360 Degree Feedback
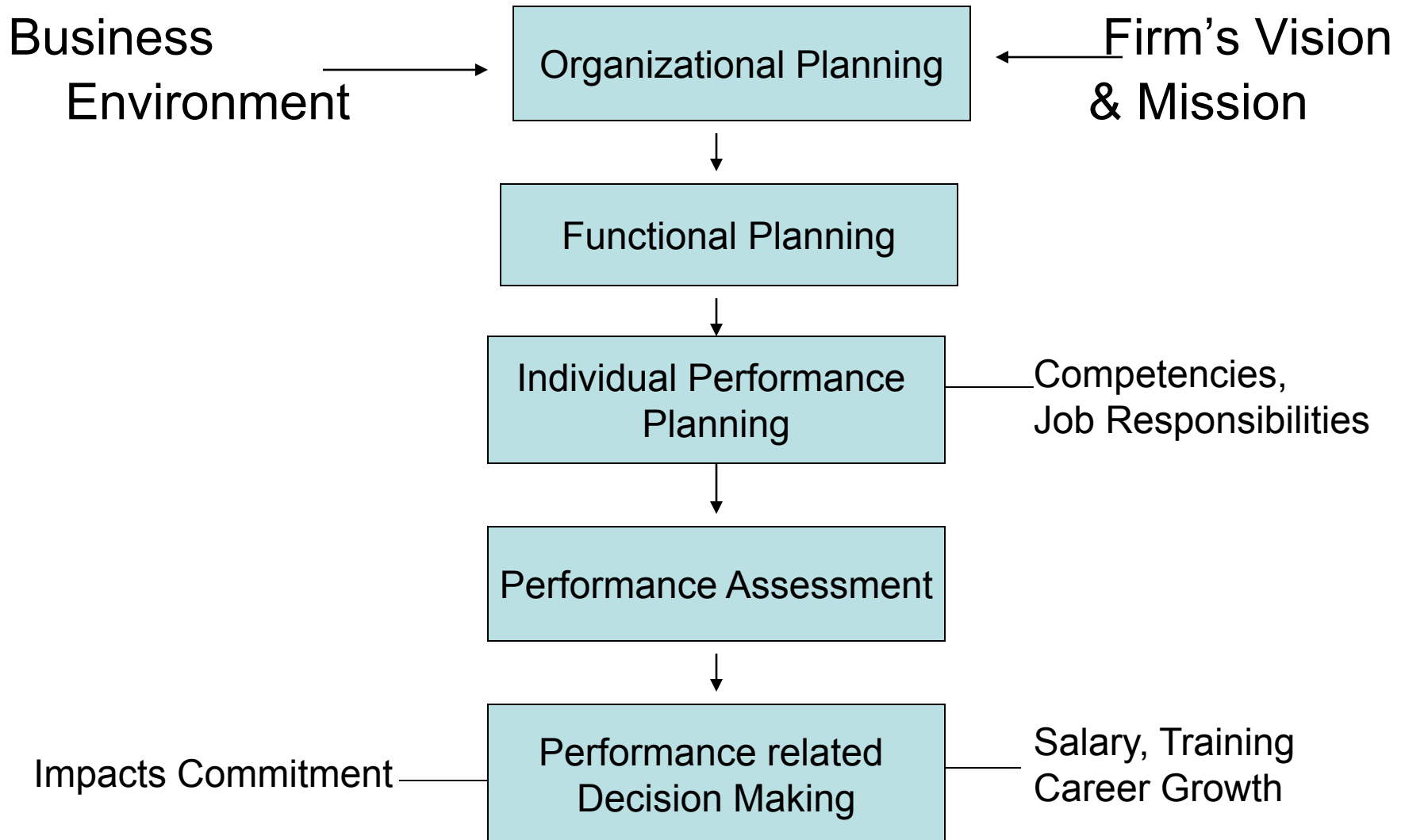
Importance of Performance Feedback

- The most successful managers & leaders become more effective by learning from feedback

Where does feedback fit in ?

