corvirtus™

# MAXIMIZING THE VALUE OF 360-DEGREE FEEDBACK

## CREATING AND PROMOTING A CULTURE FOR FEEDBACK

Building bench strength is likely a constant priority for your organization in its efforts to remain competitive and relevant long-term. Having a strong pipeline of talent is often achieved by making opportunities for growth and development a priority – for employees at **all levels** of the organization. We often discuss development with a narrow focus on leadership, but widening the scope to include entry-level employees is critical, as these people represent the faces, hearts, and hands of your brand and culture. Providing regular performance feedback and creating opportunities for development – even for employees who may not be your designated "high potentials" – is important for two reasons:

1. Building a more robust talent pipeline

2. Earning the trust, commitment, and ultimately, retention, of your people

In fact, our research shows that opportunities for growth and development, along with receiving regular performance feedback, are among the strongest drivers of intentions to stay with an organization – even for entry-level employees.

With that said, a common development tool that you've likely heard of, and perhaps have participated in either as a rater or participant, is a 360-degree feedback survey.

## 360-DEGREE FEEDBACK SURVEYS AT 25,000 FEET

In a 360-degree feedback survey, one person (the participant), in addition to **rating themselves** on job- and culturally-relevant performance dimensions and accompanying behavioral statements, is also **rated by others** with whom s/he frequently works. These "others" may include supervisors, direct reports, peers, and even vendors and customers. Hence the term "360 feedback."

The idea is that the greater the number of raters there are who can accurately and credibly rate the person's performance, the more complete the picture is of their performance, and where opportunities for growth and development exist. But, as with any development tool, its effectiveness is determined by a number of factors related to its design and execution, along with how the data and information are used.

This guide provides answers to commonly-asked questions around the design and execution of 360-degree feedback, helping you to maximize the value gained from this process. Before jumping into the 360 process, ask yourself this question:

# *Are We Ready for a 360-Degree Feedback Program?*

## HERE ARE SOME QUESTIONS TO CONSIDER REGARDING WHETHER YOUR COMPANY IS READY FOR THIS ENDEAVOR:

- Does your culture prioritize growth, learning, and development in how it defines success?
- Does your culture promote feedback and the sharing of thoughts and ideas?
- Does leadership view open communication as important to the organization's success?
- Do your people (i.e., those who may participate as a rater or participant at some point) value providing and receiving feedback, as well as the opportunity to improve their performance and that of others?

## DESIGNING A 360 PROGRAM

Based on your responses to these questions, let's assume you've come to the conclusion that a 360 will be an effective tool for helping you or someone in your organization with their personal and professional development. Below are four questions to consider in its design and development:

### 1 Which performance dimensions should we evaluate — and how do we translate them into performance - and behavioral-based statements that make it easy for others to evaluate the participant?

Designing a 360 program is an opportunity to look at your organization's culture, values, long-term goals and strategies, and the ways in which success is defined. Leveraging your values framework, or existing documents like job analyses or competency models, can provide a blueprint for the types of performance dimensions on which the participant should be evaluated. As an example, we believe that performance comes down to effectively managing Self, Others, Results, Business, and Culture. These five dimensions are the framework for our 360 questions and the feedback that participants receive.

Additionally, designing a 360 program is an opportunity to promote an inclusive environment where others feel valued for their thoughts and opinions on what's most important. If you're starting from scratch, one approach might be to get input into the types of performance dimensions that should be measured, and their accompanying questions, through involving employees at all levels. You could form an open-invitation 360 program committee to develop questions and pinpoint the most critical performance dimensions, and then pilot those questions on all members of your organization to determine their value. With regard to your culture, you may want to take a forward-looking approach by considering where you think your organization's culture should be in the future. Then, you can align the performance dimensions of the 360 around that definition. For example, you may identify inclusion as being an important part of your organization's definition of success going forward. As a result, you may develop some questions around that in the 360 (e.g., Respects the uniqueness and individuality of each person; actively seeks out the thoughts and ideas of others before making a decision). By taking a forward-looking approach, employees will receive feedback about how they can modify their performance and behaviors to contribute to the continual growth and strengthening of your culture over time, helping your organization get to where it needs to be for long-term sustainability.

## 2 To ensure our 360 is likely to yield reliable, valid, and actionable data, what types of questions should we use – and how should we structure the response scales that raters will use to evaluate the participant?

The questions and response scales used to evaluate the participant make all the difference in terms of the reliability and validity of the data, and whether the feedback will be useful. The questions should describe specific, observable behaviors (e.g., effectively manages costs and resources while maintaining quality standards) to reduce subjectivity. This provides more reliable ratings and useful, actionable feedback. We recommend using 6-point rating scales:

| | | | | | |
|---|---|---|---|---|---|
| Strongly Disagree | Disagree | Slightly Disagree | Slightly Agree | Agree | Strongly Agree |

These scales lead to a larger and more meaningful distribution of ratings, and also eliminate the possibility of participants receiving any “neutral” evaluations. For example, if John Smith doesn’t know how his peers or direct reports feel about his performance in a specific area (i.e., if he were to receive a neutral rating), he won’t have clear direction on how much he needs to improve or how exactly his performance is perceived by others.

