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360-Degree Feedback

Learning outcomes

On completing this chapter you should know about:

- The process of 360-degree feedback

- 360-degree methodology

- Use of 360-degree feedback

- Advantages and disadvantages of 360-degree feedback

Introduction

360-degree feedback, also known as multi-source assessment, is a process in which someone's performance is assessed and feedback is given by a number of people who may include their manager, subordinates, colleagues and customers. Assessments take the form of ratings against various performance dimensions. The term '360-degree feedback' is sometimes used loosely to describe upward feedback where this is given by subordinates to their managers. This is the most common approach and is more properly described as 180-degree feedback. Feedback may be presented direct to individuals, or to their managers, or both. Expert counselling and coaching for individuals as a result of the feedback may be provided by a member of the HR department or an outside consultant. 360-degree feedback or a variant of it was used by 30 per cent of the respondents to the 2005 e-reward survey.

Use of 360-degree feedback

360-degree feedback recognizes the complexity of management and the value of input from various sources – it is axiomatic that managers should not be assessing behaviours they cannot observe, and the leadership behaviours of subordinates may not be known to their managers.

It is used for a number of purposes. Research conducted by the Ashridge Management Research Group (Handy *et al,* 1996) found that typically, 360-degree feedback forms part of a self-development or management development programme. The 45 users covered by the survey fell into the following groups:

- 71 per cent used it solely to support learning and development;
- 23 per cent used it to support a number of HR processes such as appraisal, resourcing and succession planning;
- 6 per cent used it to support pay decisions.

360-degree feedback – methodology

360-degree feedback processes usually obtain data from questionnaires that measure from different perspectives the behaviours of individuals against a list of competencies. In effect, they ask for an evaluation: 'How well does… do…?' The competency model may be one developed within the organization or the competency headings may be provided by the supplier of a questionnaire. A typical questionnaire may cover aspects of performance such as leadership, teamwork, communication, organizational skills, decisiveness, drive and adaptability.

Ratings

Ratings are given by the generators of the feedback on a scale against each heading. This may refer both to importance and performance, rating the importance of each item on a scale of 1 (not important) to 6 (essential), and performance on a scale of 1 (weak in this area) to 6 (outstanding).

Data processing

Questionnaires are normally processed with the help of software developed within the organization or, most commonly, provided by external suppliers. This enables the data collection and analysis to be completed swiftly, with the minimum of effort and in a way that facilitates graphical as well as numerical presentation.

Graphical presentation is preferable as a means of easing the process of assimilating the data. The simplest method is to produce a profile, as illustrated in Figure 39.1
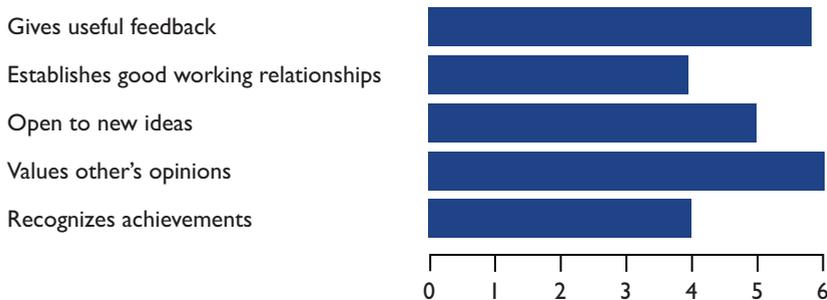
Figure 39.1   360-degree feedback profile

Some of the proprietary software presents feedback data in a much more elaborate form.

Feedback

The feedback is often anonymous and may be presented to the individual (most commonly), to the individual's manager (less common) or to both the individual and the manager. Some organizations do not arrange for feedback to be anonymous. Whether or not feedback is anonymous depends on the organization's culture – the more open the culture, the more likely is the source of feedback to be revealed.

Action

The action generated by the feedback will depend on the purposes of the process, ie development, appraisal or pay. If the purpose is primarily developmental, the action may be left to individuals as part of their personal development plans, but the planning process may be shared between individuals and their managers if they both have access to the information. Even if the data only go to the individual they can be discussed in a performance review meeting so that joint plans can be made, and there is much to be said for adopting this approach.

360-degree feedback – advantages and disadvantages

Advantages and disadvantages

Advantages:

- Individuals get a broader perspective of how they are perceived by others than previously possible.

- It gives people a more rounded view of their performance.

- Increased awareness of and relevance of competencies.

- Increased awareness by senior management that they too have development needs.

- Feedback is perceived as more valid and objective, leading to acceptance of results and actions required.

Disadvantages:

- People do not always give frank or honest feedback.

- People may be put under stress in receiving or giving feedback.

- Lack of action following feedback.

- Over-reliance on technology.

- Too much bureaucracy.

