360-degree Feedback

Best Practices

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LEADERSHIP & TALENT MANAGEMENT

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INTRODUCTION

WHAT IS 360-DEGREE FEEDBACK?

360-degree (multi-rater) feedback is a performance assessment that comes from all around the individual, typically subordinates, peers, and managers. It can be contrasted with traditional performance feedback, which typically just comes from one's manager.

WHY USE IT?

The main reason to use 360 feedback is to build self-awareness – this almost always precedes behavioural change. It does this by:

- Confirming our strengths and weaknesses.
- Highlighting our blind spots and hidden strengths we did not know about.

Research has consistently shown that 360-degree feedback is one of the most effective tools available for developing leaders. A study performed on over 350 companies by Warren Bennis and Linkage, Inc yielded the following response to the question[1]:

"Please indicate the top four key features that most impacted the success of your leadership development program.":

Action learning:	73%	Global rotations:	13%
360-degree feedback:	67%	Informal mentoring:	7%
Exposure to senior management:	67%	Internal case studies:	7%
Exposure to a strategic agenda:	53%	Executive MBA:	7%
Other (Personal development plans, training, cross-divisional networking, sharing best practices, etc):	46%	Formal mentoring:	0%
External coaching:	26%	Accelerated promotion:	0%
Cross-functional rotations:	20%	Conferences:	0%

Implementing 360-degree feedback has many pitfalls, and a misstep can result in the initiative doing more harm than good. It is not unusual to meet an executive who is strongly resistant to implementing 360-degree feedback in an organization, typically due to prior experience where the tool was poorly executed.

The purpose of this white paper is to suggest best practices that will avoid the typical pitfalls and maximize the benefits of 360-degree feedback.

[1] Linkage Inc.'s Best Practices in Leadership Development Handbook

BEST PRACTICES

1. ENSURE THAT THE ORGANIZATION IS READY

Before implementing 360-degree feedback, it is essential that the organization is ready for implementing 360-degree feedback. Here are some signs that the organization may not be ready:

Environments that are very low in trust

If 360-feedback is implemented in organizations that are experiencing extreme levels of communication breakdown, conflict and interpersonal tension, reviewers can become vindictive, and people under review may have a hard time believing the feedback is well intended. In situations like this 360-degree feedback may only worsen the problems.

These situations are better served by understanding and mitigating the root cause of the stress directly, before attempting a 360-feedback initiative.

Recent reorganization

In order for reviewers to provide objective feedback they ideally need to have worked with the person in their current role for at least 3 months.

If there has been a recent reorganization or if a manager has been newly hired, it may be best to temporarily hold off on 360-degree feedback until reviewers have sufficient experience with the person.

2. MAKE THE PURPOSE CLEAR

The primary uses of 360-degree feedback are:

- Leadership/self-development
- Performance evaluation
- Succession planning

It is essential to communicate the purpose thoroughly with all stakeholders. The purpose will also affect who will have access to the data, which also needs to be communicated proactively, so there are no surprises.

As with traditional performance appraisals, 360-degree feedback should never be directly tied to compensation. If this is done, reviewers (particularly the manager) may feel incentivised to complete the questionnaire based on compensation objectives versus thinking about the person’s actual behaviour.

3. START AT THE TOP

It goes without saying that for any manager that does not buy-in to the notion of 360-feedback, any initiative is likely to fail in his/her team. If the CEO does not role model the behaviours of soliciting feedback and involving others in his/her development, nor will others. Conversely, the CEO that displays strong buy-in to the program becomes a powerful role model to the executive and ultimately the whole company.

In summary, the person at the top must be committed and must be treated the same way as everyone else on the process.

If implementing 360-feedback in large organizations in stages, the first stage should always be executive, followed by directors, middle-management and so on.

4. SELECT THE RIGHT TOOL

There are a myriad of 360-degree feedback tools out there. Here are some guidelines to help you make your choice:

PAPER, EMAIL OR ONLINE?

Note that paper or e-mail-based methods of collecting 360-feeback are inherently not anonymous and rely on the manager to (often subjectively) collate the information. As a result of these problems, in addition to the time burden placed on the manager, we do not recommend paper or e-mail based 360-feedback surveys.

