360-Degree Feedback
Best Practices to Ensure Impact

by Jean Leslie

Executive Summary

The 360-degree feedback process, in which subordinates, peers, bosses and/or customers provide behavioral and performance feedback to recipients, has become pervasive in management and human resource development practices. Reported statistics on 360-degree use suggest that it has gone from almost unheard of in the 1980s to widespread use in 2000. There are many diverse claims regarding the benefits and impact of 360-degree feedback. This article presents best practices that can ensure positive impact. These suggestions are based on a review of literature that addresses 360-degree impact and behavioral change.

The goal of an effective 360-degree feedback implementation should be positive, measurable, long-term leadership growth and development. To accomplish this goal, research suggests that 360-degree interventions be used in conjunction with organizational support. The support should be in the form of setting the context, feedback meetings, action planning, and follow-up. The following best practices can ensure an effective 360-degree intervention:

1. Clarify the purpose for every member of the organization

2. Clarify rater anonymity, accountability, and selection

3. Prepare participants

4. Review and interpret feedback results

5. Develop an action plan

6. Follow-up

Clarify the Purpose for Every Member of the Organization

It is not unusual for both the manager and his or her raters to be anxious about how these data will be used. The expectations for what managers should do with their 360-degree feedback should be clear before the process begins. Managers should also be told what kinds of organizational support will be made available to them. Co-workers who will be part of the process also need to know that this is an assessment for development not a performance appraisal, or part of a salary or promotion review.

The attitudes of 360-degree users are critical to the system's effectiveness. Inaccurate feedback systems, or more importantly the perception of inaccurate feedback process can lead to any number of unpleasant outcomes including punitive feedback, inappropriate developmental goals, emotional distress, organizational cynicism, and nonparticipation.

Explain the possible outcomes of the 360-degree feedback process. Completing the assessments is an investment in time and it is important for all involved to understand what they might expect in return. Some of these outcomes may be

- increased awareness of managers performance/work-related behaviors

- increased awareness of co-workers expectations of managers

- a greater alignment of performance expectations between managers and others

- improved informal communication and feedback

- improved performance

Clarify Rater Anonymity, Accountability, and Selection

Co-workers who are selected to provide 360 ratings should know whose ratings will be anonymous (typically peers and direct reports are averaged) and whose will not be anonymous (usually boss and superior ratings). Some co-workers may be concerned about retaliation or punitive consequences for their ratings, especially if the person they are rating is their supervisor. Several research studies have shown that anonymous raters are more likely to provide candid, objective feedback than those who are not anonymous. Research conducted at the Center for Creative Leadership has found supervisors, whose ratings are not anonymous, are more likely to rate managers using a full range of scores (e.g., 1-5 on a 5-point scale). Direct reports, on the other hand, whose ratings are anonymous, are more likely to give their supervisors higher scores than lower scores. This type of inflated upward feedback pattern (halo) has been observed by social science researchers for years. Direct reports tend to be lenient towards their bosses. The best way to assure accurate feedback from raters is to discuss their accountability for providing honest and meaningful responses to questions.

Managers should be allowed to choose their raters. This increases managers' sense of ownership and decreases the likelihood they will reject negative feedback. Managers should select raters who are familiar with the 360-degree feedback process, who have had enough exposure to the managers' work performance to be able to rate the competencies in question, and who are willing to provide behaviorally specific examples regarding feedback that may be surprising.

Prepare Participants

Those who provide feedback termed *raters* and the *ratee*, the recipient of the feedback efforts should be trained on the objectives of the 360-degree feedback program, the overall administrative process, the frame of reference, and how to avoid rating errors such as halo.

Review and Interpret Feedback Results

Nowack (1992) suggests that a necessary condition for initiating and sustaining behavioral change is the ability to interpret critical feedback from others in a positive fashion. We therefore recommend that, at a minimum, feedback recipients should have access to a qualified feedback giver who has experience with the assessment. These individuals will help managers make sense of the mounds of data by highlighting themes and helping to select targeted areas for development.

Develop an Action Plan

In the purest sense, 360-degree feedback is simply infor-mation. Having a specific, measurable action plan is necessary for change. Most managers already know how to set clear, specific goals, timeframes, and action steps. The trick is to make sure that they take the time to follow through.

Follow-up

Every few months participants should be held accountable for their progress toward accomplishing their goals. This may include follow-up meetings with the work group that provided the feedback, follow-up with the supervisor who helped set development goals, or follow up with coaches. One study (Goldsmith & Underhill, 2001) found that managers who follow up on their formal feedback (e.g., follow-up feedback sessions with raters) show significant improvement in their effectiveness as a leader. They also found a relationship between the frequency of follow-up and perceived positive change. This study and others have under-scored the importance of following-up as a way to positively alter perceptions of effectiveness.

What kind of impact can individual managers expect?

The vast majority of research on the impact of 360-degree feedback has focused on the individual. In general, these kinds of studies are difficult to conduct but those researchers who have been successful have identified the following keys areas of change: increased self-awareness, performance and skill improvement, improved self-perception accuracy, promotability, and improved attitude towards work. Interestingly, the studies that have re-administered the 360-degree assessment to examine improvement or change have discovered that the greatest improvement in scores occurs among managers who initially received the most negative feedback or who initially gave themselves higher scores than their co-workers gave them.

What can my organization expect?

Few studies have found significant relationships between 360-degree dimensions and objective group-level output measures. Those that have identified outcomes name increased customer loyalty, increased profitability, and customer retention.

References and Suggested Readings

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