

The Basics of 360 Degree Feedback

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The objective of this article is to provide information for a general understanding of 360-degree feedback and to enable you to implement this powerful process in your organization.

What is 360 Degree Feedback?

360 degree feedback is a process that involves systematically collecting opinions about how a manager is performing on the job from their own perspective and from the perspective of their co-workers. The co-workers include their boss or bosses, reporting staff members, four to eight peers or fellow colleagues, internal and external customers, and suppliers. Sometimes family members are also included. These individuals serve as raters in the 360 degree process. The ratings they provide are based on a set of criteria or competencies. A gap analysis is performed detailing how the subject perceives him or herself versus how others perceive them.

Other names for 360 degree feedback are multi-rater feedback, multi-source feedback, full-circle appraisal, and group performance review.

Who are the targets for 360 Degree Feedback?

A recent study by the Society for Human Resource Management found that organizations utilize 360-degree feedback at the following levels:

Executives	35%
Upper-middle Management	37%
Middle Management	23%
First Level Managers	18%
Individual Contributors	11%

What are the major uses for 360 Degree Feedback?

An increasing number of companies rely heavily on employee feedback, including 360 degree feedback and peer review, for individual development plans and annual performance reviews. A survey conducted by researchers Lepsinger and Lucia in 1997, asked participants, "How is 360 degree (multi-rater) feedback being used in your company?" The responses were:

- for management and organizational development 58%
- for performance appraisal 25%
- to support strategy implementation and culture change 20%
- for team development 19%

How is 360 degree data collected?

There are a variety of methods to gather data, including: paper forms, diskettes, via a network, e-mail or web-based surveys or with interviews. Scoring can be conducted on-site or through central scoring by an external vendor.

Who gets a copy of the feedback report?

The subject is the only person who gets a copy of the report. The manager gets group and organizational data, but no individual data. This is an important element of the 360 degree

process. Confidentiality is important to both the subject and the raters.

While managers can use the data to increase accountability and to quantifiably track progress, there are a variety of pitfalls to giving the manager a copy of the report. Participants must share *goals*, not actual results. In this way, managers can act as coaches, guiding the individual to higher performance levels, not judges, focusing on specific scores and comments.

What happens after the feedback session?

Remember the most important thing in implementing a 360 degree feedback program is what will happen after the results have been fed back. If you have managed expectations clearly enough the individuals should be in a relatively reflective state of mind and ready to sit and review the results. Now is the time to create the development plan to address specific areas that may need attention. The subject may want to discuss the findings of the 360 process with their manager and gain support for developmental activities. A follow-up discussion with team members and reporting staff may also take place.

What can be gained by implementing a 360 Degree Feedback program?

Organizations that have well-managed, well-integrated 360 degree processes identify these positive features:

1. Co-worker perception is important and the process helps people understand how other employees view their work. Feedback from multiple sources can be a definite improvement over feedback from a single individual.

2. Multirater feedback makes team members more accountable to each other as they share the knowledge that they will provide input on each member's performance. A well-planned process can improve communication and team development.
3. Because development needs are revealed, 360 degree feedback information can provide excellent information to an individual about what he or she needs to do for both career and personal development.
4. When feedback comes from a number of individuals in various job functions, discrimination because of race, age, gender, and so on, is reduced. The "horns and halo" effect, in which a supervisor rates performance based on his/her most recent interactions with the employee, is also minimized.
5. When feedback processes involve the internal or external customer, each person receives valuable feedback about the quality of his product or services. This feedback should enable the individual to improve the quality, reliability, promptness, and comprehensiveness of these products and services.
6. 360 degree feedback data provides comprehensive information about organization training needs and thus allows planning for classes, coaching, cross-functional development assignments, etc.

How do you roll out a 360 degree feedback program?

