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# 360-Degree Appraisal: Pros and Cons of Multi-Rater Feedback

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Can you get a full picture of an employee's performance with a 360-degree appraisal? That's the question businesses want to know when implementing this popular technique, which asks managers, peers, direct reports and even clients to offer employee feedback.

While 360-degree appraisals are more of a developmental tool than a rating tool, many organizations integrate this performance review system with other evaluation tools to accelerate improvement company-wide. In this article, we discuss what the 360-degree appraisal is and explore the advantages and disadvantages of asking for feedback from multiple sources.

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## What is a 360-degree appraisal?

A 360-degree performance appraisal, also known as 360-degree feedback or multi-rater feedback, is when employers evaluate employee performance from as many sources as possible, instead of only one-on-one feedback from a direct manager. Once all the feedback is collected, it is used to measure employee strengths, weaknesses and skills and can provide a well-rounded performance review. If the 360-degree performance appraisal is well designed, it can boost team performance, promote self-awareness and create transparent communication. However, there are also some drawbacks to the 360-degree appraisal method if it's not executed properly.

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## **Advantages of 360-degree feedback**

**It provides a broader, potentially more accurate assessment with information from clients, customers, colleagues and other sources, and employees are more likely to take feedback into consideration when it comes from multiple sources**

It allows anonymity, which can help employees feel more comfortable sharing negative or constructive feedback

Broader employee self-awareness can motivate employees to work towards self-improvement and bridge the difference between how employees see themselves and the opinions others have of them

It can boost morale and help employees and managers build trust, increase communication and improve overall performance

It can give participants the ability to learn how to handle feedback without feeling upset by focusing on the opportunity to grow personally and professionally

It identifies training gaps for management and provides an overall understanding of individual, departmental and organizational skill competency

## **Disadvantages of 360-degree feedback**

**It can take significant time for sources to participate thoughtfully and for analysis to happen afterward with insight**

Anonymous feedback may lead some employees to not feel the need to take it seriously or may use the anonymity to be overly negative, critical or focused on weaknesses

Feedback is not always positive, and too much negativity can lead to resentment and feelings of fear or anger

Coworkers may just say what they think people want to hear, which means feedback is neither honest or accurate

If participants feel like the 360-degree feedback was just busy work or manager's don't communicate learnings, then there may not be any tangible growth, trust in leadership may deplete and engagement may go down

Organizations sometimes execute the 360-degree appraisal poorly, and it can be confusing when changing from one type of performance feedback to another

## **Advantages of 360-degree appraisals**

There are many pros to using the 360-degree feedback method, such as motivating employee engagement, a transparent feedback process and improving overall efficiency of

feedback. Here are some of the upsides of using this evaluation technique:

## Provides a complete assessment

Because the 360-degree feedback comes from so many different sources, the information collected is broader and therefore has the potential to be more accurate. It may be possible to notice recurring patterns and themes from the feedback. As the number of respondents increases, there is a better idea of an employee's behavior, work and relationships. Clients, customers, colleagues and other sources of feedback provide information that wouldn't otherwise be possible to know. Employees are more likely to take feedback into consideration when it comes from multiple sources instead of just one person.

## Increases teamwork

Theoretically, when a team is able to identify all of their strengths and weakness as individuals and as a team, they have the knowledge and motivation necessary to make changes and improvements. When employees know what behaviors they need to develop and improve, they can become better workers as individuals and become better collaborators with their team, which results in a more productive and positive work environment.

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## Shares perception

It can be a positive experience to see how others perceive you in the workplace. Those who take part in the 360-degree feedback have the opportunity to anonymously share what they feel about their colleagues. It's not very often that coworkers have the opportunity to know what others think of them. It is important that participants are able to handle the feedback without feeling upset by focusing on a growth mindset and the opportunity to grow personally and professionally.

## Garners more feedback

Generally, employees like to receive feedback and the 360-degree appraisal method resolves any issues with a lack of frequent feedback. This multi-rater feedback provides employees with a chance to receive more feedback and more frequent feedback from a wide variety of sources. Often, employees also perceive the feedback as being more accurate and more fair since it comes from multiple sources.

## Allows anonymity

360-degree feedback is typically provided and received anonymously. There are some advantages to anonymous feedback, like helping employees to feel more comfortable about the feedback they want to share, especially when it comes to negative or constructive feedback.

