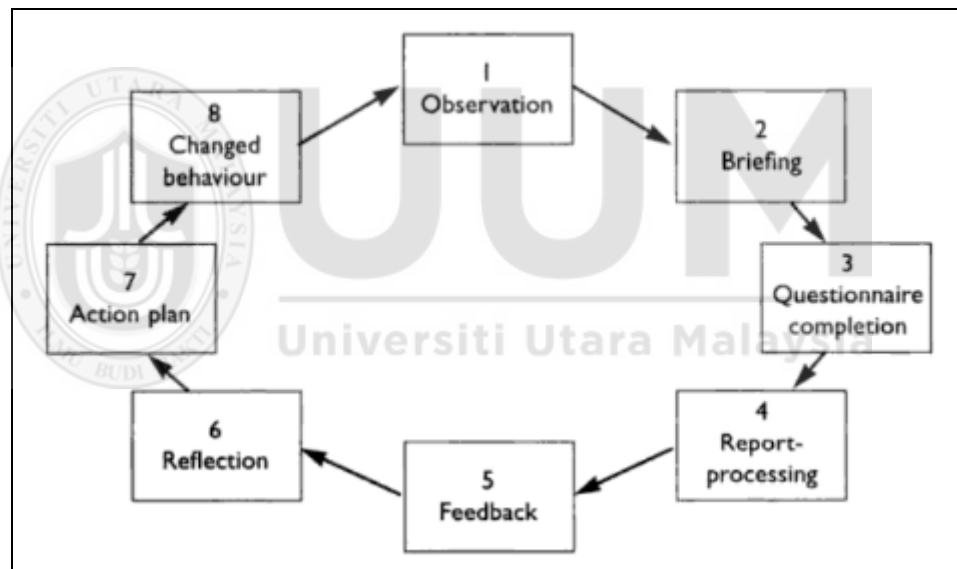


*Figure 2.3 : 360- Degree Process (Peter,1997, p.20)*

Bearley (1996) also define 360 degree feedback as multirated assesement on individual and feeding back the result to participant. The rating process involved self, boss, peers and subordinates; the reportsare usually confidential (Bearley, 1996). Process of 360 degree feedback are as follows (Bearley , 1996, p18):

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1. Determine the need and purpose of 360 degree assessment.

2. Establish a compentency model.

3. Weight data sources and select and develop assessment items.

4. Develop a assessment questionnaire.

5. Administer the questionnaire.

6. Process the data and develop feedback reports.

7. Deliver the feedback reports(cascade).

8. Brief the executive on group trends.

9. Evaluate the intervention.

### 2.3.1 Individual Reaction and Acceptance on 360 Degree Feedback

Rao and Rao (2014) conducted a study at Bharat Electronic Ltd (BEL), the study indicated individual reaction are as follows-:

1. More than 38 per cent of the participants visited their 360 degree feedback data every quarter and 34 per cent of participants visit their 360 degree feedback data every six months.

2. 137 out of the 142 participants (96 per cent) said that there are improvements after they undergo 360 degree feedback.

3. 115 participants (81 per cents) said that after having 360 degree feedback there are positive impact in their personal live.

### 2.3.2    360 Degree Effectiveness to Support Leadership Development

According to London (2001), 360-degree feedback collect rating and feedback from subordinates, peers, supervisor and customers which its can make the feedback more effective to develop individual behaviour by understand themselves better and consider areas for development. London (2001, p54) also highlight the way to enhance the effectiveness of 360 degree feedback as leadership development:

1) Include a goal setting program because goal setting increases the effectiveness

2) Repeat feedback with information about improvement because frequent feedback with messange will increase feedback effectiveness

3) Recognize that feedback on complex task may interface with performance.

4) Provide information about correct solution.

5) Recognize that multiple source feedback.

6) Offer coaching to help employees deal effectively with feedback.

7) When starting a multisource feedback process, use the information just for developmental purpose.

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It also agree by Ryan (2009), where he found that 360 degree feedback give a rigorous feedback that is need to make current and future leaders reflect on their strengths and weaknesses.

Sharpe (1998) mention the benefits of using 360 degree feedback is; a) It can help manager with their personal and professional development. Its is easy to miss their own faults but understanding the faults can improve their performance and career. b) Helping organization's succession planning as 360 degree evaluation make easier for an organization to match manager's skill with particular job or function. and c) Helping facilitate organization change as this system can make sure that managers align themselves with organization's strategies and values. However Sharpe (1998) also mention that 360-degree can make controversial as it also providing input for performance appraisal but Human Resource Development (HRD) are looking for ways to make the link between 360-degree evaluations and performance appraisal stick.

Ward (1997) also agree that 360 degree feedback is a good for leadership development as a) the 360-degree feedback technique measures in details the behaviour and competencies shown by individual. b) Raters judge what they perceive as behaviour not the intention behind it and c) Everyone's result are mix of strengths and areas for development, some expected and some unexpected.

According to Bearley (1996) the use of 360 degree feedback offer many benefits to individual and organization; there is 1) Defines corporate

competencies 2) Increases the focus on customer services 3) Support team initiatives 4) Creates a high-involvement work force 5) Decreases hierarchies and promotes streamlining 6) Detects barriers to success 7)Assesses developmental needs 8)Avoids discrimination and bias 9)Identifies performance threshold and 10)Is easy to implement.

## 2.4    Previous Research Finding

In general there is limited feedback on the impact of 360 degree feedback. According to Bolea and Atwater (2015), the naturing of human potential started with feedback process to enhance self-awareness and that carried the day for many yaers as it became embedded in performance management process. This is referring to 360 degree assessments which its started late 1990s onwards in figure 2.4
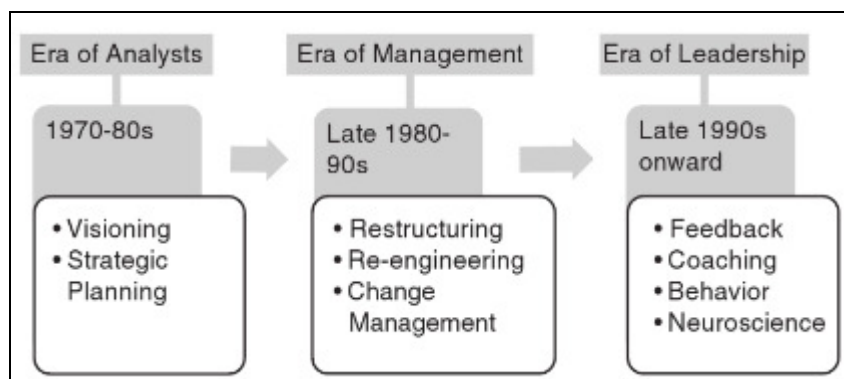


*Figure 2.4 : Coaching – Era of leadership (Al Bolea & Leanne, 2015, p.255)*

In other research , Lepsinger  and Lucia (2009) found that 61% of their survey participant from line manager believed 360 degree feedback are using for individual development, 33% believed 360 degree feedback are using to enhance team

effectiveness and another 6 % believed 360 degree feedback are using to identify individual & organization training needs.

Ward (1997) also found that the feedback data has many uses, including development, appraisal, and teambuilding, validation of training, organization development and remuneration. According to Ward (1997) 360-degree feedback has become popular recently because of changes in what organization expect of their employees, increasing emphasis on performance measurement, changing management concepts and more respective attitudes. Coca-Cola Company had complete and proof that leadership develop can be develop through 360 degree feedback process as they are using it for their supermarket manager in 1987 (Ward , 1997).

Research done by Bearley (1996) cites a survey of a corporate consortium, form in 1993, survey results indicate that 93% of the companies used data from 360 degree feedback for development and coaching.

## 2.5    Hypotheses

**Hypothesis 1**: The relationship between employee's feedback to 360 degree feedback have significant to leadership development.

**Hypothesis 2**: The relationship between employee's acceptance of 360 degree have significant to leadership development.

**Hypothesis 3**: The relationship between employee's satisfaction of the 360-degree have significant to leadership development.

## 2.6    Chapter Summary

Based on the literature review, conceptual definition and previous research finding for leadership development through 360 degree feedbacks, the researcher has explained the substantial point of the scenario happened many organization around the world. This is why Petra Energy Berhad to find reaction, acceptance and effectiveness from employees on leadership development through 360 degree feedback. The next chapter will explore more on what the methodology has been used for this study to answer the hypothesis.
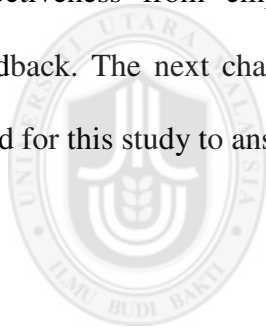
**CHAPTER 3**

**METHODOLOGY**

### 3.1    Introduction

This Chapter discusses the research methodology used for this study. It starts by presenting the research framework and research hypotheses generated from the literature review in the previous chapter. This chapter then describes the research design, operational definition, population and sample of research, sampling method used, structure of the questionnaire, pilot test, measurement of variable and instrument and data collection technique. Lastly, the procedure for the data analysis is also to explain in this chapter.
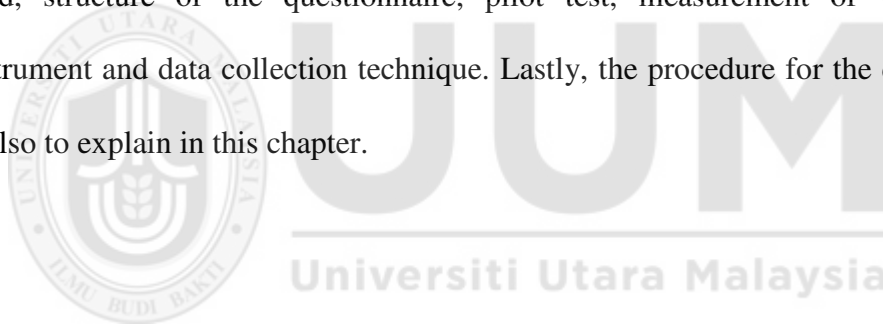
### 3.2    Research Framework

Figure 3.1 shows the dependent and independent variable of the research study. The study examines the leadership development through 360 degree feedbacks from multi-perception of employees in Petra Energy Berhad. In this study the dependent variable is leadership development, while independent variable is 360 degree feedback. The research framework of this study was adopted from previous research by Zentis (2007).

