

Participant Input into Rater Selection: Potential Effects on the Quality and Acceptance of Ratings in the Context of 360-Degree Feedback

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This article explores implications and potential benefits of giving individuals an opportunity to have input into the selection of raters involved in giving them 360-degree feedback. First, allowing participants some degree of input, but not total input into the selection of raters, may result in better perceptions of fairness, rater credibility and usefulness of the feedback. In addition, increased participation in the selection of raters could translate into the development of more challenging goals and higher levels of job performance. From a quantitative perspective, this could also produce more variance in the ratings.

Traditional performance appraisal systems have primarily consisted of supervisor evaluations of subordinate performance. In recent years, however, organizations have increasingly turned their attention toward gathering performance feedback from sources other than immediate supervisors. Several benefits are associated with obtaining feedback from multiple sources. Potential benefits of multi-source feedback include: better performance information,¹ more reliable ratings than those from a single supervisor² and improved ratee performance after receiving the feedback.³

Multi-source or 360-degree feedback involves the collection of evaluations of job performance from two or more rating sources, which could conceivably include the rater's self appraisal, supervisor ratings, peer ratings, subordinate ratings or feedback from customers, vendors, and suppliers. This feedback from multiple sources and perspectives is perhaps the most compelling strength of 360-degree feedback.⁴

London and Smither observe that "in the socially constructed world in which employees work, others' judgments about them (no matter how biased they may be) constitute an important reality."⁵ In 360-degree feedback, other raters (e.g., peers and subordinates) possess different, possibly incongruent perceptions of managers' performance in the rating process.⁶ Similarly, according to contingency theories of leadership, leaders constantly adjust their behaviors to the particular situation.⁷

Consequently, it is logical to anticipate that managers who differ in their behavior towards others would be rated differently by these other individuals in the context of 360-degree feedback.

Multi-Source Performance Appraisals: The Growth in Utilization of 360-Degree Feedback

The popularity of 360-degree feedback in organizations has increased dramatically in recent years.⁸ Reasons for this increased popularity include: 1) dissatisfaction with traditional performance appraisal systems; 2) increased focus on empowerment, participation, and customers; 3) larger spans of control;⁹ 4) attempts to improve organizational processes and communication; 5) imitation of competitors;¹⁰ 6) increased need to communicate critical organizational behaviors and values;¹¹ and 7) increased need for managers to adjust to turbulent business environments.¹²

Despite the increasing popularity of 360-degree feedback, practical research related to this topic is relatively scant. Related research has focused on a narrow scope of issues such as the psychometric properties of 360-degree ratings,¹³ rater anonymity,¹⁴ the purpose of ratings¹⁵ and rating sources.¹⁶

An important area that has received inadequate research attention is the selection of raters in 360-degree feedback systems. Specifically, research has fallen short in addressing potential implications associated with "who" selects the individuals conducting the ratings and the potential benefits of allowing individuals to have some input into this selection process. Dalessio noted this void, stating that no research has been conducted to determine how the quality and acceptance of ratings is affected by participants' input into rater selection versus others providing input.¹⁷ While the review of literature for this study identified no research regarding the selection of raters in 360-degree feedback systems, several authors have provided commentary on a variety of popular practices.

Several researchers have advocated that participants be solely responsible for selecting their raters,¹⁸ mainly to promote empowerment and acceptance of feedback. However, other researchers and practitioners have expressed concern that participants who are allowed to choose their raters will select only their "friends" or those who will give them positive feedback. This can be problematic because managers often need negative feedback in order to improve performance.¹⁹ Alternative methods include using an objective third party to choose the raters for participants²⁰ and random selection²¹ in order to ensure they get feedback from a balance of raters who can provide insight regarding both the manager's strengths and weaknesses. However, these approaches present problems as well. Because participants have no input into the selection of raters, they may be more likely to reject negative feedback.²² Additionally, many participants are skeptical of this method because they fear that their subordinates or peers may "sandbag" them by giving them low ratings as a means of reprisal.²³