The disadvantages can all be minimized if not avoided completely by careful design, communication, training and follow-up.

Development and implementation

To develop and implement 360-degree feedback the following steps need to be taken:

1. Define objectives – it is important to define exactly what 360-degree feedback is expected to achieve. It will be necessary to spell out the extent to which it is concerned with personal development, appraisal or pay.

2. Decide on recipients – who will be at the receiving end of feedback. This may be an indication of who will eventually be covered after a pilot scheme.

3. Decide on who will give the feedback – the individual's manager, direct reports, team members, other colleagues or internal and external customers. A decision will also have to be made on whether HR staff or outside consultants should take part in helping managers to make use of the feedback. A further decision will need to be made on whether or not the feedback should be anonymous (it usually is).

4. Decide on the areas of work and behaviour on which feedback will be given – this may be in line with an existing competency model or it may take the form of a list of headings for development. Clearly, the model should fit the culture, values and type of work carried out in the organization, but it might be decided that a list of headings or questions in a software package would be acceptable, at least to start with.

5. Decide on the method of collecting the data – the questionnaire could be designed in-house or a consultant's or software provider's questionnaire could be adopted, with the possible option of amending it later to produce a better fit.

6. Decide on data analysis and presentation – again, the decision is on developing the software in-house or using a package. Most organizations installing 360-degree feedback do, in fact, purchase a package from a consultancy or software house. The aim should be to keep it as simple as possible.

7. Plan initial implementation programme – it is desirable to pilot the process, preferably at top level or with all the managers in a function or department. The pilot scheme will need to be launched with communication to those involved about the purpose of 360-degree feedback, how it will work and the part they will play. The aim is to spell out the benefits and, as far as possible, allay any fears. Training in giving and receiving feedback will also be necessary.

8. Analyse outcome of pilot scheme – the reactions of those taking part in a pilot scheme should be analysed and necessary changes made to the process, the communication package and the training.

9. Plan and implement full programme – this should include briefing, communicating, training and support from HR and, possibly, the external consultants.

10. Monitor and evaluate – maintain a particularly close watch on the initial implementation of feedback, but monitoring should continue. This is a process that can cause anxiety and stress, or produce little practical gain in terms of development and improved performance for a lot of effort.

360-degree feedback – criteria for success

- It has the active support of top management who themselves take part in giving and receiving feedback and encourage everyone else to do the same.

- There is commitment everywhere else to the process based on briefing, training and an understanding of the benefits to individuals as well as the organization.

- There is real determination by all concerned to use feedback data as the basis for development.

- Questionnaire items fit or reflect typical and significant aspects of behaviour.

- Items covered in the questionnaire can be related to actual events experienced by the individual.

- Comprehensive and well-delivered communication and training programmes are followed.

- No one feels threatened by the process – this is usually often achieved by making feedback anonymous and/or getting a third-party facilitator to deliver the feedback.

- Feedback questionnaires are relatively easy to complete (not unduly complex or lengthy, with clear instructions).

- Bureaucracy is minimized.

360-degree feedback – key learning points

The process of 360-degree feedback

360-degree feedback, also known as multi-source feedback, is a process in which someone's performance is assessed and feedback is given by a number of people who may include their manager, subordinates, colleagues and customers.

Use of 360-degree feedback

360-degree feedback recognizes the complexity of management and the value of

360-degree feedback – key learning points (continued)

input from various sources. Mainly used for learning and development.

360-degree methodology

360-degree feedback processes usually obtain data from questionnaires that measure from different perspectives the behaviours of individuals against a list of competencies.

Advantages and disadvantages of 360-degree feedback

Main advantages – individuals get a broader perspective of how they are perceived by others than previously possible and therefore obtain a more rounded view of their performance. Main disadvantages – people do not always give frank or honest feedback and people may be put under stress in receiving or giving feedback.

Questions

1. From the chief executive to the HR director: 'Based on your knowledge of other organizations and research, I should like a report from you on the advantages and disadvantages of 360-degree feedback.' Respond.

2. From a friend who is Human Resources Manager for a law firm: 'I need your help. Our partners are contemplating the introduction of 360-degree appraisal, and have asked my advice about the benefits and the dangers. This subject is new to me, so what can you tell me, based on your own knowledge of the relevant research and the experience of other organizations?' Respond.

3. From the head of reward to the HR director: 'Why don't we use the outcome of our 360-degree feedback system to contribute to the annual appraisal rating and through that to performance-related pay decisions?' Draft your response.

References

e-reward (2005) *Survey of Performance Management*, e-reward.co.uk, Stockport

Handy, L, Devine, M and Heath, L (1996) *360-Degree Feedback: Unguided missile or powerful weapon?*, Ashridge Management Group, Berkhamstead

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