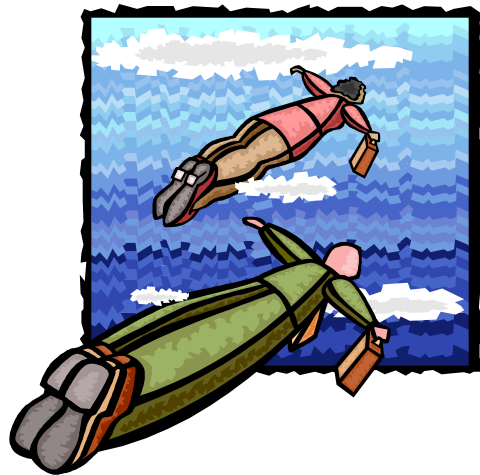


360-DEGREE FEEDBACK - A KEY TO DEVELOPING EMPLOYEES

Best Practice Guidelines for 360-Degree Feedback

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Guidelines for 360-Degree Feedback

Background:

In today's competitive market, companies must recruit and retain the very best people. In order to maximise an employee's potential, organisations need a cost effective timely and efficient way to measure employee performance and identify the developmental needs of employees.



Using a 360-degree feedback process provides a more comprehensive and realistic assessment of an individual's performance than the traditional process of receiving feedback only from one's manager or supervisor. Gathering information from many sources enables individuals to develop a more balanced view of their performance.

360-degree feedback, also known as multi-level, multi-source feedback, is a very powerful and sensitive process. It can increase the individual's awareness of how their colleagues view their performance and indeed how it compares with their own view of their performance. It can serve as a strong spur for development and behaviour change.

What is 360 Degree Feedback?

360-degree feedback is a process whereby an individual (the recipient), is rated on his or her performance by people who know something about his or her work (the raters). This can include direct reports, peers and managers and in some cases customers or clients, in fact anybody who is credible to the individual and is familiar with his or her work can be included in the feedback process. This is usually in addition to completing a self-assessment on performance.

The resulting information is presented to the individual with the aim of helping them to gain a better understanding of his or her skills and development areas. Each source can provide a different perspective on the individual's skills, attributes and other job relevant characteristics and thus help to build up a richer, and more complete and accurate picture than could be obtained from any one source. 360-degree feedback builds on the principles of: -

- Structured and rigorous assessment against competencies
- Regular feedback from a wide range of people
- Increasing self-awareness

Introducing a 360 Degree Feedback Process

The culture of an organisation needs to be considered prior to the introduction of a 360-degree feedback process. It will be more easily introduced where openness, mutual trust and honesty are part of the

organisational or departmental culture and there is a genuine interest in and desire for performance improvement.

360-degree processes with a clear purpose and objective are likely to be more effective, particularly when they are aligned with organisational strategies and goals and can be linked to existing processes within the organisation.

There are 3 key issues to be considered when introducing 360-degree feedback?

- Establish the purpose
- Establish the process
- Establish the resources

1. Establishing the purpose

Development or performance appraisal



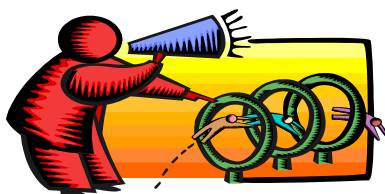
The purpose of 360-feedback, whether it is purely for development purposes or as part of a performance appraisal process, will influence implementation decisions. Some of the decisions at the planning stage that need to be considered are:

- Will participation in the process be mandatory or voluntary
- How often will it be carried out
- Who will choose who is to contribute provide feedback
- What role will the individual's manager play in follow-up action
- Will outcomes of the process be linked to rewards in any way

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2. Establishing the process

Gaining commitment



- Commitment from senior management is a key influence on whether 360-degree feedback is seen as credible within the organisation. A 'top-down' approach, with senior managers receiving feedback on their own performance is one way of achieving this. There is evidence to suggest that senior management commitment

can be gained through witnessing the success of the system in one part of the organisation, if their direct involvement is not possible at the outset.

