

# HOW DO 360 DEGREE PERFORMANCE REVIEWS AFFECT EMPLOYEE ATTITUDES, EFFECTIVENESS AND PERFORMANCE?

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Organizational leaders clearly have many choices when selecting performance evaluation and development tools. One tool that has gained popularity and has become a growing trend in Corporate America in recent years is the 360 degree performance review. This popularity is based on the perceptions of organizational leader's that 360 degree reviews establish a culture for continuous learning and provide more global feedback for employees, which leads to improved performance. According to Human Resource Consultant, William M. Mercer, forty percent of American companies used 360 degree feedback in 1995; by 2000 this number had jumped to sixty-five percent. In 2002, 90% of Fortune 500 companies were using a 360 degree performance review process. (Linman, 2006)

Conducting performance reviews in general, provides a number of valuable functions for organizations. They allow an organization to:

- Translate department/organization's mission into specific achievable goals
- Manage performance rather than react to it
- Reduce overlap of job duties and ineffective, inefficient use of employee skills
- Provide written acknowledgment of completed work
- Gain new information and ideas from staff
- Discuss skill and career development
- Protect organization from unfounded charges of discrimination
- Reduce stress *for the supervisor* -- managing rather than reacting
- Reduce stress *for the employee* -- what is expected is made clear

(UW-Madison)

Critical analysis raises the question of the relative effectiveness of the 360 degree performance review, compared to other forms of feedback, in bringing about performance improvement through individual behavioral change.

## RESEARCH QUESTION

How do 360 degree performance reviews affect employee attitudes, effectiveness and performance?

## Why this is an important question

The process of conducting any type of employee review can be costly to an organization. Organizational leaders anticipate the cost of performance reviews to include the labor for supervisors to gather information to complete an evaluation and the time it takes to compose and deliver the feedback to the employee. 360 degree feedback is the most comprehensive and costly type of appraisal. Important hidden costs, employers may not be considering, are embedded in the employee's affective and behavioral reaction to the feedback. Negative reactions to feedback can be evident in behavioral changes in the employee, such as withdrawal, a display of mistrust and decreased level of commitment, unwillingness to communicate or interact with colleagues and general defensiveness. These reactions should be of particular concern to organizations. An employee's affective and behavioral reaction to feedback can land anywhere on the spectrum of negative to positive. Negative behavioral reactions can add to the cost for an organization since productivity can be negatively impacted as employees travel through the stages of receiving feedback which typically include; sadness, anger, rejection and finally acceptance. (Computer Sciences Corporation, 2004) Employees may become pre-occupied with their

negative reaction to the feedback and their focus and normal productivity levels at work may become interrupted.

360 degree reviews are intended to give an employee the opportunity to understand and remedy any friction points or issues that may exist between themselves and the rest of the organization. Friction points often times include issues in the areas of interpersonal relationships, teamwork, communication and management style. The true ability of a 360 degree review to remedy these types of issues is in question.

While positive feedback serves to reinforce desired behaviors and motivate employees, negative feedback can contribute to a reduced level of job satisfaction, and a decreased ability or desire to contribute to an organization. I will examine how the 360 process affects employee attitudes in the workplace, as well as their professional effectiveness and general work performance.

### **What is a 360 degree review?**

A 360 degree performance review is a formalized process whereby an individual receives feedback from multiple individuals or “raters” who regularly interact with the person being reviewed, commonly referred to as “the learner”. The objective is to provide the learner with feedback on their performance behaviors and outcomes as well as their potential, while identifying and establishing development goals. As a result of this feedback, the learner is expected to be able to set goals for self development which will support the advancement of their careers and in turn benefit the organization. The raters typically represent the learner’s boss, peers, subordinates, customers and sometimes even their significant others. Their own self assessments complete the circle.

