

## No fear

*Open, honest culture must be in place for 360-degree evaluations to be effective*

By **DANIEL SCHROEDER**, *For Small Business Times*

**Question: What are the pros and cons of an upward feedback method of employee evaluation? What suggestions can you offer for building an effective approach?**

**Answer:** I assume that you are talking about performance appraisal when you are talking about employee evaluation. Generally speaking, this is one aspect of work that most people agree that they dislike. Too often, it seems, performance appraisals are seen as busy work, a waste of time, inaccurate, irrelevant, etc.

That is unfortunate. Feedback can be very powerful. And that is what performance appraisal is supposed to be about: the provision of feedback.

Over the years, a variety of approaches to performance appraisal have emerged including a number of different types of measurement techniques: graphic rating scales, behaviorally anchored rating scales, behavioral observation scales, etc. Each of those approaches has in common the goal of accurately measuring what is done on the job. The approach that ultimately is selected normally reflects the corporate culture and the sophistication with which appraisals are undertaken.

Interestingly, until rather recently, the typical process used in implementing any of these measurement methods was the same: a top-down approach in which supervisors told employees how they were doing. There was no opportunity for input from other than that one perspective.

Then, along came the 360-degree appraisal. In this model, feedback is gathered from several perspectives - self, boss, direct report, peer, customer, etc., in order to arrive at a fuller, more complete view of a given employee's performance. 360-degree feedback is quite popular these days. After all, workplaces are more participative and team-based and the coaching model of management has come into vogue.

Some of the benefits to multi-perspective feedback include:

**More information** - Multiple feedback sources provide more insights than would be gleaned from one single source.

**Greater reliability** - When multiple sources provide the same feedback, chances are that the observation is on-target.

**Greater candor** - Raters share their perspectives more freely when they know they are not the only one offering feedback.

Yet, 360-degree feedback is not without its limitations. Over the years, some criticisms that have emerged include:

**It is expensive** - Obviously, having more than one rater involved takes more time and effort (and in lost time from task-oriented pursuits).

**It can be manipulated** - In some companies, employees can choose the colleagues who will offer them feedback. This can lead to a "I'll scratch your back, if you scratch mine" scenario in which only colleagues who will offer high marks are selected to offer feedback (and the favor is returned when the roles are reversed).

**Raters don't have sufficient knowledge** - Sometimes, as in the case of peers or customers, raters simply haven't had enough exposure to the person being evaluated. With limited knowledge of how well a given person does his/her job, offering a valid rating become difficult.

**The "gotcha" factor** - Occasionally, 360-degree feedback is used to gather evidence to build or support the case that a given employee is not doing his/her job. Punitive action is sometimes taken,

including termination. The word gets around and the 360-degree tool gets a bad rap.

So, what steps can be taken to build an effective approach? For starters, you need to look at your company culture. If it is characterized by in-fighting, politics, backstabbing, and the like, then upward evaluation and multi-level feedback is probably not a good fit.

Ideally, a work culture of honesty, openness, and rapport is present to provide a positive foundation for feedback across hierarchical levels. If employees fear reprisal for telling the boss that they think he/she needs to improve in a given area, then I don't believe they will offer honest feedback. So, the "fear factor" needs to be eliminated.

Obviously, any appraisal system is only as good as the measurement tool that comprises it. So, every effort should be made to build a process that has sound measurement underpinnings. That means making sure the tool is comprised of organizationally relevant scales and items. Using some canned, off-the-shelf system may not be the way to go, in other words. Better to customize a tool to the unique parameters of your company.

Additionally, to be maximally effective, the individual receiving upward feedback has to have enough self-confidence that he/she can look at the feedback that is offered and act upon it. Letting the employees know that the message has been received and that action plans are being pursued lets people know that

their input was valued.

Ultimately, the proof will be in the application. If the multi-level feedback tool is an accepted part of the culture, then you have the evidence you need. If it is viewed with the same disdain that the top-down method has been, then you haven't made any progress. From where I sit, it is all about positioning. It shouldn't be about gathering phony data from handpicked sources or "gotcha." It should be about employee development and building an environment of trust and sharing in which work colleagues honestly tell one another what is working and what isn't. And, that kind of culture doesn't just happen because you're using a 360-degree survey. In fact, I think it happens the other way - you use a 360-degree survey because your culture demands it.

So, what's the best way to effectively deploy upward feedback? I'd suggest that it is by building an environment of participation and collaboration.

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