

## **Isn't It Time For A Change? Introducing 360 Degree Evaluations To Your Practice**

Jessica Lee

Pinnacle *Integrated Veterinary Solutions*

Let's face it, most practice managers, myself included, do not consider employee evaluations as one of the more enjoyable aspects of our job. A lot of us use "cookie cutter" forms and spend far too much time organizing, writing, and conducting these reviews. Most often the rewards for our time and effort are minimal, resulting in little sustainable improvement or change in an employee's performance. One of the most obvious flaws in this system is that practice managers are often the least knowledgeable about a team member's strengths and weaknesses. Without accurate information regarding an individual's interpersonal skills and capabilities, the review process fails both the employee and the practice.

### **A Viable Option and A Bit of History**

In the 1940s the United States military instituted a new personnel review protocol based on the unique premise that a more accurate assessment of a soldier's performance could be obtained from his peers rather than his commanding officer. Years later, in the 1980s, corporate America adopted this multi-source feedback system, wherein it became known as 360 Degree Employee Evaluations (360s). As a result, these companies saw a reduction in employee turnover and gained a more valuable and knowledgeable workforce, leading to an increase in net profit. When Arizona State University conducted a study on multi-source feedback they found that "...improvement in a leader's consideration and employee development behaviors will lead to positive changes in employees' job satisfaction and engagement, and reduce their intent to leave."<sup>1</sup>

### **Just what is a 360 Degree Evaluation?**

In most of our practices we conduct traditional "top-down" evaluations in which an employee is reviewed by the practice manager. With 360 Degree Evaluations individuals are reviewed by a member of each department within the practice, including associate veterinarians. Managers do not contribute their own feedback but refer to the employee's compiled and analyzed evaluation when conducting the review and setting goals. The purpose is to obtain truly objective and reliable information regarding performance and to understand where an individual fits within the practice dynamics. As managers we can then utilize this information to institute a culture focused on individual accomplishment and personal accountability.

Making a choice to implement 360s demonstrates a strong commitment to your employees. It is a sign of trust and shows that you are focused on their growth as a member of the hospital team. Employees at Hewlett-Packard were asked to share their own experience and most agreed that, "...the surprise came from the consistency of the feedback from totally unrelated sources, particularly on my strengths. I never felt I was being torn apart. It was very constructive coaching. It was soul-searching but not touchy-feely."<sup>2</sup>

Another benefit of conducting 360s is that they indirectly provide data regarding the success or failure of training programs and hiring protocols within a practice. For example, if a majority of technicians were to receive low scores in the area of client communications, this would be an indication that the issue may not lie solely with the individuals. The low scores should be seen as an indicator that the educational and training programs within that practice need to be reevaluated.

### **The "How-To"**

One of the biggest mistakes managers can make is to implement a multi-source feedback program on their own. The secret to conducting 360s is *NOT* to do it yourself. The task should

be outsourced to one of the hundreds of companies that are set up to manage the process and electronically compile the data. Whatever company you choose, they will create the review, send and receive the forms via email, and compile the data using software that creates a separate, detailed summary report on each employee. Management is not privy to individual assignments or evaluations and only receives the compiled report, which then becomes the basis for the employee's review and subsequent action plan (see diagrams).

Attempting to handle 360s in-house is time prohibitive. More importantly, though, choosing not to out-source the process undermines the very reason that the 360 format succeeds - guaranteed anonymity and confidentiality. Removing management from the evaluation process and using electronic data collection provides team members with a forum for honest feedback without fear of repercussions.

### **What About My Raise?**

*The sole purpose of 360 Degree Evaluations is to improve performance.* This means no longer combining an employee's review with a pay increase but instead separating the two both physically and mentally. This is the simple logic of cause and effect where rewards are based on achievement. Meeting and exceeding the goals set forth during the 360 evaluation become the measurable incentive for receiving a raise in the future. After all, isn't this the way we have been taught that the world works? In our lives we accept the cliché, "you can't get something for nothing," and there is no reason this should not be the rule within our practices.

Another reason to avoid simultaneous 360s and employee pay increases is the potential for legal issues in the future. While the very nature of 360s removes individual bias, it is that anonymity which could potentially cause problems. An employee could, if disgruntled, question the validity of the feedback on the basis that the identities of the individuals providing the information are unknown. Separating the two, and discussing a pay increase at a later date (perhaps at a 6 month interval), minimizes the risk of discrimination complaints based on "random" increases in pay. When adhered to, this process also becomes the perfect precursor to a merit-based compensation scale, which is defined as a monetary reward system based on commitment and accomplishment, rather than longevity or title. The advantages of merit-based compensation are twofold; while it may very well be the answer to poor productivity and turnover, it may also be the best way to eliminate the potential for this type of discrimination complaint, whether intentional or not.\*

\*a detailed discussion on implementing merit-based compensation is a topic for another article.

### **Potential Pitfalls**

Implementing 360s in a small practice can be problematic, because it is difficult to guarantee confidentiality, especially if each employee ends up having to review every other employee. Whether or not this could work depends a great deal on the culture within the practice.

For many of us, implementing new protocols in our practices is met with resistance from our staff, and eventually this attitude can be so disheartening that we throw in the towel at the first sign of trouble. If the outcry is loud enough, we may even become so discouraged that we stop introducing any change at all! Because staff is used to receiving a review and a raise at the same time, changing this protocol may instill fear and distrust. Skeptics may conclude that you are trying to avoid giving them a raise. Rather than letting this deter you from proceeding, continue to explain how the system will benefit *them*. Explain that they are being given the power to shape their own future and that changing the dynamics provides each one of them, regardless of position, to reap the rewards of their own commitment.

### **Should I or Shouldn't I?**

This isn't a rhetorical question. Choosing to implement 360s doesn't mean simply changing a few questions on a current evaluation form, or handing out the same form to more people. It means starting from scratch and accepting a shift in the balance of power within your practice. As managers we must remove our ego and personal biases from the equation or the process will fail. We may even be forced to admit that we have made unfair judgments about an individual in the past. Most importantly, choosing to implement 360s requires a commitment to carrying out the process from start to finish and acknowledging the resulting data. Lack of follow-through can be far more detrimental to the climate and culture of your practice than opting not to implement a multi-source evaluation program in the first place. When you are ready, *go for it!*

If you have any questions about multi-source feedback, feel free to email me at [jleepinnacleivs@gmail.com](mailto:jleepinnacleivs@gmail.com).

---

<sup>1</sup> Brett, Joan. "360 Degree Feedback to Leaders." *Group and Organization Management* 31(2006): 578-600.

<sup>2</sup> DeBare, Ilana. "360-Degrees of Evaluation: More companies turning to full-circle job reviews." *San Francisco Chronicle* (05/05/1997).