An organization needs to decide up front if the purpose of the feedback is developmental only, or if it will be evaluative and linked to promotion and reward. A 360 degree process is most often used as an assessment tool for personal development rather than evaluation and experts warn that linking 360 degree feedback to administrative actions such as selection or pay

could skew the feedback and become detrimental to the process. (Alimo-Metcalfe, 1998) For example, if the results of a 360 degree process are tied to an employee’s eligibility for advancement either in pay or position, the raters, who may see themselves as competitors, may become motivated to provide negative feedback. The process would be seen as a control tool, negatively impacting its reliability and validity within that organization.

Raters respond to a variety of standardized questions evaluating the learner’s competencies, performance behaviors and performance outcomes either by inputting feedback into a computerized system or by recording responses using a paper format. Although the learner actively selects who the raters are, the author of the specific feedback is anonymous. The feedback is typically collected and compiled into a report for the learner, breaking the feedback down into a series of ratings and scores on a numerical scale indicating areas of strengths and opportunities for development.

The role of the feedback coach is to assist the learner with interpreting the report and to ultimately assist with identifying areas to be developed, so an effective plan for improvement can be established. A feedback coach may be anyone internal or external to the organization, which has been properly trained in this area. Often times it is a Human Resource professional, a manager, or someone in a leadership position within that organization. Some organizations discount the need for a feedback coach believing that simply providing feedback is enough to motivate a learner to change. There is existing empirical data however that shows the importance of a feedback coach to this process. Proper training of the feedback coach is critical to its success. Coaches need to understand how to analyze the data and must be trained in the skill of delivering feedback. Lack of training or ineffective training of the feedback coach can lead to the program’s loss of credibility and can sabotage future efforts.

The theory held by organizational leaders who choose this tool, is that this process will be embraced by its employees and the benefit to the organization will appear in the form of improved

performers who are more aware of their strengths and developmental needs. (Kamen, 2003) Expert opinions vary regarding the validity of this theory.

### **How do 360 degree reviews differ from more commonly used feedback/review processes?**

**Accuracy of Feedback** The 360 degree review process is purported to be superior to traditional forms of evaluation and feedback because it provides more complete and accurate assessment of the employee's competencies, behaviors and performance outcomes. A traditional performance review, where one supervisor assesses a subordinate, is no longer seen as an effective means of obtaining accurate feedback for employees. With traditional reviews, employees are rated by a single person, who may be biased or have an incomplete view of their work. (Toolpack Consulting)

Standard performance evaluations have been criticized for being ineffective for a variety of reasons such as the potential biases of the rater and the potential subjectivity of ratings. 360 degree feedback is viewed as more accurate because, by nature of the process, it offers feedback on observed behaviors and performance from a circle of raters, as opposed to subjective viewpoints from a single individual. Multiple raters offering similar feedback will send a reinforced message to the learner about what is working well and what needs to be improved. Feedback is more difficult to ignore when it is repeatedly offered by multiple sources.

Generally, traditional reviews are good at identifying either excellent performers or poor performers, but don't differentiate well among the performers in the middle. Managers struggle with evaluations of employees who fall within the middle group and this becomes a problem when reviews are used as the basis for salary adjustments and bonuses. Rater carelessness; use of appraisals for political or personal reasons; the halo effect, where an employee's strengths in one area are spread to other areas, are all additional problems with traditional reviews. A multi-rater process like the 360 review can help avoid this problem as any skewed data is likely

to appear as an anomaly when the feedback trends for that individual are examined. Part of a feedback coach's role is to assist the learner in examining common threads within the feedback, looking for reinforced messages.

Three-sixty degree reviews provide feedback on a learner's cooperation with people outside their department, helpfulness towards customers and vendors etc., which may not be reviewed by other types of appraisals. This alternative method can provide a more balanced view.

