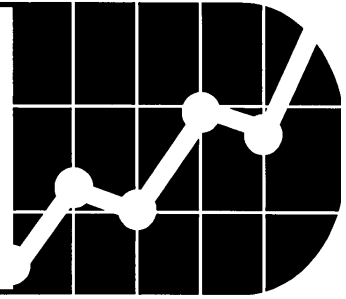

**Performance Management
Practitioner Series**



360-Degree Assessment: An Overview



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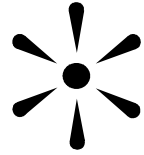
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360-Degree Assessment: An Overview

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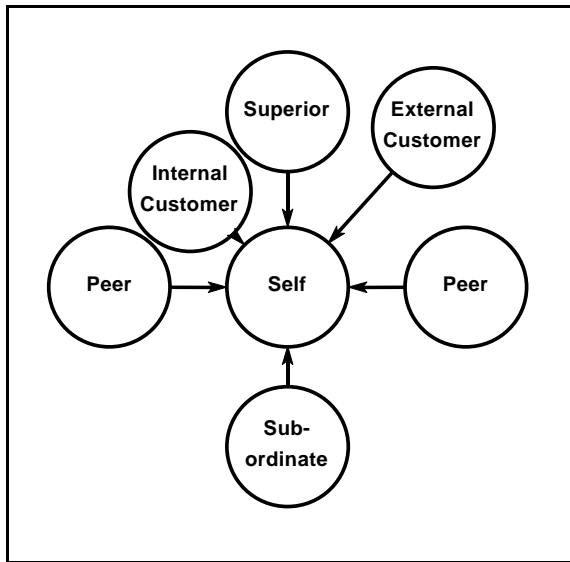
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C ONCEPT

Typically, performance appraisal has been limited to a feedback process between employees and supervisors. However, with the increased focus on teamwork, employee development, and customer service, the emphasis has shifted to employee feedback from the full circle of sources depicted in the diagram below. This multiple-input approach to performance feedback is sometimes called “360-degree assessment” to connote that full circle.



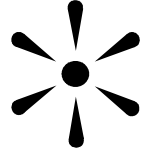
There are **no prohibitions in law or regulation** against using a variety of rating sources, in addition to the employee’s supervisor, for assessing performance. Research has shown assessment approaches with multiple rating sources provide more accurate, reliable, and credible information. For this reason, the U.S. Office of Personnel Management supports the use of multiple rating sources as an effective method of assessing performance for formal appraisal and other evaluative and developmental purposes.

The *circle*, or perhaps more accurately the *sphere*, of feedback sources consists of supervisors, peers, subordinates, customers, and one’s self.

It is not necessary, or always appropriate, to include all of the feedback sources in a particular appraisal program. The organizational culture and mission must be considered, and the purpose of feedback will differ with each source. For example, subordinate assessments of a supervisor’s performance can provide valuable developmental guidance, peer feedback can be the heart of excellence in teamwork, and customer service feedback focuses on the quality of the team’s or agency’s results. The objectives of performance appraisal and the particular aspects of performance that are to be assessed must be established before determining which sources are appropriate.

The following pages discuss the contributions of each source of ratings and feedback. In addition, precautions are listed to consider when designing a performance management program that includes 360-degree assessment.

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SOURCES

SUPERIORS Evaluations by superiors are the most traditional source of employee feedback. This form of evaluation includes both the ratings of individuals by supervisors on elements in an employee’s performance plan and the evaluation of programs and teams by senior managers.

What does this rating source contribute?

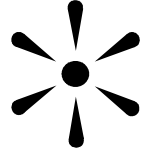
- ◆ The first-line supervisor is often in the best position to effectively carry out the full cycle of performance management: Planning, Monitoring, Developing, Appraising, and Rewarding. The supervisor may also have the broadest perspective on the work requirements and be able to take into account shifts in those requirements.
- ◆ The superiors (both the first-line supervisor and the senior managers) have the authority to redesign and reassign an employee’s work based on their assessment of individual and team performance.
- ◆ Most Federal employees (about 90 percent in a large, Governmentwide survey¹) feel that the greatest contribution to their performance feedback should come from their first-level supervisors.