Independent Variable                                        Dependent Variable

```
┌─────────────────────────────┐
│ 360 DEGREE FEEDBACKS        │
│                             │
│   • Employees feedback on   │
│     360 degree feedback     │
│                             │                    ┌──────────────────────────┐
│   • Employees acceptance of │───────────────────▶│ LEADERSHIP DEVELOPMENT   │
│     360 degree feedback     │                    └──────────────────────────┘
│                             │
│   • Employees satisfaction on│
│     360 degree feedback     │
└─────────────────────────────┘
```
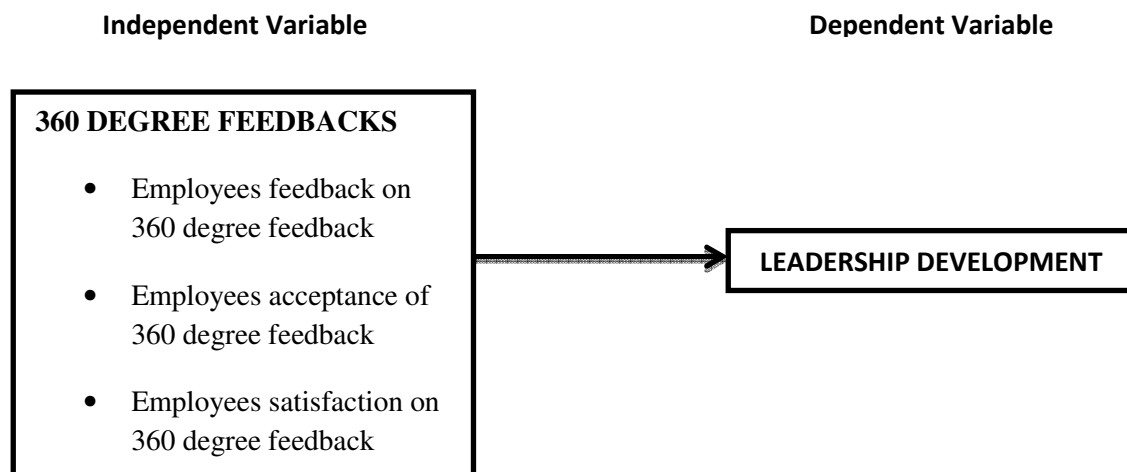
*Figure 3.1: Research Framework*

## 3.3    Research Design

Spector (1981) defines research design as structure to research whereby this structure
defines the number and type of entities or variable to be studied and their
relationship to one another. However Salkind (2010) defines research design as a
method of investigation used by researcher in order to collect and analyse data.
Generally, there are three types of research method used in conducting research
which are quantitative, qualitative and mixed (Salkind, 2010).

Understanding and choosing the correct research approach is important for all
researches. Creswell (2013) defines quantitative method as method involved the

process of collecting, analysing, interpreting and writing a result. Qualitative method is purposeful sampling, collection of open-ended data, analysis of text or picture, representing of information in figures and tables (Creswell, 2013). Creswell (2013) also defines mixed methods involves the collection and mixing both quantitative and qualitative data in study.

Quantitative research is an approach for testing objective theory by examining the relationship among variables however qualitative research is an approach for exploring and understanding the meaning individuals or group ascribe to a social or human problem (Creswell, 2013).

Hence this study had used quantitative approach to collect data through questionaire distribution to test relationship between 360 degree feedbacks in leadership development at Petra Energy Berhad. Quantitative approach is used due to lees time consuming as qualitative research design to much greater extent than quantitative research design (Maxwell, 2012).

## 3.4    Unit of Analysis

The unit of analysis used for this study is individual. this was line with the objective of this research to examine the employee's feedback leadership development through 360 degree feedbacks in Petra Energy Berhad. Therefore, the data collection had involved all level of employees in Petra Energy Berhad.

### 3.5 Population and Sampling design

#### 3.5.1 Population

Population defines as a complete set of elements (persons or objects) that possess some common characteristic defined by the sampling criteria established by the researcher (Carter, 2004). According to Maxwell (2012) population is the number of persons or objects covered by the study or with which the study is concerned. Hence based on the information collected from Group Human Capital in Petra Energy Berhad, the population of this study is 800 monthly employees (GHC, 2013)

#### 3.5.2 Sample

A sample is the selected elements (people or objects) chosen for participation in a study; people are referred to as subjects or participants (Carter, 2004; Maxwell, 2012). Carter (2004) mention that the degrees of accuracy that can be obtain depends less on the relative size of the sample, which is less than five per cent from population. Table 3.1 show confidence interval percentage whereby the larger sample size, the greater the increase in sample size that would be requires reducing confidence interval (Carter, 2004). Following Carter (2004) sample size of 150 is suitable for this study.

*Table 3.1: Confidence Interval Percentage*

| Size of sample | Confidence interval |
|---|---|
| 50 | 27.7% |
| 100 | 19.6% |
| 200 | 13.9% |
| 300 | 11.3% |
| 400 | 9.8% |
| 500 | 8.8% |
| 1000 | 6.2% |
| 2000 | 4.4% |
| 2500 | 3.9% |
| 5000 | 2.8% |
| 10,000 | 2.0% |

### 3.5.3 Sampling technique

Carter (2004) mention that there are two method sampling that are employed for surveys; a) random or probability sampling; b) non-random or non-probability sampling. The most popular random sampling is systematic sampling, stratified sampling and cluster sampling, however the popular non-random sampling is quota sampling, purposive sampling and snowball sampling (Carter, 2004; Creswell , 2013; Maxwell, 2012).

In this study random sampling was used by researcher to select the sample from the whole population. The researcher desires to use random sample due to random sample is possible to generalize the result obtain from the sample

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to the population with a certain degree of accuracy however non-random sampling not possible to generalise to the population with any accuracy as it can achieved by calculating a confidence interval (Carter, 2004 ; Creswell , 2013).

The researcher gets the list of Petra Energy Berhad's employees from Group Human Capital Department. The list contain employees id, mobile no and email address. After that researcher just randomly choose the 150 names which are involved in the study.

## 3.6 Structure of the Questionnaire, Operational definition and Measures

Questionnaires were administrated to Petra Energy Employees. These employees were involved in this study as will able to provide the researcher with information regarding their acceptance of leadership development through 360 degree feedbacks.

Five point liked rating scale are using to rate respondent's satisfaction level. Participant also can give their qualitative comment, however the comment are not quantified in the analysis, the comment will used as input the the Petra Energy Berhad to improve their 360 degree process system.

Five liked point are used to determine respondent's satisfaction as follows-:

a) 5 – High Satisfied

b) 4 – More satisfied

c) 3 – Equally Satisfied

d) 2 – More Dissatisfied

e) 1 – High Unsatisfied

f) 0 – Not Applicable

The respondent also need to provide their demographic data such as gender, level of management position, years of experience, number of direct report, number of time completing 360-degree feedback and no of times 360-degree feedback is repeated in the organization.

Total question that need to answer by respondent is 31 questions. The thirty-one question divide into four group, whereby one of the group will ask participant's feedback / reaction on their manager, peers and employees rating. The second group will measure their acceptance of feedback to develop their leadership skill. The third group will ask participants on their satisfaction of 360 degree feedback. The last group will ask respondent their leadership development or changes their behavior after undergo 360 degree feedback.

### 3.6.1   Leadership Development

Leadership development was operationalized as an effectiveness of 360 degree feedback to their leadership development after they having 360 degree feedback process. In this study eight items were used to measure leadership development adapted from Zentis (2007).

***Table 3.2:***  ***Leadership Development***

| Variable | Operational Definition | Items | Modification | Authors |
|---|---|---|---|---|
| Leadership Development | Employees' perception on the effectiveness of 360 degree feedback to their leadership development after they undergo 360 degree feedback. | 1. Please identify the types of leadership development activities you've participated in since completing the 360-degree feedback assessment<br>2. As a result of your participation in the 360-degree feedback assessment and leadership development activities, what changes have occurred?<br>3. How effective is your relationship with your direct reports as a result of the 360-feedback development process?<br>4. Has your leadership behaviour or performance improved as a result of participating in the 360-degree feedback?<br>5. How satisfied is your manager with your improved leadership behaviour as a result of the 360-degree leadership development process?<br>6. How satisfied are your direct reports with your improved leadership behaviour as a result of the 360-degree leadership development process?<br>7. How satisfied are your peers with your improved leadership behaviour as a result of the 360-degree leadership development process?<br>8. Please describe how you would improve or change the 360-degree feedback process for leadership development | 1. Please identify the types of leadership development activities you've participated in since completing the 360-degree feedback assessment.<br>2. As a result of your participation in the 360-degree feedback assessment and leadership development activities, what changes have occurred?<br>3. How effective is your relationship with your direct reports as a result of the 360-feedback development process?<br>4. Has your leadership behaviour or performance improved as a result of participating in the 360-degree feedback?<br>5. How satisfied is your manager with your improved leadership behaviour as a result of the 360-degree leadership development process?<br>6. How satisfied are your direct reports with your improved leadership behaviour as a result of the 360-degree leadership development process?<br>7. How satisfied are your peers with your improved leadership behaviour as a result of the 360-degree leadership development process?<br>8. Please describe how you would improve or change the 360-degree feedback process for leadership development | Zentis (2007) |

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3.6.2   Employees feedback on 360 degree feedback

Employees' feedback on 360 degree feedback was operationalized as study reaction and acceptance of employees to 360 degree feedback increase or decreases their acceptance of 360 degree feedback to change behaviour for leadership development. In this study eleven items were used to measure employee's reaction and acceptance adapted from Zentis (2007).

*Table 3.3:      Employees feedback on 360 degree feedback*

| Variable | Operational Definition | Items | Modification | Authors |
|---|---|---|---|---|
| Employees feedback on 360 degree feedback | Employee's feedback on the positive and negative feedback, level of confidentiality and accuracy of the rating received. | 1. In general, how satisfied are you with the 360-degree feedback process as a tool for assessing leadership behaviour.<br>2. How satisfied are you with "lower ratings" or "negative feedback" on certain behaviours received from the 360-degree feedback report, where "lower ratings" or "negative feedback" indicated an area where your performance needed improvement<br>3. Overall, how satisfied are you with "higher ratings" or "positive feedback" on certain behaviours received from the 360-degree feedback report, where "higher ratings" or "positive feedback" indicated an area where your performance was effective<br>4. How satisfied are you with "lower ratings" or "negative feedback" on certain behaviours received from your manager, where "low ratings" or "negative feedback" meant an area where your performance needed improvement?<br>5. How satisfied are you with "lower ratings" or "negative feedback" on certain behaviours | 1. In general, how satisfied are you with the 360-degree feedback process as a tool for assessing leadership behaviour.<br>2. How satisfied are you with "lower ratings" or "negative feedback" on certain behaviours received from the 360-degree feedback report, where "lower ratings" or "negative feedback" indicated an area where your performance needed improvement<br>3. Overall, how satisfied are you with "higher ratings" or "positive feedback" on certain behaviours received from the 360-degree feedback report, where "higher ratings" or "positive feedback" indicated an area where your performance was effective<br>4. How satisfied are you with "lower ratings" or "negative feedback" on certain behaviours received from your manager, where "low ratings" or "negative feedback" meant an area where your performance needed improvement? | Zentis (2007) |

received from your direct reports, where "lower ratings" or "negative feedback" meant an area where your performance needed improvement

6. How satisfied are you with "lower ratings" or "negative feedback" on certain behaviours received from peers, where "lower ratings" or "negative feedback" meant an area where your performance needed improvement

7. How satisfied are you with "higher ratings" or "positive feedback" on certain behaviours received from your manager, where "higher ratings" or "positive feedback" meant an area where your performance was effective

8. How satisfied were you with "higher ratings" or "positive feedback" on certain behaviours from received direct reports where "higher ratings" or "positive feedback" meant an area where your performance was effective

9. How satisfied are you with "higher ratings" or "positive feedback" on certain behaviours received from peers, where "higher ratings" or "positive feedback" meant an area where your performance was effective

10. How satisfied are you with the level confidentiality of the feedback received from the 360-degree feedback, where confidentiality meant only you had access to the ratings

11. How satisfied are you with the accuracy and fairness of the ratings received from the 360-degree feedback, where ratings were meant to support your development

5. How satisfied are you with "lower ratings" or "negative feedback" on certain behaviours received from your direct reports, where "lower ratings" or "negative feedback" meant an area where your performance needed improvement

6. How satisfied are you with "lower ratings" or "negative feedback" on certain behaviours received from peers, where "lower ratings" or "negative feedback" meant an area where your performance needed improvement

7. How satisfied are you with "higher ratings" or "positive feedback" on certain behaviours received from your manager, where "higher ratings" or "positive feedback" meant an area where your performance was effective

8. How satisfied were you with "higher ratings" or "positive feedback" on certain behaviours from received direct reports where "higher ratings" or "positive feedback" meant an area where your performance was effective

9. How satisfied are you with "higher ratings" or "positive feedback" on certain behaviours received from peers, where "higher ratings" or "positive feedback" meant an area where your performance was effective

10. How satisfied are you with the level confidentiality of the feedback received from the 360-degree feedback, where confidentiality meant only you had access to the ratings

11. How satisfied are you with the accuracy and fairness of the ratings received from the 360-degree feedback,

where ratings were
meant to support your
development

### 3.6.3 Employees acceptance of 360 degree feedback

Employees acceptance of 360 degree feedback was operationalized as study on employee's acceptance to 360-degree feedback influence their willingness to improve behaviour for leadership development. In this study three items were used to measure influences of employees willingness adapted from Zentis (2007).

