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# 360-Degree Feedback: The Power of Multiple Perspectives

Margaret S. Carlson



O wad some power the giftie gie us  
To see oursels as others see us!  
Robert Burns, Scottish poet

How'm I doin'?  
Ed Koch, former mayor of New York City

**T**he ways that people work together are changing. While the traditional image of an organization may be of a manager and his or her employees working in the same location and conferring frequently throughout the day, the reality may be quite different: a public works crew spending the day repairing potholes, with the supervisor in contact by phone or occasionally in person; two police officers patrolling the streets in a squad car; a safety and occupational health team developing a new training program; or a building inspector checking for code violations in a new subdivision. An employee may well spend most of the day with co-workers, team members, or customers—people who have a great deal of information about that employee's performance. Yet the employee's direct supervisor often remains the sole source of information when it comes to giving formal job-related feedback or assessing the employee's performance at the end of the year. Increasingly, organizations are recognizing the gap between those responsible for evaluating an employee and the way the work is actually

structured, and they are turning to new techniques designed to assemble a fuller picture of their employees' performance. One of these techniques is multirater assessment, also known as 360-degree or multisource feedback, designed to round out a view of an individual's performance.

The concept of multirater assessment is fairly straightforward. Employees assess themselves on a number of dimensions and hear from other members of the organization as well—superiors, peers, and subordinates (if the person being rated supervises others). A "full" 360-degree assessment also involves an employee's customers. Despite the growing popularity of 360-degree feedback,<sup>1</sup> there are still many questions about its use as a tool to improve individual performances in organizations:

- What is the purpose of multirater assessment? Should the information be used for strictly developmental feedback, or should it be linked to performance evaluation?
- What are the benefits and risks associated with self-ratings? Ratings by peers? Ratings by subordinates? Ratings by customers?
- How important is it to see ourselves as others see us? Are people who see themselves as others see them likely to become more effective performers than those whose self-assessments differ from others' perceptions of them?
- When is it important to change one's behavior in response to others' perceptions?

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- What are the key factors an organization should consider before implementing a multirater assessment system?

This article summarizes the current research on multirater assessment to help answer these questions. The report on pages 42 through 45, “Using 360-Degree Feedback in Performance Appraisal,” describes the process as used by one North Carolina local government, Mecklenburg County’s Engineering and Building Standards Department.

### Key Assumptions

The perceived value of multirater assessment is based on several fundamental assumptions.<sup>2</sup> First, this approach assumes that observations from several sources will yield a fuller and more accurate picture of performance strengths and weaknesses than observations from only one source and therefore will be more useful to the person being assessed. A common criticism of supervisor-only assessments is that they are overly subjective and may be based on one or two salient incidents rather than being a comprehensive evaluation of the employee’s strengths and weaknesses. But if the same message is communicated from people with different vantage points within the organization, the employee is more likely to accept it as a valid comment on his or her actual behavior. For example, someone whose supervisor points out that she has not followed up on customer complaints may dismiss that view as being biased or based on little information, but if five co-workers agree, she may take the criticism to heart.

A second assumption underlying multirater assessment is that (1) comparing self-perceptions with the perceptions of others increases self-awareness (defined as the degree to which one understands one’s own strengths and weaknesses) and (2) greater self-awareness is a good thing. High self-awareness has a number of benefits for both the individual and the organization for which he or she works; for example, it improves the probability that the person will seek a job that matches his or her skills and personality.<sup>3</sup> Virtually all multirater assessment approaches include self-perception as one of the relevant perspectives in the assessment. The person being assessed (the “ratee”) is then able to compare his or her self-perceptions with the perceptions of others. A number of researchers have argued that this process of self/other comparison is an important first

step in changing behavior: first, the person compares his or her self-perception with others’ views; next, the person develops an increased awareness of how his or her actions may affect others in the organization; and ultimately the person may change his or her behavior, with more effective performance as the result.<sup>4</sup>

A third key assumption underlying this technique is that effective individuals will hold a self-view that is reasonably similar to the views of others. That is, under this third assumption, people who see themselves the way others see them will be more effective than those who do not. This view emphasizes holding a realistic assessment of one’s own skills and abilities, with “realistic” defined as being in agreement with the views of others. This raises a philosophical issue: Should congruence between self-perceptions and others’ perceptions be a goal? Because much of the value of a multirater approach to assessment rests on the belief that a person should actively seek others’ perspectives and incorporate others’ views into his or her self-assessment, it is worth exploring both the research that supports this assumption and the research that challenges it.

### Assessment by Others: How Important Is It?

Although job descriptions, operating manuals, and formal performance-appraisal systems help guide an employee’s behavior in an organization, in most cases they provide only general boundaries. People often must develop their own standards and assess their progress toward the standards set by the formal guides. According to control theory,<sup>5</sup> this process—called self-regulation—involves three tasks: (1) setting standards, (2) detecting discrepancies, and (3) reducing discrepancies. For example, an assistant city manager may set a goal of responding promptly to department heads’ questions and requests—within, say, a couple of working days (setting standards). If she monitors her performance for six months, she may discover that, on average, she takes three days to respond to those requests (detecting discrepancies). She may then evaluate her list of daily tasks and try to re-allocate her time in order to respond more quickly (reducing discrepancies).