## Promotes self-awareness

Employees are able to develop a sense of self-awareness about their strengths and weakness when using 360-degree feedback. This awareness can motivate employees to work towards self improvement, develop new skills and improve existing skills. This self-awareness can also bridge the difference between how employees see themselves and the opinions others have of them.

Related: [What Is Self-Awareness: Tips on Being More Mindful at Work ↗](#)

## Identifies training gaps

Skills gaps can affect individual employees and their organization as a whole. Personal and organizational gaps in training are identifiable with the 360-degree performance appraisal. The feedback provides an overall understanding of individual, departmental and organizational skill competency and finds particular areas where there are issues with training so management can implement training programs.

## Increases productivity and relationships

360-degree feedback can boost morale and help employees and managers to work together better. When used correctly, the feedback can build trust, increase communication, improve overall performance and encourage teams to reach mutual goals. It can also help employees to align their goals with the organization's goals and see a clearer picture of the skills they need to be successful.

## Gives insight into work

One of the biggest benefits to the 360-degree appraisal method is insight and understanding of an employee's role in the company. It helps employees to see beyond their daily tasks and outcomes and identify how their role contributes to the organization. Managers are able to better understand how an employee fits in with the team and get a glimpse at other nuanced feedback besides just finished work assignments.

## Brings transparency

Increased transparency from 360-degree feedback can lead to developing trust between coworkers. An increase in transparency and trust may enhance decision making, increase performance and build a solid foundation of knowledge, all of which has the potential to increase revenue. When used intentionally, 360-degree feedback can let organizations generate ideas, improve operations, make positive changes and tap into unrealized potential.

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## Disadvantages of 360-degree appraisals

While there are many advantages to using the 360-degree feedback method, there can be some potential drawbacks, such as creating conflicts, lowering morale and limiting upward career paths. Here are some of the downsides of using the 360-degree performance appraisal evaluation technique:

### Time consuming

It can take significant time to complete a 360-degree performance appraisal. It takes time for the sources to participate in answering the questions thoughtfully and for the supervisors or HR employees to read through the material and analyze it with insight. The quality and amount of feedback often comes at the cost of lost time. Weighing the feedback and compiling it all into one performance review document with customized software can expedite the process. It can also be helpful to determine whether the feedback is worth the time invested.

### Not always positive

Some managers may have the temptation to use 360-degree feedback to focus on the negative aspects of employee performance rather than develop and encourage the positive aspects. Too much negativity can lead to resentment and feelings of fear or anger. Managers can be mindful of this possibility and focus on balancing both negative and positive feedback, teaching about constructive criticism and turning negative comments into beneficial actionable statements.

Related: [Positive Thinking in the Workplace: Benefits and Tips](#)

## Dishonesty and inaccuracy

If a lack of trust exists among coworkers, they may not offer honest feedback, but rather just say what they think people want to hear. If the feedback is not honest then it is likely also inaccurate, which is not very useful. A small close-knit team may be afraid of being too critical, and a very large team may not know each other well enough to give an accurate assessment. Prevent this situation by setting up clear guidelines and being transparent about expectations with 360-degree feedback.

## Distrust

It's important to follow through on communicating what managers learned from the 360-degree performance appraisal and how they plan to address the feedback. If the participants feel like the 360-degree feedback was just busy work or a useless exercise, then there may not be any tangible growth or positive change, trust in leadership may deplete and engagement may go down. Leadership can prevent this from happening by following through with an action plan based on the feedback results.

Related: [14 Ways to Build Trust in the Workplace](#)

## Anonymity

While anonymous feedback with the 360-degree performance appraisal may make some employees more comfortable and able to share their opinions more freely, the opposite can happen as well. Some employees may not feel the need to take the 360-degree feedback seriously or may use the anonymity to be overly negative, critical or focused on weaknesses.

## Poor execution

Often organizations go about introducing and using the 360-degree appraisal method poorly. It's important to go about using the evaluation method with the right steps, such as introducing the method properly and with positivity and maximizing the value of the feedback. This is especially important when changing from one type of performance feedback to another and when it might affect employees' compensation or positions.

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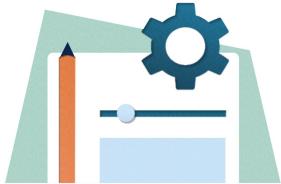
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