

# MANAGING YOUR CAREER

BY HAL LANCASTER

## Performance Reviews Are More Valuable When More Join In

**G**ORDON SMOUTHER, a manager at Public Service Electric & Gas in Newark, N.J., says that getting reviews from his bosses, colleagues and underlings helped him identify performance problems that were hindering his career.

John Barkell, chief financial officer of Farm Credit Service Southwest, also got useful feedback in a similar way. But having subordinates passing judgment on his performance is "a little frightening," he confesses. "In the ordinary course of business, it's pretty easy to at least temporarily alienate someone."

So it goes on the controversial subject of so-called 360-degree feedback, which is reaching fad status in corporate America. If your company isn't using it in some form, chances are it probably will soon.

That means your performance will be appraised—anonously—by the circle of people around you: bosses, peers, subordinates, even customers. And while many companies use it on a strictly voluntary basis to identify training needs, a growing number of companies are using it to replace or supplement traditional reviews in determining pay, appraising performance or deciding who survives a reorganization.

Nearly everyone cries out for more feedback these days, although usually what they really want is more positive strokes from the boss. A 360-degree feedback — with comments flying from all directions—can be a bit overwhelming. "If it's just the boss who says I'm like this, I can rationalize it," says Mark Edwards, CEO of Teams Inc., which markets 360-degree-feedback services. That's harder to do when 10 people you work with every day say it, he adds.

But will anonymous raters carry out vendettas against tough bosses? Will the fear of negative reviews make managers shy away from tough decisions? Or will evaluators be too lenient, not wanting to jeopardize someone's job or risk retaliation from the one being rated?

**A**T FARM CREDIT, a lending cooperative, where 360-feedback reviews constitute about half the annual performance-review process, the subject has been "something of a lightning rod," says Gary Dyer, president. Some felt performance appraisals should be based solely on results and not on what some called a popularity contest. But Mr. Dyer believes including it sends a message that how you relate to others is important.

"Some of our supervisors are by nature very responsive to people above them, but less responsive to people at the same level or below," he says. "I've noticed a change now, as they realize they're going to be evaluated by these people."

Surprised by lower-than-expected scores on communication, Mr. Barkell, the chief financial officer, promptly initiated weekly staff meetings "to give everyone a chance to ask questions." He says the process has helped change the company's

management style. Still, some aspects trouble him. "Half of my evaluation is based on how I do on the 360," he says. "Everyone remembers that, particularly when you're taking tough actions."

Gary McLean, an education professor at the University of Minnesota, says research doesn't support the use of 360 reviews to determine pay and promotions. Results are skewed by bias and the different relationship each rating group has with the subject. He heartily en-



Gil Eisner

dorses the technique, however, as a way to identify training needs — but only if it's voluntary for the subject.

Mr. Smouter, manager of strategic commodity procurement, volunteered for a 360 review last year after the hiring manager for a job he coveted raised concerns about his management style. He sought advice from Steven Haas, the company's director of strategic staffing, who suggested the 360 to pin down others' perceptions of him.

He subsequently learned he was seen as defensive and controlling, which stifled others' contributions. In a videotaped brainstorming session used to test the results, Mr. Smouter turned on a colleague who challenged his ideas. "You could see I was just trying to beat him down," he says.

**S**O, WITH HELP from his boss and Mr. Haas, Mr. Smouter patched together a remedial program that included a seminar at the Center for Creative Leadership and one-on-one sessions with a personal coach. Subsequent 360 evaluations indicate improvement in 80% of the rating categories, with no slippage in the others. "It's absolutely essential for anybody in a leadership position today to think about getting feedback from a 360 perspective," he says. "The traditional way — 'What do you think, boss,' — just doesn't cut it any more."

So should you embrace 360-degree feedback? Any manager serious about improving skills should take the plunge. It's a good tool for grading hard-to-measure areas, such as listening or conflict resolution, and for learning how others see you. And it's usually left to your discretion how much information to share with your boss. That's a good thing if you don't get rave reviews. Like stricken court testimony, once feedback data is heard, it's hard to forget.

Using the data for performance reviews, where raises and promotions might be at stake, is a tougher call. But I think multiple raters would produce a fuller and fairer view than the annual flogging-by-boss ritual of traditional reviews.

As for managers' concerns about undermined authority, I could think of worse things happening than bosses becoming more responsive to their subordinates.

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