What cautions should be addressed?

- ◆ Research demonstrates that appraisal programs that rely solely on the ratings of superiors are less reliable and valid than programs that use a variety of other rating sources to supplement the supervisor’s evaluation.
- ◆ Superiors should be able to observe and measure all facets of the work to make a fair evaluation. In some work situations, the supervisor or rating official is not in the same location or is supervising very large numbers of employees and does not have detailed knowledge of each employee’s performance.
- ◆ Supervisors need training on how to conduct performance appraisals. They should be capable of coaching and developing employees as well as planning and evaluating their performance.

¹*Survey of Federal Employees*, USOPM, May 1992.

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SELF-ASSESSMENT This form of performance information is actually quite common but usually used only as an informal part of the supervisor-employee appraisal feedback session. Supervisors frequently open the discussion with: “How do you feel you have performed?” In a somewhat more formal approach, supervisors ask employees to identify the key accomplishments they feel best represent their performance in critical and non-critical performance elements. In a 360-degree approach, if self-ratings are going to be included, structured forms and formal procedures are recommended.

What does this rating source contribute?

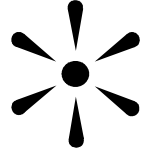
- ◆ The most significant contribution of self-ratings is the improved communication between supervisors and subordinates that results.
- ◆ Self-ratings are particularly useful if the entire cycle of performance management involves the employee in a self-assessment. For example, the employee should keep notes of task accomplishments and failures throughout the performance monitoring period.
- ◆ The developmental focus of self-assessment is a key factor. The self-assessment instrument (in a paper or computer software format) should be structured around the performance plan, but can emphasize training needs and the potential for the employee to advance in the organization.
- ◆ The value of self-ratings is widely accepted. Approximately half of the Federal employees in a large survey² felt that self-ratings would contribute “to a great or very great extent” to fair and well-rounded performance appraisal. (Of the survey respondents who received ratings below Fully Successful, over 75 percent felt self-ratings should be used.)
- ◆ Self-appraisals should not simply be viewed as a comparative or validation process, but as a critical source of performance information. Self-appraisals are particularly valuable in situations where the supervisor cannot readily observe the work behaviors and task outcomes.

What cautions should be addressed?

- ◆ Research shows low correlations between self-ratings and all other sources of ratings, particularly supervisor ratings. The self-ratings tend to be consistently higher. This discrepancy can lead to defensiveness and alienation if supervisors do not use good feedback skills.

² *Survey of Federal Employees*, USOPM, May 1992.

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SELF-ASSESSMENT (Continued)

What cautions should be addressed? (Continued)

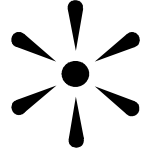
- ◆ Sometimes self-ratings can be lower than others'. In such situations, employees tend to be self-demeaning and may feel intimidated and "put on the spot."
- ◆ Self-ratings should focus on the appraisal of performance elements, **not on the summary level determination**. A range of rating sources, including the self-assessments, help to "round out" the information for the summary rating.

PEERS With downsizing and reduced hierarchies in organizations, as well as the increasing use of teams and group accountability, peers are often the most relevant evaluators of their colleagues' performance. Peers have a unique perspective on a co-worker's job performance and employees are generally very receptive to the concept of rating each other. Peer ratings can be used when the employee's expertise is known or the performance and results can be observed. There are both significant contributions and serious pitfalls that must be carefully considered before including this type of feedback in a multifaceted appraisal program.

What does this rating source contribute?

- ◆ Peer influence through peer approval and peer pressure is often more effective than the traditional emphasis to please the boss. Employees report resentment when they believe that their extra efforts are required to "make the boss look good" as opposed to meeting the unit's goals.
- ◆ Peer ratings have proven to be excellent predictors of future performance. Therefore, they are particularly useful as input for employee development.
- ◆ Peer ratings are remarkably valid and reliable in rating behaviors and "manner of performance," but may be limited in rating outcomes that often require the perspective of the supervisor.
- ◆ The use of multiple raters in the peer dimension of 360-degree assessment programs tends to average out the possible biases of any one member of the group of raters. (Some agencies eliminate the highest and lowest ratings and average the rest.)

