360 Degree Avalanche

by Roland Nagel

Introduction

There is an intrinsic attraction to 360-degree feedback. Traditional feedback processes are effectively one-degree type systems with, usually, the immediate supervisor providing the employee with uni-directional comment. By involving more than just one person in the feedback process, the process is likely to be more meaningful for both supervisor and employee with greater representation in the amount and type of information supplied.

Those providing the multi-rater feedback may include peers, direct reports, other levels of management, internal and even external customers. Suppliers may also provide feedback and there is, of course, the opportunity for self-appraisal.

The theory sounds right but does 360-degree work in practice? As 360-degree feedback is a relatively new process, only limited research data have published on its effectiveness. This paper explores some of the latest research findings and suggests implications for the most appropriate use of the technique.

Applications of 360-Degree Feedback

Organisations have used 360-Degree Feedback for the following reasons:

- Making general personnel decisions such as promotions, terminations, pay increases, probationary status;
- Identifying training and development needs, pinpointing employee skills and competencies that are currently inadequate but for which programs can be developed and
- Serving as a criterion against which selection and development programs are validated[1].

Other applications include supervisory training, management development, assessment centres, style and leadership awareness, career development, needs assessment, training and OD evaluation, employee coaching and personnel selection[2].

Advantages of 360-Degree Feedback

The acknowledged advantages of multiple feedback are:

- Peers and direct reports have more regular contact than supervisors
- The self knows what others cannot know
- Self-ratings force employees to focus on what is expected in a job
- Self ratings are best accepted by employees
- Each person has a unique perspective
- Greater reliability in the feedback exists because of the increased number of ratings
- The feedback process opens communication within the system[3].

Disadvantages of 360-Degree Feedback

According to McLean[4] the disadvantages with 360-degree feedback include:

- How to interpret the findings when they differ from group to group
- As each rater sees a different behaviour, how do we know the basis upon which the ratings are observed?
- 360-degree feedback ignores the system in which the behaviour occurs
- There may be the fear of retribution from the supervisor if the rating is unfavourable

Further disadvantages have been cited by Hedge & Borman[5] as follows:

- Self ratings are "unreliable, biased and inaccurate"
- There is "no empirical research to support upward appraisal for any purpose"

Antonioni[6] has found that:

- Supervisors show no differences in behaviour between those receiving feedback and those who do not. In fact, the opposite has been found, that is, there has been a decrease in behaviour with those who received feedback!

Research undertaken by McLean, Sytsma & Kerwin-Ryberg[7] revealed that:

- The correlations between each rating group are low. The highest correlation (+0.40) exists when subordinates rate their supervisor and is lowest when subordinates rate a peer (-0.23). These correlations are as follows:

Group	Self	Peer	Subordinate
Peer	0.24		
Subordinate	0.40	-0.23	
Supervisor	0.36	0.28	0.22

In addition, to these disadvantages of multi-rater feedback, the other shortcomings that have been identified for performance appraisal in general would also apply. These include:

- Errors of strictness, leniency or central tendency
- Halo effect
- Recency effect
- Bias or prejudice
- Logical error
- Lack of information
- Cognitive dissonance
- Fear

In HRMonthly, The Iconoclast refers to McGregor's observations that performance appraisal involves the "boss" making subjective judgments about his or her "subordinate". The Iconoclast extrapolates that in 360-degree feedback, it is not only the boss but also colleagues, peers, co-workers, subordinates, customers and suppliers who can all make such subjective judgments "to some poor sucker who has to cop the lot".[8]

Issues of subjectivity in performance management systems are not new and are frequently raised as a criticism of such a process. There is a need however to ensure that "we do not throw out the baby with the bath water" and, with proper design, development and implementation of a performance management system, these limitations can be addressed.

Further on this point, McLean does not endorse the use of 360-degree feedback to improve performance appraisal systems at an organisational level as a means of overcoming the inherent deficiencies of the system.

