The Science of 360° Feedback: Guidelines for Best Practice

Julie Carswell, PhD & Robyn MacDougall, MSc

SIGMA Assessment Systems, Inc.

What is a 360° Feedback System?

360 degree feedback or multi-source feedback systems are designed to gather information about a leader's performance from **multiple perspectives** (e.g., superiors, peers, direct reports).

Why use a 360° feedback system?

360 feedback systems are used primarily for **leadership development** purposes.

They are intended to support this process by enhancing leaders' **awareness** of their strengths and development areas.

The use of 360 has proliferated over the past decade with the introduction of **online 360 platforms** that have enhanced the ease and efficiency with which 360 assessments can be developed and deployed throughout the organization.

Do 360° feedback systems work?

Recent research, including a meta-analysis of 26 longitudinal studies (Atwater & Brett, 2006; Fleenor, Taylor, & Chappelow, 2008; Reilly, Smither, & Vasilopoulos, 1996; Smither, London, & Reilly, 2005), has shown that 360-degree feedback can significantly increase:

- **Self-awareness**
- **Individual and team effectiveness**
- **Behavior change**
- **Insight about how to achieve success**

However, the success of any 360-degree feedback initiative hinges on the **design** and **implementation** of the assessment.

Failure to pay sufficient attention to either component can lead to issues that reduce its relevance and value.

Potential Issues?

In our own research with 360-degree assessments we've uncovered a few key issues associated with their use that are more widely echoed in the literature (see Nowack and Mashihi, 2012 for an evidence-based review of 360-degree feedback assessments).

The following pages describe:

- **Potential issues** with 360 assessments
- **Practical solutions** for avoiding and overcoming these issues
- **Tips for designing and implementing** an effective 360 degree feedback system

List of Potential Issues with 360 Degree Feedback Systems

1. Striking the **optimal rater** balance

2. The **"garbage in, garbage out"** principle

3. Ratings clustered at the **high end of the scale**

4. Beware of the **"one-size fits all"** approach

5. The **"now what?"** phenomenon

Designing a 360 System:

Potential Issue #1

Striking the optimal rater balance

Choosing the optimal number of raters is like discovering the minimum number of puzzle pieces required to solve a puzzle. The more puzzle pieces we correctly assemble, the more confident we become that we are seeing the correct picture (Nowack & Mashihi, 2012). Consider these strategies for rater selection:

- **Find a "critical mass."** It may not be necessary to invite all co-workers to participate in a 360 feedback process. However, ensure that the leader invites enough raters with diverse and representative opinions and perspectives to enable him/herself, and other stakeholders, to be confident that a clear picture of performance will emerge.

- **Think quantity *and* quality.** Accuracy will be enhanced as the number of raters increases. However, this will only be meaningful and useful if the leader chooses raters who take it seriously and provide meaningful feedback.

- **Consider collaboration.** Rater nominations from multiple sources can enhance acceptance of the results. It is critical that the leader identifies his/her raters; however, input from his/her manager and HR can further enrich the feedback process from multiple perspectives.

Designing a 360 System:

Potential Issue #2

The "garbage in, garbage out" principle

Poor quality input will compromise the output. In other words, the veracity of 360 assessments relies on the ability (and motivation) of raters to accurately and meaningfully report on a leader's performance. Consider the following strategies to enhance the quality and accuracy of feedback:

- **Choose (raters) wisely.** Accuracy and meaning cannot reasonably be expected when the rater lacks knowledge or experience working with the leader. Accuracy of performance ratings can be enhanced by ensuring checks are in place to verify that raters are familiar enough with the performance of the leader to provide meaningful feedback.

- **Make it concrete and observable.** Ensure performance competencies are more concrete and observable such as *Leveraging Others' Expertise* (versus more abstract) to reduce raters' reliance on assumptions and/or inferences.

- **Provide a frame of reference.** Recent research (Hoffman et al., 2012) suggests that the rating task can be improved if raters are given definitions and examples of effective and ineffective behaviors for each competency being measured.

3

Designing a 360 System:

Potential Issue #3

Ratings clustered at the high end of scale

There are common rater errors that can obscure a given leader's "true score" on a rating scale. Our own research demonstrates that most raters tend to give positive (high) ratings, indicating that there may be a leniency effect influencing ratings. Consider the following strategies to minimize this issue:

- **Try a different rating scale.** Variability in ratings may be enhanced by using alternative response scale formats such as relative percentile scales (Goffin & Olson, 2011). With this type of scale, raters will be asked to "rate this individual's performance relative to other individuals who report to you" to add context to the rating process.

- **Train your raters.** Rater training can be implemented before the process begins to educate and caution raters against common rater biases. These biases include being overly lenient, or exhibiting "halo effects," which means generalizing from one aspect of a person's job performance to other areas.

- **Hold raters accountable through comments.** To promote accountability for a particular rating, feedback systems can be designed to "require" or "strongly encourage" comments for ratings that are either exceptionally high or low.

Designing a 360 System:

Potential Issue #4

Beware of the "one-size fits all" approach

If 360 systems are administered without consideration of the leadership role and level, the organizational structure and context, and the industry in which the leader works, the relevance and ultimately the value of the process will be diluted. Consider the following strategies to minimize this issue:

- **Make it relevant.** Ensure that the competencies included in the assessment are relevant to the context – consider the leadership position under evaluation, the competency framework of the organization, and what's required for success in the industry.