*Table 3.4:    Employees acceptance of 360 degree feedback*

| Variable | Operational Definition | Items | Modification | Authors |
|----------|------------------------|-------|--------------|---------|
| Employees acceptance of 360 degree feedback | Employee's acceptance to 360-degree feedback as resource for identifying areas need to develop establishes goals and development plan. | 1. How satisfied are you with the 360-degree feedback as resource for identifying areas that need development<br>2. How motivated are you improve your leadership behaviour after receiving the 360-degree feedback ratings<br>3. How satisfied are you with 360-degree feedback as a resource to help establish goals and prepare a development plan | 1. How satisfied are you with the 360-degree feedback as resource for identifying areas that need development<br>2. How motivated are you improve your leadership behaviour after receiving the 360-degree feedback ratings<br>3. How satisfied are you with 360-degree feedback as a resource to help establish goals and prepare a development plan | Zentis (2007) |

### 3.6.4   Employees satisfaction on 360 degree feedback

Employee's satisfaction on 360 degree feedback was operationalized as study on 360-degree feedback process itself, what parts or part contributed most to employee's leadership development. In this study nine items were used to measure Process Contribute adapted from Zentis (2007).

***Table 3.5:       Employees satisfaction on 360 degree feedback***

| Variable | Operational Definition | Items | Modification | Authors |
|---|---|---|---|---|
| Employees satisfaction on 360 degree feedback | Employees satisfaction with manager and organization support on leadership development plan base on 360 degree feedback | 1. How satisfied are you with the amount of time your manager spent helping you with your development plan.<br>2. How satisfied are you with the amount of time your manager spent with you to provide coaching and feedback on your development progress<br>3. How satisfied are you with the level of support your manager provided to encourage you to participate in leadership development activities<br>4. How satisfied are you with the leadership development activities offered by your organization to support leadership development, i.e. workshops, leadership training, succession planning, job experience<br>5. How satisfied are you with the level of support your organization provided to encourage leadership development<br>6. How satisfied are you with the 360-degree feedback process in general as a tool to support leadership development<br>7. Was there an opportunity to take advantage of following up with the individual who facilitated your 360-degree feedback<br>8. If available, would you | 1. How satisfied are you with the amount of time your manager spent helping you with your development plan.<br>2. How satisfied are you with the amount of time your manager spent with you to provide coaching and feedback on your development progress<br>3. How satisfied are you with the level of support your manager provided to encourage you to participate in leadership development activities<br>4. How satisfied are you with the leadership development activities offered by your organization to support leadership development, i.e. workshops, leadership training, succession planning, job experience<br>5. How satisfied are you with the level of support your organization provided to encourage leadership development<br>6. How satisfied are you with the 360-degree feedback process in general as a tool to support leadership development<br>7. Was there an opportunity to take advantage of following up with the individual who facilitated your 360-degree feedback<br>8. If available, would you have taken advantage of following up with the | Zentis (2007) |

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| | have taken advantage of following up with the individual who facilitated your 360-degree feedback | individual who facilitated your 360-degree feedback |
| | 9. Are you interested in utilizing an online follow-up tool to measure progress toward behavioural change | 9. Are you interested in utilizing an online follow-up tool to measure progress toward behavioural change |

## 3.7 Procedure for Data Collection

Gathering data is a fundamental process of any research. The procedures provide guideline for collection, processing, analysing and also reporting information regarding employee's perception and acceptance on leadership development through 360 degree feedback in Petra Energy Berhad. In this research, the researcher use primary data directly gathered from the field. The data was collected based on the listing of employees obtain by Group Human Capital in Petra Energy Berhad.

The researcher collected the data by using google document administer by researcher. The platform that researcher used is email to notify Petra Energy employees to give their feedback. The approach is used to give employees respond according to their time. It also can reduce cost of data collection. Once respondent fill the questionnaire, data is automatically recorded and a nonfiction is send to the researcher showing number of employees responded to the questionnaire as well as their answer on excel spread sheet.

The data collection was done in two phases. In the first phases researcher distribute questionnaire to 15 respondents from Group Human Capital Department for pilot test

while in second phase the actual distribution was done for 150 respondent based on the sample size. The 15 questionnaire for pilot test was distributed to check reliability and validity a period of 3 days. The researcher the proceeded with actual data collection after modifying questionnaire based on respondent comments. The actual data was distributed to 150 employees in Petra Energy Berhad taking a period of two-weeks.

## 3.8    Techniques for Data Analysis

Maxwell (2012) mention that data analysis is the collecting and organizing of the data so that researcher can come to a conclusion. The survey data was analysed by researcher using descriptive statistic and ANOVA studies to describe nominal data by measures the central tendency, ranges, percentages and analysis of variance.

### 3.8.1    Data Screening / cleaning

After data collection, the researcher coded the collected and key in the data in SPSS Version 20. After entering the collected data, data screening and cleaning process was carried out. Any incorrect data entries and missing values where there was no response to the questions were eliminated. An inferential statistical test will be uses to investigate the relationships of the demographics to the last three questions to determine if there is any significance.

### 3.8.2    Descriptive Statistic

Creswell (2013) mention that descriptive statistics are used to describe and summarize data in ways that are meaningful and useful. Researcher used statistical report and tables to show relationship between data collected and research questions. A summary of each question was written to explain the central tendencies and measures of variability and relatedness of the variables.

### 3.8.3    Inferential Statistics

Inferential statistics makes inferences about population using data drawn from the population (Creswell 2013). Inferential statistic offers the best technique to compare and examine the average performance between two or more groups.

### 3.8.4    Pearson Correlation Coefficient

Correlation is a technique for investigating relationship between two quantitative, where correlation variable is represent by the letter r which takes on value between   -1 and +1only (Weinberg and Abramowitz, 2008). Types of Correlation Coefficient is a) Positive Linear Relationship; b) Negative

Linear Relationship; c) No Relationship; d)Non-Linear Relationship and e)

Positive Linear Relationship with Wide Scattering (Sharma, 2012).
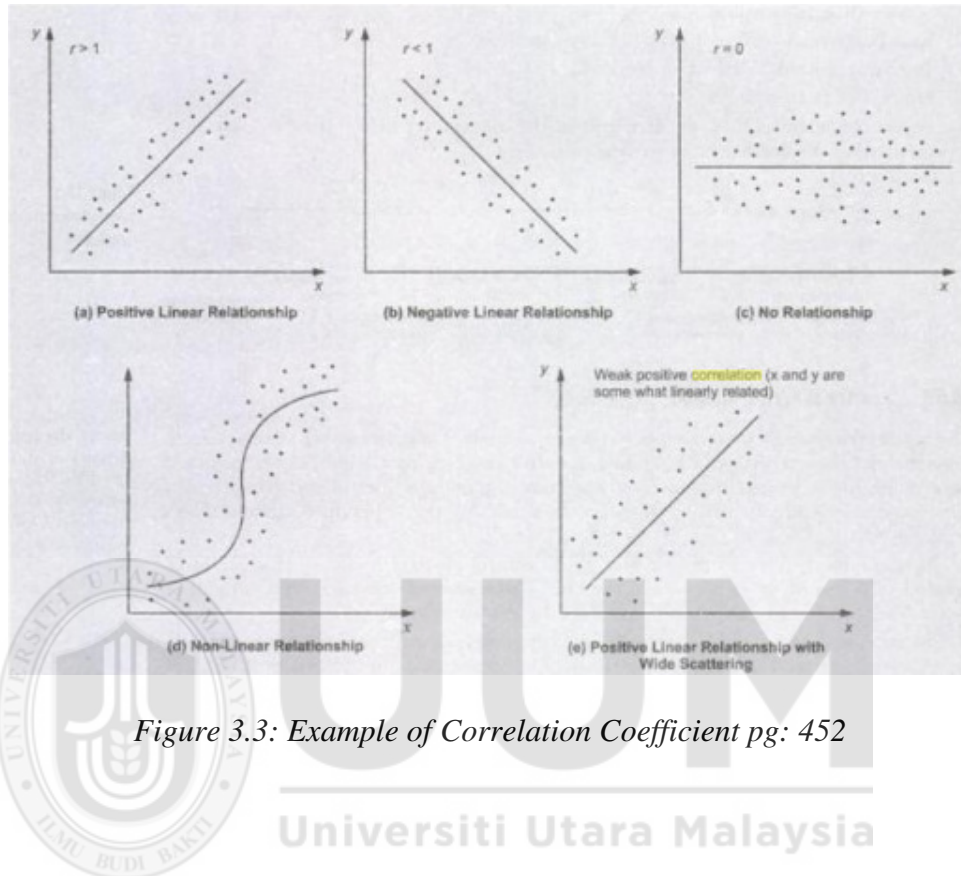


*Figure 3.3: Example of Correlation Coefficient pg: 452*

3.8.5   Multiple Regression Analysis

Multi linear regression helps in facilitating the progress of the correlation
between two variables through appropriating a linear to the experimental
data. It's helps in analysing the relationship between various independent
variables with dependent variables. The present study uses multiple linear
regressions in ascertaining the link between independent and dependent
variable.

## 3.9    Pilot Test

The pilot testing process gives feedback as to whether the question will elicit the required responses and address the issue as follows-: a) Are the right questions being asked to obtain the needed information; b) Are the wording of each question relevant to intended interview; and c) Do interviews have the knowledge to answer the question. (Taylor, Sinha and Ghoshal, 2006).

Within the environment of this study, the instrument was pretested in order to detect any weakness point in the process of forming the questionnaire. Fifteen employees was selected to involved in pilot testing. The selection of fifteen respondents base on simple random sampling, so that every respondent have an equal chance of being include in the study. The questionnaire distribution was done by giving questionnaire by hand to selective respondent. Based on respondent comments organization demographic and no of employees were removed from the demographic factor as all respondent are come from Petra Energy Berhad.

This study used cronbch alpha of 0.7 as minimum limit for the pilot test that involved 15 respondents. Taylor et all (2006) mentions that cronbach alpha of 0.7 acceptable reliability, 0.8 or higher indicates good reliability and 0.95 or higher is very high reliability. However Creswell (2013) mention that cronbach alpha of 0.6 could be acceptable reliability. A reliability test was conducted on the scales used to measure Employees feedback, acceptance and satisfaction on 360 degree feedback, also dependent variable Leadership Development through 360 degree feedback was tested for reliability as well.