Business
Environment → **Organizational Planning** ← Firm's Vision
& Mission

↓

Functional Planning

↓

Individual Performance Planning — Competencies, Job Responsibilities

↓

Performance Assessment

↓

Impacts Commitment — **Performance related Decision Making** — Salary, Training Career Growth
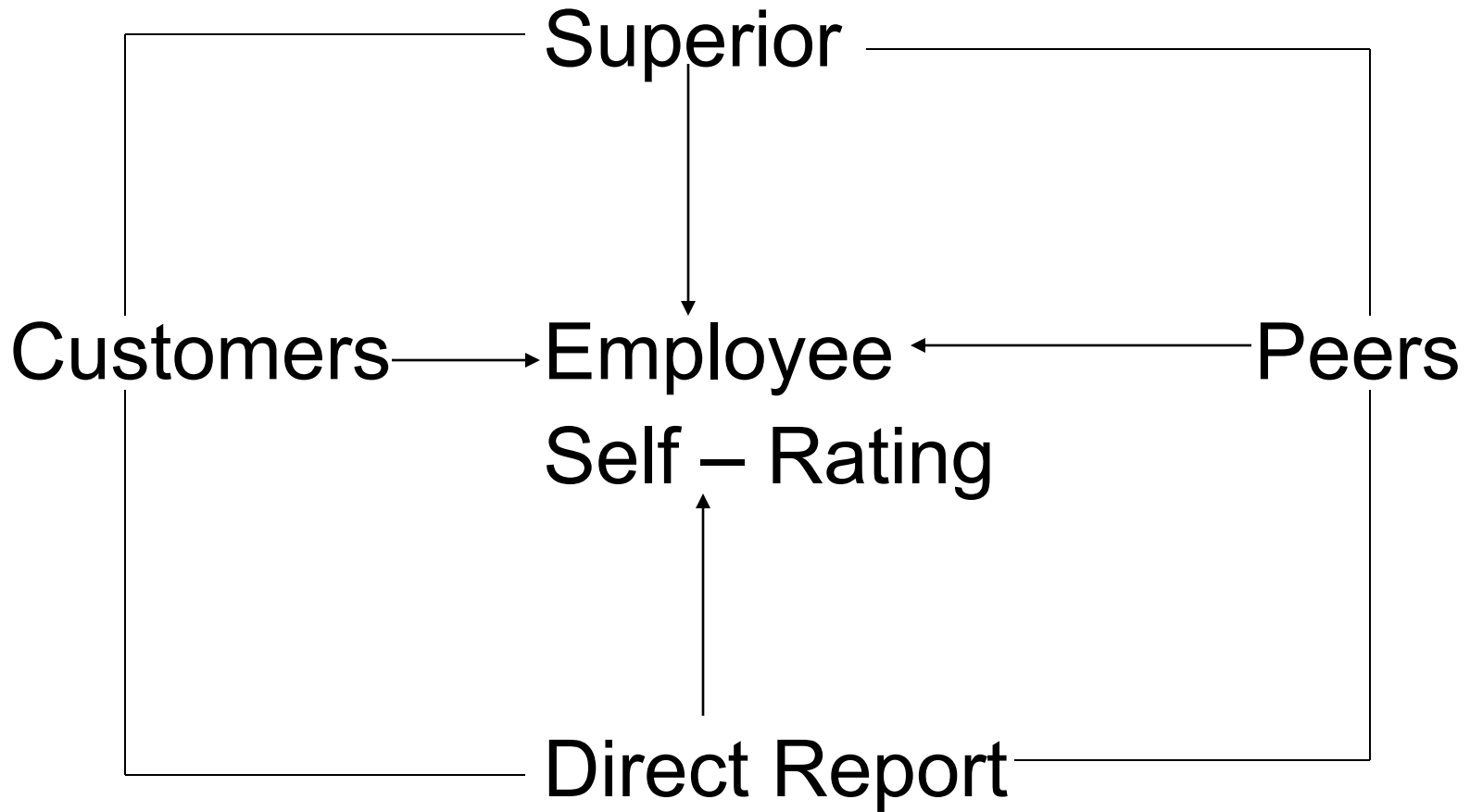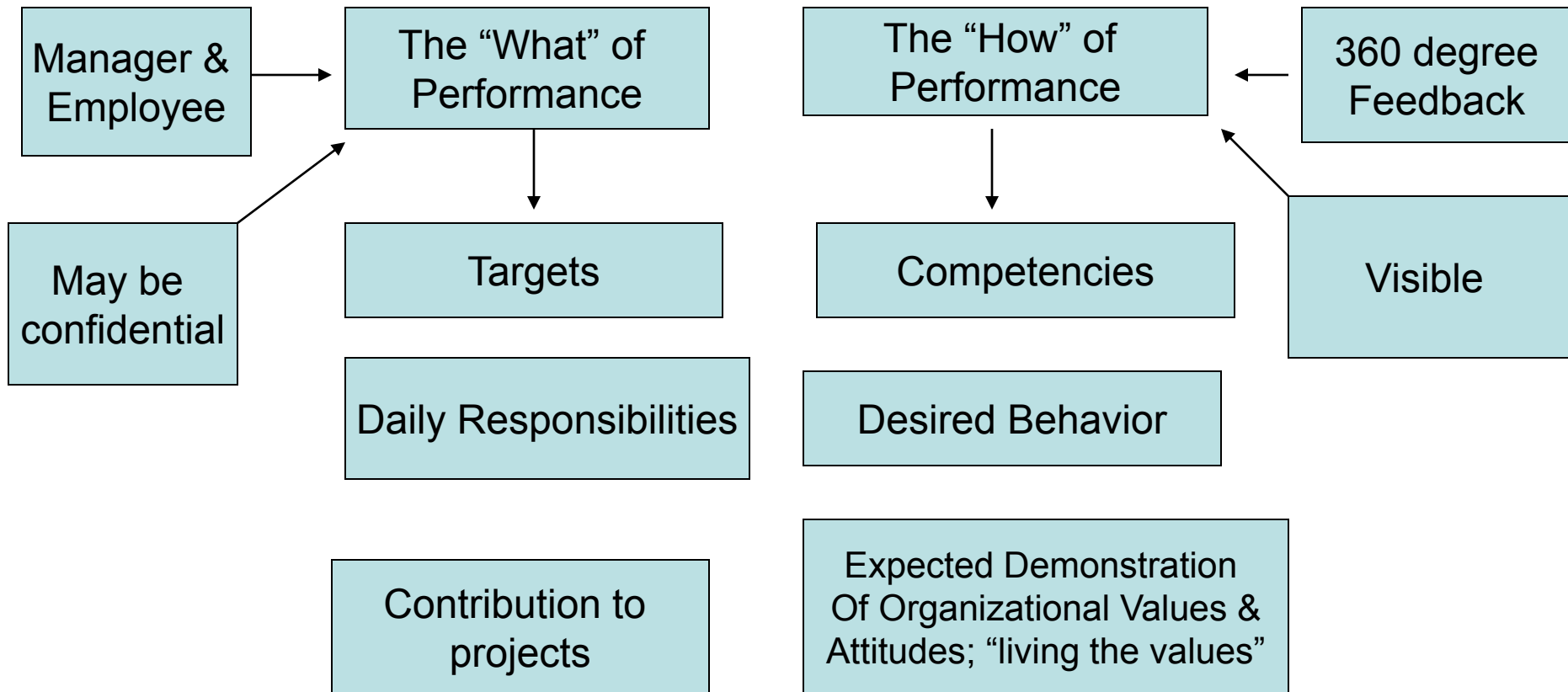
Definition of 360 degree feedback