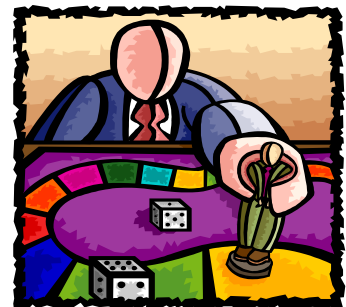
- A powerful way of gaining commitment to the introduction of 360 degree is to consult with participants who will be involved in the scheme, raters as well as recipients. For example, how the scheme should be structured and operated, and aspects of its content. It is only by following that kind of approach that fears are likely to be allayed and enough trust built up to let the scheme flourish.

The raters

- Identifying the most appropriate people to rate the performance of the individual is a key part of the process. Ideally the recipient will have full involvement in identifying who they think is in the best position to comment on their performance. The raters must be credible to the recipient for them to act on the resulting feedback.
- A frequent concern is that the person being rated may respond negatively to the information and may take it out on their raters. To minimise this concern, most feedback schemes promise anonymity for the raters.
- The number of raters is important on two counts. First, the assessment has to be based on a large enough sample to ensure that it is valid; if it is too small, there is a danger that one rater's view will have a major impact on the overall results. Second, the sample of raters needs to be large enough that individual sources cannot be identified; a minimum of three to five people, depending on the circumstances. The implications for time and administrative effort involved are clear. Where there are fewer than three to five people available, it may be necessary to combine groups, for example, direct reports and peers to ensure confidentiality.
- Once a decision is made on who has access to the ratings, this needs to be adhered to consistently through the life of the process. A change in who has access to the information is one of the most common reasons for lack of trust in the process. If there are good reasons to change, it is critical to seek the permission of the individuals involved before making that change.

The questionnaire

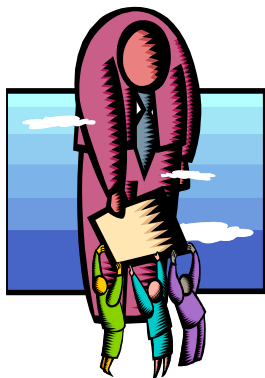
- The instrument used in a 360-degree feedback process needs to describe the behaviours which relate to actual job performance. It also needs to be a reliable measurement tool. The further reading section at the end of this document contains references which discuss the questions of reliability and validity in more detail.
- Whether the same instrument is used across the organisation or for different job roles will depend on how relevant the behaviours are for the different groups involved. The instrument needs to describe specific work behaviours and ideally



relate to existing measurement systems within the organisation, for example, competencies. It also needs to be in line with the organisation's culture and values.

- The questionnaire needs to be relevant to the raters and their day-to-day involvement with the individual.
- A well-designed questionnaire should offer respondents the opportunity to indicate where they have not had the opportunity to observe a behaviour, or where the behaviour is not relevant to the job, so as not to force them to guess.
- While the majority of 360-degree feedback processes involve the use of a questionnaire, it is possible to run very effective programmes without the use of questionnaires. However, these programmes need to be managed with extreme caution and require a mature organisational culture and the support of a good facilitator.

The structure of feedback



- Another issue for consideration is the format for the feedback. Feedback can be provided through aggregating the ratings and presenting an average 'score' on each question, perhaps putting the self-rating alongside it. While this preserves anonymity, it does have the disadvantage of failing to identify important differences in perspective. Ideally, the ratings of the different groups are presented separately, and the range of the ratings (i.e. highest and lowest) as well as the averages included so that these differences in perspective are identified. If there are enough raters involved, this should not compromise anonymity. The feedback should also be reviewed for sensitivity in how the information on the ratings is presented and in particular how the implications of lower ratings are conveyed.
- Some questionnaires include a free-written section in which other observations or comments may be made. This can help to throw more light on the ratings, but again the person giving the feedback needs to be sensitive in managing this information.

3. Establishing the resources

- When planning a 360-degree feedback process, it is important to have an accurate view of the time and resources needed to roll it out effectively. This includes the time needed to set up and manage the programme, the administrative time in gathering the feedback and compiling reports, the time needed for those providing the feedback and the time and resource involved in giving that feedback to the individual and in supporting subsequent action.