- **Be selective.** Conduct a "job analysis" by selecting subject matter experts (SMEs) who have the most knowledge about the role, and asking them to select relevant competencies for inclusion in the assessment from a list of potential competencies. This process can be formal (via assessment or survey) or more informal (via discussion or focus groups).

Designing a 360 System:

Potential Issue #5

The "now what?" phenomenon

Development efforts will be futile without a plan to leverage the results of the 360 feedback process. Best practice suggests that greater transfer of learning and goal setting occurs when the process is supported by coaching or debriefing sessions (Nowack, 2009).

- **Hire a coach.** Research shows that after six weeks of executive coaching following 360 degree feedback, performance increased by 60% (Thach, 2002). Coaches can greatly enhance interpretation of results, manage emotional reactions to feedback, analyze strengths and weaknesses, inspire action, promote goal setting, and enact behavior change through meaningful activities and resources.

- **Build a supportive culture.** Leaders working in environments with a more favorable view of 360 feedback and a supportive culture tend to experience greater transfer of learning (Martin, 2010). Research also clearly supports the critical role managers can play in the long-term success of a 360 feedback system with benefits such as enhanced development goal setting, greater collaboration on ideas for improvement and higher performance ratings (Smither, London, Flautt, Vargas, & Kucine, 2003).

Final thoughts...

360-degree feedback assessments can be a powerful development tool for organizations to help develop the potential of their employees, provided that an appropriate assessment is selected and implemented, and interpreted with care.

How SIGMA Can Help

Our Philosophy

We believe that a systematic, measurement-driven approach to leadership development designed to identify individuals who possess the required competencies to succeed as leaders is critically important to an organization's growth, development, and sustainability.

Our Approach

We have developed innovative tools and processes to facilitate leadership development. Our process involves:

1. **Partnering** with the client to establish a communication strategy designed to set the context for leaders or high potentials by providing information on "what," "why," and "when"

2. **Determining** critical competencies required for effectiveness in the position or role via formal online benchmarking survey

3. **Administering** 360 leadership assessments to measure leaders and high potentials on identified competencies

4. **Developing** leaders and identified high potentials and leaders via SIGMA's coaching service

5. **Following up** and tracking progress on leadership goals at the individual and organizational level

How SIGMA Can Help

More About SIGMA's Coaching Service

We are deeply committed and connected to our work of enhancing leadership performance. We work in partnership with leaders to:

1. Enhance awareness of strengths and developmental priorities on competencies through assessment

2. Explore what they need to do differently to be more effective and balanced

3. Equip them with the tools to leverage their strengths in achieving leadership goals

4. Identify the information and resources they need to facilitate growth in identified developmental areas and sustain behavior change over the long-term

How SIGMA Can Help

Character Matters.

Our leadership assessment and coaching services can be elevated to include an assessment of leader character.

Our Leadership Character Insight Assessment (LCIA-360) is designed to:

1. Equip leaders and organizations with a deeper understanding of character and the language to discuss leader character in a meaningful way

2. Provide a platform to initiate learning and development around leader character

3. Identify and address problems that stall careers and contaminate working relationships

4. Augment a competence-based leadership assessment process with a unique, powerful predictor of leadership performance

Contact Us

For more information on our 360 assessments and coaching services, please contact us.

In US:
SIGMA Assessment Systems, Inc.
PO Box 610757
Port Huron, MI 48061-0757
P: 800-265-1285
E: support@sigmahr.com
W: www.SigmaAssessmentSystems.com

In Canada:
Research Psychologists Press, Inc.
PO Box 3292, Stn. B.
London, ON N6A 4K3
P: 800-401-4480
E: support@sigmahr.com
W: www.SigmaAssessmentSystems.com

Reference List

Atwater, L., & Brett, J. (2006). 360 degree feedback to managers: Does it result in changes in employee attitudes? *Group & Organizational Management*, 31, 578–600.

Fleenor, J., Taylor, S., & Chappelow, C. (2008). *Leveraging the impact of 360-degree feedback*. New York, NY: Wiley.

Goffin, R. D., & Olson, J. M. (2011). Is it all relative? Comparative judgments and the possible improvement of self-ratings and ratings of others. *Perspective on Psychological Science*, 6, 48–60.

Hoffman, B. J., Gorman, C. A., Blair, C. A., Meriac, J. P., Overstreet, B., & Atchley, E. K. (2012). Evidence for the effectiveness of an alternative multisource performance rating methodology. *Personnel Psychology*, 65, 531–563.Nowack and Mashihi, 2012

Martin, H. J. (2010). Workplace climate and peer support as determinants of training transfer. *Human Resource Development Quarterly*, 21, 87–104.

Nowack, K. (2009). Leveraging multirater feedback to facilitate successful behavioral change. *Consulting Psychology Journal: Practice and Research*, 61, 280–297.

Reilly, R. R., Smither, J. W., & Vasilopoulos, N. L. (1996). A longitudinal study of upward feedback. *Personnel Psychology*, 49, 599–612.

Smither, J., London, M., & Reilly, R. (2005). Does performance improve following multisource feedback? A theoretical model, meta-analysis, and review of empirical findings. *Personnel Psychology*, 58, 33–66.

Reference List Continued

Smither, J., London, M., Flautt, R., Vargas, Y., & Kucine, I. (2003). Can working with an executive coach improve multisource feedback ratings over time? A quasi-experimental field study. *Personnel Psychology*, 56, 23–44.

Thach, E. (2002). The impact of executive coaching and 360-feedback on leadership effectiveness. *Leadership and Organization Development Journal*, 23, 205–214.