But recognizing discrepancies between current actions and standards may not be a straightforward process. An employee needs to verify that the standard he or she has chosen will, in fact, give the employee an

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opportunity to succeed in the organization. This person also needs to detect and reduce discrepancies in a way that is consistent with others' expectations of his or her behavior. Both of these tasks require the employee to heed the evaluations and assessments of others. In the example above, the assistant city manager must determine that responding to department heads' requests promptly is, in fact, an important part of her job. She also needs to be aware of how the department heads define "responding to requests"—that is, are they most concerned that their calls be returned promptly, or are they expecting the assistant manager to provide a resolution to their problems within this time frame as well? In most cases, self-regulation, if based solely on a person's own observations of his or her behavior, will not by itself ensure effectiveness; people also must incorporate others' subjective assessments into their self-regulation efforts.<sup>6</sup>

The value underlying the self-regulation orientation is consistent with the view expressed in most multirater assessment studies—namely, that a gap between self-perception and perceptions of others indicates a lack of self-awareness. Indeed, most such studies have measured self-awareness by the degree to which self/other ratings agree; they identify people whose self-assessment agreed with others' assessment of them as being more self-aware than those whose self-assessments were less congruent with others' ratings.<sup>7</sup> In sum, this perspective emphasizes that a person needs to seek feedback—to learn others' perceptions of his or her performance and adjust both self-perception and behavior as needed in order to become more effective.

Another perspective, based on research in the field of social cognition, questions the belief that healthy, effective people integrate others' perceptions of their strengths and weaknesses into their self-assessments. This view asserts that a certain amount of "healthy narcissism" is desirable because people need to maintain a level of self-confidence not easily shaken by others' views.<sup>8</sup> In contrast to the traditional model of mental health that portrays healthy people as possessing a balanced view of their talents and their limitations, a growing body of research suggests that most people do just the opposite: they create "positive illusions" of themselves, constructing their social worlds in a way that allows them to receive positive self-assessments and avoid negative ones.<sup>9</sup> Moreover, this optimistic outlook has behavioral implications: positive illusions have been associated with higher motivation, greater persistence, and more effective performance.<sup>10</sup> It seems that positive illusions regarding one's abilities

and likelihood of success may set up a cycle similar to a self-fulfilling prophecy, in which a strong belief in one's ability to reach a goal leads to increased motivation and persistence, which in turn leads to a greater probability of success. Although occasional failure is inevitable, an overly positive self-view may be an effective strategy in many situations and may actually lead to greater success.

To judge the value of multisource feedback, it is important to know whether people who see themselves accurately (that is, similarly to how others see them) are more effective than those who do not. In view of abundant associated research, we might expect that a link between self/other agreement and organizational performance would be well established. Surprisingly, there have been few studies of such a connection; until recently, most research has focused instead on the lack of agreement between self-ratings and ratings by others and the possible reasons for this apparent lack of self-awareness. However, several recent studies show that people whose self-perceptions closely match the perceptions of subordinates, peers, and superiors are more likely to be seen as effective than either overestimators (whose self-ratings are higher than others' ratings) or underestimators (whose self-ratings are lower than others' ratings).<sup>11</sup> Although there is considerable evidence to support the social cognition research on positive illusions in the areas of mental and physical health—coping with tragedy, overcoming personal adversity, and so on—positive illusions apparently are not an effective strategy at work, where confidence in one's own skills may be necessary but does not guarantee organizational success. Understanding others' perceptions of one's strengths and weaknesses and using this information to develop a more accurate view of self may be an important work-related skill.<sup>12</sup> The following quotation summarizes this organizational versus personal dichotomy:

It may be that accuracy is more important in a contractually based organizational setting where there are some real benefits to be gained in terms of career and performance management from an accurate view of one's self. While individuals may be able to structure the rest of their lives so they receive only self-enhancing feedback and lose little by doing so, in organizations much more may be at stake. In life, others may disagree with their assessment, but those others do not have power over them. In organizations, others have the power to hire, fire, promote, and reward.<sup>13</sup>

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## The Value of Multiple Perspectives

But acceptance of the importance of integrating others' perceptions into one's self-assessment does not automatically explain the value of gathering *multiple* perspectives. Some may question the need to ask more than one or two key people for their views of a person's performance, believing that everyone knows—and agrees—who the good managers (or good employees) are. Yet a large body of research reveals a pronounced *lack* of agreement among raters: superiors, peers, and subordinates may have quite different views of a person's effectiveness. Different reasons have been offered for this lack of agreement. One possibility is selective perception; that is, different information on performance is available to different raters. For example, a group of peers who have seen a manager make a number of oral presentations in a year may give that manager a different rating on "oral presentation skills" than a group of subordinates who saw the manager deliver only one presentation during that one-year period. A second possible reason for lack of agreement among raters is variability in the criteria used to judge the ratee's effectiveness. Different groups may emphasize different aspects of effectiveness in making their assessments; for example, subordinates may place a premium on interpersonal skills, while superiors value a task-focused "get the job done" attitude.<sup>14</sup> Whatever the reason for the lack of agreement among raters, however, the practical implications are clear: the ratings of one group cannot substitute for the ratings of another group, and each group's ratings yield valuable information. Thus multiple ratings may be considered a necessity, not a luxury, for an organization interested in assessing individual effectiveness accurately and comprehensively.