*Table 3.6:*     *Reliability for Pilot Test*

| Variable | No of Items | Cronbach Alpha |
|---|---|---|
| Employee's feedback on 360 degree feedback | 11 | 0.910 |
| Employee's acceptance of 360 degree feedback | 3 | 0.831 |
| Employee's satisfaction on 360 degree feedback | 9 | 0.853 |

## 3.10   Chapter Summary

All the information provided in this chapter is about the methods used for this study. The chapter explain the research framework, it's also describe the population, how sample generated, operationalization of variable, pilot testing, layout of questionnaire and the method used for data collection, the chapter also explains various analysis such as correlation and regression analysis in order to test the research hypothesis. The result of this study is presented in the next chapter.

# CHAPTER 4

# RESULT

## 4.1    Introduction

This chapter attempts to answer the research questionon employees perception to leadership development through 360 degree feedback. Three questions were identified to answer the research question:

   a) Does an employee's reaction to 360 degree feedback have a relationship with leadership development?

   b) Does the employee's acceptance of 360 degree feedback have a relationship with leadership development?

   c) Does the employee's satisfy with 360 degree feedback have a relationship with leadership development?

This chapter present the result of data collected from 150 employees in Petra Energy Berhad. The data was analysed using statistical package for social science (SPSS). Specifically, the data were analyzed according to the following section: it begins by the discussing the response rate from the field. Subsequently, description of the study profile of the respondents was analyzed. The second part of the analysis, reports the multivariate assumption test which include data screening and cleaning, treatment of outliers, the normality, linearity and multicollinearity. Finally, the factor analysis, correlation and multiple regression analysis results were also reported.

## 4.2 Response Rate

This study administered a total of 150 employees questionnaires to employees in Petra Energy Berhad. To archieve high response rate, the respondents were given two-weeks to answer the questionnaires in order to reduce response bias. Beside that researcher also send reminder to the employees to remind them to answer the questionnaire.

Over 120 respondents answer the online survey; however only 105 records are complete and used in this study. The original survey population identified is 150 with the final number of respondents representing 70% of the total group. According to McNabb (2013), acceptable response rate vary by how the survey is administered, acceptable rate is; a)Mail: 50% ; b)Phone: 80%; c)Online:30%; d)classroom paper:50%; and e)face-toface:80%. Hence, a response rate of 70% is consider satisfactory in this study. The breakdown is presented in table 4.1 as below.

*Table 4.1: Response Rate of the Questionnaires*

| Response | Frequency/ Rate |
|---|---|
| Number of distributed questionnaires | 150 |
| Number of questionnaires not returned | 30 |
| Returned questionnaires | 120 |
| Returned questionnaires but not complete | 15 |
| Returned questionnaires and useable | 105 |
| Response rate | 70% |

## 4.3 Data Screening And Cleaning

The next step after keying in the data into the SPSS is data screening and cleaning. According to McNabb (2013) data screening and cleaning involved checking raw data, identifying outliers and dealing with missing data.Any mistake that occurs during the process of keying in the data, is consider as missing data and out of range data (values that fall out of range). This study uses SPSS to check the error through plotting the minimum as well as the maximum number of variables. By doing this, the researcher was capable of detecting the missing data and also out of range data. Notwithstanding checking the result of the preliminary analysis, it was shows that 15data were found to be out of range. This consequently gives way to the next step.

### 4.3.1 Treatments of outliers

According to McNabb (2013), if it is obvious that the outliers is due to incorrectly entered or measured data, it should be drop because it will mess up the analysis. Hence a total of 15 cases were deleted from main data out of 120 questionnaire received. After this box plot were plotted again in order to see if there any cases of outliners. Subsequently, checking the box plot again showed that there were no outlaws.

### 4.3.2 Normality test

Normality assist in checking whether the data is positioned in the normal distribution or not. Weinberg and Abramowitz (2002) defines normality test as perquisite for correlation analysis, regression analysis, factor analysis and

others test because normal data is an underlying assumption in parametric testing. Thus, it is a part of the data screening before correlation analysis, regression analysis, factor analysis and others analysis. According to McNabb (2013), there are two main methods of accessing normality: graphically and numerically. The researcher usually will use the Normal Q-Q plot to see the normality of the data (Pallant, 2002). For this study, below are the result of normality test for each variable.
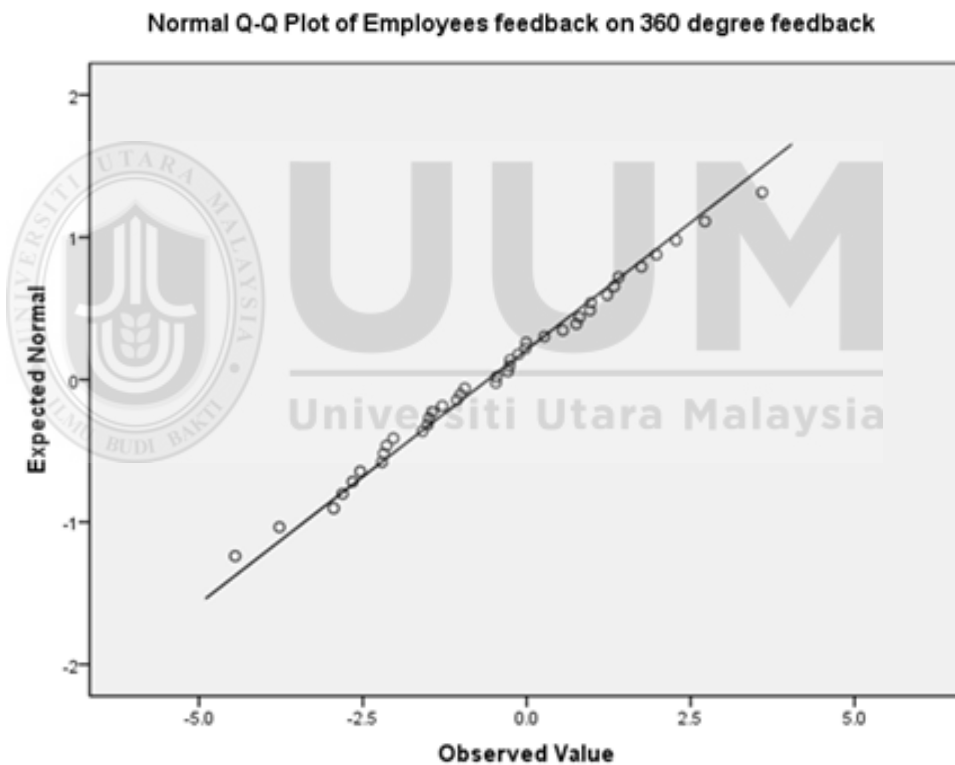


*Figure 4.1: The Normality of Item in Employee's Feedback on 360 degree feedback*
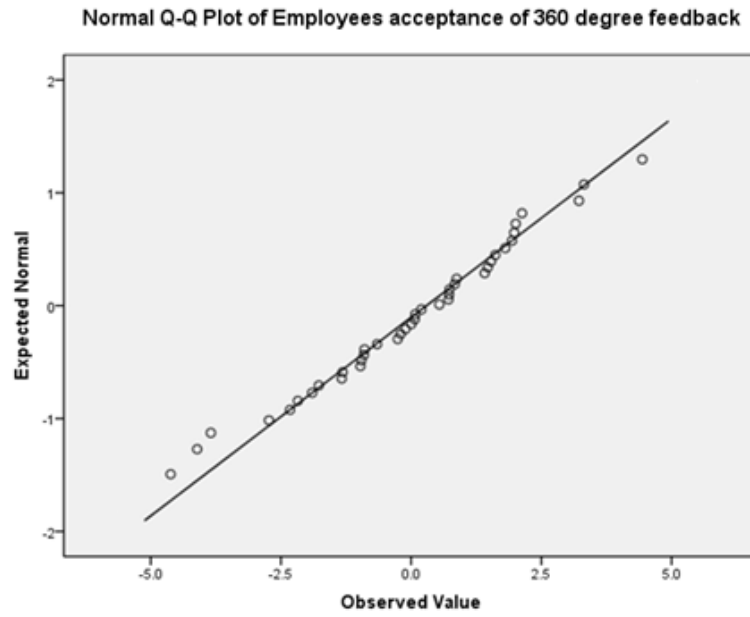
*Figure 4.2: The Normality of Item in Employee's acceptance on 360 degree feedback*
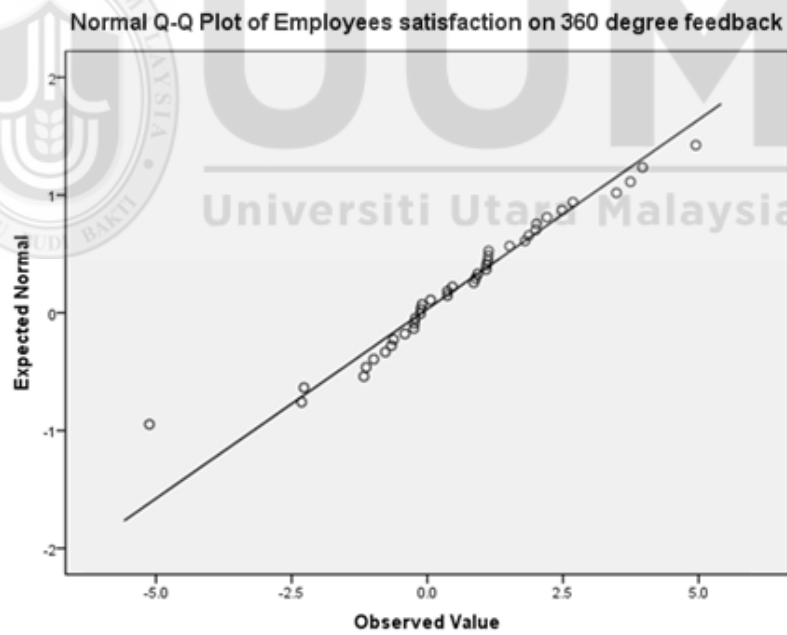


*Figure 4.3: The Normality of Item in Employee's satisfaction on 360 degree feedback*

Based on the above Q-Q plot, observe that the circle all lie quite close to the line, close enough to say these data come from a normal distribution. The is little random wringgle about the line; this does not disqualify these data from being normal.

### 4.3.3   The Reliability Analysis

A reliability test is conducted for the whole construct after conducting pilot test for this study. According to Taylor et all (2006), the realibity of any study is measured through the Cronbach's alpha statistic. Weinberg and Abramowitz (2002) mention that performing reliability test will assist the researcher in evaluating the information gathered from large sample. The reability was conducted using statistical package for social science (SPSS). A high reliability result shows that the instrument has a minimal error discrepancy. In order for the items to become valuable in the main analysis, it is important for the loading of such items to have a bigger construct on what they intend to measure than other constructs. The result of the reliability analysis is show in table 4.4 below.