Collecting perceptions about a person's performance & behavior from the person's:

- Boss or Bosses
- Direct Reports
- Colleagues
- Fellow members in the project team
- Internal & external customers
- Suppliers

360 degree feedback

Superior

Customers → Employee ← Peers

Self – Rating

Direct Report

What part of performance is measured ?

| Manager & Employee | → | The "What" of Performance | | The "How" of Performance | ← | 360 degree Feedback |

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Manager & Employee  ──→  The "What" of Performance        The "How" of Performance  ←──  360 degree Feedback

May be confidential  ──↗         │                                │                        ↗  Visible
                                 ↓                                ↓
                              Targets                        Competencies

                          Daily Responsibilities           Desired Behavior

                          Contribution to projects     Expected Demonstration Of Organizational Values & Attitudes; "living the values"
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Manager & Employee

May be confidential

The "What" of Performance

Targets

Daily Responsibilities

Contribution to projects

The "How" of Performance

Competencies

Desired Behavior

Expected Demonstration Of Organizational Values & Attitudes; "living the values"

360 degree Feedback

Visible

6

Characteristics of 360 degree feedback

- Unique & Comprehensive multi rater system

- The performance of an individual or a group can be measured

- An analysis of feedback over a period of consecutive performance cycles is conducted

- Response is collected on visible behavior

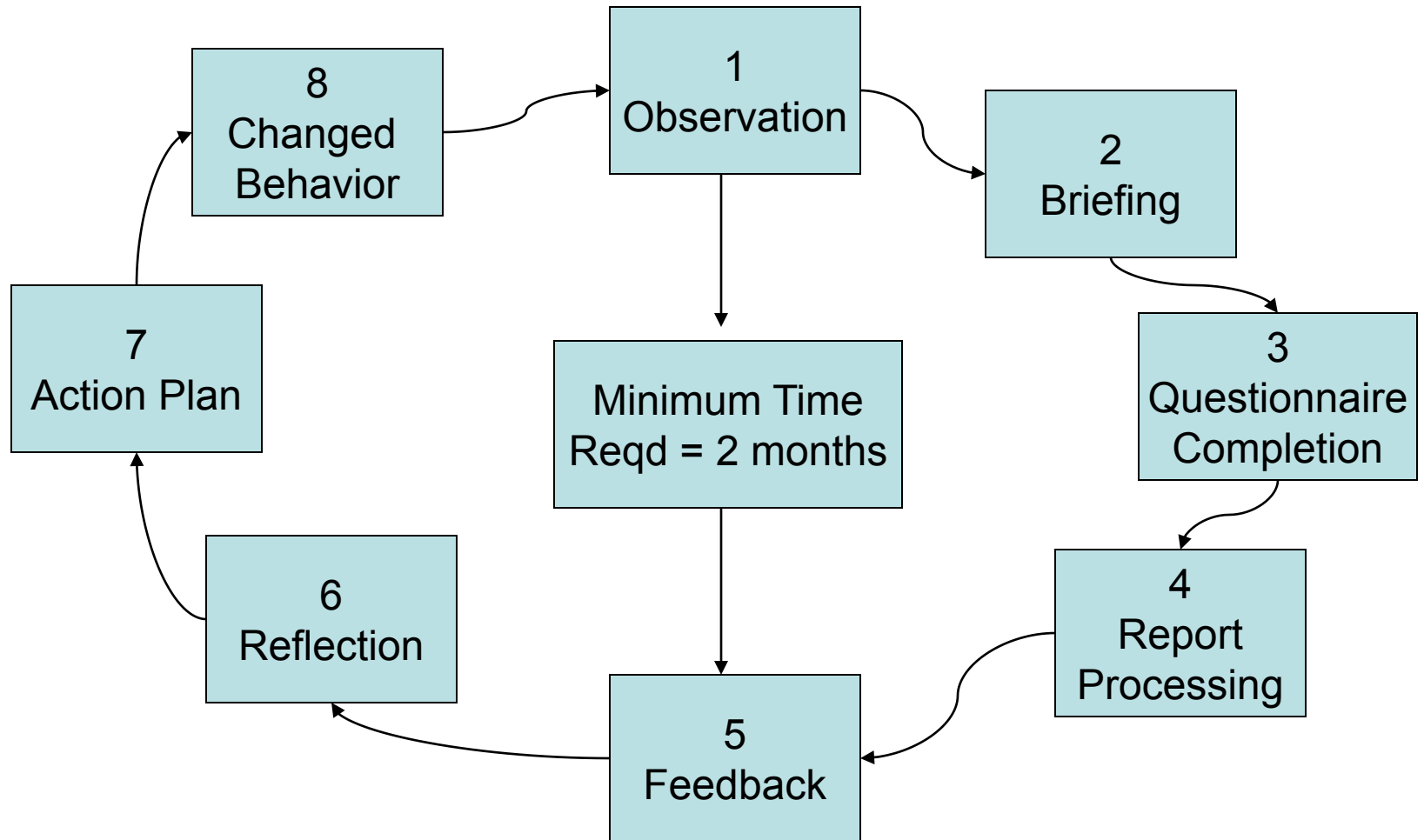- The results are a mixture of behavioral strengths & weaknesses

Response Collected

Expected Results / Match with self assessment

A Developmental Areas	B Strengths
C Discrepancies	D Hidden Strengths

Unexpected Results / participant's score differs from that of respondents

The Feedback Loop

8 Changed Behavior

1 Observation

2 Briefing

7 Action Plan

Minimum Time Reqd = 2 months

3 Questionnaire Completion

6 Reflection

4 Report Processing

5 Feedback

The Feedback Loop

1. <u>Observation</u>:

- Natural process – often unconsciously & unsystematically

- Some impressions stay, but some are forgotten

2. <u>Briefing:</u>

- Formalization by selection & briefing of respondents

3. <u>Questionnaire Completion:</u>
- Thinking about the participant's behavior in a conscious & structured way

4. <u>Report Processing:</u>
- Data Collection into a formal report

5. <u>Feedback:</u>
- Respondents' perceptions expressed in numerical, graphical or written form presented to the participant

6. <u>Reflection:</u>
- Understanding & accepting data through self-analysis, discussion with a facilitator or colleagues
- Clarification on points which came as a surprise or were unclear

7. <u>Action Plan:</u>
- Conversion of participant's thoughts into a meaningful & practical action plan

8. <u>Changed Behavior:</u>
- Time is needed for the changed behavior to become observable by others

Characteristics of 360 degree feedback

- The employee chooses the basket of raters, from which the final raters are decided randomly

- Each rater must constitute a different "party" or "source" with a varying level of interaction on performance

- Fair & dispassionate raters must be chosen rather than very close friends or sworn enemies

- Not all raters give feedback on all parameters (leadership competencies may be assessed only by direct reports & not customers)

Characteristics of 360 degree feedback

- Helps getting information from people who routinely work with the employee & are affected by his behavior

- Rater Confidentiality is maintained

- Feedback from all sources is "aggregated" & then given to an employer

- Helps people to give feedback "safely"

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Degrees of Feedback

Peer / Co-workers | Manager

              180 | 90

              270 | 360

                     | Direct
Customer | Reports/Subordinates
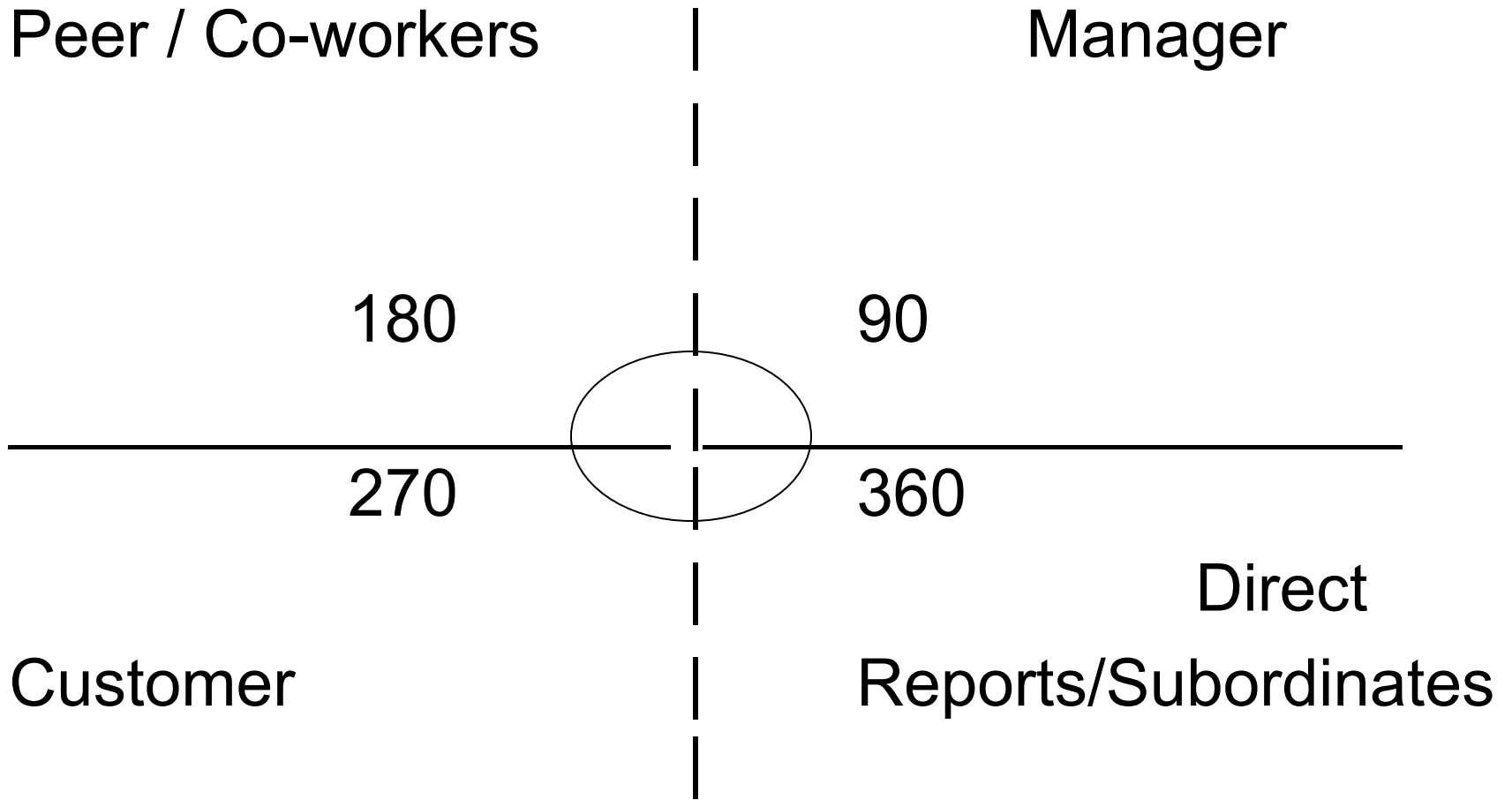
Sample 360 degree feedback Questionnaire

Please describe how often this manager uses each of the following behaviors. For each of the practices, choose one of the following responses:

1. Never, not at all
2. Seldom, to a small extent
3. Sometimes, to a moderate extent
4. Usually, to a great extent
5. Almost always

Please be as honest, objective & accurate as possible

This person….

