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Appraisals by the immediate supervisor are still the heart of most appraisal processes. Getting a supervisor’s appraisal is relatively straightforward and also makes sense. The supervisor should be and usually is in the best position to observe and evaluate his or her subordinate’s perform- ance. The supervisor is also responsible for that person’s performance. Yet, although widely used, supervisors’ ratings are no panacea, and relying only on them is not always advisable. For example, an employee’s supervisor may not understand or appreciate how cus- tomers and colleagues who interact with the employee rate his or her performance. Furthermore, there is always some danger of bias for or against the employee. If so, managers have several options. PEER APPRAISALS With more firms using self-managing teams, appraisal of an employee by his or her peers—peer appraisal—is more popular. Typically, an employee due for an annual appraisal chooses an appraisal chairperson. The latter then selects one supervisor and three peers to evaluate the employee’s work. Research indicates that peer appraisals can be effective. One study involved undergraduates placed into self-managing work groups. The researchers found that peer appraisals had “an immediate positive impact on [improving] perception of open communication, task motivation, social loafing, group viability, cohesion, and satisfaction.” Employees, in other words, seem to be motivated to meet their colleagues’ expectations. RATING COMMITTEES Some companies use rating committees. A rating committee is usually composed of the employee’s immediate supervisor and three or four other supervisors. 9 Using multiple raters is advantageous. It can help cancel out problems such as bias on the part of individual raters. 10 It can also provide a way to include in the appraisal the different facets of an employee’s performance observed by different appraisers. Multiple raters often see different facets of an employee’s performance. Studies often find that the ratings obtained from different sources rarely match. 11 It’s therefore advisable to at least obtain ratings from the supervisor, his or her boss, and perhaps another manager who is familiar with the employee’s work. 12 At a minimum, most employers require that the supervisor’s boss sign off on any appraisals the supervisor does. SELF-RATINGS Some employers obtain employees’ self-ratings, usually in conjunction with super- visors’ ratings. The basic problem, of course, is that employees usually rate themselves higher than do their supervisors or peers. 13 One study found that, when asked to rate their own job performances, 40% of employees in jobs of all types placed themselves in the top 10%, and virtually all remaining employees rated themselves at least in the top 50%. 14 In another study, subjects’ self-ratings actually correlated negatively with their subsequent performance in an assessment center—the higher they appraised themselves, they worse they did in the center. In contrast, an average of the person’s super- visor, peer, and subordinate ratings predicted the subjects’ assessment center performance. 15 APPRAISAL BY SUBORDINATES Many employers have subordinates rate their managers, usually for developmental rather than for pay purposes. Anonymity affects such upward feed- back. Managers who get feedback from subordinates who identify themselves view the upward feedback process more positively than do managers who get anonymous feedback. However, subordinates prefer giving anonymous responses (not surprisingly), and those who must identify themselves tend to give inflated ratings. 16 Upward feedback can improve a manager’s performance. One study focused on 252 managers during five annual administrations of an upward feedback program. Managers who were initially rated poor or moderate “showed significant improvements in [their] upward feedback ratings over the five-year period.” And, managers who met with their subordinates to discuss their upward feedback improved more than the managers who did not. 17 360-DEGREE FEEDBACK With 360-degree feedback, the employer collects performance informa- tion all around an employee—from his or her supervisors, subordinates, peers, and internal or exter- nal customers—generally for developmental rather than pay purposes. 18 The usual process is to have the raters complete online appraisal surveys on the ratee.