### Purposes

An organization thinking about implementing a multirater assessment process must agree on its purpose: Why is the information being collected, and how will it be used? There are two major purposes of 360-degree feedback. The first is *developmental*—to help employees, particularly managers, become more aware of their strengths and weaknesses and work to improve in the areas that have been identified as needing change. The second is *evaluative*—to provide information that can be used in making personnel decisions (for example, pay increases or promotions). The choice of one purpose or the other may affect

employees' attitudes about the process and also may affect their responses. In general, employees prefer that the assessments be used for developmental feedback to themselves, not to make decisions about merit raises or other personnel matters.<sup>15</sup> Employees on both sides of the assessment process—that is, the rater(s) and the ratee—express concerns about linking the feedback to performance evaluation. The primary concern expressed by raters who are providing feedback to peers or superiors is that their co-worker or boss may get defensive in response to negative feedback and retaliate in some way (a particularly troubling possibility for employees who are providing feedback to their superiors). Similarly, ratees worry that raters will see the assessment process as a "pay-back" opportunity for a past grudge.

In general, 360-degree feedback that is used solely for developmental purposes avoids these problems; raters and ratees are much less likely to fear reprisal when the information is intended for the ratee's self-improvement and has no material consequences. However, the purely developmental use of the feedback may be ineffective; that is, people may not be motivated to change their behavior because there seems to be little incentive to do so. One study found that managers did not necessarily intend to change their behavior as a result of developmental feedback, even when they saw the feedback as useful.<sup>16</sup>

Many consultants and researchers recommend that organizations use a two-step strategy to resolve the developmental versus evaluative dilemma. That is, they should start with the 360-degree feedback process for developmental purposes only so that people can gain familiarity with and trust in the ratings, with the understanding that, after the process has been in place for several years, the information might be used in making pay and promotion decisions.<sup>17</sup> It seems logical that valuable information gained from multirater assessments should prove useful in evaluations as well. The report on Mecklenburg County's Engineering and Building Standards Department (see page 42) describes how that unit incorporated multiple assessments into its performance evaluation process.

### Components of 360-Degree Feedback

While a comprehensive 360-degree feedback process gathers information from the target individual as well as from subordinates, peers, superiors, and perhaps customers, an organization may choose to collect

—continued on page 44

# Using 360-Degree Feedback in Performance Appraisal: A Local

If you ask any member of the leadership team in the Mecklenburg County Engineering and Building Standards Department (EBSB) to explain why they incorporated a 360-degree feedback process into their new performance appraisal system, the response is likely to be “We didn’t set out to develop a 360-degree feedback system—it just turned out to be a good method to accomplish what we were looking for.” Three years ago, the department set out to design a performance appraisal system that supported its vision and values. “The goal was to create a performance appraisal system that is compatible with the organization we are trying to create—an organization that focuses on values, outcomes, leadership behaviors, and process improvement,” said department head Bobbie Shields.

This account describes Mecklenburg County’s experience in incorporating 360-degree feedback into the performance appraisal system of one of its operating units. Although the use of peer and upward feedback in that unit departed sharply from the practice then current, it was not the only change at about that time. To show how multisource feedback fits into the EBSB performance appraisal system, this report also (1) briefly reviews the organizational changes that were initiated before the performance appraisal system was redesigned and (2) describes features of the system beyond the 360-degree feedback component.

## Background

Over the past five years, Mecklenburg County’s EBSB has focused on improving quality. The department created a new structure organized around core processes and measurable outcomes, and it emphasized accountability and job ownership by employees. A five-member leadership team is now responsible for defining the department’s strategy, for making broad decisions on allocating resources, and for managing relationships with other departments. Most of the day-to-day operational decisions are made at lower levels of the department.

