

Skip-Level Reviews: The Benefits of 360-Degree Feedback



When was the last time one of your employees told you he or she had an effective performance review? While this may be a rhetorical question, it's a valid one given today's volatile business climate and the need to receive consistent feedback on performance.

Today, a direct manager's or supervisor's review of an employee may, indeed, not be enough to adequately provide the employee with enough information. One of the trends occurring in business is the "skip-level" review. Also known as "360-degree feedback," employees are reviewed by their manager or direct report's manager, employee peers and even subordinates.

There are many benefits to this process. For the individual, perception is reality and the skip-level process helps workers understand how others perceive them. While many may tell each other day-in, day-out how they feel, getting these thoughts on paper in a stylized, confidential process is a completely different matter. The individual also benefits because feedback is essential for learning, and individuals can better manage their own performance and careers.

Maintaining a skip-level review also benefits the "team" by increasing communications among and between team members, and supports the teamwork process by involving everyone in developing the appraisal methodology. Organizations, too, benefit by promoting better career development for employees, improving customer service by having customers contribute to evaluations, and directing the training process.

A national human resources consulting firm quantified the reasons for skip-level reviews. According to a recent survey, HR managers said that 360-degree feedback is being used for management and organizational development (58 percent), performance appraisal (25 percent), supporting strategic implementation and culture change (20 percent), and team development (19 percent).

Naturally, there are a variety of methods to gather data by using paper-based forms, diskettes or other storage, through an electronic network or by interviews. Scoring can be conducted on-site or through central scoring by an external vendor.

One, burning question is the frequency of the review – how often should the review be conducted? While annual performance appraisals usually suffice, skip-level reviews may be done more often. Since employees need time to make the changes proposed on the last set of reviews – and because it takes some time for others to perceive that change has taken place – six-month intervals make sense. This time frame allows people to create change, and then get feedback on their progress so that they can develop next-level goals and action plans. However, some organizations prefer to conduct surveys of just 10 to 15 questions, focusing on a specific topic. These smaller-size reviews are done monthly in conjunction with training on that certain topic.

Next comes the matter of whom should be the reviewer(s). The method in which organizations set the criteria for this important step could make or break the review depending on a variety of circumstances. For example, the length of time the respondent knows the subject is important, as is the amount of contact. You also may want to choose reviewers who understand what the subject does, as well as some who work well with the subject and some who do not.

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After the review is conducted, the subject is the only person who gets a copy of the report. The manager gets group and organizational data, but no individual information. While giving the data could increase accountability and enable the manager to quantifiably track progress, there are a variety of pitfalls to giving the manager a copy of the report. Here are a few examples:

- People will fear the process.
- Feedback comments will not be as constructive.
- Scores may be higher.
- Data can become a weapon, not a development tool.
- The manager may lack the ability to interpret the data appropriately.
- The manager may reprimand the employee for not doing well.

Another consideration in skip-level reviews is whether feedback should be linked to performance appraisals. While skip-level reviews or 360-degree feedback and performance appraisals can be complementary, they should not be linked. If 360 is linked to compensation decisions, it loses its power as a development tool. With compensation as the outcome, individuals quickly will learn how to play the game, a.k.a., “I’ll scratch your back if you scratch mine.”

If ratings are lower than expected, morale can decrease when the review is linked to performance appraisal. However, when low scores are used purely for development, the scores tend to be viewed as constructive feedback. Be sure that team members are coached on the rating scale so feedback is consistent across the board.

Introducing skip-level reviews to a potentially resistant organization isn’t insurmountable. First, start at the top and conduct a pilot. Directly address, up front, the issues that are at the source of the resistance, and focus on the benefits for the individual or group. When possible, use an external consultant to minimize fears of confidentiality and inappropriate data usage.

Are skip-level reviews ever inappropriate? In some cases, yes. For example, if the person receiving feedback is too new to the group or organization, there probably aren’t enough respondents who truly understand the full scope of the individual’s responsibilities. In addition, during a time of major change like a merger or acquisition, skip-level review may not be very effective because the staff is focused on other, more important, efforts. An environment with a high degree of mistrust is a red flag that also would inhibit the process.

Skip-level reviews or 360-degree feedback can be a cost-effective, measurable method to the appraisal process. Before embarking on any sudden or short-term change to the way appraisals are currently conducted, consult with your performance measurement advisor for his or her feedback.