Paper/e-mail	Online
Collation *very* time consuming	Collation is automated
Responses generally traceable	Anonymous
No non-labour cost	Cost depends on the tool used

STANDARD VS CUSTOM 360'S

One of the first things to decide is whether to use a standardized or customizable 360 questionnaires / tools. Standardized tools have a fixed questionnaire and typically have an "ecosystem" of interpretive and self-help tools provided by the vendor. Customizable tools typically separate the 360 "engine" from the questionnaire which can be designed in-house or by a 3rd party vendor.

The following table indicates some of the trade-offs:

Attribute	Standardized 360s	Customizable 360s
Validity & reliability	Typically high	Survey dependent
Alignment to organizational competencies	No	Possible

Quality of competency model	Typically good	Survey dependent
Interpretation / planning guides	Yes	Survey dependent
Certification required	Vendor-dependent	No

Most organizations prefer customizable tools, as they can be readily aligned to internal values and competencies and are generally inexpensive and simple to interpret.

EXAMPLE TOOLS

Standardized Tools	Customizable Tools
LEA 360 (Leadership Effectiveness Analysis), by MRG[2]	**Grapevine**, by Grapevine Evaluations[2]
Benchmarks 360, by Center for Creative Leadership	**360 feedback**, by Qualtrics
Checkpoint 360, by Profiles International	**SuccessFactors**, by SAP
Leadership Practices Inventory 360, by LPI Online	**20/20 Insight Gold**, by Performance Support Systems[2]

FIPPA (FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT) CONSIDERATIONS

The BC FIPPA act states that government data may not be stored outside Canada. 360 feedback data can be regarded as highly confidential and is generally captured by this act, which eliminates most of the above tools from use with the Government of BC and associated Crown Corporations.

Kwela's main 360 vendor is Grapevine (a Canadian corporation) and is 100% compliant with the FIPPA regulations.

[2] Used by Kwela with its clients

Project Ability

For in-house administration of large groups, look for a tool that has the notion of a project that contains multiple participant surveys. Many tools (particularly some inexpensive online tools such as Survey Monkey) do not allow multiple surveys to be managed under a central project. As a result, administering a 360 for a whole group of individuals becomes extremely laborious, as each administrative step must be repeated for each individual, and often for each reviewer group.

Many of the purpose-built 360 tools such as those listed in this paper allow large groups of 360 assessments to be easily administered from a single project.

Reporting Criteria

When selecting a survey tool, it is important that you think through the type of reporting that it creates, as it is important that results are easy to interpret. Look for a tool that meets as many of the following criteria as possible:

- Ability to quickly spot the highest and lowest scoring competencies.
- Ability to quickly spot the highest and lowest scoring individual survey items.
- Ability to understand blind spots through comparison with self-scores.
- Ability to understand the level of agreement between reviewers - i.e. did most people give a similar score, or did some reviewers score the person very high and others very low? (both scenarios could result in a similar average score)
- Ability to quickly identify contrasting perceptions between reviewer groups.
- Ability to construct aggregate data for your organization – can be used to create internal benchmarks, as well as to identify common trends and needs.

Survey Design

When using custom tools, the most critical item becomes the design of the survey itself. All custom-designed surveys must adhere to best practices in survey design to be effective. Following these steps will maximise the validity and reliability or the feedback, and make it easier to interpret:

a) Use a good competency model.

   The competencies become the survey categories, and the final report will show participants how they rate on those categories, providing a higher-level view of the feedback than just the individual questions. You have the choice of using competencies specific to your organization or something covering all aspects of leadership, or some combination of both. Our recommendation is to use a broad set of competencies, as this can help identify root causes that may fall outside organization-specific models.

   Also, avoid categorizing things too generally (e.g. "Leadership"), or the results will be harder to interpret. Here is a sample competency/category model:

Competency	Explanation
Customer Relations	The extent to which leaders understand and respond to the needs of their customers
Critical Thinking	The extent to which leaders are able to properly diagnose problems and opportunities and develop innovative responses
Strategic Planning	The extent to which leaders are able to think far into the future and develop effective vision and action plans in response
Communications and Conflict resolution	The ability of leaders to practice effective advocacy and inquiry with others and resolve conflict
Influencing without Authority	The extent to which leaders are able to influence others towards needed change without reliance on positional power
Teamwork	The extent to which leaders are able to work collaboratively with individuals outside of their immediate area for the greater good
Managing People	The ability of leaders to get work done through others
Time Management	The ability of leaders to stay organized in terms of management of their time and commitments
Personal Growth	The willingness of leaders to invite feedback, learn from mistakes and seek to build their own skills

b) The questionnaire should not be too long.

