THE GUIDE TO 360-DEGREE PERFORMANCE APPRAISALS THAT WORK FOR YOU, AND YOUR EMPLOYEES
**360-degree** appraisals can change lives, says an essay in the Harvard Business Review. With as many as 90% of Fortune 500 companies using these performance evaluations, there’s good reason to trust in their usefulness. But like most good things in life, there’s a caveat. Badly done 360 reviews can make little difference to employees and the organization—or even make things worse.

Evaluating an employee’s performance, then, is clearly tricky. Flexible, holistic appraisals that cover every aspect of an employee’s performance are the need of the hour. Understanding what 360-degree performance appraisals are, and how to get them right, will help you handle that need with finesse.

**WORKING EVERY ANGLE**

How much of your daily work is really visible to your team lead? How much of it can be broken down into a simple annual checklist? It’s clear that the feedback that comes from managers once a year just isn’t enough to understand the modern workplace.

360-degree appraisals look to present a broader perspective on performance by focusing on two key areas—who these reviews come from, and what they cover. By incorporating feedback from peers, direct reports, and clients alongside managers’ perspectives, this type of appraisal offers a more balanced view of the employee. This is especially helpful when managers themselves are not directly involved in the day-to-day tasks of an employee.

Further, 360-degree appraisals focus on constructive employee growth, rather than simply pointing out areas they need improvement in. The objective is to open up conversations about employee strengths and weaknesses, the skills that they can leverage, and the training they need to do their job better. Identifying and understanding these factors is where 360-degree performance reviews are particularly useful.

These reviews can also go a long way in helping HR understand the dynamics of their workforce, and how they can work to cultivate the best and brightest talent. However, there are several aspects to consider in implementing this system if you’re to truly reap its benefits.
COMPANY VALUES—A CORNERSTONE OF SUCCESSFUL REVIEWS

The foundation for a productive 360-degree appraisal system is a company culture that is ready for change. Implementing these appraisals isn’t easy, especially in organizations used to more rigid methods. Building a climate of trust in the workplace is very useful in carrying out effective 360-degree reviews.

An essential ingredient in enabling trust is to uphold the integrity of the leadership of the organization. The people at the top should lead the way through transparency in their communications, decisions, and actions, and commitment to their organizational duties. The presence of a strong unifying mission and vision can also promote a trusting work environment.

These elements coalesce to create a workforce that is ready for 360-degree reviews. Employees are open to providing and receiving feedback to each other, regardless of their role. Management is ready to commit to the process. Everyone is aware of the goals they must work toward. They know how they can work with those around them to achieve these goals.
A SIMPLE GUIDE TO DESIGNING REVIEWS

With a receptive company culture, it’s time to get to the nitty-gritty of the reviews. No two organizations can have the same approach to 360-degree appraisals. Replicating another appraisal system without accounting for the specific characteristics of your organization can easily lead to failure. The responsibility for this groundwork lies with HR.

Establish and define the purpose of 360-degree reviews

What do you hope to accomplish with your appraisals? What are the questions you hope to answer in such a process? Creating a well-defined goal is the critical first step to actually achieving it.

Identify the competency and assessment items

Once you know the ‘why’ of your 360-degree reviews, the focus is on the ‘how’; how can you direct the review to cover what’s most important to your organization? Recognizing key factors that influence employee performance go a long way in setting a comprehensive review agenda. These could include the strength of their skills, valuable core competencies, and their results in key areas.

Construct a feedback plan

Essential to having productive 360-degree appraisals is designing a system that provides useful feedback to participants.

- Questions on interactions with other employees and clients, proficiency in their assigned work, and more, form the basis of the feedback itself. These questions in the feedback questionnaire must be precise and relevant to the purpose of the review. Getting useful answers relies on tuning your questionnaires to the specific requirements of your organization, focused on areas like creativity, and leadership and interpersonal skills.

- The next stage is choosing how to collect these inputs through surveys, in-person conversations, or online systems.

- Deciding how to deliver feedback is the final stage in the process. Whether through a review meeting, reports, or a combination of methods, this step will determine the benefits of the feedback process.

Appraisals are thus designed to prop up organization-specific performance ideals through a holistic process of identifying and assessing these factors.
Once you’ve set up a 360-degree appraisal system tailored to your requirements, getting it to run smoothly and productively takes some more effort.

A useful first step in the implementation could be running a pilot process. Opening up the review system to a small number of reliable employees allows honest opinions on what works and what doesn’t. Acting upon this information greatly improves the odds of its success when deployed on a larger scale.

When the appraisals are ready to go company-wide, you’ll need to make it easy for your employees to get on board. This is where choosing the right 360 system goes a long way. Ideally, it has a simple, structured interface that’s used to gather input and present complex details collected through the reviews. This entire flow must integrate smoothly with your HRMS to ensure a cohesive experience. A confusing appraisal process is self-defeating.
With everything set up, the 360-review process itself comes down to 3 simple steps:

- **Selecting the reviewers**
  Employees can usually choose their reviewers or raters, although they’re sometimes assigned by HR. Selecting a good number of reviewers who’ve worked closely with the subject across settings is critical to a constructive review.

- **Carrying out the review**
  The main review essentially has two steps—sending out the reviews to the employee with notifications and a feasible deadline, and the subject answering the questions in the review. An online review system is particularly helpful here to ensure that the responses can be easily recorded.

- **Reporting results from the review**
  Reports summarize the information that the reviews have collected, including self appraisals and feedback from the various raters. One way to present these to the subject is directly, through physical or online documents. A more personal approach is a one-on-one review with the employee. The reviewer gives the employee their input on where they could improve, based on the information the reviews came up with.

**WORK WITH YOUR EMPLOYEES AFTER THE REVIEW**

According to a popular Forbes essay, one of the main reasons a 360-degree review system fails is the lack of follow-up. No matter how thorough your actual reviews are, they won’t measurably empower your staff until the post-review process is properly carried out.

Your responsibility in HR is to ensure that the employee is putting to practice the suggestions made after the review. There must be an effort towards guiding the employee on the path of personal and professional progress, with room for the occasional failure.
A good way to champion the employee’s growth is to encourage them to set up a personal development plan. Checking in regularly assures the employee you are equally committed to their success. Having follow-up meetings after a couple of months can help track which of their goals they’ve accomplished, and in which they could use your support.

THE REMODELLED APPRAISAL

The key to the success of 360-degree reviews or appraisals is to look at them as a tool to help employees reach their potential. Done right, they can make your workforce a highly motivated group of people who are ready to do whatever it takes to get better—including acknowledging their missteps.