McLean's conclusion is that 360-degree feedback is useful for developmental purposes as it is helpful to be able to view one's own performance from the perspective of several groups. However, when a decision is to be made, such as evaluating a developmental activity or making an administrative decision (such as pay or promotion), the research offers only contradictory evidence. McLean therefore suggests that 360-degree feedback seems well established when used for voluntary individual developmental purposes.[9]

Choices of 360-Degree Systems

There is now a reasonable range of 360-degree models available which organisations may consider for implementation purposes. The type of model which an organisation ultimately adopts is likely to be based on a number of variables including:

- The level of in-house technology currently available or whether upgraded technology is under consideration. 360-degree surveys can be scored manually but this is time consuming and only recommended where the volumes are low, staff resources are available and the use of technology is not cost effective. The type of technology used to drive 360-degree feedback is not just limited to the standard PC and printer but, depending on the type of system, may also include scanning equipment, LANs, E-mail, the Internet etc. Confidentiality safeguards always need to be in place and especially with some of the latter technology examples.

- The anticipated usage of the 360-degree instrument. As a comment, organisations tend to be conservative in estimating the usage of a 360-degree instrument.

Here are three examples:

- The successful trialling of the system within one section or across a certain level of the organisation may spread to other parts of, or the entire, organisation;

- Use of the system for individual feedback purposes may lead to other applications such as team building, the process may be repeated as an input to annual or semi-annual performance reviews, before and after a change management or restructuring initiative and

- There may be up to 10 respondents for each subject, which multiplied by the number of subjects to be assessed, can result in a reasonably large number of responses to score and interpret.

- The required time frame from completion of the forms to the provision of feedback. Some suppliers require the assessment to be processed overseas only (typically USA) with a time delay of some two to three weeks. Licensees or distributors can also handle

processing with a reduced turn around time. Appropriate technology ranging from the use of fax machines through to E-mail can speed up processing time but confidentiality safeguards and the additional costs involved need to be taken into consideration.

- While confidentiality is always a priority issue, the feedback may be more "honest" if the raters knew their responses were sent directly to an external processing point in a sealed envelope. Each organisation would need to decide how critical this issue is depending upon cultural values, the level of trust and previous experience.

- Most of the suppliers of 360-degree systems offer a standard questionnaire which may or may not satisfy specific requirements. As an example, an organisation wishing to gauge an individual's commitment to its particular mission and corporate values would find a standard questionnaire of limited value.

- When determining whether a standard 360-degree questionnaire is of relevance, it is important in the first instance to determine if the survey has been designed to measure KSA's (knowledge, skills and abilities), competencies, behaviour anchors, personality traits or whether it is based on a strategic planning model.[10] Thus, if the intention of a 360-degree instrument is to assess a series of work behaviours, the use of a questionnaire which has competency-based items would not satisfy the requirement.

- Some of the 360-degree systems available have been developed for specific applications such as for leaders, managers/supervisors, teams and for individual assessment. Of greater appeal is the flexibility to use a system that enables the available set of items in an inventory to be modified or a new set developed. The flexibility of this approach is tempered by the need to ensure those developing the wording for the items possess the expertise to do so.

Under all options, the integrity of the process requires suitably qualified and trained people to interpret the information produced and facilitate the feedback process. This also becomes a springboard for identifying training and development needs as well as other any implications for job redesign and organisational restructuring.

The Future of 360-degree Feedback

The use of 360-degree feedback is becoming increasingly widespread. In the US, more than 90% of Fortune 1000 companies use some form of multi-source assessment system for at least developmental feedback.[11] In Australia, increasing use is being made of some form of multi-rater feedback.

360-degree feedback systems are seen as a catalyst for increasing organisational performance and efficiency as feedback from others is considered a highly powerful motivator for behavioural change. With continual innovations in 360-degree processes and software technology, systems will be created which are more user friendly, more widely available and more fair, accurate and valid. 360-degree feedback will continue to become a better process for collecting information and applying it. Intelligence will therefore be integrated into 360-degree systems in order to make them faster, easier and better. Thus, 360-degree systems will not only provide important feedback to individuals but also suggest better ways to improve performance.[12]

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About the author

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