## 3 Who should we gather participant ratings from?

Raters, which we will cover more in the next section, should be comprised of the participant’s direct supervisor, direct reports, peers, and even customers and vendors – if applicable. It’s most effective if there are multiple raters from each rater group to preserve anonymity and provide a well-rounded perspective of the participant’s performance, and clear insight into their strengths and opportunity areas.

## 4 How much time should we expect the participant and the raters to spend completing the 360?

Survey length and expected time-to-complete is a tough area. On one hand, a survey with too many questions can be problematic if it results in rater fatigue, which can affect the reliability and validity of the data. On the other hand, it’s important that the participant is evaluated on all of the performance dimensions that you’ve determined to be critical to support their development. One thing that you can do to ensure your survey isn’t longer than it needs to be is to confirm that all of the performance dimensions, and their accompanying questions, are independent from one another.

Imagine that one of your performance dimensions is “Driving Results,” and you have three questions that all seem to ask raters, in a slightly different way, to evaluate the participant’s ability to drive results in a “timely manner.” Chances are that because those three questions are all asking the same thing, the ratings provided for each of those questions will be highly similar. Any one of those questions is not providing any additional value beyond the other two. Where possible, merging similar questions into one question – without risking the loss of potentially valuable data – will reduce the length of and time spent completing the survey.

## EXECUTING A 360 PROGRAM

You should now be familiar with the basics of designing a 360 program, and now it's time to execute! Below are **two** questions to consider for this phase:

### 1. Who (i.e., raters) should we include in the evaluation of the participant – and how should they be selected?

In selecting the raters for the 360 program, here are some things to keep in mind:

- Have multiple raters for each source (i.e., direct reports, peers) who can accurately and credibly evaluate the participant's performance. This preserves anonymity and increases the likelihood that each rater will feel comfortable providing constructive feedback to the participant. Remember that each source has a unique perspective on the participant's performance, and together, all sources paint a complete picture of the participant's strengths and opportunity areas.

- Don't let the participant choose all of the raters. Instead, the raters should be jointly selected by the participant and their supervisor to avoid skewed data and results.

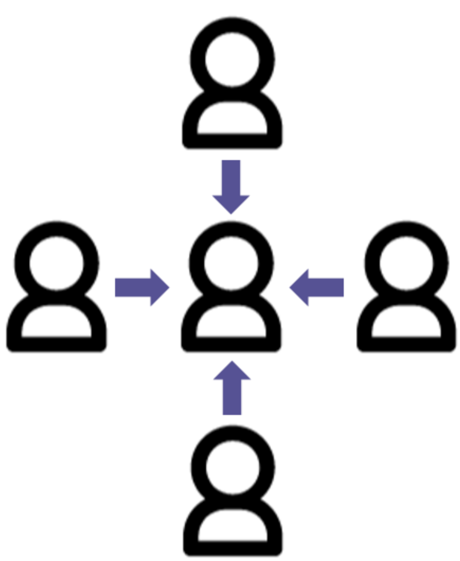
- For those who have not been raters before, provide adequate training on how to provide effective and appropriate feedback, common rater errors to avoid (central tendency, halo, leniency and severity), and how to use the rating scale to evaluate the participant.

### 2. What type of data should we collect? In addition to quantitative (i.e., hard numbers) data, should we collect qualitative (i.e., written feedback) data as well?

Let's say that we are evaluating John Smith on his ability to provide timely and clear communication to his team. If, across 20 raters, his aggregated score is 5.2 out of 6, we can infer that those with whom he works closest perceive him to be an effective communicator. That's the quantitative piece of the 360 – the hard numbers.

However, qualitative data (written feedback) is just as useful, as it provides context to the numbers, which is especially important when the participant's score on a performance dimension is hovering near the middle or low. If John Smith is a poor communicator, what exactly does that mean, and how does it look to others? Or, if John Smith is slightly above average, what does he need to do become a strong communicator?

Qualitative data allows raters to explain and justify their ratings, and provide critical incidents that support their perceptions of the participant. With that said, one thing to keep in mind is that you take the time to train raters on the appropriate way to provide written feedback, so as to not compromise their anonymity, and ensure that the information provided can actually help the participant better understand how others view their performance, and how improvement can be achieved.



## LEVERAGING THE 360 DATA

Let's assume that you have successfully administered your 360, and have collected all of your data. This step is critical to maximizing the value of the 360 process. Below are **two** questions to consider:

### 1 How do we use the data?

Employee engagement initiatives often fail because leaders don't take the time to review or act on the data and feedback provided by their teams. The same can be said for 360 programs and other development initiatives. Don't let the 360 simply be a box to check off your to-do list. Act on it!