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PEERS (Continued)

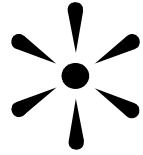
What does this rating source contribute? (Continued)

- ◆ The increased use of self-directed teams makes the contribution of peer evaluations the central input to the formal appraisal because by definition the supervisor is not directly involved in the day-to-day activities of the team.
- ◆ The addition of peer feedback can help move the supervisor into a coaching role rather than a purely judging role.

What cautions should be addressed?

- ◆ Peer evaluations are almost always appropriate for developmental purposes, but attempting to emphasize them for pay, promotion, or job retention purposes (i.e., the rating of record) may not be prudent. The possible exception is in an award program as opposed to performance appraisal. Peer input can be effectively used for recognition and awards.
- ◆ There is a difference of opinion about the need for anonymity of the peer evaluators. Generally, it is advised that the identities of the raters be kept confidential to assure honest feedback. However, in close-knit teams that have matured to a point where open communication is part of the culture, the developmental potential of the feedback is enhanced when the evaluator is identified and can perform a coaching or continuing feedback role.
- ◆ It is essential that the peer evaluators be very familiar with the team member's tasks and responsibilities. In cross-functional teams, this knowledge requirement may be a problem. In these situations, the greatest contribution the peers can make pertains to the behaviors and effort (input) the employee invests in the team process.
- ◆ The use of peer evaluations can be very time consuming. When used in performance ratings, the data would have to be collected several times a year in order to include the results in progress reviews.
- ◆ Depending on the culture of the organization, peer ratings have the potential for creating tension and breakdown rather than fostering cooperation and support. A very competitive program for rewarding individuals in the agency will often further compromise the value of peer rating systems.
- ◆ Employees and their representatives need to be involved in every aspect of the design of appraisal systems that involve peer ratings.

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SUBORDINATES An upward-appraisal process or feedback survey (sometimes referred to as a SAM, for “Subordinates Appraising Managers”) is among the most significant and yet controversial features of a “full circle” performance evaluation program. Both managers being appraised and their own superiors agree that subordinates have a unique, often essential, perspective. The subordinate ratings provide particularly valuable data on performance elements concerning managerial and supervisory behaviors. However, there is usually great reluctance, even fear, concerning implementation of this rating dimension. On balance, the contributions can outweigh the concerns if the precautions noted below are addressed.

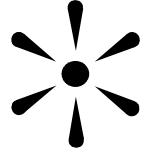
What does this rating source contribute?

- ◆ A formalized subordinate feedback program will give supervisors a more comprehensive picture of employee issues and needs. Managers and supervisors who assume they will sufficiently stay in touch with their employees’ needs by relying solely on an “open door” policy get very inconsistent feedback at best.
- ◆ Employees feel they have a greater voice in organizational decisionmaking and, in fact, they do. Through managerial action plans and changes in work processes, the employees can see the direct results of the feedback they have provided.
- ◆ The feedback from subordinates is particularly effective in evaluating the supervisor’s interpersonal skills. However, it may not be as appropriate or valid for evaluating task-oriented skills.
- ◆ Combining subordinate ratings, like peer ratings, can provide the advantage of creating a composite appraisal from the averaged ratings of several subordinates. This averaging adds validity and reliability to the feedback because the aberrant ratings get averaged out and/or the high and low ratings are dropped from the summary calculations.

What cautions should be addressed?

- ◆ The need for anonymity is essential when using subordinate ratings as a source of performance feedback data. Subordinates simply will not participate, or they will give gratuitous, dishonest feedback, if they fear reprisal from their supervisors. If there are fewer than four subordinates in the rating pool for a particular manager, the ratings (even though they are averaged) should not be given to the supervisor.