People are busy and expecting them to spend too much time providing feedback will tend to reduce the quality of that feedback. Keep in mind that some reviewers may be selected to provide feedback to many individuals.

A good guideline is to limit the length to no more than 40 rated questions (multiple choice) and no more than 2-3 open-ended (text based) questions at the end.

c) Questions must be pointed and each must relate to a single, observable behaviour, for example:

- "*Please rate his/her leadership ability*" is too vague to be useful.
- "*Please rate the extent to which he/she sets clear goals*" is better.

d) Questions must be as short as practically possible. The longer the question, the more likely that it will be misinterpreted.

e) Questions must be unbiased. Example:

- "Please rate the extent to which he/she makes excellent decisions" is biased.
- "Please rate the quality of his/her decision making" is better.

f) Behaviours must be observable – reviewers cannot give objective feedback on things that they cannot see evidence of. It better to ask about what people actually do versus how they think.

g) Questions must be properly associated with competencies. Failure to do this may result in a competency analysis that is hard to interpret or even worse, invalid. Here is an example:

STRATEGIC THINKING

- Anticipates future problems long before they occur
- Correctly analyses complex business issues
- Considers the long-term implications of decisions

h) For rating scales, there is no single answer for what to use, however our philosophy is to use a 5-point scale, anchored in the middle:

- Significant Development Needed
- Moderate Development Needed
- Adequate
- Moderate Strength
- Significant Strength

The above also helps answer the question of "how good is good enough" which helps people to interpret their report.

5. Clarify Confidentiality

Participants must understand up front who owns the final data (i.e. has access to the report). The more parties there are that have access to the data, the more potential there is for resistance to the initiative from the participants themselves, so be careful in this area. The following table shows recommendations on who has access to the data, depending on the purpose:

	Leadership/ self-development	Performance evaluation	Succession planning
Participant	X	X	X
Manager	(X)	X	X
HR		X	X
Succession planning committee			X

6. Give Participants Input Into Reviewer Selection

Giving participants ownership to the selection of reviewers can go a long way to ensuring that they are bought into the overall process. We suggest that reviewers be selected as follows, depending on the purpose of the 360:

Leadership Development	Performance Assessment
• Participant chooses reviewers	• Participant chooses reviewers • Manager augments the list

7. Eliminate Destructive Feedback

Very occasionally, a hurtful comment may show up in a 360 report. The risk is that this can completely overshadow anything positive that is being said and result in damaged relationships.

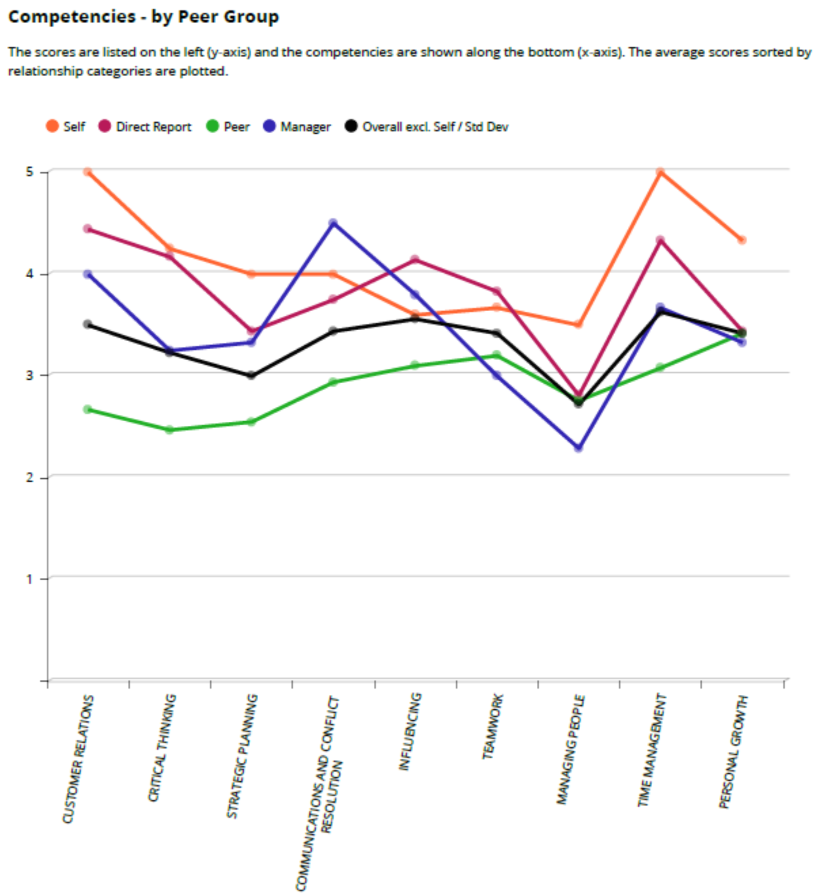
Although not always practical, it is a good idea to have a 3rd party scan the comments in each report and remove comments that are obviously destructive. This 3rd party could be an HR person, the participant's manager, or better still - an outside consultant.

