

360⁰ Feedback

From Populist Fashion to Performance Tool

A 21st Century approach

- The populisation of 360° feedback across 21st Century organisations
- Barriers to integration of 360° feedback into organisational cultures
- Best Practices in successful 360° feedback projects
- Are there suitable cultures which can use 360° feedback as a process

Principles of 360° attraction in the 21st Century



- It enables organisations to deliver a process which develops the emotional competence of its leadership cadre.
- New psychological contract does not expect or reward loyalty.
- The average tenure of managers has decreased
- Acceptance of self-development at a societal level
 - *Interest in self-understanding,*
 - *Acceptance around broader range of coaching - health, work, work-life balance*

The rise of 360° as a fashionable tool – Applications



- Self-Development
- Teambuilding
- Performance Appraisal
- OD
- Remuneration
- Assessment Centres

The Evidence - Popular but ineffective

- According to HR consulting firm William M. Mercer, 40% of companies used 360-degree feedback in 1995; by 2000, this figure jumped to 65%, by 2005 this was 90%
- Atwater and Waldman (2003) suggest that 90% of Fortune 1000 firms use some type of multi-rater feedback system as part of appraisal or development systems.
- The Gen Group Study (2001) – 57% of Top 100 Australian organisations used 360^o
 - Highest usage in Financial Services and insurance
 - General dissatisfaction with process and outcomes
 - Greatest usage in organisations with least open cultures
 - 18% of companies viewed process as “Not at all effective”
 - No right way to conduct process

The Evidence - Popular but ineffective

- IPD Best Practice research (1999)
 - Consortium research including DTI, BPS, IPD
 - Emphasis on implementation process rather than follow-up

- Watson Wyatt's 2001 Human Capital Index (HCI), an ongoing study of the linkages between specific HR practices and shareholder value at 750 large, publicly traded companies, found that 360-degree feedback programs were associated with a 10.6 percent decrease in shareholder value.

Barriers to Integration of 360⁰ into organisational culture

- Poor Design of Behavioural indicators
- Management competence in coaching
- Utility analysis and linkage to performance indicators
- Investment in long term development after 360⁰ process
- Development v Assessment
- Research² shows that staff would change their ratings if related to a formal performance appraisal

² Antonioni, A. 1996. Designing an effective 360degree appraisal feedback process. Organizational Dynamics, Autumn: 24-38.

Evidence – Variation depends on “best practices”

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- Meta-analysis of 24 longitudinal 360° feedback studies by Smither et al. (2005) suggested that improvement following feedback was significant but generally small. Specific conditions (“best practices”) along with specific individual characteristics (e.g., motivation to want to change)
- Bono and Colbert (2005) suggests that motivation to change behaviour following 360° feedback is related to personality (core self-evaluations).
- Potential value of coaching to assist individuals to understand their potentially complex feedback and to increase motivation to set developmental goals.

The Evidence – The Performance Tool

- Ken Nowack's (2005) research identified while the average may be discouraging, there are "best practice" organisation with open and trusting culture enabling 360° success
 - Rater Selection
 - Type and Number of Raters
 - Rating Scale
 - Confidentiality of feedback
 - Feedback Process
 - Structured Behaviour change
- A range of studies indicate that cultural fit is required but little indication of what this looks like in terms of actual employee attitudes across an organisation

Critical Success Factors for 360° Effectiveness



1. Translate competencies into visible and actionable behaviours
2. Minimise risk of bias in measure of competency for each manager
3. Achieve a high response rate with an on-line survey
4. Provide perception gap reports between self and raters
5. Prepare report/personal development plan and deliver feedback
6. Workshop option for management teams who feel this will refine leadership development and team effectiveness

1. Develop questions which are specific and actionable from feedback process

- **Several benefits for raters:**
 - More accurate rating of individual manager(s)
 - Quicker completion of 360⁰ questionnaire
 - More actionable feedback