Two years after the department began its initiative, the leadership team created a nine-member human resources team within EBSB that was charged with realigning departmental systems to support the new

philosophy. The human resources team first addressed the performance appraisal system, which was seen as inconsistent with the new departmental direction. The team determined that the purpose of a performance appraisal system should be to build an exceptional workforce that delivers services that exceed customers’ expectations for efficiency, effectiveness, and adaptability (see the statement of the EBSB performance appraisal philosophy on page 43). Therefore the new performance appraisal system would include

- assessment of each person’s performance by supervisors, peers, and subordinates;
- emphasis on work results and accomplishments rather than tasks, with a review at the end of each fiscal year;
- appraisal of interpersonal skills related to working relationships and leadership behavior;
- emphasis on communication between supervisor and employee to establish clear expectations and agreed-on levels of performance;
- use of coaching sessions throughout the year so that the official “end of the year” review contains no surprises.<sup>1</sup>

## Points Emphasized in the New Performance Appraisal System

**Outcomes.** Approximately 50 percent of the performance appraisal score of leadership team members and core process managers is based on whether measurable outcomes—as established collaboratively by the leadership team and the core process manager at the beginning of the performance cycle—have been met. For other employees, 50 percent of the appraisal score is based on achieving “key accomplishments” that are clearly linked to broader departmental outcomes (as negotiated by the employee and his or her supervisor). Because outcomes are typically measured on a fiscal-year cycle, the annual review dates of all employees were adjusted to coincide with the end of the fiscal year rather than being distributed throughout the year (a practice typical in many organizations).

**Leadership/good working relationships.** The other 50 percent of the appraisal score is based on ratings of

## Government Case Study

either “leadership behavior” (for leadership team members and core process managers) or “working relationships” (for all other employees). Unlike a traditional performance appraisal system in which only the supervisor provides employees with information about their interpersonal strengths and weaknesses, this design asks peers to give behavioral feedback to each other. The rationale for this peer-feedback component is the team environment of the EBSD. “An individual employee’s behavior and actions usually affect other employees’ ability to perform the work,” says Gail Young, internal consultant and training specialist in the department. “In a team environment, where the behavior of other people has a direct effect on the overall performance of the team, self-improvement needs to be constant, and, as a result, feedback becomes critical.”

**Coaching sessions.** An employee and his or her supervisor are required to have at least one mid-year coaching session in which the supervisor gives the employee the following information: (1) what the supervisor’s perceptions of the employee’s performance to date are; (2) how the supervisor would currently rate the employee’s performance; and (3) what the employee would need to do in order to receive an exceptional rating at the end of the fiscal year. Additional coaching sessions are encouraged, and either the employee or the supervisor may request them.

**Training.** Supervisors are trained in handling coaching sessions effectively, and employees are trained in giving specific behavioral feedback as peer reviewers. Attendance at the training sessions is voluntary.

Mecklenburg County, and thus the department, links pay to performance. The yearly merit increase for each front-line employee is based on the combined scores from the accomplishments and behavioral sections. Leadership team members and core process managers have an additional performance requirement that is factored into their potential for a merit increase: leadership team members must explain how they initiated a change that significantly improved the department’s ability to carry out its work and fulfill its mission, and core process managers must explain how they improved a work process in the department—for example, by streamlining the billing process. (Note:

### The Performance Appraisal Philosophy

Performance appraisal is a continuous, collaborative process between leadership team members, core process managers, and employees that

- uses 360-degree feedback to focus on core process outcomes and leadership behavior of employees, and also communicates expectations;
- reinforces the desire for flexibility, adaptability, and high competency levels among employees;
- gives members of the leadership team, core process managers, and employees an opportunity to assess their accomplishments, to discuss needs, and to clarify what is the necessary knowledge for each position;
- uses coaching sessions throughout the year with a year-end in-depth review.

The additional performance requirements are specified in greater detail by the department.)

### Peer Feedback

Because 360-degree feedback is the focus of this overall article, this supplemental report explains in some detail how EBSD uses the process. Each employee of EBSD selects four peers to complete the behavioral appraisal for him or her. The appraisers’ ratings are anonymous; that is, the ratings are sent to a third party who compiles the responses and gives the averaged scores to the ratee. Individual ratings are not identified.

The criterion for selecting peer appraisers is that the rater must have a “working relationship” with the ratee; appraisers may be employees from any part of the county (or city) government. Employees may not ask customers to act as formal appraisers unless they also are city/county government employees. Customers and clients in general were excluded as formal appraisers because the EBSD human resources team thought it would be questionable practice to have those that the department regulates evaluate its employees.

Although the term “peer” is used, supervisors are

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## A Local Government Case Study, *continued*

encouraged to ask at least one person they supervise to act as a rater for them, thus adding an upward-review element to the feedback collected.

The peer-review process was implemented in phases, beginning at the top of the department: it was first used by the leadership team, then the core process managers, and then all employees. The human resources team monitored the new system and at the end of the first year asked the entire department whether the system should be continued—and if so, how it could be improved.

**Reactions to peer feedback.** Overall, the reaction has been positive. Most employees see the new system as an improvement, and a majority would like to see the peer appraisals continued. “Up to this point, we’ve been getting only one person’s perspective, without any idea of whether we’re meeting other people’s needs,” one employee commented. “The feedback is very helpful, particularly if you serve other members of the organization [internal customers] as part of your job.”