That said, difficult feedback should remain in the report if it refers to specific behaviours that the participant can benefit from being made aware of. Here are some examples of edits that should / should not be made to comments in 360 reports:

Original comment	Edit
Susan approaches every request of her or her department negatively	Susan approaches too many requests of her or her department negatively.
She pushes too much and comes across like a bully which puts people on the defensive.	She pushes too much which puts people on the defensive.
Suzan is obviously an unhappy and bitter person	Eliminate (judgmental, no observations given)
She has a "glass half empty" attitude.	Eliminate (judgmental, no observations given)
He is somewhat arrogant and a know it all	Eliminate (judgmental, no observations given)
John has a bad habit of giving people hell in public – this is why he has lost respect	No edits (very pointed, however it describes the behaviour and impact)

8. Provide Reports That Facilitate Easy Synthesis

As mentioned earlier, the report that is given to the 360-degree feedback participant has one primary purpose – which is to assist with the formulation of a meaningful development goal. All data must be presented in a way that serves this central purpose, while overwhelming the reader with too much data can do more harm than good. Here are some examples of how purpose-built 360 tools present information in ways that help synthesise the data:



The above clearly shows that:

- The self score (orange line) is generally higher than the overall score (black line), meaning that this person likely has many blind spots.
- This person’s strengths are likely in the area of customer relations, influence and time management.
- People management is a definite developmental area.
- The person is viewed more favourably by direct reports than by peers.

Here is an example of a top 5 / bottom 5 analysis by individual survey item:

Your Strengths & Areas of Opportunity

Top 5 Strengths

		Avg	Self	Gap
36	**PERSONAL GROWTH** Seeks to build own skills and capabilities	4.75	4.00	0.75
1	**CUSTOMER RELATIONS** Understands the needs of the internal/external customer	4.00	5.00	-1.00
19	**INFLUENCING** Makes effective presentations to groups	4.00	2.00	2.00
32	**TIME MANAGEMENT** Meets commitments made to getting things done	4.00	5.00	-1.00
12	**COMMUNICATIONS AND CONFLICT RESOLUTION** Advocates own needs in a clear and respectful manner when in conflict	3.75	4.00	-0.25