*Table 4.2: Reliability Analysis*

| Variable | No of Items | Cronbach Alpha |
|---|---|---|
| Employee's feedback on 360 degree feedback | 11 | 0.906 |
| Employee's acceptance of 360 degree feedback | 3 | 0.897 |
| Employee's satisfaction on 360 degree feedback | 9 | 0.825 |

According to Taylor et all (2006) mentions that cronbach alpha of 0.7 acceptable reliability, 0.8 or higher indicates good reliability and 0.95 or higher is very high reliability. Thus, the Cronbach's Alpha from the reliability result presented above (Table 4.4) was found that 0.825 and above. This is indicated that all variable are considering good reliability. Again, even though the item was found to be reliable, it is not guarantee to decide the complete reliability and validity of the items in the study. Therefore, it is essential to conduct another analysis called factor analysis in an effort to determine the factor loading.

## 4.4 Descriptive Analysis

According to Hennink (2007) descriptive analysis is the first level of analysis where it used to describe the basic features of data in the study. Descriptive analysis does only descripe the sample demographic characteristics but also address certain issue of the research such as gander, leadership title, years in leadership position and no of employees reporting to respondent.

***Table 4.3: Personal Demographic***

| Category | Variable | N | % |
|---|---|---|---|
| Gender | Male | 87 | 82.9 |
| | Female | 18 | 17.1 |
| | | | |
| | Executive Level | 2 | 1.9 |
| | Senior Level | 4 | 3.8 |
| Leadership Title | Manager Level | 71 | 67.6 |
| | Superior Level | 19 | 18.1 |
| | Non-Management Level | 9 | 8.6 |
| | | | |
| | Not currently in a leadership role | 9 | 8.6 |
| | 1 year or less | 47 | 44.8 |
| Years in Leadership Position | More than 1 year but less than 3 years | 38 | 36.2 |
| | 3 or more years, but less than 5 | 4 | 3.8 |
| | 5 years or more | 7 | 6.7 |

Note: *Category = demographic categories; Variable = demographic types, N= number of subjects; %= per cent of subjects.*

Table 4.2 shows the personal demographics identified in the survey with categories the gender, leadership title and number of years in leadership position. The sample consists of 105 where with 82.9% males and 17.1% females.

The largest group of survey participants (67.6%) was the Manager Level and 18.1% was the Superior Level.

Those with five years or more of leadership experience represented 6.7% of the survey population. 3.8% had three or more years but less than five, 36.2% had more than one year but less than three years and 44.8% had one year or less years in

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leadership position. Participants not currently in a leadership role represented only 8.6% of the population.

*Table 4.3: No of employees reporting to subject*

| Variable | N | % |
|---|---|---|
| Under 10 | 78 | 74.3 |
| 10-25 | 20 | 19.0 |
| 30 or more | 7 | 6.7 |

Note: *Category = demographic categories; Variable = demographic types, N= number of subjects; %= per cent of subjects.*

Table 4.3 display the demographic employee reporting size. Survey participants (74.3%) represent participants with reporting size under 10 employees, 19% of the participants represent with subordinates' size of 10 – 25 and 6.7% participants have 30 or more subordinates.

## 4.5    Factor Analysis

Weinberg and Abramowitz (2002) mention that factor analysis is a commonly used data / variable reduction technique. According to Sharma (2012) , the Factor Analysis (FA) technique ised for primary reason; a) reduce the number of variable, from large to small.; b) establish underlying dimensions  between measured variables and construct; and c) provide construct validity evidence.

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The first priority of the present study was to confirm the Keiser-Meyers-Oklin(KMO) in the factor analysis. This proceeded Anti Image Matrices' and by analysing the anti-image correlation value with an 'a-square'. The value of an 'a-square' for each item below 0.5 is deleted. Afterwards, the cumulative variance is examined for determining the dispersion level of item in each dimension. Under normal circumstances the higher value of cumulative variance indicated a better correlation between items in each variable.

In conducting the factor analysis, under the items on leadership development, employee's feedback, employee's acceptance and employees' satisfaction, the first priority was to verify its KMO (Keiser-Meyers-Oklin) before the factor analysis. According to Weinberg and Abramowitz (2002) a KMO values between 0.5 and 0.7 are consider average, value between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great and values above 0.9 are superb. Thus, value of KMO (0.83) consider as great for the present research. Afterwards, Anti image was checked. For any item to be included in any factor in present research, a minimum loading factor of 0.50 for anti-image is consider as the requirement Sharma (2012). If the factor loading for anti-image is below 0.5, it will lead to the deletion of the item.

*Table 4.5: KMO and Bartlett's Test*

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .830 |
|---|---|---|
| Bartlett's Test of Sphericity | Approx. Chi-Square | 4890.809 |
| | df | 55 |
| | Sig. | .000 |

The above result specifies the fitness of the data in this study. The KMO obtained from all variable is 0.830, with a sig. 0.000. Afterwards, all variables were put into

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factor analysis. The factor analysis data identified 5 components and all item shown above 0.5. According to Weinberg and Abramowitz (2002) and Sharma (2012) suggest that any item that load below 0.5 should not be retained. For factor analysis all eleven item for employee's feedback on 360 degree feedback were above 0.5, for employee's acceptance of 360 degree feedback all three items were above 0.5 and for employee's satisfaction on 360 degree feedback all nine items were above 0.5. The total variance was 64.615% which was above recommended value of 60% (Weinberg and Abramowitz, 2002).

*Table 4.6: Rotated Component Matrix*

**Rotated Component Matrix[a]**

|      | Component | | | | |
| --- | --- | --- | --- | --- | --- |
|      | 1 | 2 | 3 | 4 | 5 |
| EF01 | .815 | | | | |
| EF02 | .735 | | | | |
| EF03 | .757 | | | | |
| EF04 | .782 | | | | |
| EF05 | .920 | | | | |
| EF06 | .880 | | | | |
| EF07 | .914 | | | | |
| EF08 | .820 | | | | |
| EF09 | .761 | | | | |
| EF10 | .543 | | | | |
| EF11 | .757 | | | | |
| ES1  | | .523 | | | |
| ES2  | | .848 | | | |
| ES3  | | .833 | | | |
| ES4  | | .922 | | | |
| ES5  | | .881 | | | |
| ES6  | | .646 | | | |
| ES6  | | .619 | | | |
| ES7  | | .543 | | | .853 |
| ES8  | | .833 | | | |
| ES9  | | .906 | | | |
| EA1  | | | .829 | | |
| EA2  | | | .936 | | |
| EA3  | | | .733 | | |
| LD1  | | | | .864 | |
| LD2  | | | | .952 | |
| LD3  | | | | .807 | |
| LD4  | | | | .543 | |
| LD5  | | | | .906 | |
| LD6  | | | | .906 | |
| LD7  | | | | .762 | |
| LD8  | | | | .733 | |

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.[a]

a. Rotation converged in 6 iterations.

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So in this study all item above are above than 0.5, therefore no item to be extracted from this component.

## 4.6    Hypotheses Testing

Pearson correlation analysis was conducted in order to examine and offer a more understanding of the strength of the relationship between employee's feedback on 360 degree feedback, employee's acceptance of 360 degree feedback and employee's satisfaction on 360 degree feedback and Leadership Development. Likewise, multiple regression analysis was performed to determine the influance between the dependent and the independent variables.

### 4.6.1    Correlation Analysis Test

For the sake of comparing and examining relatedness of the item, correlation analysis was performed. The result of the correlation analysis show in table 4.7 revealed that employee's feedback on 360 degree feedback has value .644 with a significant level of 0.000. this demonstrated that, there is positive relationship between Employee's feedback on 360 degree feedback and leadership development. Again, the result of the correlation analysis showed that Employee's Acceptance of 360 degree feedback have a correlation coefficient of .716 at 0.000 a significant level. Finally, the result demonstrate that a correlation of .586 between Employee's satisfaction on 360 degree feedback and leadership development at 0.000 significant levels.

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*Table 4.7: Correlation Analysis Summary between Variables*

|  | Employee Acceptance | Employees Feedback | Employee Satisfaction | Leadership development |
|---|---|---|---|---|
| Employee Acceptance | 1 |  |  |  |
| Employees Feedback | .687[**] | 1 |  |  |
| Employee Satisfaction | .767[**] | .816[**] | 1 |  |
| Leadership development | .716[**] | .644[**] | .586[**] | 1 |

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4.7 showed the analysis summary of correlation between employees feedback, employees acceptance, employees satisfaction on 360 degree feedback and leadership development. Its signifies that there is positive relationship between employees acceptance, employees satisfaction on 360 degree feedback and leadership development.

4.6.2    Multiple Regression Analysis

The multiple regression analysis was carried out in order to determine the variable that has strong or weaker relationship to leadership development. The regression analysis in table 4.8 show that 57.7% (R Square = 0.577) of the of leadership development have been significantly explained by employee's feedback , employee's acceptance and employee's satisfaction of 360 degree feedback.

*Table 4.8: Model Summary*

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-----|----------|-------------------|----------------------------|
| 1 | .760ᵃ | .577 | .559 | 5.69097 |

a. Predictors: (Constant), Employee Satisfaction, Employee
Acceptance, Employees Feedback

The regression analysis in table 4.9 show that the employee's feedback, employee's acceptance and employee's satisfaction on 360 degree feedback statistically significantly predicted the leadership development, $F(4,101)=32.393$, $p<.0005$. Thus regression model is a good fit data.

*Table 4.9: ANOVA*

**ANOVAᵃ**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|--------|
| 1 | Regression | 4196.483 | 4 | 1049.121 | 32.393 | .000ᵇ |
| | Residual | 3076.778 | 101 | 32.387 | | |
| | Total | 7273.261 | 105 | | | |

a. Dependent Variable: Leadership development

b. Predictors: (Constant), Employee Statisfaction, Employee Acceptance, Employees Feedback

Employee's satisfaction on 360 degree feedback seems have the highest contribution to the overall Petra Energy Berhad leadership development level with beta value of ($\beta=0.748$: Sig.=0.000), followed by employee's feedback ($\beta=-0.176$: Sig.=0.010) and employee's acceptance ($\beta=-0.677$: Sig.=0.000). The result is showed in table 4.10 below.

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*Table 4.10: Coefficients*

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | 95.0% Confidence interval for B | |
|---|---|---|---|---|---|---|---|
| | B | Std. Error | Beta | | | Lower Bound | Upper Bound |
| 1 (Constant) | 87.830 | 6.835 | | 13.756 | .000 | | |
| EFeedback | -.165 | .063 | -.176 | -2.633 | .010 | -.290 | -.041 |
| EAcceptance | -.385 | .043 | -.677 | -8.877 | .000 | -.471 | -.299 |
| ESatisfaction | 13.208 | 1.344 | .748 | 9.824 | .000 | 10.539 | 15.877 |

a. Dependent Variable: Leadership development

Table 4.10 above demonstrates a multiple regression analysis of employee's feedback, employee's acceptance and employee's satisfaction on 360 degree feedback to leadership development. In order to comfirm the model presented in this study, via testing of the main hypothesis, a multiple regression analysis result was presented at the significant level of $p<0.05$. The nest subsection show the hypothesis decision from regression result.

## 4.7    Hypotheses Decision

*Table 4.11: Summary of the Hypothesis Testing*

| Hypothesis | Statement | Decision |
|---|---|---|
| H1 | Employee's feedback to 360 degree feedback has a positive relationship with leadership development | Supported |
| H2 | Employee's acceptance of 360 degree has a positive relationship with leadership development. | Supported |
| H3 | Employee's satisfaction with the 360-degree has a positive relationship with leadership development. | Supported |

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**4.8     Chapter Summary**

In summary, this chapter give detail of the response rate in the data collection, the process of data screening and cleaning, the treatment of outliers, testing the normality, validity and reliability, factor analysis and the descriptive analysis of the data collected .Afterwards, hypothesis testing using correlation and regression analysis has been carried out. The discussion of the result will be presented in the following chapter which is followed by theoretical and practical implications of the research, conclusion, limitations and recommendation for future research.