Some employees reported that anonymity causes problems for the recipient: “If someone had a negative comment about your performance, you don’t know whom to go to to work it out.” They said that it is difficult to follow up because one might be perceived as defensive or trying to uncover people’s promised confidentiality. Others suggested peer coaching sessions, similar to the mid-year coaching sessions between supervisors and employees. “Continuous feedback from supervisors really helps to prevent end-of-the-year surprises, but the peer feedback is more of a one-shot deal,” one employee explained. “If 50 percent of our performance appraisal score is going to be based on peer feedback, we need to be able to spot and correct problems earlier in the process.”

### Consistency with the County’s Personnel System

EBSD had a great deal of freedom to design its own performance appraisal system, but it also is part of a larger system. It is one department within the Mecklenburg County organization, which has its own countywide performance appraisal system. Because of this relationship, the department worked closely with the county’s human resources staff to ensure that its proposed system was consistent with the county’s overall goals.

In 1993 the county established a “performance excellence” policy that requires certain components in any county department’s performance appraisal process. These include (1) planning for improvement in performance (that is, the appraisal could not simply look back on past performance); (2) ongoing coaching; (3) a year-end evaluation; (4) use of the county’s four-step rating scale (based on the categories “exceptional performance,” “exceeds expectations,” “meets expectations,” and “does not meet expectations”); and (5) use of the county’s pay-for-performance system for awarding salary increases. Beyond these guidelines, individual departments could tailor the performance appraisal process to meet their needs.

The county’s Human Resources Department (HR) worked closely with EBSD throughout the process. Susan Hutchins, the HR director, described HR as playing the dual roles of technical consultant and monitor. As a technical consultant, it helped the department realign each employee’s annual review dates to coincide with the end of the fiscal year rather than with the anniversary of the date he or she was hired; it also developed guidelines for determining how long an employee must be in a position before being appraised. In its monitoring role, HR examines the

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information from only some of these groups, depending on the purpose of the assessment and the organization’s needs. For example, a city government that has recently created self-managing teams in several departments may be interested in beginning a peer review process as part of performance evaluation, while

a county government that wants to help department heads improve their management skills might establish an upward review process (that is, employees give feedback to managers) for developmental purposes only. Because soliciting input from different groups can have different benefits and risks for the people being assessed, this section will address each possibility sepa-

department's appraisals to confirm the timeliness and quality of reviews. EBSD's Bobbie Shields expressed appreciation for HR's support of their redesign: "We couldn't have created this system ten years ago. They allowed us to 'bend the rules' when necessary to achieve our objectives."

### Summary

The EBSD leadership team and human resources team and the Mecklenburg County Human Resources Department all emphasize that a 360-degree feedback process is not necessarily suitable for all organizations. Typically, many other changes need to take place to help lay the foundation for peer and upward review. "The desire for this type of system came up through the ranks, based on all the other changes in our organization," said one employee. "It didn't seem to make sense to give the supervisor total control over the annual performance appraisal after we had been working closely with other team members all year." The department started with a focus on values, outcomes, leadership behaviors, and improvement of the process and designed a performance appraisal system compatible with the organizational culture it wished to create.

### Notes

1. Gail Young, "Engineering and Building Standards Performance Appraisal System: Overview and Key Points" (Charlotte, N.C.: Mecklenburg County, Engineering and Building Standards Department, Internal Report, 1996).

rately. (Note: This section does not include a discussion of employee assessment by superiors, since most organizations already have a well-established mechanism by which supervisors and managers give feedback to employees. However, it should be understood that the superior's perspective is an important component of a 360-degree feedback process.)

## Self-Assessment

For an organization that has used a traditional hierarchical, supervisor-to-employee performance evaluation system, the first component of multirater assessment added is usually a self-assessment. That is, employees are asked to share their own views of how they are doing. Incorporating the employee's own perspective on his or her performance is now such a common practice that many people may not even consider the practice to be multirater assessment, but it does depart significantly from the unilateral supervisory assessment model. Self-assessment is an important first step because it appears to set the stage for greater acceptance of feedback from other raters.<sup>18</sup> Self-ratings also give employees an opportunity to become more familiar with what is expected of them in the organization; for example, a manager who completes an instrument that asks whether she "lets employees know that they are doing a good job" receives a strong message that this behavior is expected of her.<sup>19</sup>

Supervisors sometimes question the value of a self-assessment, maintaining that employees will inflate their self-ratings and provide a biased, overly positive view of their own performance. If that is the fear, it is important to clarify for everyone the purpose of the assessment. Employees appear not to systematically overestimate their own ratings when those ratings are being used for developmental purposes—that is, to help the employee understand his or her strengths and identify areas that need improvement. But if ratings are being used to make decisions about pay or promotion, employees have more of an incentive to give themselves high ratings. Organizations should examine their own systems to see whether they are sending a mixed message to employees: "We want you to rate yourselves accurately and honestly, but you may be penalized [by not receiving a pay increase] if you identify your weaknesses."