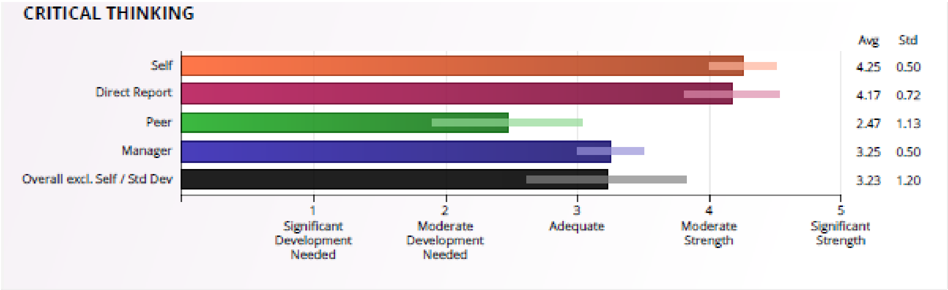
Top 5 Areas of Opportunity

		Avg	Self	Gap
27	**MANAGING PEOPLE** Delegates decisions and tasks to others	1.88	4.00	-2.13
29	**MANAGING PEOPLE** Encourages team members to think and solve problems for themselves	2.50	4.00	-1.50
34	**PERSONAL GROWTH** Invites feedback on own performance	2.50	4.00	-1.50
28	**MANAGING PEOPLE** Gives freedom and authority to people in situations where they are both capable and committed	2.63	3.00	-0.38
10	**STRATEGIC PLANNING** Prioritizes the implementation of long term / strategic plans	2.71	0.00	2.71

The above provides more insights, for example:

- The person appears to relate well to others
- The person does not “let go” enough and delegates insufficiently as a result

Here is an example of a single competency along with the individual survey questions that fall under it:



Question	Self	Direct Report	Peer	Manager	Overall excl. Self / Std Dev
4. Correctly analyses complex business issues	4.00	4.67	2.75	4.00	3.63 / 1.41
5. Anticipates the long-term implications of decisions	4.00	4.00	2.25	3.00	3.00 / 1.31
6. Anticipates future problems long before they occur	5.00	3.67	2.25	3.00	2.88 / 1.13
7. Develops better, faster or less expensive ways to do things	4.00	4.33	2.67	3.00	3.43 / 0.98

From the above we can quickly see that:

- The person is rated very high by direct reports, lower by the manager and significantly lower by peers. This could mean that the person is a good problem solver *within* his/her own team but needs to develop in thinking about broader problems that affect other teams.
- The person is somewhat more successful at dealing with immediate issues than anticipating and mitigating long-term issues.

The report should also end with written comment, broken out by observer group. These written comments tell the "story behind the numbers" and greatly aid in interpretation of the overall report.

9. *Provide Support for Interpreting The Data*

The interpretation of 360-feedback surveys is probably the most critical (and error prone) part of the whole process. Individuals may struggle to synthesize the data down to a simple theme or may have trouble internalising blind spots that were highlighted and therefore may pick the wrong development goal (or pick too many).

Here are some effective ways to support people in interpreting their data:

a) After providing the report to an individual, hold a debrief session with a coach to ensure that the report has been interpreted directly. The coach could be the person's manager, another individual from the organization or a 3rd party coach.

b) If multiple participants are having a 360 simultaneously, consider doing the interpretation in a workshop setting, with a trained facilitator to step the group through the correct steps.

c) Focus plans of what people can do more of. People find it a lot harder to stop doing a long-established behaviour but are more likely to succeed at doing more of a different behaviour that may balance or mitigate it.

d) Ensure that the development goal chosen resonates for each individual and makes a significant difference in that person's role.

RECOGNIZING TYPICAL WORK PATTERNS

Here are some examples of typical work patterns, how they show up in the 360 report, and what a valid development goal might look like:

Overly strategic, but poor on execution

This individual is typically strong on big picture thinking, is often influential and persuasive, but views implementation details as a nuisance, and as a result tends to undermanage and has trouble executing.

The 360 would likely show:

- Higher ratings from boss and peers on anything related to strategy and influence.
- Lower ratings from direct reports on anything relating to goal setting, feedback and coaching.
- Possibly low ratings from direct reports throughout the survey, if they perceive the person as aloof and out of touch with their realities.
- Lower ratings on anything related to being organized, reliable, or following through on promises.

Possible development goal:

- Focusing on planning, delegation, goal setting and giving feedback.

The "Firefighter"

This individual is typically very responsive to any crises related to his/her area. Is typically swamped with e-mail and crisis meetings. On the other hand, this person spends little time on strategy and rarely drives needed change in the organization. Long term goals tend to languish and are often not met.

The 360 would likely show:

- High ratings on anything related to tactical, action-orientated work.
- Low ratings on anything related to strategy, vision and change management.
- Low ratings on anything related to delegation.
- Multiple comments relating to strong work ethic.

Possible development goal:

- Focusing on vision, strategy and delegating the details while growing own team to take on more complex problems.