The 360 degree performance review process intends to provide a more global and accurate view of the employee's performance. The accuracy of the 360 degree process depends on whether the respondents interact regularly with the learner and whether the learner reveals him/herself to others. Since a learner can be different with each person, it would follow that there is a benefit to having many respondents involved. The underlying assumption of the 360 degree technique is that the accuracy and scope of the assessment of the individual increases when consulting a full circle of daily business contacts, as opposed to one supervisor. The view of most practitioners is that the use of more raters leads to more accurate results for the individual. (Church, A.H. & Braken, D. W., 1997)

In order for a 360 degree process to be successful, participants must feel the survey instrument is reliable and valid. An advantage to having an electronic system is that rater reliability can be more easily managed. For instance, if a rater used the same rating for all the survey questions, the system would flag the rater to consider if the ratings were accurate or simply careless. This feature serves to point out unusual trends in responses and might encourage the rater to be more thoughtful in their responses. It is possible that such a feature may increase the validity of the 360 degree feedback process over a paper process. (Edwards, Ewen, 1996) A validity caution such as this is not part of a paper process.

**Acceptance of Feedback** While traditional performance reviews offer a single or limited viewpoint, the 360 degree review offers feedback from many sources that often times

send repeating and consistent messages. When a learner sees a consistent pattern of feedback, that feedback is more likely to become reinforced and is more difficult to write off as invalid. There is a possibility that multi-rater feedback from a 360 degree review is more likely to be accepted by the employee. Once an individual accepts feedback there is an increasing likelihood of behavioral change and performance improvement.

Employees may find the methodology of a 360 degree review to be more thorough and unbiased than traditional evaluations. When they consider this process as opposed to being evaluated by an individual supervisor who may have only limited knowledge of what they do, they are more likely to see the value in this type of evaluation.

### **The Role of Feedback in Behavioral Change**

Nothing happens until a person wants something to happen. In the 360 degree process, the acceptance of feedback is the catalyst to behavioral change. Feedback provides individual motivation if the learner accepts it. Not all learners feel as if they are capable or are interested in change. If and when the learner becomes truly motivated, this energy will serve as the elixir to change.

The Transtheoretical Model of Behavioral Change, developed by Dr. James Prochaska and his colleagues at the University of Rhode Island Cancer Prevention Research Center, helps in understanding the stages of change an individual passes through. This group of researchers point out the criticality of understanding and identifying the stage an individual is in before successful change intervention can be designed and applied. One of the model's major contributions is the recognition that behavioral change unfolds in a series of stages. (Prochaska, DiClemente, Norcross, 1992)

Prior to the 360 degree process, learners are usually in what Dr. Prochaska terms the Precontemplation stage, at which there is no intention to change behavior in the foreseeable future. This is when learners are unaware of

problems or that there is a need for change. Once the 360 degree process is implemented and the learner begins to receive feedback, they move into the Contemplation stage, in which individuals have identified a problem. It is during this stage that learners are deciding whether or not there is a need to take action to correct the problem. A learner enters the Preparation stage once that individual decides there is a need to take some action. In the 360 degree process, the learner discusses the trends of the feedback with their coach and identifies common themes. Specific plans of action are developed as the learner chooses among potential solutions. The Action stage is where the learner actually put their plan to work and begins to change behavioral patterns. The months following the 360 review process compose the Maintenance stage where the learner works to prevent relapse. They have become cognizant of the gains attained, and are motivated to sustain progress. (Prochaska, DiClemente, Norcross, 1992)

When an organization implements expensive programs, like 360 degree reviews, they intend for employees to move successfully through the behavioral model for change.

Some learners however reject feedback all together and therefore resist the move from precontemplation to contemplation. Without the acceptance of feedback, change cannot occur. For feedback to be effective in bringing out behavioral change, it must move the individual through these first two stages of this model. In order for a 360 review process to be successful, the individual must complete all of the stages in the Transtheoretical Model.

### **Reaction to Feedback and Its Affect on the Employee**

The effective interpretation and delivery of feedback is undoubtedly a specialized skill, which explains the importance of the role a "feedback coach" plays in the 360 degree process. An experienced feedback coach is familiar with many of the typical reactions to feedback and can assist the learner with handling their reactions appropriately. A feedback coach can assist with the interpretation of the feedback

through open dialogue with the employee over a period of time. These coaching sessions usually focus on encouraging the learner to; look within themselves to examine the behaviors that might be triggering the feedback; reflect on their interactions with others; examine their own performance level; be honest with themselves about the development needed. Additionally, the coach points out common themes or messages the raters are passing to the learner in order to reinforce those intended messages. Empirical analysis has shown the positive effect combining 360 degree feedback with coaching aimed at enhancing self awareness can have on an individual's performance. (Luthans, Peterson 2003)

The study of human nature and the science of psychology can explain the various reactions people have to feedback. Interpersonal feedback in its purest form is one human being communicating their feelings and thoughts about another human being. It may sound uncomplicated, but receiving feedback often times invokes as much fear in individuals as does the idea of public speaking.