- **Example statements could be:**
 - Rarely interrupts others while they are speaking
 - Shows genuine warmth in dealings with others by remembering personal details during conversations
 - Willing to get to the heart of issues through careful probing and listening
 - Demonstrates sensitivity in dealing with difficult issues with colleagues
 - Elicits feedback from colleagues on own strengths and limitations

2. Minimise risk of bias in measure of competence for each ratee

- **Issue** : Results of any 360⁰ assessment can be significantly influenced by selection process for raters

- **Solution** : Key requirements to minimise risk of bias in results :
 - *Sufficient number of peers/subordinates – Ideally 10 or more*
 - *Selection of raters by individuals to optimise ownership*
 - *Communication of selection process to reinforce validity*
 - *Confidentiality of on-line administration process*
 - *Security of website*

3. Achieve a high response rate with on-line survey

The Launch Process

- Pre-communication to raise awareness and reassure confidentiality and security of process
- Invitation e-mail appears to be sent from within company to help encourage response
- On-line data collection designed to reflect the client brand
- All participants receive invitation e-mail with embedded link

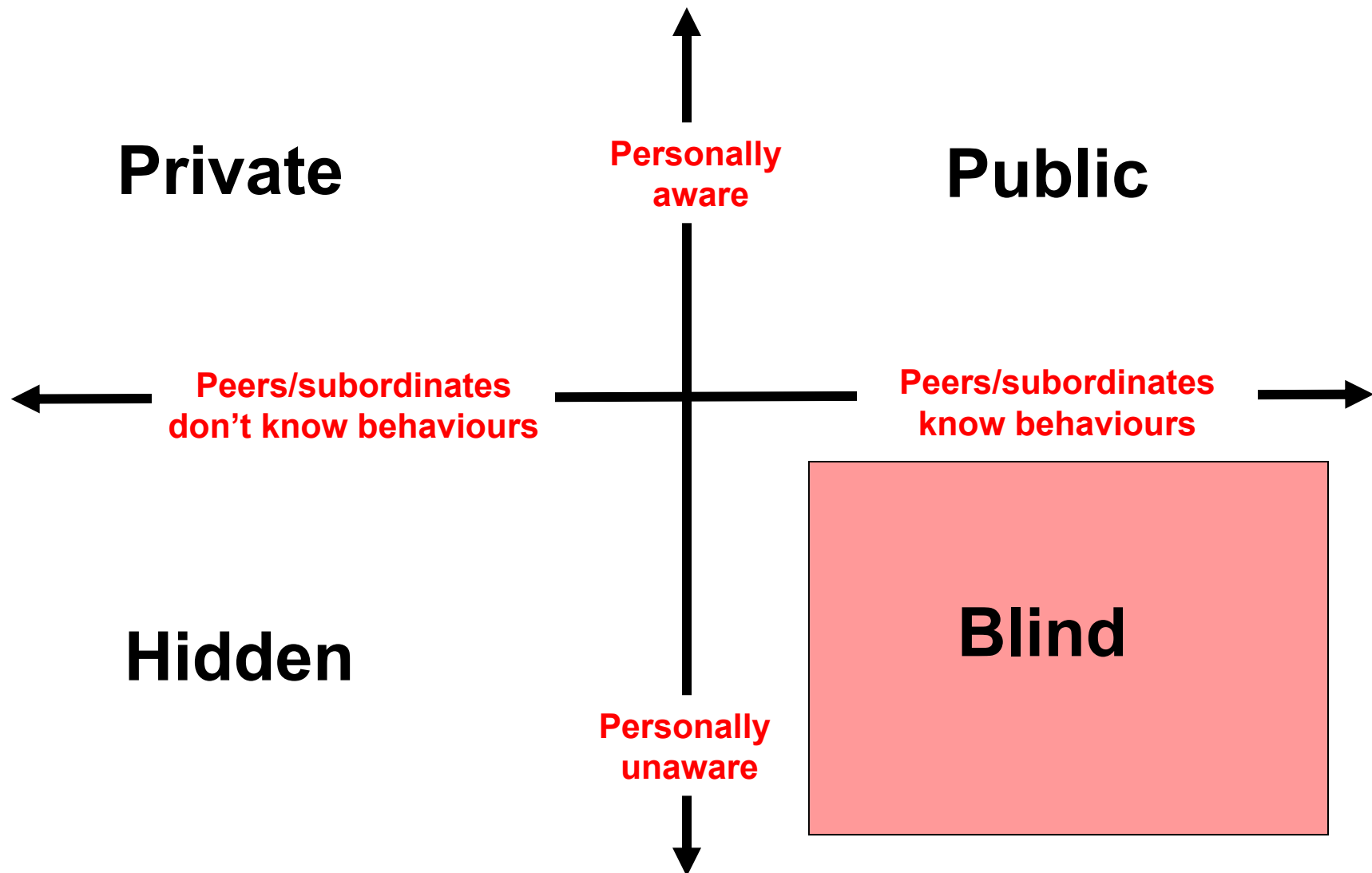
The Administration Process

- Access to secure internet site with unique ID
- Mandatory response to all questions if required
- Real-time web-link for response rates
- Regular response updates to all participants
- Facility to re-issue invitation to non-respondents

4. Provide perception gap reports between self and raters

- Provide basis of gap between how individuals perceive their own behaviour versus how others see them.
- Johari window model provides simple approach to assist managers in interpreting results.
