

Assessment & Evaluation

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The Promise of 360-Degree Feedback

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Done well, 360s can provide excellent data for development. Done badly, they can cause confusion and distrust. The result is either an organization with enhanced capacity for effective operation or one in which ineffective behavior is reinforced or increased. As a result, leadership and management competency assessment using 360s is a challenging process in any organization. But taking a considered approach and following a few simple guidelines can help any organization use this proven development tool effectively.

Much has been written about the promise of 360-degree feedback since it was developed in the early 1970s, and these days, most Fortune 500 companies extensively use this type of feedback. In fact, 360s are one of the most widely used talent management tools for middle- and senior-level managers.

But do they really deliver what organizations need to develop and retain talent? This question should be asked in light of the impending talent shortage predicted for the next 10 to 15 years.

Research shows it's cheaper to develop and retain talent than it is to recruit and hire. Companies seeking to keep existing talent via the use of more development are using 360s, along with other development tools, more frequently. Because research consistently ranks growth and development as top contributors to job satisfaction and motivation, using development tactics to retain top talent is a wise strategy.

Recognizing these facts, it makes sense to include individual development in your talent management strategy. If used correctly and as one component in a comprehensive program, the 360 is a good place to start.

All About 360s

Formerly a term heard mostly in human resource circles, the 360 is so widely used today that you'd be hard-pressed to find a businessperson who has not participated in a 360 assessment process.

The 360-degree assessment (also referred to as multirater assessment) has been used most frequently for employee development and placement or promotion decision support. It is used to gather feedback about an individual's management and leadership skills via a series of survey items that reflect competencies important to the organization.

As the name implies, 360s are designed to provide a complete 360-degree picture of the individual's strengths and developmental needs from the perspective of those who work with him or her: boss, peers and direct reports. The true value of a 360 is that it can show individuals how their self-perception differs from the perceptions of others.

By revealing personal blind spots that might negatively affect an individual's managerial or leadership effectiveness, 360s can provide a very focused and efficient road map for personal development — when individuals can quickly change behaviors that negatively affect those who work closest to them, they can just as quickly change perceptions of their effectiveness.

In addition to helping individuals recognize development areas, 360s can do the same for organizations. Composite 360 data can reveal trends in areas ripe for development across the organization.

This is valuable to organizations that seek to learn the strengths and weaknesses in their managerial culture. Plus, it can provide insight into why particular companywide initiatives stall. Smart organizations realize cultural change starts with individual change, and then they complement it with an organizational development strategy. With 360s, you can do both.

Do They Deliver? It Depends.

If you're thinking about using a 360 in your organization, take your time. To get the most value from your investment in 360 and ensure you select the one that's best for your organization, there are several factors you should consider.

- **Take a Comprehensive Approach.** To make a 360 pay off for your organization, you must think of the 360 survey as a component of a larger development system. Having a 360 system helps people understand their development needs, provides a road map for the development process and allows for the crucial follow-up and/or closure to measure their progress.
- **Intention.** Question the intention behind your decision to invest in a 360. Are you doing it to help the individual develop or to identify poor performers? If it's the latter, that's one of the wrong reasons for using a 360, and it won't pay off. Another wrong reason some organizations decide to use 360s is to compensate for not being good at providing managerial feedback. Using 360s in place of real-time feedback from managers will not give you desired results and will most likely produce some undesirable ones.

Some of the right reasons to implement a 360 include providing opportunity for feedback, development, retention, improving the company and improving performance — all components of talent management.

Finally, once you've determined the purpose and intention for the use of the 360, it should be clearly communicated and understood by all.

- **Instrument Type.** Do the research and take time to select the best 360 for your company. Some companies prefer using an assessment created specifically for their organization or industry. Contrary to what some think, however, leadership competencies are fairly consistent across industries.

Surveys can emphasize different leadership competencies, so make sure to select a survey that is relevant to your actual workplace needs and demands. The survey should have the option to customize questions to which raters can provide verbatim responses. This enables you to dig deeper into your most critical competencies, and it provides qualitative and quantitative feedback.

The length of your survey is also important — a well-crafted, research-based assessment does not have to ask 100 questions to be comprehensive. In fact, one of the biggest challenges with administration of 360 surveys is the time required to complete surveys with an extensive number of items.

There are some excellent research-based surveys that provide comprehensive feedback using fewer than 50 items. These should be considered to see if they are right for your organization.

- **Methodology.** All 360s have huge potential for good, if they are done right, and equal potential for damage, if they are done incorrectly. First, it must be part of a system, that is, one component in the development process. And if you've chosen a quality 360, the vendor should provide guidelines for proper survey administration to ensure confidentiality and anonymity throughout the process. Additionally, you should be able to easily administer the survey online.
- **Feedback Format.** The 360 should include a report that is easy for participants and administrators to understand. How that easy-to-understand feedback is presented is equally important. In most cases, feedback is best understood and received when presented in a one-on-one situation by a qualified reviewer (ideally, a personal coach) who understands the feedback in advance. Confidentiality during feedback is a must, and care must be taken to reassure participants and raters of it.
- **Survey Management.** To guide your staff in the appropriate administration of the assessment, the 360 system selected should include support materials designed to assist staff or consultants managing the 360 process. The best 360 in the world can't administer itself, so the quality of these materials, ease of application and support in administering the assessment will greatly affect the participants' experience, thus, the quality of the results.
- **Development Support.** The way you respond to the feedback collected from the survey is as important (if not more so) than the feedback itself. The worst thing that can happen is for the participant to feel threatened by the 360 process, which could occur if you haven't taken appropriate measures to ensure confidentiality and anonymity.

The next-worst thing would be to have the participant get the feedback and then do nothing with it. This happens quite frequently in organizations that haven't thought much beyond purchasing, administration and delivery of the 360.

Conversely, a good response would be to have the participant follow through with the personal development that's been identified as needed by the survey. And the best response would be to parlay the survey results into a comprehensive, well-thought-out strategic organizational development initiative that includes a follow-up assessment once individuals have been given the opportunity and adequate time to address the feedback.

If individuals aren't given resources to address identified areas, the feedback will feel like criticism and can do more damage than good. It's important that the 360 system you select includes support materials to help guide post-survey participant development.

- **Culture.** Finally, before deciding to use a 360, consider your organization's culture. Is your organization feedback-oriented or feedback-averse? Do you see issues and challenges as problems or opportunities?

These factors must be considered in the decision to use a 360, in the selection of the assessment and in the structure of the development initiative that encompasses the 360 overall. If your goal is to create an organization of learners, the way you present and use the feedback from your 360 can be a good place to jump-start a change in your culture for the better.

The 360 is a great tool to show individuals where their development needs are, but they work only if the support for that development is provided in a timely way. Appropriate feedback and follow-up are critical to realize the promise of 360s, no matter what your culture.

Over the years, the competencies measured and the methods of data collection have changed, but the promise of 360s remains the same. When used correctly and as one component of a larger development system, a 360 can provide a clear picture and effective strategy for the developmental needs of both the individual and the organization.

When people feel responsible for their own careers and have the opportunity for growth and development, it increases job satisfaction, which increases retention. And because it is far more cost-effective to retain than to rehire, every talent management strategy should include individual and organizational development initiatives like the 360