The need for successful relationships is a human attribute. Requesting feedback from others takes us out of our comfort zone since there is the possibility that the feedback may be less than positive. Negative feedback may be interpreted as rejection and may bring on feelings of vulnerability and defensiveness. Most people fear negative feedback and will not actively seek it out. Negative feedback may threaten a learner's self concept. They may feel they can't change anyway, that their ways are too ingrained. As social beings, our most intense emotions occur in relationships with others. Negative feedback may interrupt those relationships. For many of us, our professional lives and our place within an organization define who we are. It is where we spend the greatest amount of time and is often the central core of our lives. Many of our basic needs such as achievement, recognition, respect, power and control are likely to affect interactions and performance at work. (Wertheim, 2004) This explains the difficulty an individual might have with accepting negative feedback from others in the workplace.

Three-sixty degree reviews provide specific detailed feedback describing the learner's performance behaviors, performance outcomes and relationships with others, from the point of view of others. The acceptance of this feedback is not always easy, especially if the feedback is counter to the learner's self concept.

While positive feedback is typically aimed at enhancing feelings of psychological safety and reinforcing selected behaviors, negative feedback is seen as aimed at shaking one loose from one's self satisfied concept of oneself and at stimulating one to try new behaviors. In a 360 review, negative feedback can be reframed as corrective feedback. Corrective feedback is intended to encourage thoughtful examination of one's behavior, the intended outcome of a 360 review. (Schaible & Jacobs, 1975) Issues, however, may arise in how the learner receives the corrective feedback. According to Dr. Keith Morran, Professor of Education at Indiana University, level of defensiveness can be a barrier to receiving corrective feedback. Among all of the possible barriers to receiving corrective feedback, he cites defensiveness as one of the most influential.

Being receptive to feedback is clearly an important gateway to learning and practicing strategies for personal improvement. Staying out of defensive modes is essential to moving on and changing behavior.

Once feedback is received, there exists the problem of looking at the difference between the ideal self and the real self. Looking at the gaps often contributes to defensiveness. If the learner's drive to achieve is strong, an emphasis on gaps often arouses feelings of anxiety and defensiveness. When this happens, the learner becomes de-motivated rather than motivated. This causes an interruption in learning and when self directed learning stops, the chance for change to occur minimizes. This mechanism of defensiveness is a problem in receiving feedback. When open feedback is given, there is a risk of triggering emotions of defensiveness. Once a person is defensive, all of their energy goes into defending rather than looking at opportunities for change. (Leadership Advantage, 2001)

Defensiveness appears when the structure of the self concept is shaken. Within the self concept lies the perceived self. The perceived self includes perceptions of individual attributes, one of which is competencies. Individuals have perceptions of what skills, abilities, talents and knowledge they possess. (Leonard, Beauvais, Scholl, 1995)

Corrective feedback forces the learner to receive messages that are counter to those self perceptions shaking the learner's comfort level and forcing some level of defensiveness to appear.

Self perceptions are determined through interaction with one's environment. When feedback is abundant and regularly given, a set of firmly held self perceptions is formed. Ambiguous, lacking or inconsistent feedback results in weakly held self perceptions. Although a 360 degree review offers an opportunity for direct feedback, if this is one of the few times the learner has received feedback, the self perception is probably skewed or inaccurate which will cause the learner to be surprised by the nature of the feedback.