		5	4	3	2	1
1.	Gathers information to understand customers' business strategies	5	4	3	2	1
2.	Determines how his/her department's strategic competencies help customers achieve their strategic objectives	5	4	3	2	1
3.	Welcomes opportunities to customize product / service offerings to assure they meet customers' long-term needs	5	4	3	2	1
4.	Keeps abreast of competitors' emerging trends & initiatives	5	4	3	2	1

Training on receiving feedback

- Look at the overall picture & for patterns of strengths & weaknesses
- Be ready to accept negative feedback
- How different are scores on a particular category from bosses, peers, colleagues?
- Don't focus on unusually positive or negative inputs
- Don't try to identify the person who made some specific comment
- Give yourself time to reflect on the results
- Decide on the 3-5 issues to be focused on for improvement over the next few months
- The facilitator must ensure that the participant carries out the action plan

Growth of 360 degree feedback

- Introduced in USA in the 1990s, it is emerging as an important HR tool globally:

1. In US, more than 90% of Fortune 1000 Companies use some form of multi – source assessment

2. In UK, 30% of companies use it, numbers are growing

3. In most countries it is introduced at the top & middle levels only

Why do organizations go in for 360 degree feedback ?

Long & Complicated but worth the effort; multiple uses:

1. <u>Changing Role of the Boss:</u>

- The supervisor may not be spending much time interacting with the employee

- The supervisor may just know the "What" of performance but not the "How"

- The role of the boss changes from hander down of judgments on performance based on relatively limited information to being a facilitator, coach or counsellor

2. <u>Collaboration & Teamwork are being encouraged</u>:

- Many achievements are a result of team effort
- Team members can assess each other on skills such as communicating, delivering on promises, planning & listening
- Increases inter-personal communication among team members

3. <u>Employees are being encouraged to develop themselves by using the organization's resources:</u>

- Because of reductions in employee numbers & removal of job demarcations, employees are valued for their flexibility & multiple skills
- More employee participation & empowerment

4. <u>Organizational Development</u>

- It helps align & check individual competencies & behaviors with organizational strategies

- In the current business environment, success of companies depends on continuous revolution including changes in organizational culture

- 360 degree feedback helps bringing about change

5. Evaluation / Validation of Training & Devt

Donald Kirkpatrick model for evaluation:

a) Reaction:

- How do participants feel about T&D timing, program content, administration etc

- Questionnaire; like a customer satisfaction survey

- Also called the "happy form" taking advantage of the end of program euphoria

b) <u>Learning</u>:

- How much new knowledge & skill have been acquired

- Tests / Simulations to demonstrate learnt skills

c) <u>Behavior</u>:

- To what extent have participants changed behavior at the work place

- Has classroom training transferred to the job

- Through on the job observation by trainer, bosses & colleagues

d) <u>Results:</u>

- Effect of changed behavior on important business issues such as improved efficiency, reduced cost, greater customer satisfaction, lower absenteeism, higher sales or better quality of production

- As you progress from a) to d), the information becomes more meaningful but harder to obtain
- Conventionally, training effectiveness was measured by reaction & learning analysis
- But now with 360 degree feedback, behavior & results can be analyzed for measuring training effectiveness
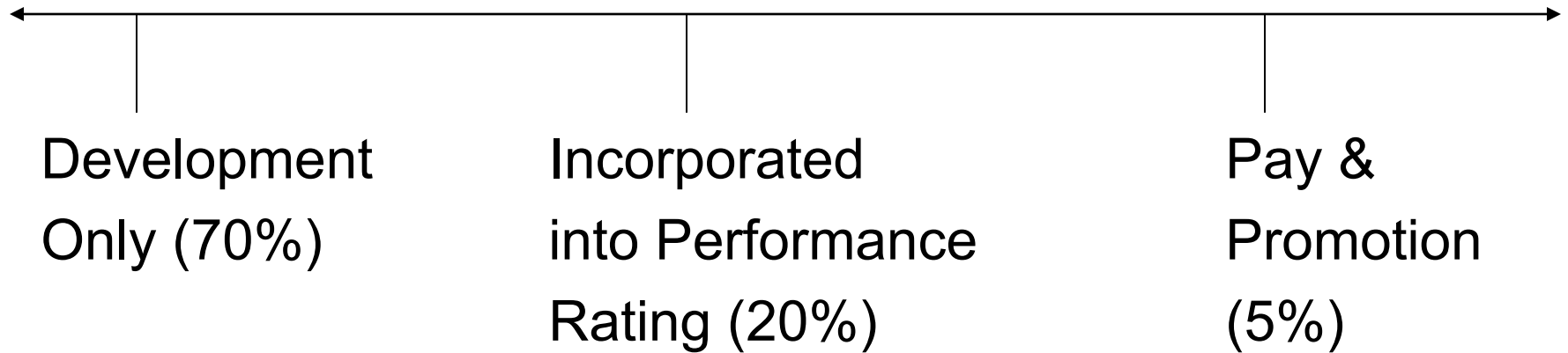
6. <u>HR Related Decision making:</u>

Not desirable to use for deciding Pay & Promotion because:

a) Pay is linked to the "What" of performance

b) If it is linked to the "How" of performance, it becomes qualitative & subjective

c) An employee could feel threatened if other parties, especially peers could influence his pay decision

d) Only part of the remuneration package (annual increase or part of bonus) is determined by 360 degree feedback; rest determined by more conventional means

Application & Controversy

Controversy (y-axis)

