How2 establish the purpose and process of a 360 degree feedback programme

Author: The Feedback Project

Introduction

In today's changing and volatile world, organisations are continually looking for ways to improve performance, and satisfy the demands of all stakeholders. Achieving this almost inevitably involves change, which then becomes the pivotal dynamic for success.
For an organisation to evolve, the people working within it will have to adapt; and for this to be successful, they first of all need to know what it is about the way they are currently performing that needs to change.

This is where 360 degree feedback is playing a growing role in organisations through its ability to provide structured, in-depth information about current performance and what will be required of an individual in the future to enable detailed and relevant development plans to be formulated.

Professionally managed, 360 degree feedback increases individual self-awareness, and as part of a strategic organisational process can promote:

- Increased understanding of the behaviours required to improve both individual and organisational effectiveness.
- More focused development activities, built around the skills and competencies required for successful organisational performance.
- Increased involvement of people at all levels of the organisation.
- Increased individual ownership for self-development and learning.
- Increased familiarity with the implications of cultural or strategic change.

These guidelines within this Knowledge Byte, set out issues, and recommendations for action, that should be considered when implementing a 360 degree programme.

360 degree feedback is a process whereby an individual (the recipient) is rated on their performance by people who know something about their 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 their 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 their 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, more complete and accurate picture than could be obtained from any one source.

Main

What are the issues to be considered when an organisation is preparing to introduce 360 degree feedback?

These can be divided into three main areas:

1. Establishing the purpose
2. Establishing the process
3. Establishing resources

1. Establishing the purpose

The culture of an organisation needs to be considered prior to the introduction of the 360 degree feedback process. It is more likely to be easily introduced where openness, mutual trust and honesty are part of the organisational culture and there is a genuine interest in and desire for performance improvement. The adoption of a full 360 degree approach needs to stem from a steady evolution in appraisal and development practices. It is very unlikely that a 360 degree scheme would be accepted where there is no history of systematic feedback on performance. It would present too radical a step.

360 degree processes with a clear purpose and objectives 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.

Development or performance appraisal

The purpose of feedback, whether it is purely for development or as part of a performance appraisal process, will influence implementation decisions. Research to date has indicated that the use of 360 degree feedback as part of performance appraisal has had mixed success. In mature and open organisational cultures, with a strong performance appraisal system already in place, the use of 360 degree feedback in this way may be appropriate. Where this is the case, some of the decisions at the planning stage will be affected. For example:

- Participation in the process is likely to be mandatory rather than voluntary.
- It is likely to be carried out annually.
- The decision on who is to contribute may not be left solely to the individual, the individual's manager is more likely to be involved in follow-up action.
- Decisions on how it links to reward need to be clear.
- 360 degree processes with a clear purpose and objectives 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.

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, discuss 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. 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.

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.

3. Establishing the resources

When planning a 360 degree feedback process, it is important to have an accurate view of the time and resource 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.

Piloting is critical in 360 degree feedback. It helps remove some of the uncertainties through allowing a group to experience the process. It provides useful information for further planning and communication. Piloting also allows for a review of the 360 degree instrument.

Ideally, the pilot group would have a positive attitude generally to 360 degree feedback and be willing to be open-minded and honest in their evaluation of how it worked. Reviewing the effectiveness of the 360 degree instrument used is very important in the early stages of introducing the process. Consider the following:

- Is the feedback shaded too positively?
- Are appropriate development actions identified?
- Is the questionnaire user-friendly?
- Is the questionnaire relevant to the jobs of those taking part?

The technical qualities of the instrument are important. If there is good evidence available that it is reliable and valid, this may be less relevant, but if this is the first use of the instrument, or it has been designed specifically for this application, checking the technical qualities becomes more important. Areas to consider here are:

- The extent to which it is reliable.
- The extent to which the items actually relate to the competency or area being assessed.
- The appropriate minimum number of items has been included to achieve the purpose of the exercise.
- The numbers to be included in the pilot will be influenced by the need to technically review the instrument.

Confidentiality

The confidentiality of the information for those taking part in the pilot will help to highlight some of the issues for subsequent rollout. Clear information about who will have access to the pilot data is as important at this stage as it is throughout the process.

When it comes to the implementation stage of the programme, all of the lessons learned through the pilot should be considered. Any alterations and adaptations that will make implementation smoother should be made. The most critical part of the implementation process is ensuring that everybody involved in the process is clear about what it involves and their specific role(s).
To ensure this occurs:

- Clear and positive communication is pivotal.
- A point of contact for participants to refer to can help the roll out process, for example a 'helpline' for queries and concerns.
- It is beneficial to pinpoint an individual, or team, to take on responsibility for the administration of the system – this helps ensure that the procedure is running smoothly and any issues are resolved swiftly.

One of the key roles of the administrator is to ensure people with low returns, either the person being rated or the people who are doing the rating, are followed up, and are completing the questionnaires. Deadlines need to be established and communicated to all participants, including information on when and how recipients will receive feedback.

Constant monitoring of completion rates is recommended, this will help ensure that timescales are met. Evidently briefing those who will receive feedback is crucial. It is also important to consider briefing the raters on the objectives of the scheme and some basic tips for completing the questionnaire, for example highlighting the importance of marking observed behaviour rather than 'gut feel'. It is also necessary to consider, ideally prior to implementation, the resource implications of providing feedback. Setting out a timetable monitoring questionnaire completion and provision for feedback can help ensure that realistic timescales are set at the beginning of the programme.

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.

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.

Reviewing the success of the programme is a widely overlooked part of the implementation process. Too often, organisations assume that by introducing a process it will automatically be a success. The key question, is whether the 360 degree feedback met its original purpose. If the original purpose was to improve performance, have relevant development needs been identified?

If it was to support the performance appraisal process, has the process supplied the required information in a fair and credible way? From an organisational perspective, if the 360 degree process is repeated, an invaluable indicator of the effectiveness of the process is the extent to which the ratings of performance improve over time. However, it is useful, from an individual perspective, to make people aware that while their performance might improve, their ratings might not fully reflect the degree of improvement that they have made. This is because the very fact of doing 360 degree feedback raises expectations and increases knowledge of expected behaviour.

Qualitative review

Once the process has been rolled out, a qualitative review with the key people involved will provide invaluable information on whether it has met its purpose. This includes those receiving feedback, those doing the rating, those facilitating the feedback and the line managers of those involved. It might also be appropriate to gather a more strategic view of the impact of the feedback. The timing of the review will depend on the original purpose, with more time needed when the purpose was development. Practicality is very relevant at this stage of the review:

- Does the programme allow raters sufficient time to complete the questionnaires?
- How easy is it to manage the feedback process?
- How comfortable are recipients with the feedback given?

The questionnaire

While the technical qualities of the instrument will be examined in the pilot, greater numbers will be available once the process has been rolled out. The key question here is, does the questionnaire measure what it set out to measure?

The aggregate data from the questionnaires can provide useful information in identifying patterns of strengths and development needs across the participating group. This information can be used to feed into development planning at a strategic level, to ensure that the organisation has people with the relevant skills to meet its objectives.