- A key principle of the feedback exercise is to help reduce the “blind” segment.
- Several levels of feedback report can help compare the consistency of this gap for different populations.

The Johari Window – Helping to reduce the “blind segment”



Perception Gap – Example Report

Example Perception Gap Report

Competency	Average score for John Smith % Favourable	Average score for			
		Self	Line Manager	Peers	Subordinates
Integrity	80	6	6	-6	-3
Leadership, Vision & Values	78	5	-5	-8	2
Empowers others for Achievement	78	3	3	-7	-1
Common Purpose	78	12	3	-6	-4
Business Processes	75	-3	3	-9	-4
Interpersonal Skills	73	2	-5	-6	-2
Coaching	69	18	10	-7	1
Average Score	76	6	2	-7	-1

Perception gap = 18
(Self (+12)
- Peers (-6))

Numbers represent differences to average score for competency

5. Prepare report and personal development plan and deliver feedback

- A written report summarising areas of strength and concern, as well an outline personal development plan.
- Comparison to relevant internal benchmarks.
- Highlight of open-ended comments section to add depth to numerical data.
- Ranking of behaviours where feedback was strongest and weakest relative to internal comparison group.
- High skill level of feedback coach required. External coach will ensure independence for the first feedback session.

6. Provide Workshop option for management teams

Consolidates behaviour change :


- Development of coaching competencies
- Development of team effectiveness through building of trust and openness in sharing feedback
- Effective transfer of knowledge in coaching where individuals experience feedback themselves in order to develop the skills for providing feedback to others
- This approach reinforces the role of the line manager to coach and give quality feedback to employee.