Raters in a 360 degree process provide social feedback for the learner. They provide direct attributions which are communicated through the form of written or oral communication, praise, reprimand, or recognition. 360 degree feedback may include all of these. (Leonard, Beauvais, Scholl, 1995)

Self esteem is an important component of the Self Concept model. It is the evaluative component of the self. One type of self esteem is the Socially-influenced self esteem, which is a function of the expectations of others. "Socially influenced self esteem results from communication or feedback from reference group members or society as a whole, concerning the value of an identity and the individual's ability to meet the expectations of the reference group and/or society as a whole." (Leonard, Beauvais, Scholl, 1995) Self esteem may become damaged during the 360 degree process. Feedback that is counter to the learner's beliefs about themselves can cause an emotional reaction or an affective motivation.

"Affective Motivation deals with the way in which individuals experience, process and behave based on emotion. The basic premise of affective motivation theories is that individuals experience emotional reactions to certain situations." (Scholl, 2002) Some of the emotions we feel include:

Fear	Joy
Anger	Frustration
Anxiety	Excitement
Guilt	Sorrow
Boredom	Others

There are a number of ways in which emotions, or our affective states, are involved in the motivation of behavior. Motivation is the force that energizes, directs, and sustains behavior. Individuals exist in, and move among, one of three Affective States:

- A. Positive Affective State is when the individual is experiencing positive feelings, such as relaxation, excitement, pleasure, or joy.
- B. Neutral Affective State is when the individual is experiencing little or no noticeable feelings at the present time.
- C. Negative Affective State is when the individual is experiencing negative feelings and emotions such as emotional pain, anxiety, guilt, frustration, boredom, or anger.

(Scholl, Richard, W., 2002)

Which affective state the learner is in after receiving 360 degree feedback determines the level of motivation for behavioral change. Those who end up in a negative affective state and never move from there are the employees who will resist behavioral change and who will represent a loss to the organization. That loss will come in terms of the learner's negative attitude and their loss of motivation to further contribute to the organization.

### **HOW 360 DEGREE REVIEW FEEDBACK AFFECTS EMPLOYEE ATTITUDES, EFFECTIVENESS AND PERFORMANCE**

“Most theorists believe that behavior is a result of a complex combination of, or conflict between, cognitive and affective processes.” (Scholl, 2002) In understanding how 360 degree feedback influences behavior, we must consider the theory of Emotional Intelligence. This theory deals with how individuals respond to felt emotions with behavioral responses, like those emotions evoked by receiving corrective feedback. The theory describes how a trigger or situation can evoke an emotional response, which leads to a behavioral response. This theory explains the reaction a 360 degree review process provokes in learners. Individuals possess differing levels of Emotional Intelligence Skills which allow them to deal with their own emotions as well as with the emotions of others. Some individuals have the motivation or ability to control behavioral effects of negative emotions such as anger, fear and anxiety, and still perform in a positive way even when their emotional state is negative. According to some theorists, individuals high in this skill are likely to react to negative or disconfirming feedback by attempting to diagnose the causes of low performance and actually increase their effort directed at improving performance. (Scholl, 2002) These types of individuals react to 360 degree reviews as organizational leaders’ hope, motivated to change behavior and improve performance. Others with low skill development in this area are likely to quit at the first sign of failure or invalidation, negatively impacting productivity and the organization. These individuals are the most likely to reject and discontinue the 360 degree process.

In cases where the learner has low skill development, sometimes the feedback can cause the learner to react poorly. While some level of defensiveness is a generally understandable, some learners react in a more extreme manner. As was stated earlier in this paper, the group of raters is selected by the learner, but the author of the specific feedback is anonymous. Some learners will attempt to identify who has given the specific feedback and that can lead to the learner seeking out the rater and challenging

them on the accuracy of their feedback. The learner may become aggressive and confrontational. These types of conversations can be very destructive to the process as well as to the relationship between the rater and the learner and the harmony within the organization. The role of the feedback coach is to guide the learner through the process and to help them understand identifying the specific author is not important; the offering of feedback and its message is what is important. If the learner becomes hostile towards the raters and the process, they are clearly not ready to accept feedback. In this type of situation, the learner’s performance may suffer because they become too pre-occupied with the specifics of the feedback and are not focusing on quality performance. The organization experiences the loss in terms of employee productivity and commitment.