Self Devt — Training Course — Team Building — Perf Mgt — OD — Evaluation/ Validation — Remuneration
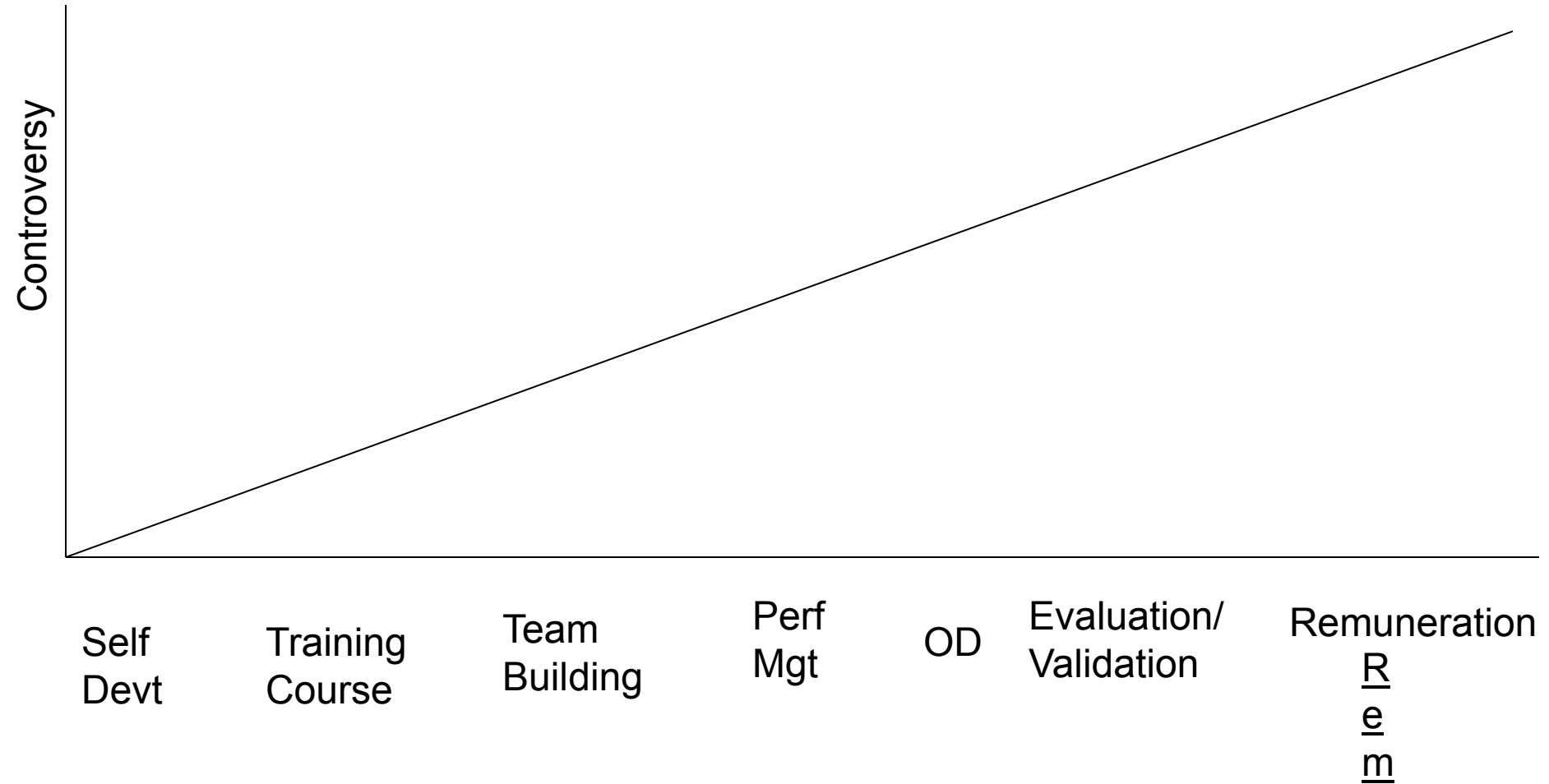
Usage of 360 degree feedback for employees

Development
Only (70%)

Incorporated
into Performance
Rating (20%)

Pay &
Promotion
(5%)

Checking for organizational readiness

- Top management support
- Confidentiality
- Partnership orientation in the organization
- Performance driven culture
- Full support & respect of every appraise, irrespective of their performance level
- External & internal customer focused culture
- Team based working styles
- Definition of competencies, desired behaviors & organizational values

- Validity of the tool: perform a test run to check relevance & clarity of questions

- Higher the quality of feedback, more successful the process will be

- HR Managers should stay in touch with appraisers through the process

- Fix a deadline for survey completion

Getting ready to implement 360 degree feedback

1. <u>Scope of the system</u> - Use only for top management & key roles ?:

a) Data Administration will be easier for fewer roles

b) More emphasis is placed on the "how" of performance rather than the "what"

c) These roles require succession planning & potential assessment

Getting ready to implement 360 degree feedback

2. <u>System Design:</u>

a) How will confidentiality be ensured ?

b) How will rater bias be detected ?

c) What will be the format for feedback – forced ranking or qualitative assessment?

Getting ready to implement 360 degree feedback

<u>3. Collation of feedback & Communication:</u>

• If the organization is doing this function in – house then it must decide:

a) How will feedback be sourced – electronically or as hard copy ?

b) How will data be entered – through scanning, automatic updation or manually ?

Getting ready to implement 360 degree feedback

3. Collation of feedback & Communication:

c) Who will design the software for collating & analyzing data ?

d) In what format will data be consolidated to highlight the strengths & opportunities for development to an employee ?