## Assessment by Peers

"Peers" are people who work at the same organizational level. "Co-workers" are usually defined as people who work together. "Team members" have more interdependence in their work than peers or co-workers usually have. For the purposes of describing peer assessment, however, these distinctions are blurred, and the term "peer" is used for all three groups.<sup>20</sup>

Peers often are able to provide high-quality feed-



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back about an employee's work because they often can see the quality and consistency of that person's day-to-day performance in a way that supervisors cannot.<sup>21</sup> Peer assessments also can be effective motivators. Peer opinions sometimes appear to carry more weight than a single supervisor's evaluation, either because of the perceived credibility of peers or because several voices send a stronger message than one (especially if the peer raters agree).<sup>22</sup>

As indicated earlier, the assessment's purpose usually determines employees' attitudes toward peer appraisal. Peer assessments conducted for developmental purposes appear to be accepted much more readily than those linked to pay or promotions. Employees are more likely to see peer appraisals as helpful and motivating and less likely to see them as generating defensive or vengeful behavior if they are used strictly for developmental purposes.

### Assessment by Subordinates (Upward Review)

A third component of multirater assessment is upward review, in which a subordinate assesses the performance of his or her superior (immediate supervisor or higher). The purpose is to let a manager know how he or she is doing from the perspective of the people being managed. Typically, supervisors are assessed only by *their* supervisors, which means that third parties are making judgments about how effective the supervisors are in their jobs. The logic behind upward review is that the people being supervised have a valuable perspective on their supervisor's skills, and their views should be incorporated into any assessment of the supervisor. They may be thought of as the primary "customers" of the manager's work; that is, the subordinates receive—and are in a good position to evaluate—their supervisor's services.<sup>23</sup>

Evidence suggests that ratings by subordinates are good predictors of future supervisory performance. Organizations sometimes use assessment centers (a method for evaluating job candidates that relies on observable behavior rather than on interview data) to fill important management positions. One study found that ratings by subordinates compared favorably with ratings from assessment centers in predicting performance of managers of law enforcement agencies.<sup>24</sup> This is particularly striking, given the time and expense dedicated to assessment centers in many public organizations.

Overall, upward reviews share many of the same advantages and disadvantages as peer assessments:

those who provide the ratings may have a unique and valuable perspective on the supervisor's performance, but they can be hesitant to give honest feedback if they anticipate that the supervisor will react negatively. If the feedback is used for developmental purposes only and the raters know that, their apprehension is reduced.

### Assessment by Customers

Customers' comments are much less often used in multirater assessments than upward review and ratings by peers. Many organizations collect information from customers in other ways, either anecdotally or by comment cards or surveys. The underlying principle, however, is the same as for the sources already described: if an employee works closely with someone over a period of time, that person should have relevant information about the employee's performance. Therefore an organization may want to consider adding a customer-assessment component if the employee has a long-term working relationship with a few customers, especially if this person does not work closely with other members of the organization. For example, regional transportation planners could be assessed by the local government groups they serve, or a data processing manager could be rated by other departments that use data processing services.

### Confidentiality versus Accountability

Most descriptions of 360-degree feedback systems emphasize that the feedback must be confidential in order to ensure that the participants (raters and ratees) will be open and honest in their assessments. The term "confidentiality" is used in several ways. It may refer to the arrangement under which raters provide their evaluations anonymously (for example, subordinates' ratings are often averaged so that the supervisor cannot identify the evaluation of any one person). It also may refer to the practice of sharing the ratings with the rated person only (that is, a manager does not have access to his or her employees' ratings without their permission). The assumption that confidentiality is an essential part of multirater assessment is so deeply rooted that it is difficult to find an instrument—or research study—that does not use this principle as part of the design.

Some critics point to the lack of evidence that feedback leads to behavior change and suggest that the emphasis on confidentiality has led to a lack of ac-

*accountability* among raters and ratees. Accountability (defined as being held responsible for one's own actions or having to justify one's actions to others) has been described as the "Achilles' heel" of multisource feedback, since multisource rating procedures usually neither hold raters accountable for the accuracy of the information they provide nor hold ratees accountable for using the feedback to change their behavior.<sup>25</sup> One dilemma is that parties often want low accountability for themselves but high accountability from others; for example, several studies show that raters prefer to remain anonymous, while employees prefer to know the identity of those who rate them.<sup>26</sup> Moreover, it appears that employees rate their supervisors more favorably when they (the employees) are identified than when they are anonymous. Those who believe in the importance of confidentiality use these results to support their claim that raters will give unrealistically high ratings if their identity is revealed.

Those who support accountability interpret these results differently. They suggest that raters may consider the basis for their assessments more carefully when they know they will be identified and express only perceptions they can back up with data—and thereby give higher ratings. The proponents of this view argue that raters who can hide behind a cloak of anonymity are less careful with their judgments and may feel that they have "done their part" (that is, "I shared my views with my boss when I provided anonymous upward feedback, and now it's up to her") without assuming any personal responsibility for direct communication.