The use of a feedback coach in a 360 degree process is shown to be of particular importance if an organization is using the tool with the objective of positively effecting performance, as is concluded in an empirical study conducted by Fred Luthans, Distinguished Professor, College of Business Administration at the University of Nebraska at Lincoln, and Suzanne Peterson, Assistant Professor at the Richard T. Farmer School of Business at Miami University. Their study confirmed that combining 360s with coaching focused on enhanced self-awareness and behavioral management improves the effectiveness of the feedback. This study focuses on the impact of 360 degree feedback combined with coaching on the learner’s self awareness and outcomes of their attitudes and indirectly organizational performance. The findings reveal an important lesson; for 360 programs to have a positive impact, learners need systematic coaching along with the 360 degree feedback in order to gain self awareness and have a positive impact on work satisfaction and organizational commitment. (Luthans, Peterson, 2003)

Organizational leaders have the ability to influence the employee attitudes towards programs like the 360 degree review. If the leaders of the organization support the program and communicate positive messages about the program, employees will likely echo that

support. Employee attitudes towards programs like the 360 review can also be negatively impacted by the attitudes of managers. Organizational leaders need to be aware of the possibility and warning signs of negative cascaded attitudes towards the 360 degree process. This is most often found where a senior manager resists the process. If senior management is heard to say that these programs don't work and are a waste of time, this becomes a self-fulfilling prophecy. This attitude and behavior then cascades down to the learners who then, not surprisingly, also apply the same 'no good, not doing it' negative attitude to their own review responsibilities. A 'no good, not doing it' attitude in the middle ranks is almost invariably traceable back to a senior manager who holds the same view. (Business balls.com, 1995-2006)

“The attitudes individuals hold toward the feedback process may be relevant to their reactions to feedback itself. Feedback recipients' attitudes toward the feedback process itself will also impact the way feedback is perceived and used. Earlier work in the area of performance appraisal feedback has suggested that individuals that have positive attitudes toward the process and believe it is fair are more receptive to feedback.”(Taylor, Tracy, Renard, Harrison& Carroll, 1995)

Although some organizations report success in their ability to positively affect the performance behaviors and performance outcomes of their employees by implementing a 360 degree review process, true measurement supporting those improvements is virtually nonexistent. Many organizations claim this process is of benefit to them, but true metrics do not exist beyond the occasional narrowly focused study. The documented effect that a 360 degree feedback process actually has on employees is quite limited and usually anecdotal at best. In theory, the concept of a 360 degree program is solid but evidence of specific results are lacking. The limited empirical analysis information that is available, reveals that 360-degree programs; unfortunately, have at best, mixed reviews. (Luthans, Peterson, 2003) What these analysis do show is the major advantages of this process are (1) they provide rates with

information on how they are perceived by others; (2) they provide more information for improvement (by addressing weaknesses) than any other technique; and (3) ratings and feedback from different groups with special insights can be obtained. Major problems include (1) they provide an overwhelming amount of information, making it difficult for the rate to effectively process all the information;(2) it is difficult to reconcile the differences between self ratings and others' ratings; and (3)there is need for a coach to figure out what to do with the conflicting information. Although these systems are extremely popular, their effectiveness is unknown. (DeNisi, Griffin, 2001)

Jai Ghorpadi, a professor of management at San Diego State University, wrote in the Academy of Management Executive that “while it delivers valuable feedback, the 360 degree concept has serious problems relating to effectiveness.” Ghorpadi reported that out of more than 600 feedback studies, one third found improvements in employee performance, one third reported decreases in employee performance and the rest reported no impact at all. John Sullivan, a professor of human resource management at San Francisco State University says “There is no data showing that 360 degree feedback actually improves productivity, increases retention or decreases grievances.” (Pfau, Kay, 2002)