Development Workshop

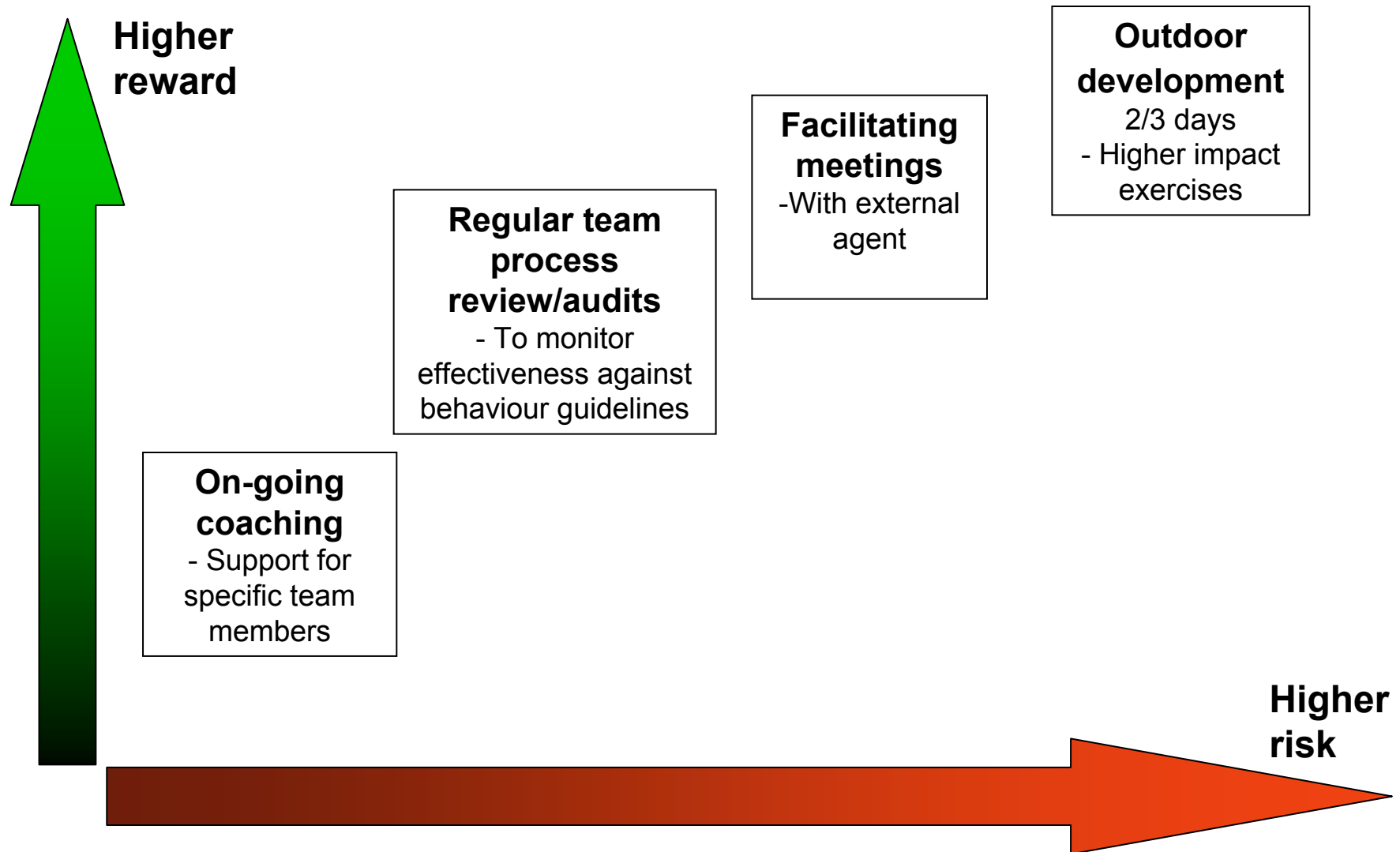
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Interpersonal Skills		D		S				D
Integrity			D			S		
Common Purpose					S		S	
Coaching		S		D			D	
Business Processes					D			S
Empowers others for Achievement	D		S					
Leadership, Vision & Values	S					D		