Just as an organization implements any planned change, the implementation of a 360 degree feedback program should

follow effective change management guidelines. We recommend the following steps:

- ✓ **Step 1:** Clarify the goal of the 360-degree feedback process.
- ✓ **Step 2:** Determine organizational readiness for 360-degree feedback by conducting a 360 readiness survey.
- ✓ **Step 3:** Develop an appropriate survey and process given organizational needs and objectives and ensure that sufficient resources are available.
- ✓ **Step 4:** Generate enthusiasm among key decision makers and participants by demonstrating the link between 360-degree feedback and specific business objectives
- ✓ **Step 5:** Train participants and managers to ensure they have effective feedback and coaching skills to support the process.
- ✓ **Step 6:** Provide an orientation briefing to ensure an understanding of the 360 degree survey and feedback process and how it works.
- ✓ **Step 7:** Administer the survey and compile and distribute individual reports.
- ✓ **Step 8:** Coach participants in one-on-one meetings to interpret the results and develop individual goals and action plans.
- ✓ **Step 9:** Provide organizational summary data to evaluate trends and patterns among participants at various levels or in specific areas of the organization and determine training needs.
- ✓ **Step 10:** Re-conduct the survey in about six months.

The effectiveness of the feedback is directly linked to the integrity of the process, and the integrity of the process is measured in terms of commitment, clarity of purpose, and follow-up. A 360 degree feedback team is recommended for accomplishing a detailed plan to address these issues prior to implementation.

Who should serve as raters?

The most appropriate choices are those individuals who know and have regular contact with the subject. Additionally, the rater should understand the full nature of what the subject does.

How can you ensure the relevance of the 360 survey?

A standard survey can be utilized effectively if all of the questions are relevant and all of the critical behavioral areas are included. Take note that just because a survey was validated in the context of another population that does not mean that it will be valid or relevant for every organization. For this reason, customizable assessment platforms are recommended.

Subjects should be rated on concrete, observable behavior and criteria that have been previously identified by the organization. These may be a set of leadership competencies or performance expectations. 360-degree survey questions should be clear and unambiguous, relevant to the subject's job and should address the major components of the job. Custom-designed surveys will meet the company's needs and support the organizational culture and mission. Pre-work in designing an appropriate survey pays-off in the long-run.

How do you introduce 360-degree feedback to a potentially resistant organization?

1. Start at the top
2. Conduct a pilot
3. Directly address, up front, the issues that are at the source of the resistance
4. Focus on the benefits for the individual or group
5. Utilize an external consultant to minimize fears of confidentiality and inappropriate data usage

Is 360-degree feedback ever inappropriate?

A process begun haphazardly because it's the current trend in organizations, or because "everyone" else is doing it, will create a disastrous situation that may require months and possibly years to reverse.

The 360 degree feedback process is not recommended when:

1. the person receiving feedback is too new to the group or organization
2. there are not enough respondents who truly understand the full scope of the individual's responsibilities
3. the organization is undergoing a time of major change such as just before or after a merger or acquisition
4. there is a high degree of mistrust in the environment

How can I ensure confidentiality?

If the raters are not guaranteed that their names will not appear on the report or be linked to specific comments or ratings, they

may not provide accurate responses or be completely open. To ensure confidentiality:

1. Select a neutral administrator (e.g. an external consultant or human resources representative)
2. Print only one report per person
3. Require encrypted user-names & passwords to access the survey and the response data.

Should 360-degree feedback be linked to performance appraisals?

360-degree feedback and performance appraisals can complement each other, but should not be linked. If 360-degree information is linked to compensation decisions, it loses its power as a development tool. When compensation is the outcome, individuals will quickly learn how to play the game, "I'll scratch your back, if you scratch mine." Low scores obtained when 360-degree information is used purely for development tend to be viewed as constructive feedback. This is not the case with low scores obtained for compensation purposes.

Hargrove & Associates Management Consultants can assist you throughout the 360-degree feedback process. Our survey specialists, performance coaches and facilitators can provide services for survey design, 1-on-1 Coaching, 360 survey administration, and administration of other survey processes.

For 360 consulting services information, contact Faye Hargrove, Sr. Executive Consultant, Hargrove & Associates Management Consultants at faye@hargroveconsultants.com or 706-840-5360.