# CHAPTER 5

## DISCUSSION AND CONCLUSION

### 5.1    Introduction

This chapter discusses the results of study, limitation as well as recommendation for future study. Lastly the chapter also highlights the theoretical and managerial implication and the study limitation followed by conclusion.

### 5.2    Summary of the Results

The aim of this study is to examine the relationship between employee's feedback, employee's acceptance, employee's satisfaction on 360 degree feedback and leadership development. Overall the results indicated that employee's feedback, employee's acceptance and employee's satisfaction have significant positive relationship with leadership development.

Among other factor presented in this study, employee's satisfaction on 360 degree feedback has the highest contribution to the overall leadership development. Other important factor in descending order was employee's feedback on 360 degree feedback and employee's acceptance on 360 degree feedback which occupy the least position.

## 5.3     Discussion

### 5.3.1   The relationship between employee's feedback to 360 degree feedback and leadership development**.**

The result of this study showed that employee's feedback to 360 degree feedback has a significant a positive impact on leadership development. This is consistent with Rao and Rao (2005) that employee's feedback to 360 degree feedback will increase their acceptance of 360 degree feedback to change behaviour.

The result may have been influence by the 360 degree feedback system, that providing employees with accuracy rating. This is consist with TV and Raju (2005) that the accurate rating that come-out from the 360 degree feedback will influence employee's feedback to change their behaviour. Besides that, this result also bring the understanding that the awareness of 360 degree feedback exercise objective are clearly communicate to the employees, thus employees not hold back their frank feedback. Therefore, it's import to the company to give awareness / clearly communicate to the employees on the objective of 360 degree feedback exercise.

Another possibility reason is level of confidentiality of the feedback received from the 360 degree feedback, whereby only individual can access to the rating. Hence, the Project Manager for this project is really important as they are key person who going to make sure all rating are confidential. Project Manager also needs to have high problem solving skill and mediation skill in

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order to manage the rating properly. It's had been practice in Petra Energy Berhad whereby only Project Manager and EXCO Members can view participant's rating. Figure 5.1 showed the implementation timeline of 360 degree feedback exercise at Petra Energy Berhad.

**Timeline 360-Degree Feedback Exercise**

| No | Process | Targetted Timeline | |
|----|---------|-------------------|---|
| 1 | Step 1 :-<br>Briefing sessions for all the participants who are undergoing the 360-Degree assessment process via 2 sessions<br><br>Date : 25/09/2012 (Tuesday)<br>Time : 10.00 am – 12.00 afternoon<br>Venue : Petra Discovery, 9th Floor, Surian Tower,<br>　　　　No. 1, Jalan PJU 7/3, Mutiara Damansara,<br>　　　　47810 Petaling Jaya, Selangor | 25/09/2012 | 🟢 |
| 2 | Step 2 :-<br>360-Degree questionnaire administration whereby all the questionnaires will be sent to all the assessors immediately through online / e-mail. | 2/10/2012 | 🟢 |
| 3 | Step 3 :-<br>Completion of the questionnaires | 2/10/2012 – 31/10/2012<br>(4 weeks) | 🟢 |
| 4 | Step 4 :-<br>Preparation of reports | 1/11/2012 – 16/11/2012<br>(2 weeks) | 🟢 |
| 5 | Step 5 :-<br>Half-day briefing and report feedback to participants | 19/11/2012 | 🟢 |
| 6 | Step 6 :-<br>One-to-one session for an hour each with each participants | 20/11/2012 – 30/11/2012<br>(2 weeks) | 🟢 |
| 7 | Step 7 :-<br>Report feedback to EXCO | 3/12/2012 | 🟢 |
| 8 | Step 8 :-<br>Sharing Competencies Summary with Participants's superior for improvement | | 🟡 |

*Figure 5.1: Implementation timeline of 360 degree feedback exercise at Petra Energy Berhad.*

Apart of the above, the results may have been influence by the positive and negative feedback received from received from manager, direct report and peer. Again project manager play a good role as she or he have high degree of influencing and mediating skills. Hence, Participants indicate that receiving both positive and negative feedback motivated them to establish goals and prepare development plans and they were satisfied with leadership development.

5.3.2    The relationship between employee's acceptance of 360 degree and

leadership development

Another important finding of this study is linkage between employee's acceptance of 360 degree feedback and leadership development. In the analysis, employee's acceptance of 360 degree feedback was found to have positive relationship with leadership development. Therefore, this result confirmed the findings by previous studies that employee's acceptance to 360 degree feedback influence their willingness to improve behaviour for leadership development (Rao and Rao, 2014 ; Fulmer and Goldsmith, 2001).

This result may influence by the output come from 360 degree feedback process itself. Refer to figure 2.3 on 360 degree process, the process involved are as follows; 1) observation;2)briefing; 3)questionnaire completion; 4)report processing; 5)feedback; 6)reflection; 7)action plan and 8)change behaviour. The 360 degree feedback process is a systematic process that can influence employees to accept it and influence their leadership development. For example if participants received negative feedback from the exercise, the percentage of regression is high unless the process of 360 degree feedback is systematic. The process its self will influence participant as the right process executed by the company, it will show that the company is sincere to develop employee's leadership, not to find their weaknesses.

Another possible reason for the significant relationship between employee's acceptance of 360 degree feedback and leadership development is having a good project manager, who have capacity to resolve a problem, influence employees to accept the feedback from 360 degree feedback. For example if employees received negative feedback from the exercise, good project manager will have skill to convey the message and share how participants can change their behaviour to become a good leadership. Figure 5.2 showed the competencies summary for participants. Project Manager used this table to guide employees to change their behaviour and become good leadership.
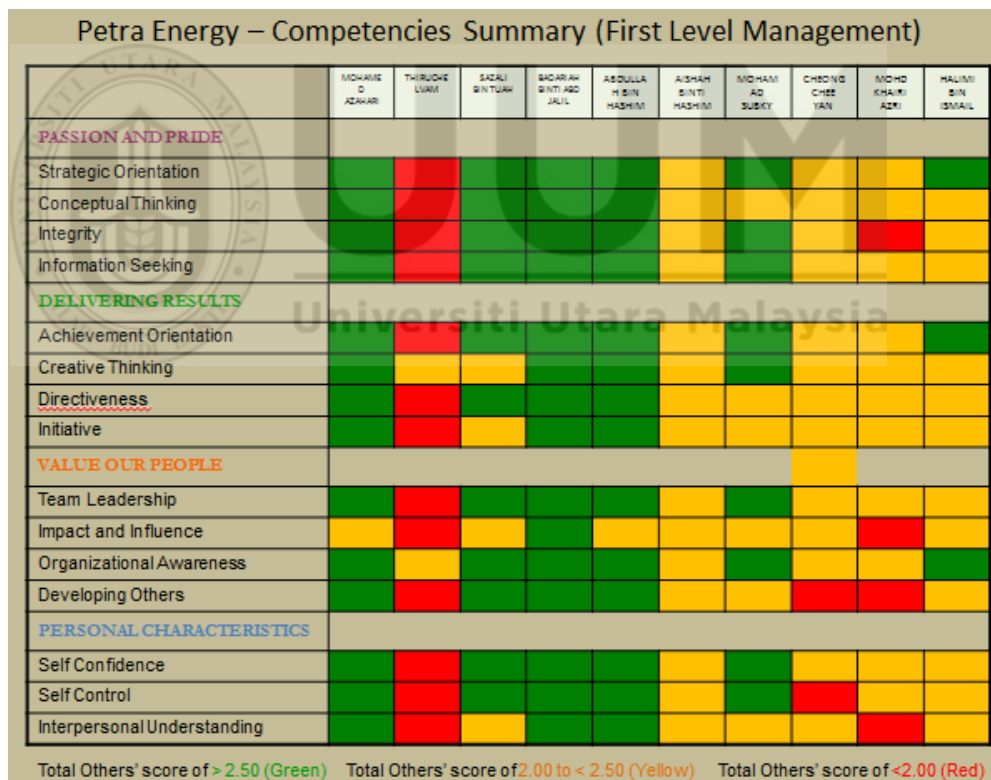


*Figure 5.2: Competencies Summary for 360 degree feedback participants.*

### 5.3.3 The Relationship between Employee's Satisfaction With The 360-Degree and Leadership Development.

Employee's satisfaction with 360 degree feedback was also found to have significant positive relationship with leadership development. The result demonstrates consistency with past studies which found that manager and organization support will influence leadership development through 360 degree feedback (Bearley, 1996; Lawson, 2008; Ryan, 2009).

This result may have been influence by the organization its self whereby Petra Energy Berhad provide talent management and succession planning framework as per figure 1.3. the framework consist leadership learning development, coaching, mentoring, learning experience and others. All the development program monitor closely by project manager and it's also have been share with individual talent.

Apart from the above, the result may have been influenced by the managers or superiors. Managers or superiors also play their role by spending their time helping employees with development plan and provide coaching and feedback on employee's development progress. For example in the Petra Energy Berhad, compulsory to manager or superior to give feedback to the Human Resource department on employee's behaviour or achievement after attend the training, conference or job assignment. The feedback is given by fill-up form named Training Effectiveness Evaluation (Immediate Superior) as per figure 5.3. The form also available at online, where superior can access

at their convenience time. By having this feedback, employees will satisfy

with the 360 degree feedback and will develop ther leadership behaviour.



*Figure 5.3: Training Effectiveness Evaluation Form (Immediate Superior)*

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**5.4    Implication of the study**

**5.4.1    Knowledge contribution**

The findings of this study have remarkable theoretical implications. First, this study has contributed to the body of knowledge in relation to employee's feedback, employee's acceptance, employee's satisfaction on 360 degree feedback and leadership development literatures. Since majority of study on 360 degree feedback have conducted as performance management tools (Rao, Rao, Mahapatra and Chawla, 2004; Shaver, 1998; Sharpe, 1998; Ward, 1997). Thus, their finding may not is generalized for leadership development. Therefore this study has help to bridge the gap specifically in leadership development context.   360 degree feedback can be used for leadership develop as it can be help organization as follows-:

a. Helping  Manager  with  accurate  feedback  for  personal  and professional development.

b. Continuous process for leadership development

c. Helping in an organization's succession planning.

5.4.2   Managerial Implication

This study open a new direction in understanding the relationship between employee's feedback, employee's acceptance, employee's satisfaction on 360

degree feedback and leadership development particularly among employees in Petra Energy Berhad. More specifically, this study gives insight that Petra Energy Berhad (PEB) should pay high attention on selection of project manager for 360 degree exercise. This is because project manager will become key person to make sure leadership development in Petra Energy Berhad is in place. Project Manager for 360 degree feedback exercise in PEB is Suhaila Mohd Nazer and Mohd Shahril as mentioned in figure 1.4, Employee Information (EI) from CEO to Talent Pool on 360 Degree Implementation at Petra Energy Berhad.

Furthermore, the management of the company should pay attention on the leadership development framework as employee's satisfaction on 360 degree feedback represents high contribution to leadership development in Petra Energy Berhad. Failure to continuously follow the framework will effect leadership development in Petra Energy Berhad. Currently Petra Energy Berhad (PEB) already has development framework as per figure 1.3. PEB just need to make sure follow the framework continuously.