One reason for the apparent lack of metrics is that typically, when 360 degree feedback is used for development the learner “owns” the data. The data is presented to the learner first, acknowledging the importance of complete confidentiality. The learner is often the only person to see the data, unless there is a feedback coach or the data is willingly shared with a supervisor. Occasionally Human Resources have access to the data, but not always. The upside of this is that the learner has a perceived safety net as they know the data is purely developmental. The downside is that the development is left completely up to the learner, which may or may not lead to change, and this accounts for the absence of measurable data. (Maylett, Riboldi, 2006)

## CONCLUSIONS

While behavioral change and performance improvement may be common outcomes of the 360 degree process, this desired outcome is not always achieved and the process can backfire on an organization in terms of an employee's affective and behavioral reaction, impacting their motivation and commitment.

Most employees' dread receiving 360 degree feedback, but all are undoubtedly curious about it. The anticipated moment of reviewing what others have said about you is an emotionally stressful time. The learner is generally very interested in the 360 degree program at the beginning. The interest level in the process can wane however, negatively affecting the program's success. There can be multiple factors affecting the learner's commitment to the program including; the quality of the learner/feedback coach relationship; the learner's comfort level with the process; the learner's acceptance of the feedback; the time commitment the learner is willing and able to make to the process and the learner's motivation to change behavior and improve performance. Without the commitments of the organizational leaders, the learner, and the feedback coach, the program will be ineffective.

Three-sixty degree feedback can be damaging to some people, their egos and their self-esteem, at least for the short term. Some learners get past the immediate emotional responses to the feedback and are able to decide how much behavioral change they plan on undertaking. This is also the point in time when the learner decides how much of themselves they will invest in the 360 degree process. Organizations can only benefit from a 360 degree process if the learner accepts the feedback and takes appropriate action to remedy any friction points. After considering the feedback, learners typically become very motivated to change behavior and are dedicated to the process, or they become de-motivated and discontinue participation.

To date, the general consensus from research and practice has been that there are both benefits and potential problems associated with 360 degree reviews, especially if used as an

evaluation system rather than just as a personal development technique. (Brett, Atwater, 2001)

Regardless of the absence of measurable effectiveness, 360 degree reviews offer employees something traditional review processes do not, an opportunity to receive feedback from a well rounded group of people. Feedback is a vital part of performance growth and development. Understanding ourselves, and how we interact with others, helps us to understand what impact we have on those around us. The perceptions of others within our circle of influence, whether those perceptions are accurate or inaccurate determine, to a large degree, our level of success. Regardless of the accuracy of these perceptions, our interactions with others both influences and is influenced by the perceptions of others. This is the value of a 360 degree feedback program. (Maylett, Riboldi 2006)

In order to be persistently successful, people and organizations need to adapt continually to their environment. This requires information from the environment. The more active and open the feedback loops, the more effective the adaptation and change can be. A 360 degree process can support this. This process, even without available meaningful metrics, still offers the potential to deepen employee's understanding of their own performance. Organizational leaders who choose to use such a program must be accepting of the fact that some employees will reject feedback and development for those employees will be limited or nonexistent. If leaders in an organization can accept the fact that implementing a 360 degree process is only likely to improve the performance behaviors and performance outcomes of those learners who can be moved from the precontemplation stage to the contemplation stage, and that this program will only benefit a certain percentage of participating employees, than the 360 degree process may be the right tool for them.

The best performance reviews, regardless of the tool used, allows managers and employees to communicate, provide feedback, and share ideas, information and opinions.

Organizations would benefit from any performance tool that allows for better

communication with management, honest feedback from those they interact with regularly and an opportunity to understand specifically how they can improve their own performance.

Clearly the 360 degree feedback process is popular. The perceived benefits of implementing such a program will only be realized if it is utilized in the right organizational climate with the appropriate expectations for success. In the wrong environment, without the presence or proper training of feedback coaches and raters, the results can be detrimental. Organizations should carefully weigh all the costs, including process related as well as the cost of behavioral outcomes. Success of such a program is predicated on implementing and sustaining long term behavioral change and development. Careful consideration should be given to the design of the process as well as to the implementation in order for the process to drive performance behaviors and performance outcomes.

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