Getting ready to implement 360 degree feedback

4. Training on :

a) Generating awareness about the tool
b) Usage of this instrument
c) Consolidating feedback
d) Giving feedback, especially negative feedback, in a constructive manner
e) Follow up on development activities after the process is completed

360 degree feedback Model

Step 1   Establish contact points for
           appraise in the organization

1. Which of these contacts are meaningful?

2. The higher the number of interactions
    with a contact ⟹ more meaningful is
    the contact for the feedback process

360 degree feedback Model

Step 2 - Establish the nature of relationship of the contact point with appraise

1. The space around the appraise is divided into 4 segments :

360 degree feedback Model

Step 2

a) Quadrant I: Represents Direct upward relationships

b) Quadrant II: Represents Direct downward relationships

c) Quadrant III: Represents Peer relationships (direct & indirect)

d) Quadrant IV: Represents all other relationships

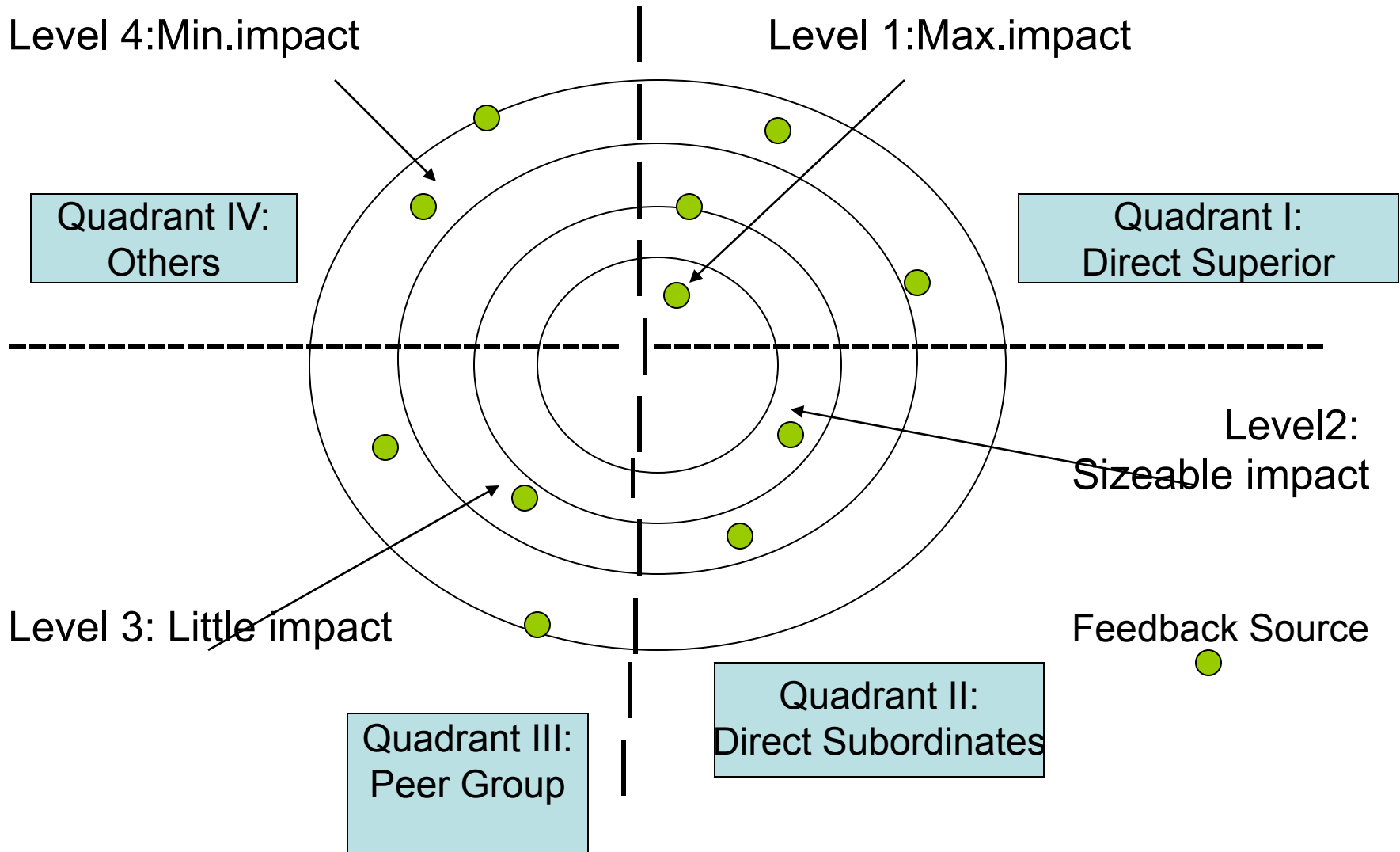# 360 degree feedback Model

Step 3 - What is being assessed ?

1. What is to be included in feedback ?
2. Define behaviors of the appraise in the context of the competencies of his job
3. Assign weights to the competencies & behavior in the context of the job
4. Depending on the weight, these parameters / criteria are classified into 4 groups / levels:

360 degree feedback Model

Step 3

- Level 1 – Highest level of weight (0.75 – 1.00)
- Level 4 - Lowest level of weight (0.00 – 0.25)

5. The feedback corresponding to each of the 4 groups is represented by the 4 concentric circles

6. The circle closest to the centre has the highest weight

360 degree feedback Model

Level 4:Min.impact

Level 1:Max.impact

Quadrant IV:
Others

Quadrant I:
Direct Superior

Level2:
Sizeable impact

Level 3: Little impact

Feedback Source

Quadrant III:
Peer Group

Quadrant II:
Direct Subordinates

Why is this model important ?