This study also highlight the need for manager to spending their time helping employees with development plan and provide coaching and feedback on employee's development progress. Doing this, will increase leadership development because employee's feedback, employees acceptance and employees satisfaction has strong impact in leadership development. In the Petra Energy Berhad, compulsory to manager or superior to give feedback to the Human Resource department on employee's behaviour or achievement

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after attend the training, conference or job assignment. The feedback is given by fill-up form named Training Effectiveness Evaluation (Immediate Superior) as per figure 5.3. The form also available at online, where superior can access at their convenience time. By having this feedback, employees will satisfy with the 360 degree feedback and will develop ther leadership behaviour.

## 5.5     Limitation of study

Although the study had provided significant findings for management research development, however, the study is not without limitation. The first limitation of this study is the scope of the study. For the reason that this study focuses only to talent pool group in Petra Energy Berhad. The result may not be generalized to all employees in Petra Energy Berhad. Thus no comparison has been made between others employees.

Another limitation was that this study had used only the quantitative method. Qualitative method using interviews to collect data were not part of the study, though interviews could have provided insight from different perspective and additional information could have brought significant results. Furthermore, the study had examined only three variables which are employees feedback, employees acceptance, employees satisfaction of 360 degree feedback and their effect on leadership development in the model, in fact there are many other factors that may significant influence on leadership development which have not consider in this study.

## 5.6    Suggestion for Future Study

The researcher therefore recommended that further study should be enlarge the sample of a study in this nature by including all employees in Petra Energy Berhad as doing this may provide different results.  The researcher also recommended using qualitative method. Its using interviews to collect data were not part of the study, though interviews could have provided insight from different perspective and additional information could have brought significant results. Moreover, it is suggested in this study that future research should extend these variables by inclusion of employee's achievement.

## 5.7    Conclusion

This study had helped in the understanding of the role of employee's feedback, employee's acceptance and employee's satisfaction on 360 degree feedback on leadership development in Petra Energy Berhad. Thus the result of this study is significant and applicable to other organization that have similar characteristic. The results provide evidence that employee's feedback, employee's acceptance and employee's satisfaction on 360 degree feedback is associated with leadership development in Petra Energy Berhad. In this regard it is imperative to note that management's awareness on employee's feedback, employee's acceptance and employee's satisfaction on 360 degree feedback is vital for Petra Energy Berhad attend to develop new leaders to replace those who had resigned or retire.

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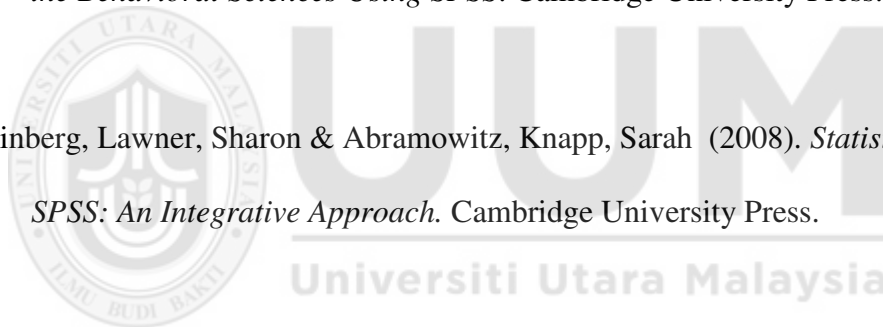
# APPENDICES

## APPENDIX A: SAMPLE OF QUESTIONAIRE

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### INVITATION TO COMPLETE SURVEY

Dear Sir/Madam,

      I am a Masters student of Universiti Utara Malaysia, Kedah. Currently, im conducting a research on the relationship between 360 degree feedback and leadership development. The Survey, which comprises 31 questions and the survey dateline is by **Friday 5<sup>th</sup> April 2013**.

      I would appreciated if you could answer all of the question in the survey as the information you provide will influence the accuracy and success of the research. It will take less than 15 minutes to complete the questionnaire. Please note that responses gathered will be treated with strictest confidance and will be used for academic purpose only.

      Thank you for taking the time to complete the questionnaire. The information you provide will help organizations with future leadership development initiatives. If you have any questions about this survey, please feel free to contact me at suhaila.nazer@penergy.com.my or contact no :0193245090.

Sincerely

**Suhaila Mohd Nazer**

**Master's student of Universiti Utara Malaysia**

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**Part One: General Demographic Information**

1) Gender : Male ☐  ale  ☐

2) What is your management level?

☐ Executive Level – i.e., CEO, President, COO

☐ Senior Level – i.e., Director, VP

☐ Manager Level – i.e., VP, Manager

☐ Supervisor Level

☐ Non-Management

☐ Other_____

3) How long have you been in a leadership role, where leadership means responsible for business results within an organization, business unit, division, job function, department, or team in this organization?

☐ Not currently in a leadership role

☐ 1 year or less

☐ More than 1 year but less than 3 years

☐ 3 or more years, but less than 5

☐ 5 years or more?

4) Number of employees reporting to you:

☐ Under 10

☐ 10- 25

☐ 30 or more

5) How many times have you participated in a 360-degree performance

feedback?

☐ Once

☐ Twice

☐ 3 times or more

6) How often is 360-degree feedback repeated in your organization?

☐ One time

☐ Every year

☐ Every two years

☐ Other, describe:_____

## **Part Two: Survey Questionnaire**

Please respond to the following questions, by selecting the numerical rating that most closely reflects your level of satisfaction.

1)  In general, how satisfied are you with the 360-degree feedback process as a tool for assessing leadership behaviour?

    ☐ *5 Highly Satisfied*

    ☐ *4 More Satisfied than Dissatisfied*

    ☐ *3 Both (or "Equally") Satisfied and Dissatisfied*

    ☐ *2 More Dissatisfied than Satisfied*

    ☐ *1 Highly Dissatisfied*

    ☐ 0 Not Applicable

2)  How satisfied are you with "lower ratings" or "negative feedback" on certain behaviours received from the 360-degree feedback report, where "lower ratings" or "negative feedback" indicated an area where your performance needed improvement?

    ☐ *5 Highly Satisfied*

    ☐ *4 More Satisfied than Dissatisfied*

    ☐ *3 Both (or "Equally") Satisfied and Dissatisfied*

    ☐ *2 More Dissatisfied than Satisfied*

    ☐ *1 Highly Dissatisfied*

    ☐ 0 Not Applicable

3) Overall, how satisfied are you with "higher ratings" or "positive feedback" on certain behaviours received from the 360-degree feedback report, where "higher ratings" or " positive feedback" indicated an area where your performance was effective?

[ ] *5 Highly Satisfied*

[ ] *4 More Satisfied than Dissatisfied*

[ ] *3 Both (or "Equally") Satisfied and Dissatisfied*

[ ] *2 More Dissatisfied than Satisfied*

[ ] *1 Highly Dissatisfied*

[ ] 0 Not Applicable

4) How satisfied are you with "lower ratings" or "negative feedback" on certain behaviours received from your manager, where "low ratings" or "negative feedback" meant an area where your performance needed improvement?

[ ] *5 Highly Satisfied*

[ ] *4 More Satisfied than Dissatisfied*

[ ] *3 Both (or "Equally") Satisfied and Dissatisfied*

[ ] *2 More Dissatisfied than Satisfied*

[ ] *1 Highly Dissatisfied*

[ ] 0 Not Applicable

5) How satisfied are you with "lower ratings" or "negative feedback" on certain

behaviors received from your direct reports, where "lower ratings" or

"negative feedback" meant an area where your performance needed

improvement?

☐ *5 Highly Satisfied*

☐ *4 More Satisfied than Dissatisfied*

☐ *3 Both (or "Equally") Satisfied and Dissatisfied*

☐ *2 More Dissatisfied than Satisfied*

☐ *1 Highly Dissatisfied*

☐ 0 Not Applicable

6) How satisfied are you with "lower ratings" or "negative feedback" on certain

behaviors received from peers, where "lower ratings" or "negative feedback"

meant an area where your performance needed improvement?

☐ *5 Highly Satisfied*

☐ *4 More Satisfied than Dissatisfied*

☐ *3 Both (or "Equally") Satisfied and Dissatisfied*

☐ *2 More Dissatisfied than Satisfied*

☐ *1 Highly Dissatisfied*

☐ 0 Not Applicable

7) How satisfied are you with "higher ratings" or "positive feedback" on certain behaviors received from your manager, where "higher ratings" or "positive feedback" meant an area where your performance was effective?

[ ] *5 Highly Satisfied*

[ ] *4 More Satisfied than Dissatisfied*

[ ] *3 Both (or "Equally") Satisfied and Dissatisfied*

[ ] *2 More Dissatisfied than Satisfied*

[ ] *1 Highly Dissatisfied*

[ ] 0 Not Applicable

8) How satisfied were you with "higher ratings" or "positive feedback" on certain behaviors from received direct reports where "higher ratings" or "positive feedback" meant an area where your performance was effective?

[ ] *5 Highly Satisfied*

[ ] *4 More Satisfied than Dissatisfied*

[ ] *3 Both (or "Equally") Satisfied and Dissatisfied*

[ ] *2 More Dissatisfied than Satisfied*

[ ] *1 Highly Dissatisfied*

[ ] 0 Not Applicable

9) How satisfied are you with "higher ratings" or "positive feedback" on certain

   behaviors received from peers, where "higher ratings" or "positive feedback"

   meant an area where your performance was effective?

   ☐ *5 Highly Satisfied*

   ☐ *4 More Satisfied than Dissatisfied*

   ☐ *3 Both (or "Equally") Satisfied and Dissatisfied*

   ☐ *2 More Dissatisfied than Satisfied*

   ☐ *1 Highly Dissatisfied*

   ☐ 0 Not Applicable

10) How satisfied are you with the level confidentiality of the feedback received

    from the 360-degree feedback, where confidentiality meant only you had

    access to the ratings?

    ☐ *5 Highly Satisfied*

    ☐ *4 More Satisfied than Dissatisfied*

    ☐ *3 Both (or "Equally") Satisfied and Dissatisfied*

    ☐ *2 More Dissatisfied than Satisfied*

    ☐ *1 Highly Dissatisfied*

    ☐ 0 Not Applicable

11) How satisfied are you with the accuracy and fairness of the ratings received from the 360-degree feedback, where ratings were meant to support your development?

☐ *5 Highly Satisfied*

☐ *4 More Satisfied than Dissatisfied*

☐ *3 Both (or "Equally") Satisfied and Dissatisfied*

☐ *2 More Dissatisfied than Satisfied*

☐ *1 Highly Dissatisfied*

☐ 0 Not Applicable

12) How satisfied are you with the 360-degree feedback as resource for identifying areas that need development?

☐ *5 Highly Satisfied*

☐ *4 More Satisfied than Dissatisfied*

☐ *3 Both (or "Equally") Satisfied and Dissatisfied*

☐ *2 More Dissatisfied than Satisfied*

☐ *1 Highly Dissatisfied*

☐ 0 Not Applicable

13) How motivated are you improve your leadership behavior after receiving the

360-degree feedback ratings?

☐ *5 Highly Motivated*

☐ *4 More Motivated than Not Motivated*

☐ *3 Both (or "Equally") Motivated and Not Motivated*

☐ *2 More Motivated than Not Motivated*

☐ *1 Highly Not Motivated*

☐ 0 Not Applicable

14) How satisfied are you with 360-degree feedback as a resource to help

establish goals and prepare a development plan?