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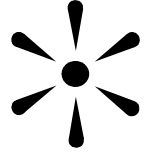
SUBORDINATES (Continued)

What cautions should be addressed? (Continued)

- ◆ Supervisors may feel threatened and perceive that their authority has been undermined when they must take into consideration that their subordinates will be formally evaluating them. However, research suggests that supervisors who are more responsive to their subordinates, based on the feedback they receive, are more effective managers.
- ◆ Subordinate feedback is most beneficial when used for developmental purposes. It also can be used in arriving at the performance rating of record, but precautions should be taken to ensure that subordinates are appraising elements of which they have knowledge. For example, if a supervisor's performance plan contains elements that address effective leadership behaviors, subordinate input would be appropriate. It may not be appropriate for the employee to appraise the supervisor's individual technical assignments .
- ◆ Only subordinates with a sufficient length of assignment under the manager (at least 1 year is the most common standard) should be included in the pool of assessors. Subordinates currently involved in a disciplinary action or a formal performance improvement period should be excluded from the rating group.
- ◆ Organizations currently undergoing downsizing and/or reorganization should carefully balance the benefits of subordinate appraisals against the likelihood of fueling an already tense situation with distrust and paranoia.

CUSTOMERS Executive Order 12862, *Setting Customer Service Standards*, requires agencies to survey internal and external customers, publish customer service standards, and measure agency performance against these standards. Internal customers are defined as users of products or services supplied by another employee or group within the agency or organization. External customers are outside the organization and include, but are not limited to, the general public.

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CUSTOMERS (Continued)

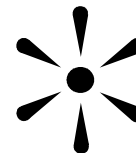
What does this rating source contribute?

- ◆ Customer feedback should serve as an “anchor” for almost all other performance factors. Combined with peer evaluations, these data literally “round out” the performance feedback program and focus attention beyond what could be a somewhat self-serving hierarchy of feedback limited to the formal “chain of command.”
- ◆ Including a range of customers in the 360-degree performance assessment program expands the focus of performance feedback in a manner considered absolutely critical to reinventing Government. Employees, typically, only concentrate on satisfying the standards and expectations of the person who has the most control over their work conditions and compensation. This person is generally their supervisor. Service to the broader range of customers often suffers if it is neglected in the feedback process.

What cautions should be addressed?

- ◆ With few exceptions, customers should not be asked to assess an individual employee’s performance. The value of customer service feedback is most appropriate for evaluating team or organizational output and outcomes. This feedback can then be used as part of the appraisal for each member of the team. The possible exceptions are evaluations of senior officials directly accountable for customer satisfaction and evaluations of individual employees in key “front line” jobs personally serving internal or external customers.
- ◆ Customers, by definition, are better at evaluating outputs (products and services) as opposed to processes and working relationships. They generally do not see or particularly care about the work processes, and often do not have knowledge of how the actions of employees are limited by regulations, policies, and resources.
- ◆ Designing and validating customer surveys is an expensive and time-consuming process. The time and money are best spent developing customer feedback systems that focus on the organization or work unit as a whole.

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QUESTIONS & ANSWERS

This section presents some common questions and answers about 360-degree assessments.

Q Must an agency use all of the sources of rating information to be considered using a 360-degree or “full circle” program?

A No. These terms (360-degree, full circle, etc.) mean using the variety of sources that provide the best picture of performance. Therefore, for example, an agency may use supervisor, self, and customer input to supplement the rating official’s appraisal in one division’s program. Another division of the same agency with “self-directed teams” may use peer, self, and subordinate ratings to obtain the most useful input.

Q Can an agency guarantee confidentiality and protect privacy? How should an agency respond to a Freedom of Information Act demand for a specific peer or subordinate rating in a program that assures anonymity?

A If the tool used to collect appraisal input from multiple sources contains the names of the appraisers with their comments, and that information is filed into the Employee Performance File (EPF), the employee is entitled to see that information, even if the program assures anonymity. If, however, the tool used does not retain the names of appraisers with data and only the final, aggregate results are filed into the EPF (e.g., a computerized program is used that averages appraiser input and provides the results only), anonymity can be guaranteed because there is no data retained that is identifiable per appraiser.

Q Can employees file a grievance against a peer or subordinate appraiser?

A Employees can grieve many aspects of the appraisal process, including the process used to determine the final rating of record and the appraisal of individual elements. If the tool used to gather the multiple-source input retains appraiser names with their rating or comments, the employee can file a grievance against a peer or subordinate. If, however, the data is anonymous and an average rating is derived from the aggregate rating of all appraisers, the employee cannot file a grievance against only one of them.