- 360 degree feedback generates a lot of data

- This model helps classify, categorize & analyze data

- Puts feedback data into the proper perspective for the appraise

Movement to a complete 360 degree feedback is a gradual process for an organization

- Starts from taking feedback from the superiors / supervisors

- In most cases, the next step is to get feedback from Customers & Vendors since:

- It is relatively easy to extend customer surveys to a formal 360 degree appraisal system

- The next step is to include subordinate level feedback

- Feedback from peers (taken informally sometimes) comes at the end of the process – not thought to be as important – they are competitors for upcoming positions; clash of personal interest; biases

360 degree feedback vs. other assessment methods

Criterion	employee surveys	ability tests	personality inventories	perf appraisal	Devt centres	360 degree feedback
Use	All firms	medium/ large firms	medium/ large firms	Most common; all firms	Most medium/ large firms	Relatively new in EU
purpose	diagnosis of org issues	selection/ promotion	Selection, Devt, Counselling	Improving perf, rewards, motivation, succession planning, identifying potential	selection, promotion devt	For teams Or Individual; Multi-Purpose Excl selection

Criterion	employee surveys	ability tests	personality inventories	perf appraisal	Devt centres	360 degree
Coverage	Almost Anything- Opinions, Attitudes, Safety, Training, Values	Specific Skills	Personality Or cognitive Style	Result or competency based	competency based	Competen -cy broken down into detailed behaviors
Method	Questionn -aires, Interviews, Focus groups	Questio- nnaires or exercise	Questionnai -res inviting to describe preference, feelings, Typical modes of action	Discussion between boss & appraisee based on appraisal documents	Interviews, psychometri c tests, perf appraisal data, simulations, exercises	Questionn aire on paper, disk or network

Criterion	employee surveys	ability tests	personality inventories	perf appraisal	Devt centres	360 degree
Respond-ents	All or sample of employees	Participants	Participants	Boss & appraisee	Trained assessors	Particpant, boss, raters
Admn	Questionna-ires distributed by mail with explanatory letter; answers kept confidential	Trained administrators / controlled conditions	By self or controlled conditions	Organized by HR	Complex variety of tools	Questionnaire sent out by participant; collected externally or at a central internal point

Criterion	employee surveys	ability tests	personality inventories	perf appraisal	Devt centres	360 degree
Answers / Scores	Rating Scale	Choosing the right option; pass or fail element	No right or wrong answers	Rating scales; based on opinion or observation of the boss & appraisee	Depends on specific methods used	Rating scales & open ended answers
Feedback	Initially to those who commissio-ned the survey; later to other parties too	To HR / line managem ent; not always to participant	Usually given to participant face to face by the facilitator	By the boss to the appraisee	Developme ntal feedback to participant	Individual feedback report discussed with a trained facilitator

Motorola Case Study

I.   <u>Background of the Company</u>

- One of the world's leading providers of wireless communications, semi-conductor technology & advanced electrical equipments

- Employs 140,000 people in 87 countries

- Turnover: Over US$ 30 billion

Motorola Case Study

I. <u>Background of the Company</u>

- Grown in size & complexity over the years, but the following core values have remained unchanged:

a) Respect for people

b) Uncompromising integrity

Motorola Case Study

II.   Business & People Related Challenges:

- Needs to remain a market leader in the ever changing technology scenario

- Needs to keep costs low

- Needs to unify the hearts & minds of a large & diverse work-force across the globe

Motorola Case Study

II.   <u>Business & People Related Challenges:</u>

- Needs to continuously motivate them to respond to market opportunities at an "Internet pace"

- The company believes that product or service supremacy alone doesn't guarantee leadership supremacy

- They believe in adding value to the organization by competency & capability building

Motorola Case Study

III. Actions taken – Totality of Motorola Leadership (TOML):

1. The starting point was to define the company's performance & leadership requirements or competencies

2. 14 competencies were listed

Motorola Case Study

III.   Actions taken – Totality of Motorola Leadership (TOML):

The 360 degree survey process :

- Was introduced to evaluate one's effectiveness as a leader (within the context of TOML)

- The objective was to assist in accelerating the growth of leaders

Motorola Case Study

The 360 degree survey process :

- The scores of some highly successful leaders within the company were used as the benchmark

- Individually tailored development planning - coaching, mentoring, project management & rotations was provided for the appraises

Motorola Case Study

- Then once the process became an integral part of the company's functioning (after a couple of years), it was extended for performance assessment & compensation

- Initially designed for the VPs, but adopted for a wider range of executives

Motorola Case Study

The 360 degree survey process training:

• Time & Energy was invested in training employees in:

a) Understanding the analysis & comparative ratings

b) Using feedback sensibly & positively

• To achieve this, partnership was made with the Motorola University & Selection Testing, Assessment & Research specialist organizations (STAR)

Motorola Case Study

The 360 degree survey process instrument:

- The instrument included 60 questions based on TOML principles

- Depending on the business from which the leader came, the company had the flexibility to add 20 more questions to understand his / her effectiveness in relation to his business necessities

Motorola Case Study

- All questions were validated questions

- Space was provided for comments & observations by the reviewers

Motorola Case Study

The 360 degree survey administration process :

- The feedback surveys were available over the Motorola Intranet & in the form of printed questionnaires

- The HR-STAR organization handled the centralized & confidential data collection & analysis

- The HR-STAR organization was bound by the company's key belief of "uncompromising integrity" to treat every individual with dignity & respect

Motorola Case Study

The 360 degree survey reports :

- The reports were kept simple

- The reports went straight to the participants

- It was left to the recipients to use the data

- Training was provided to interpret the statistical data in the reports

Motorola Case Study

IV.   <u>Motorola Experience:</u>

- The roll – out was smooth

- Participants thought the survey was worth the time & effort

- Appraisers gave frank feedback & comments

- The comments helped the company understand the leadership issues & the inputs needed

Motorola Case Study

- The process was institutionalized & it was compulsory for everyone to cross the TOML score to be promoted as an officer

- The company established a common understanding of what it collectively stood for through the TOML competencies

- The company achieved "the alignment of hearts & minds of employees globally" – very important for competing globally

Motorola Case Study

- Individual development plans were implemented through the Motorola University – known globally for excellence in training & education

- Today, each employee can voluntarily choose work partners to provide 360 degree feedback

- Officers had been openly sharing their feedback results with each other to improve themselves

- The process has now become a major source of self - development