Organizations can increase the accountability of raters by asking them to help explain the feedback and offer specific suggestions to the ratee during feedback sessions attended by the raters, the ratee, and possibly a skilled facilitator.<sup>27</sup> This practice can be followed even if individual ratings remain anonymous. Ratees can be held more accountable for using the feedback results by asking them to create a development plan that includes strategies for achieving the desired behavioral change.

### Considering a Multirater System for an Organization

This article has emphasized that a multirater assessment system—and each choice associated with it—carries both rewards and risks. A 360-degree feedback system is not necessarily appropriate for every organi-

zation, and there is no perfect instrument or model to draw on in deciding whether to adopt such a system. Here are a number of critical factors to consider in determining whether multirater assessment is right for an organization:

**Laying the foundation.** The report on Mecklenburg County's Engineering and Building Standards Department makes the point that 360-degree feedback is probably not the place to start when thinking about organizational change. Before an agency considers this assessment system, it should analyze other organizational initiatives begun in the past few years. Are employees working in teams in some areas, defining and carrying out their tasks in a fairly autonomous fashion? Is there a focus on management development, with training available to help employees work on their leadership skills? Is there an emphasis on responsibility and accountability throughout all levels of the organization, not just at the top? If the answer to one or more of these questions is yes, the organization may be ready to add multirater assessment. Certain cues may indicate readiness; for example, if employees have noted that the traditional top-down, one-way supervisor assessment of an employee's skills and abilities seems out of step with the rest of their work environment, they may be interested in looking at other ways of gathering information about their performance.

**Agreeing on the purpose.** As described earlier, much of the research on multirater assessment indicates that employees are more comfortable giving feedback and more satisfied with their own ratings when the assessments are used for developmental rather than evaluative purposes. This does not mean that 360-degree feedback should never be linked to performance evaluation. For example, Mecklenburg's Engineering and Building Standards Department found that using 360-degree feedback in its performance appraisal process complemented its team-based structure very well. But this unease does mean that the decision to use the system for that purpose should be approached carefully.

**Determining what to measure.** The performance dimensions included in a multirater feedback instrument should be relevant to the job and consistent with the organization's vision of an effective leader, team member, and so on. It is unlikely that one set of measures will meet the needs of everyone—or even all managers—in an organization because job demands differ by organizational level. One way to create a set of relevant performance dimensions is to ask a group

of knowledgeable employees to generate a list of observable behaviors that the ratee will exhibit if that person has the qualities desired by the organization.<sup>28</sup> There are many 360-degree feedback instruments now available from consultants on organization development; they may offer useful guidelines for the types of behavior typically measured, even if the organization decides to create its own instrument.

**Providing the necessary support.** An organization should be prepared to support a multirater assessment process with time and money (for example, it should explain the purpose of the assessment and teach employees how to give and receive feedback). Additional administrative help may be required to distribute forms and collate the data, or the organization may wish to invest in a computer program that minimizes administrative costs by allowing raters to complete and submit the instrument online. Perhaps most important, the organization should be prepared to respond to the heightened expectations that often accompany this type of organizational change initiative: employees will expect to see behavior change, especially at the top of the organization.

## Notes

1. *Choosing 360: A Guide to Evaluating Multi-rater Feedback Instruments*, by Ellen Van Velsor, Jean Brittain Leslie, and John W. Fleenor (Greensboro, N.C.: Center for Creative Leadership, 1997), provides a nontechnical step-by-step process for evaluating the many 360-degree instruments now on the market.

2. See Allan H. Church and David W. Bracken, "Advancing the State of the Art of 360-Degree Feedback: Guest Editors' Comments on the Research and Practice of Multirater Assessment Methods," *Group & Organization Management* 22 (June 1997): 149-61.

3. Arthur J. Wohlers and Manuel London, "Ratings of Managerial Characteristics: Evaluation Difficulty, Co-Worker Agreement, and Self-Awareness," *Personnel Psychology* 42 (1989): 235-61.

4. See, e.g., Francis J. Yammarino and Leanne E. Atwater, "Understanding Self-Perception Accuracy: Implications for Human Resource Management," *Human Resource Management* 32 (1993): 2331-47; Wohlers and London, "Ratings of Managerial Characteristics."

5. For a full explanation of control theory, see C. S. Carver and M. F. Scheier, *Attention and Self-Regulation: A Control Theory Approach to Human Behavior* (New York: Springer-Verlag, 1981).

6. See Susan J. Ashford and Anne S. Tsui, "Self-Regulation for Managerial Effectiveness: The Role of Active Feedback-Seeking," *Academy of Management Journal* 34 (June

1991): 251-80; and Susan J. Ashford, "Self-Assessment in Organizations: A Literature Review and Integrative Model," *Research in Organizational Behavior* 11 (1989): 133-74.

7. Michael M. Harris and John Schaubroeck, "A Meta-Analysis of Self-Supervisor, Self-Peer, and Peer-Supervisor Ratings," *Personnel Psychology* 41 (1988): 43-62; Paul A. Mabe III and Stephen G. West, "Validity of Self-Evaluation of Ability: A Review and Meta Analysis," *Journal of Applied Psychology* 67 (1982): 280-96; and Wohlers and London, "Ratings of Managerial Characteristics."