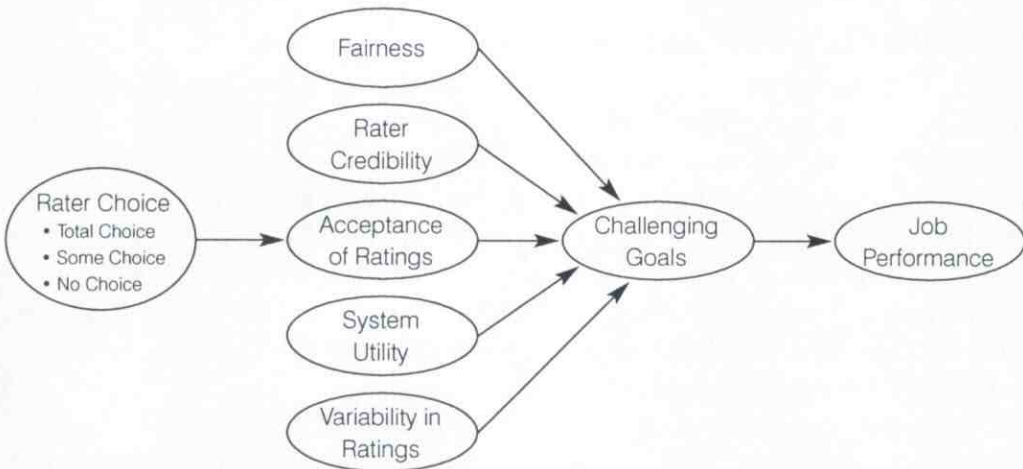
With these factors in mind, it appears that organizations are in a "catch 22" situation regarding who should select raters in 360-degree feedback systems. If organiza-

tions opt for a rater selection strategy that optimizes acceptance, rating inflation is likely to occur, rendering the feedback ineffective. On the other hand, if organizations opt for a strategy that minimizes participant input, there may be more variance in the ratings but many participants who need the feedback are likely to discount it or reject it.

Potential Implications of Alternative Rater Selection Approaches

Effectively choosing a method of rater selection necessitates consideration of the potential effects of participant input on the quality and acceptance of ratings. While allowing participants to have input into this process are advocated, there are numerous factors and potential implications that should be taken into consideration. This section summarizes some of these major factors that could impinge upon the success of organizations permitting participant input into making the choice of raters. Where appropriate, research propositions are also provided in an attempt to facilitate further study of this phenomenon. The primary objective is to help organizations ensure that they get the most out of their 360-degree feedback systems by maximizing both the quality and acceptance of the resulting ratings. This is especially important considering the popularity of 360-degree feedback systems. Figure 1 provides an overview of the major factors and propositions discussed in this section.

Figure 1. Rater Selection in a 360-Degree Feedback Program



The Impact of Organizational Justice

Organizational justice research has shown that voice (i.e., input into organizational decision-making processes such as performance appraisal) enhances employees' perceptions of fairness of these processes.²⁴ People tend to accept decisions and their consequences if they have participated in making them.²⁵ Furthermore, research indicates

that employees desire voice, prompting them to view procedures into which they have input as more fair than those that do not allow input, regardless of the outcomes.²⁶

Proposition 1. Participants' perceptions of fairness will be higher in rating situations where they have more input into the selection of raters than in situations where they have little or no input into the selection of raters.

Purposeful Performance Feedback

Extant research regarding responses to feedback provides an important underpinning for propositions related to participant input into rater selection. Feedback is essential to employee development. Feedback in organizations is a fundamental way that employees learn and maintain work-related behaviors.²⁷ It not only helps employees to address deficiencies or performance problems, but it also reinforces positive work-related behaviors, encourages the development of desirable work habits, and helps employees achieve their goals.