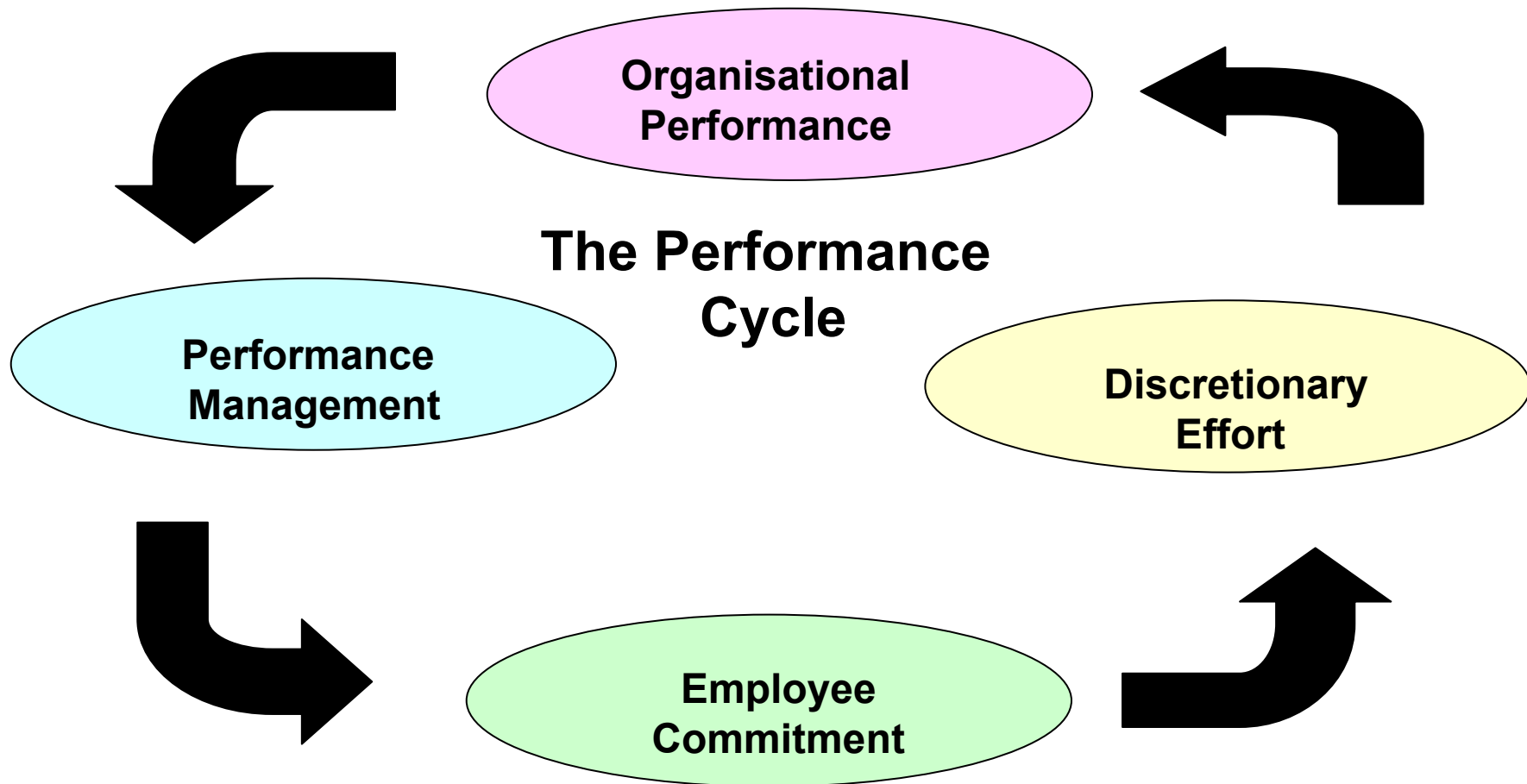
 Relative areas of development for individual