Resources for development

- Where 360-degree feedback is being used to encourage development, it is important to have considered in advance the resources needed to support such activity. It is very easy to concentrate on the mechanics of organising the process and lose sight of the original purpose of the feedback. The gathering of the 360-degree information is just the starting point in the development cycle. Considering the resources for subsequent development activity early in the process will help keep a focus on the overall objective. The feedback will provide a new understanding of development needs, but if there are no resources available to address these needs, it will be a frustrating experience for those involved.

The role of technology in 360-degree feedback

- Increasingly, computers are used to support 360-degree feedback processes, and have considerable advantages in reducing the administration and in gathering feedback where people work on different sites and in different countries. When gathering information in this way, particularly where the Internet is the medium, it is important to ensure the process is secure and that the information will remain confidential to the agreed people involved in the process.



Giving the feedback

Feedback is an integral part of any management process, not just 360-degree processes. The starting point for any subsequent action is the effective communication of the results of the exercise to the person receiving the feedback. How this is done, and by whom, will be influenced by the purpose of the exercise. Effective feedback is the springboard for subsequent development and is integral to the success of the process.

How will the feedback be communicated?

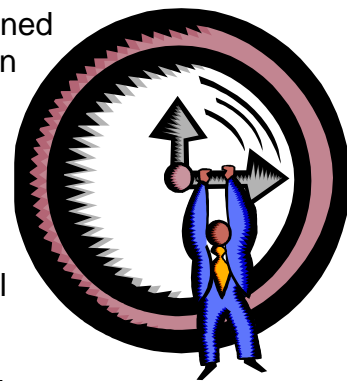


- The first question is whether the information is communicated face-to-face to the individual involved, with the support of a facilitator, or whether the feedback is delivered via a report, without the involvement of a facilitator.
- Given that an individual is receiving sensitive information about how their colleagues, direct reports and manager view their performance, sensitivity is required. Best practice would be to make someone available to help interpret the results with that person.

- Where face-to-face feedback is included in the programme, the people giving the feedback will need to have the skills to support this process. Training of feedback facilitators is an important part of the implementation. The facilitators need a good understanding of the organisation's policies on 360, close familiarity with both instrument and report, an awareness of the range of reactions individuals have to feedback, interpersonal skills in conducting a feedback session, and to be seen as trustworthy and credible.
- Where 360-degree feedback is being given for development, discussion of the results with the facilitator can help focus the discussion on future development planning rather than focusing on the feedback itself. Skilled facilitators will help the individual to draw out evidence and make connections across different people and situations. It is this process that stimulates self-awareness and makes 360 degree feedback such a powerful process.
- In cases where there is a more open organisational culture, the individual receiving the feedback might be encouraged to explore the meaning of the results with those providing the feedback. This can be invaluable in removing any ambiguity about the feedback as well as being a good starting point for subsequent development. It requires the support of a facilitator to ensure that the process is managed effectively and sensitively.

When will the feedback be communicated?

- Ideally the 360-degree process would be designed so that the individual receives feedback as soon as possible after that feedback was given. Having shorter turn-around times maintains the momentum of the process as well as motivation for the individual. Given the pace of change in many organisations, shorter turn-around times will ensure that the feedback is still relevant for the role.
- When planning the timing of the feedback, it is important to ensure that people receive it when there is support available to interpret the results. Providing a report without support, particularly prior to a weekend or going on holidays, is far from ideal, and can have strong negative consequences.
- If the feedback facilitators do a number of feedback sessions, they can provide very valuable information about the themes across the sessions. This would evidently need to be done without compromising individual confidentiality. This information could feed into the management development process to help tackle some of the wider organisational issues.



Our Recommended Instrument

We recommend the ASSESS 360 Feedback online system – develop your own customised competencies and behaviours with the people who do the job through our Competency Development Workshop, or use any of our generic models (Executive, Manager, Team Leader/Supervisor, Sales Manager, Sales and Individual/Professional).

We can align and load up your own competency models, or you may find our “generic” models fit your organisation. Ask us for a demo and sample reports.

More information on our website:

http://www.assess.co.nz/pages/assess_360.htm

Or go to our dedicated ASSESS website:

www.assess-systems.com/professional/nz

Acknowledgement:

These notes have been adapted from the UK Department of Trade and Industry Best Practice Guidelines.