10. PROVIDE SUPPORT TO DEVELOP PRACTICAL ACTION PLANS

While having a clear development goal is essential, it is not enough. The development goal must be turned into actionable steps that can be taken to move towards it. For example:

Development goal: Assertiveness and conflict resolution

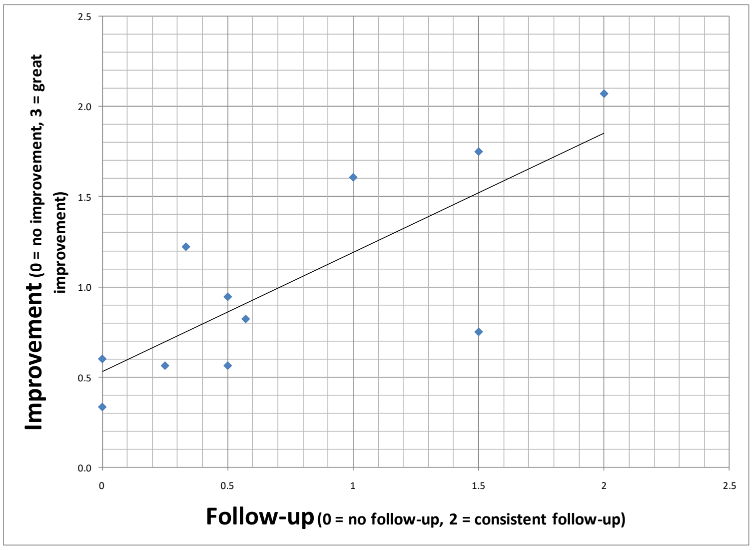
Action steps:

- Take an assertiveness or conflict resolution training course by June
- Maintain an updated priority list, review with my manager every 2 weeks
- If an urgent request cannot be met in regular work hours, either say “no” or deprioritize something else, consulting my manager if necessary
- Hold monthly 1-on-1’s with the team, and ask them about their workload. Ensure that each member is comfortable with expectations
- Develop a simple and objective way to measure the workload of the group by next month and begin monitoring it
- Begin advocating for a new hire immediately

Action steps should ideally be developed in conjunction with the manager, or even better, in conjunction with peers via a facilitated session.

11. ENSURE THAT PARTICIPANTS INVOLVE OTHERS

In the words of Marshall Goldsmith, “leadership is a contact sport”. Individuals tend to make little progress when the entire plan is kept in their own head. It is essential that individuals be encouraged to share their development goal and action plans with those around them, and ask for regular feedback. Our own experience shows that individuals who do this show approximately three times more improvement than those who do not involve others in their journey. The graph shown demonstrates this point by showing a 360 measurement of an actual group that completed a leadership development program:



In addition to encouraging this type of informal follow-up, managers should regularly review progress towards the development goal (Quarterly tends to be an effective timeframe, but use your discretion when setting this up).

12. Follow-up

They say "what gets measured gets done".

In almost all 360-feedback applications, particularly those relating to self/leadership development and performance management, results are greatly improved through formal follow-up. Follow-up is typically done 6-12 months after the initial survey. Some reasons why it works are that:

- The "pre-knowledge" of a pending follow-up tends to move participants to action.
- Re-measurement allows the value of the initiative to be assessed.

Options for follow-up include:

- Repeating the entire 360 - this works well if 360 is part of a yearly or biannual performance management cycle, however it may be overkill / too time consuming (for reviewers) if attempted more frequently.
- Repeating a shorter survey targeted to just those reviewers who would notice the changes the person has been working on – this works very well in self/leadership development applications.

Summary

While 360-degree feedback is one of the most powerful tools for developing great leaders, it needs to be done right to be effective. Careful attention must be paid to ensuring that the organization is ready for it and that top management is bought-in before implementing the process. Tool selection is critical, and if customizing a survey, it is essential to adhere to survey design best practices to ensure that data is valid, reliable and easy to interpret. Constraints and commitments related to confidentiality must be explained and respected, and steps must be taken to ensure that an effective list of reviewers is produced for each individual. Participants must be given support on how to interpret their feedback and synthesize it into a practical development goal, which must be turned into actionable steps. Participants must be encouraged to follow-up regularly with their reviewers and boss, and finally, there should be a formal follow-up to measure progress.

Kwela provides a full range of 360-degree feedback services – please see: https://leadership-vancouver.ca/leadership-development/360-degree-feedback/

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