8. Harry Levinson, as quoted in "The Dark Side of Charisma," *New York Times* (April 1, 1990).

9. For a comprehensive discussion of this subject, see Shelley E. Taylor, *Positive Illusions: Creative Self-Deception and Social Psychology* (New York: Basic Books, 1989).

10. See R. B. Felson, "The Effects of Self-Appraisals of Ability on Academic Performance," *Journal of Personality and Social Psychology* 47 (1984): 944-52; R. F. Baumeister et al., "Public vs. Private Expectancy of Success: Confidence Booster or Performance Pressure?" *Journal of Personality and Social Psychology* 48 (1985): 1447-57.

11. For studies on the link between the agreement of self/other ratings and performance, see Margaret S. Carlson, "Positive Illusion or Adaptation? A Comparison of Two Theories of Self-Assessment" (unpublished dissertation, University of Michigan, 1991); Leanne E. Atwater and Francis J. Yammarino, "Does Self-Other Agreement on Leadership Perceptions Moderate the Validity of Leadership and Performance Predictions?" *Personnel Psychology* 45 (1992): 141-64; and Bernard M. Bass and Francis J. Yammarino, "Congruence of Self and Others' Leadership Ratings of Naval Officers for Understanding Successful Performance," *Applied Psychology: An International Review* 40 (1991): 437-54.

12. Carlson, "Positive Illusion or Adaptation?"

13. Ashford, "Self-Assessment in Organizations."

14. Anne S. Tsui and Patricia Ohlott, "Multiple Assessment of Managerial Effectiveness: Interrater Agreement and Consensus in Effectiveness Models," *Personnel Psychology* 41 (1988): 779-803.

15. David Antonioni, "Designing an Effective 360-Degree Appraisal Feedback Process," *Organizational Dynamics* 25 (Autumn 1996): 24-38.

16. James W. Smither, Arthur J. Wohlers, and Manuel London, "A Field Study of Reactions to Normative Versus Individualized Upward Feedback," *Group & Organization Management* 20 (March 1995): 61-89.

17. Manuel London and Richard W. Beatty, "360-Degree Feedback as a Competitive Advantage," *Human Resource Management* 32 (1993): 353-72.

18. See Allan M. Mohrman, Susan M. Resnick-West, and Edward E. Lawler, *Designing Performance Appraisal Systems* (San Francisco: Jossey-Bass, 1989).

19. James W. Smither et al., "An Examination of the Effects of an Upward Feedback Program over Time," *Personnel Psychology* 48 (1995): 1-34.

20. Kenneth L. Bettenhausen and Donald B. Fedor, "Peer and Upward Appraisal: A Comparison of Their Benefits and Problems," *Group & Organization Management* 22 (June 1997): 236-63.

21. R. F. Zammuto, Manuel London, and K. M. Rowland, "Organization and Rater Differences in Performance Appraisals," *Personnel Psychology* 35 (1982): 643-58.

22. Angelo S. DeNisi, W. A. Randolph, and A. G. Blencoe, "Level and Source of Feedback as Determinants of Feedback Effectiveness," in *Academy of Management Proceedings*, ed. K. H. Chung (Mississippi State, Miss.: Mississippi State University, 1982), 175-80. (The Academy of Management is currently located at Pace University, Briarcliff Manor, N.Y.)

23. London and Beatty, "360-Degree Feedback as a Competitive Advantage."


24. Glenn M. McEvoy and Richard W. Beatty, "Assess-

ment Centers and Subordinate Appraisals of Managers: A Seven-Year Examination of Predictive Validity," *Personnel Psychology* 42 (1989): 37-52.

25. Manuel London, James W. Smither, and Dennis J. Adsit, "Accountability: The Achilles' Heel of Multisource Feedback," *Group and Organization Management* 22 (June 1997): 162-84.

26. See David Antonioni, "The Effects of Feedback Accountability on Upward Appraisal Ratings," *Personnel Psychology* 47 (1994): 349-56.

27. London, Smither, and Adsit, "Accountability."

28. London and Beatty, "360-Degree Feedback as a Competitive Advantage." 

## Local Government on the Internet

NCINFO, a World Wide Web site sponsored by the Institute of Government in conjunction with the North Carolina League of Municipalities and the North Carolina Association of County Commissioners, serves as an electronic information resource to individuals interested in local government in North Carolina. For example, where would you look for the most recent changes to legislation affecting purchasing and contracting? How would you determine whether other city or county managers in North Carolina have developed junked-vehicle ordinances or have model leash laws? What would be the most efficient, effective way to gather this type of information, and to explore, develop, and share strategies?

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**The North Carolina Local Government Budget Association (NCLGBA)** is a professional organization dedicated to the exchange of knowledge concerning budget and evaluation responsibilities of local



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