Ideally, you (or the participant's direct supervisor) will be the first person to see the report, and then will pass along the results to the participant. By having the supervisor be the first to view the results, it gives them the opportunity to debrief the participant on navigating the report and all of the information. Both parties should have sufficient time to review the results of the 360 separately before any in-person feedback sessions or discussions occur. This gives the supervisor time to review all of the feedback and understand the participant's strengths and areas of opportunity to help guide the discussion, and gives the participant ample time to digest the information and feedback provided in the report.

If the participant has several opportunity areas, consider having a discussion around 2-3 areas of performance where improvement would have the most significant impact – their ability to perform in their role, as well as their ability to help their team and organization achieve greater results. Making their feedback personal to their growth, as well as in the larger context of their team and organization, can help motivate and inspire commitment to change.

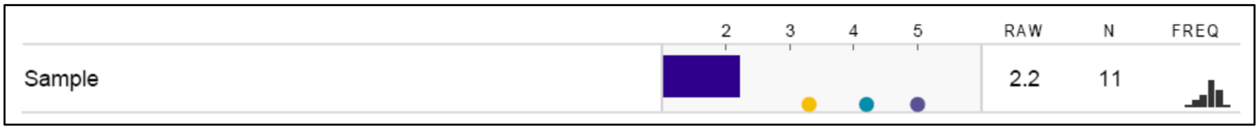
Work with the participant to develop an action plan for improvement. Setting specific action plans and performance improvement objectives is critical to the 360 process actually being effective. Supplementary solutions, like our Growth Map (a roadmap for personal and professional growth, backed by the latest science on goal setting and behavior change) can help 360 participants take their feedback to create a sound approach to development and performance improvement.

### 2 How do we present the feedback – both the numbers and written comments – to the participant? What if there are large gaps in how raters evaluated the participant's performance?

Presenting the feedback to the participant in a way that inspires commitment to improvement can be challenging, especially if some of the results or comments highlight critical areas for improvement.

Consider having the participant read through all of the results from beginning to end, and instruct them to keep an open mind as they look at the data and written feedback. Each group – and the individuals within each group – bring unique perspectives. The participant should compare feedback from others with their own perceptions to see where there are similarities or gaps. The participant should also look for inconsistencies, patterns, and themes in the data and comments – but should not place a high degree of emphasis on any one specific comment. It's important for the participant to take a holistic approach – take all of the data and comments collectively to paint a picture of how others view their performance and ability to lead effectively.

As an example, our 360 reports provide the following data points to the participant for each question:




- **Raw Score** – The average of all ratings provided, self-rating included, for the question.
- **Number of Respondents (N)** – The number of raters that responded to the question.
- **Frequency Distribution** – A bar chart that shows how responses were distributed across a 6-point rating scale.

The frequency distribution is important to emphasize to the participant, as it shows the level of agreement or disagreement across raters for each question. The participant can then leverage that data to determine whether a specific area of their performance is a strength or opportunity. For example, if the ratings are widely dispersed on the participant's ability to communicate effectively, it shows there is a wide array of perceptions on whether they are an effective communicator, and may be important to explore further.

Differences in ratings can be viewed as meaningful differences in perceptions that can enhance insight, learning, and growth. By having the participant look for themes in the data and written feedback, it helps create a story about their performance – which strengths they should continue to leverage, and where they should focus their development efforts.

## *A Final Note on Individual Differences*

We've covered a variety of different questions around the design and execution of 360 programs, as well as how to leverage the data to drive performance. While the success of a 360 program is largely dependent on these pieces, it's important to consider how individual differences impact whether a 360 will be effective. At the beginning, we posed the question about whether your organization is ready for a 360. It's also important to consider whether the participant is ready and receptive. Performance improvement often depends on the characteristics of the participant. Research shows that performance improvement is most likely to occur when the person receiving feedback:

- Has a positive attitude toward the process
- Acknowledges that change and performance improvement is necessary
- Believes that change can actually occur
- Sets specific goals for change
- Takes specific actions that lead to performance improvement

For over 35 years, Corvirtus has helped organizations unlock the potential of their people through intentionally-designed development initiatives. Our latest development tool, the [Growth Map](), is a supplementary resource to a 360 – or any development – process to help guide and focus one's performance improvement efforts, helping you leverage data and feedback to support your growth.

corvirtus™

4360 Montebello Dr. Ste. 400 80918, Colorado Springs, CO 80918
www.corvirtus.com

References

*Landy, F. J., & Conte, J. M. (2013). Work in the 21st century: An introduction to industrial and organizational psychology (4th ed.). John Wiley & Sons, Inc.*

*Morgeson, F. P., Mumford, T. V., & Campion, M. A. (2005). Coming Full Circle: Using research and practice to address 27 questions about 360-degree feedback programs. Consulting Psychology Journal: Practice and Research, 57 (3), 196-209.*

*Smither, J. W., London, M., & Reilly, R. R. (2005). Does performance improve following multisource feedback? A theoretical model, meta-analysis, and review of empirical findings. Personnel Psychology, 56, 23-44.*