



## **360 Degree Performance Reviews and Employee Productivity**

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This white paper offers an overview of the 360 review process and its potential impact on productivity in the 2012 workplace. The sections below discuss the nature of the 360 review, the strengths and weaknesses of the 360 review as an employee assessment model, and the strengths and weaknesses of the 360 review as a development tool.

<b>Table of Contents</b>	
<b>1.</b>	<b>360 Reviews</b>
<b>2.</b>	<b>The 360 Review as an Assessment Model</b>
<b>3.</b>	<b>The 360 Review as a Performance/Development Tool</b>

## 360 Reviews

A 360 review is a mode of assessment designed to gather data across a wide range of metrics rather than a single perspective. The 360 review is often explored as an alternative to single source assessment models, in which the object under review (often called the recipient) is evaluated by only one individual.

360 reviews can be used to gather data regarding programs, ongoing projects, and specific business initiatives, but in the field of human resource management, the 360 review typically refers to the examination of individual employee performance. Whereas top-down models involve the review of an employee by a single direct manager, the 360 review gathers performance data from peers and subordinates, and occasionally clients and other stakeholders.

The 360 review process is recognized as a valuable performance development tool, but its potential as an assessment model may be limited. These limitations typically arise from cost concerns, flaws in security and anonymity, and political complications that may corrupt data value.

## The 360 Review as an Assessment Model

The 360 review is often adopted due to its suggestion of fairness and the assumption that a greater volume of data will provide a more complete, and thus, more accurate picture of an employee's contributions. While some of these claims have merit, others are not borne out by experience.

### Strengths

360 reviews offer subordinates an opportunity to add dimension and depth to a review process that traditionally overlooks their opinions regarding a recipient. Managerial skill is an important aspect of job performance and should be taken into account during any meaningful assessment. Peer reviews can also contribute valuable data points. Without multiple perspectives, a poor manager who nevertheless pleases his direct supervisor becomes immune from judgment. His failings may go unrecognized and uncorrected, to the detriment of the company.

### Weaknesses

If the comments of subordinate reviewers are to have value, they must be offered in an environment of complete trust, security and anonymity. Gaps in security can render the data meaningless, since employees may qualify their comments out of fear of reprisal or negative social ramifications. Employee honesty is also crucial to peer reviews. And yet negative comments, both public and private, have the potential to undermine morale and corrupt team cohesion. While necessary, total anonymity is not always possible or practical during the review process. These problems can be compounded when reviews are connected to monetary rewards.

Cost may also present an obstacle, since the work hours required for each review are expanded in proportion to the number of reviewers.

## The 360 Review as a Performance/Development Tool

The 360 review shows more promise as a development tool. When employees are coached, advised, mentored and counseled by more than one individual, their trust in this feedback is increased, and their opportunities for growth expand.

### Strengths

Feedback from multiple sources can have greater value to an employee than single source feedback for several reasons, including the following: 1) the feedback can seem more complete, 2) more honest, and 3) less personal. Employees can weigh conflicting opinions and advice in accordance with their individual goals, and they can balance negative with positive feedback in order to arrive at a more complete picture of their career growth built on a richer wealth of data.

### Weaknesses

Cost and practicality may present concerns, but otherwise, there are few recognized weaknesses associated with the use of 360 reviews for career development. Employees appreciate and thrive on nuanced, multi-dimensional feedback as long as it remains unconnected to formal evaluations of work performance, and untied (or positively tied) to monetary compensation.