Feedback Source

Although there is a plethora of research in the area of responses to feedback, it is important to focus on reactions to feedback as a function of feedback within the context of a 360-degree process. Feedback research has demonstrated that a critical feedback dimension is the source of the feedback.²⁸ Additionally, research on components of feedback indicates that recipients differentiate feedback in terms of source.²⁹ This distinction among sources is important because it is likely that different sources of feedback will produce different responses from recipients.³⁰

Responses to Feedback

Ilgen et al. provide a theoretical framework for understanding responses to feedback. According to this model, behavioral response to feedback is the result of a multi-stage process, which includes perception of feedback, acceptance of feedback, desire to respond to feedback and the intended response to feedback.³¹ At each phase of the feedback process, a number of variables are thought to influence outcomes. Camp, Blanchard and Huszczo argued that in order for feedback to be translated into practice, it must influence three interrelated cognitive processes: the perception of the feedback (accuracy), the acceptance of the feedback and the motivation or willingness to use the information in future tasks.³²

In earlier research, Ilgen et al. examined several factors that can impact the effectiveness of the feedback.³³ Salient factors included the source, content and recipient of the feedback. Credibility of the source, usefulness of the message, belief in the accuracy of the information presented, and the level of detail of the information provided are important determinants of whether feedback is perceived as positive or negative, whether it is accepted, and whether it motivates the individual to change behavior.³⁴

The importance of perceived credibility of the feedback source cannot be underemphasized. Ilgen et al. contend that source credibility is a key determinant in a person's reaction to feedback. Source credibility includes a recipient's belief that the

source has the ability and appropriate intentions to make effective ratings or evaluations upon which to base the feedback. Source credibility may influence how an individual perceives the feedback and whether the individual accepts the feedback as an accurate representation of their performance. The recipient's desire to respond to the feedback and the resulting goals may also be impacted. It is implicit that feedback from more credible sources would be perceived as more accurate, with the potential of more effectively changing performance.³⁵ As a result, feedback recipients are more likely to accept and ultimately respond to developmental feedback if they perceive the feedback source as credible.

On a related note, Bannister found that source credibility had a significant impact on a feedback recipient's reactions to feedback.³⁶ The results of his study indicated that those who received feedback from a more credible source viewed the feedback as more accurate, the source as more insightful, and were more satisfied with the feedback. Additionally, source credibility has been shown to moderate the feedback to performance relationship.³⁷ Thus, the following propositions are offered:

Proposition 2. Participants will perceive raters as more credible in situations where they have more input into the selection of raters than in those where they have little or no input into the selection of raters.

Proposition 3. Participants will perceive ratings to be more acceptable in situations where they have more input into the selection of raters than in those where they have little or no input into the selection of raters.

Proposition 4. Participants will perceive ratings to be more useful in situations where they have more input into the selection of raters than in those where they have little or no input into the selection of raters.

Considering the Nature of the Feedback and Performance Goals

Podsakoff and Farh studied the effects of feedback sign and credibility on goal setting and task performance. Podsakoff and Farh found that subjects who received negative feedback performed at significantly higher levels compared to subjects who received positive feedback regarding their previous performance. Also, subjects who received more credible negative feedback set higher goals than did subjects who received less credible feedback. These authors found no statistically significant difference between subjects who received more credible positive feedback as compared to less credible positive feedback.³⁸

Research suggests that specific challenging goals evoke better performance than vague, unchallenging goals.³⁹ Given that developmental feedback is often viewed as negative and that recipients tend to view raters as more credible when given input into selecting raters, it seems reasonable to offer the following propositions:

Proposition 5. Participants who have more input into the selection of raters and receive negative feedback will set more challenging goals than those who have little or no input into the selection of raters.

Proposition 6. Participants who have more input into the selection of raters and receive negative feedback will experience higher levels of job performance than those who have no input into the selection of raters.

As discussed earlier, it is suspected that when participants in 360-degree feedback systems are allowed to choose their raters, they tend to choose raters who will give them high ratings. As a result, rating inflation often occurs. Therefore, the following is hypothesized:

Hypothesis 7. Participants who have more input into the selection of raters will have less variability in their ratings (i.e., central tendency or rating elevation) than those that have little to no input into the selection of raters.

Conclusion

This article has addressed some fundamental considerations related to participant input when selecting raters for a 360-degree feedback program. While the examination is far from exhaustive, it highlighted several factors that impact rater perceptions of feedback in a 360-degree scenario. More importantly, the discussion of these factors resulted in the identification of several propositions that will be useful in extending related literature.

From a practical perspective, issues examined in this article should enhance leaders' awareness of the complexities and idiosyncrasies associated with multi-source feedback. In turn, this increased management awareness should enhance the effectiveness of multi-source performance appraisal programs such as 360-degree feedback.

Notes

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