 Relative areas of strength for individual

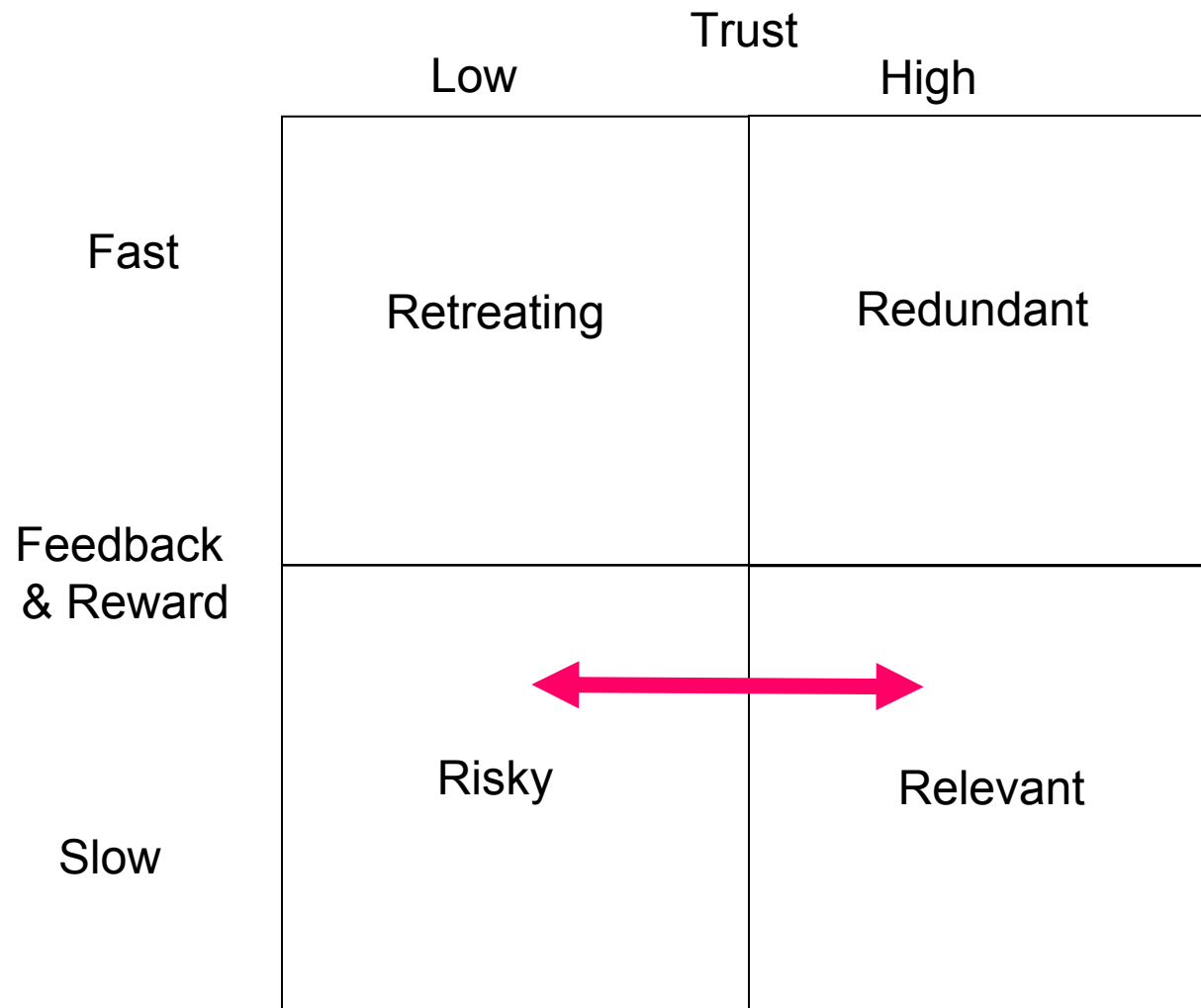
Building Effective Team Performance



The Principle of Effective 360° Application



A Taxonomy of 360° Organisations



*From Deal & Kennedy's
Cultural Model*

What sort of culture will enable 360° success ?

- Senior Management trust and openness higher than employees as a whole
- Top quartile of employee satisfaction in employee survey vs. national norms
- Expanding role opportunities for all employees
- High levels of job security perception at local level
- Teamworking environment with positive role modelling
- Low turnover in most departments

Probable Lower Risk Culture

- Technology and Media
- Professional Services
- Health Services

Probable Higher Risk Culture

- Financial Services
- Invest Banking
- Law Professions

From Gen Group study and Mercer HR Consulting “Britain at Work” 2004 Study