☐ *5 Highly Satisfied*

☐ *4 More Satisfied than Dissatisfied*

☐ *3 Both (or "Equally") Satisfied and Dissatisfied*

☐ *2 More Dissatisfied than Satisfied*

☐ *1 Highly Dissatisfied*

☐ 0 Not Applicable

15) How satisfied are you with the amount of time your manager spent helping you with your development plan.

| | |
|---|---|
| ☐ | *5 Highly Satisfied* |
| ☐ | *4 More Satisfied than Dissatisfied* |
| ☐ | *3 Both (or "Equally") Satisfied and Dissatisfied* |
| ☐ | *2 More Dissatisfied than Satisfied* |
| ☐ | *1 Highly Dissatisfied* |
| ☐ | 0 Not Applicable |

16) How satisfied are you with the amount of time your manager spent with you to provide coaching and feedback on your development progress?

| | |
|---|---|
| ☐ | *5 Highly Satisfied* |
| ☐ | *4 More Satisfied than Dissatisfied* |
| ☐ | *3 Both (or "Equally") Satisfied and Dissatisfied* |
| ☐ | *2 More Dissatisfied than Satisfied* |
| ☐ | *1 Highly Dissatisfied* |
| ☐ | 0 Not Applicable |

17) How satisfied are you with the level of support your manager provided to encourage you to participate in leadership development activities?

| | 5 Highly Satisfied |
| | 4 More Satisfied than Dissatisfied |
| | 3 Both (or "Equally") Satisfied and Dissatisfied |
| | 2 More Dissatisfied than Satisfied |
| | 1 Highly Dissatisfied |
| | 0 Not Applicable |

18) How satisfied are you with the leadership development activities offered by your organization to support leadership development, i.e. workshops, leadership training, succession planning, job experience?

| | 5 Highly Satisfied |
| | 4 More Satisfied than Dissatisfied |
| | 3 Both (or "Equally") Satisfied and Dissatisfied |
| | 2 More Dissatisfied than Satisfied |
| | 1 Highly Dissatisfied |
| | 0 Not Applicable |

19) How satisfied are you with the level of support your organization provided to encourage leadership development?

| | 5 Highly Satisfied |
|---|---|
| | 4 More Satisfied than Dissatisfied |
| | 3 Both (or "Equally") Satisfied and Dissatisfied |
| | 2 More Dissatisfied than Satisfied |
| | 1 Highly Dissatisfied |
| | 0 Not Applicable |

20) How satisfied are you with the 360-degree feedback process in general as a tool to support leadership development?

| | 5 Highly Satisfied |
|---|---|
| | 4 More Satisfied than Dissatisfied |
| | 3 Both (or "Equally") Satisfied and Dissatisfied |
| | 2 More Dissatisfied than Satisfied |
| | 1 Highly Dissatisfied |
| | 0 Not Applicable |

21) Please identify the types of leadership development activities you've participated in since completing the 360-degree feedback assessment: Check all that apply:

☐ *Coaching*

☐ *Mentoring*

☐ *Leadership Training*

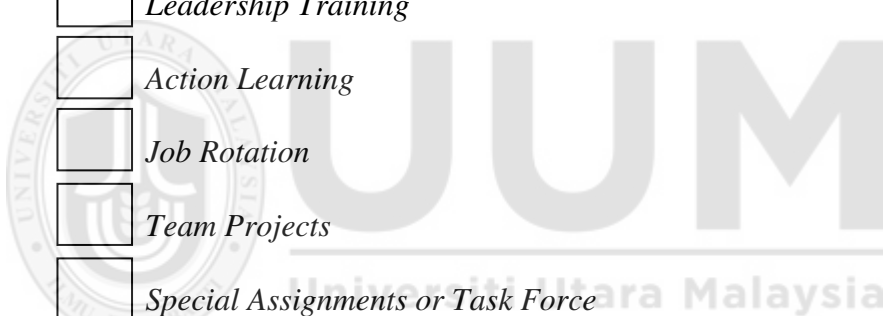☐ *Action Learning*

☐ *Job Rotation*

☐ *Team Projects*

☐ *Special Assignments or Task Force*

☐ *Succession Planning*

☐ *External Educational Seminars*

☐ *None*

22) As a result of your participation in the 360-degree feedback assessment and

leadership development activities, what changes have occurred?

Check all that apply:

| | *Promotion* |
| | *Lateral Move* |
| | *Increased Compensation* |
| | *Higher Ratings from manager on follow-up 360-degree* |
| | *feedback* |
| | *Higher Ratings from direct reports on follow-up 360-* |
| | *degree feedback* |
| | *Higher Rating from Performance Appraisal* |
| | *Increased Responsibility* |
| | *Increased Span of Control* |
| | *Recognition* |
| | *None* |

23) How effective is your relationship with your direct reports as a result of the

360-feedback development process?

| | *5 Highly Effective* |
| | *4 More Effective than Uneffective* |
| | *3 Both (or "Equally") Effective and Uneffective* |
| | *2 More Uneffective than Effective* |
| | *1 Highly Uneffective* |
| | 0 Not Applicable |

24) Has your leadership behavior or performance improved as a result of participating in the 360-degree feedback? Yes ☐   ☐

If so, please describe:


25) How satisfied is your manager with your improved leadership behavior as a result of the 360-degree leadership development process?

☐ *5 Highly Satisfied*

☐ *4 More Satisfied than Dissatisfied*

☐ *3 Both (or "Equally") Satisfied and Dissatisfied*

☐ *2 More Dissatisfied than Satisfied*

☐ *1 Highly Dissatisfied*

☐ 0 Not Applicable


26) How satisfied are your direct reports with your improved leadership behavior as a result of the 360-degree leadership development process?

☐ *5 Highly Satisfied*

☐ *4 More Satisfied than Dissatisfied*

☐ *3 Both (or "Equally") Satisfied and Dissatisfied*

☐ *2 More Dissatisfied than Satisfied*

☐ *1 Highly Dissatisfied*

☐ 0 Not Applicable

27) How satisfied are your peers with your improved leadership behavior as a result of the 360-degree leadership development process?

| | *5 Highly Satisfied* |
| | *4 More Satisfied than Dissatisfied* |
| | *3 Both (or "Equally") Satisfied and Dissatisfied* |
| | *2 More Dissatisfied than Satisfied* |
| | *1 Highly Dissatisfied* |
| | 0 Not Applicable |

28) Please describe how you would improve or change the 360-degree feedback process for leadership development (if any).

Comments:

29) Was there an opportunity to take advantage of following up with the individual who facilitated your 360-degree feedback? Yes [ ]  No [ ]

30) If available, would you have taken advantage of following up with the individual who facilitated your 360-degree feedback? Yes [ ] No [ ]

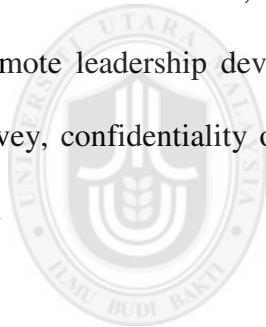If yes, why would this be helpful?

31) Are you interested in utilizing an online follow-up tool to measure progress toward behavioral change? Yes [ ] No [ ]

If yes, why would this be helpful*?*

## APPENDIX B: SAMPLE STATEMENT OF ANONYMITY

For the purpose of maintaining anonymity and confidentiality, all participants will be asked permission to participate in the study by implied consent. All names, email addresses and personal information will be kept confidential and used for research purposes only. The results of the survey will be used for research purposes only. All individual survey information will be kept confidential. An aggregated report of survey findings will be published, however, and all confidential information will remain anonymous. This research may benefit organizations such as yours to determine how participants react to 360-degree feedback and follow-up support activities. In addition, identifying specific leadership development activities that promote leadership development. If you have any other questions concerning the survey, confidentiality or changes you would like, please feel free to discuss with me.

23 March 2013

**Suhaila Binti Mohd Nazer**
Master in Human Resource Management
Universiti Utara Malaysia

**Director, Group Human Capital**
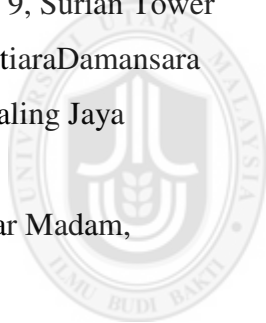
Human Capital Department

Petra Energy Berhad

Tkt 9, Surian Tower

MutiaraDamansara

Petaling Jaya

Dear Madam,

**DISSERTATION SURVEY – 360 DEGREE FEEDBACK SATISFACTION SURVEY**

I am currently writing my dissertation focusing on the topic of "Leadership Development Through 360 Degree Feedbacks From Multi-Perception Of Employees". Research indicates that very few studies have been conducted in this area. My dissertation seeks to determine how participants react to 360-degree feedback, the follow-up support and leadership development activities provided following the 360.

I am seeking participants in leadership positions, who have previously completed in a 360-degree feedback to participate in an online survey. The sample size of participants completing the survey should be 50 or more depending on the responses. Participants will be sent an email prior to receiving access to the survey to explain

the purpose of the study, how his or her confidentiality will be maintained; how the survey information will be used; and what survey data will be available in the final report.

For the purpose of maintaining anonymity and confidentiality, all participants will be asked permission to participate in the study by implied consent. All names, email addresses and personal information will be kept confidential and used for research purposes only. The results of the survey will be used for research purposes only. All individual survey information will be kept confidential. An aggregated report of survey findings will be published, however, and all confidential information will remain anonymous. This research may benefit organizations such as yours to determine how participants react to 360-degree feedback and follow-up support activities. In addition, identifying specific leadership development activities that promote leadership development. If you have any other questions concerning the survey, confidentiality or changes you would like, please feel free to discuss with me.

Attached please find a copy of the survey that I intend to use. Here are a few important points:

- ✓ The survey will be conducted "online" via the internet and should take respondents no longer than 5-10 minutes to complete
- ✓ Demographic information is requested only so that statistical tests can beconducted to determine if there are differences in results.
- ✓ The survey will be open for 3 days only so there is only a small window in which your organization members will need to be involved (if your organizationagrees I am hoping to conduct the survey starting in 25 March until 27 March 2013).
- ✓ The results of the survey will be published in my approved dissertation and willbe in summary form only.

An introductory email will be sent to all listed members asking for his or her help and providing the active URL (web address) where they can conduct the survey.

Two days after the first email is sent a "reminder" email will be forwarded. Please be assured that the email list, if provided to me will remain confidential and will not become part of the publishable dissertation.

Thanks so much for your help. Please let me know if you have any questions.

Sincerely,

**SUHAILA MOHD NAZER**

**PETRA ENERGY**

Date : 29 March 2013


Suhaila Binti Mohd Nazer
Master in Human Resource Management
Universiti Utara Malaysia


Dear Suhaila,


**DISSERTATION – 360 DEGREE FEEDBACK SATISFACTION**

Refer to you letter dated 23 March 2013, we have thought your request for your dissertation on 360 Degree Feedback satisfaction. We are pleased to informed you that it has been approved.


You are kindly requested to share with the company on the result of the survey. We wish you best of luck.


Yours faithfully,
**PETRA RESOURCES SDN BHD**


**BADARIAH ABD JALIL**
Director,
Group Human Capital