

360-degree feedback: A full circle review of ethical and legal challenges

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Key digested message

Church, Bracken, Fleenor and Rose (2019) recently presented an analysis and predictions about the state of 360-degree feedback as a process used strategically for both development and personnel decisions. Despite continued popularity and permutations in practice, the proliferation of 360-degree feedback has introduced a new set of ethical and sometimes legal challenges for companies, vendors, and practitioners where its use has sometimes outpaced research and best practices.

The injection of new technology such as artificial intelligence (AI) for design, interpretation, and development planning combined with a recognition about the growing cultural and neurodiversity within organisations today creates a need to review existing ethical codes and legal standards to ensure acceptable practice and compliance (Landers & Nakamoto, 2025; Lowman & Connell, 2025).

Keywords: 360-degree feedback; Ethics; Coaching; Executive development.

Introduction

OVER the years, countless human resource assessments, fads and programmes have come and gone (Nowack, 1993). Yet 360-degree feedback, also called multi-rater feedback, multi-source feedback, or a 360-degree review, has endured as a core tool in leadership selection, promotion, succession planning, and learning and development initiatives.

The sustained popularity and usage of 360-degree feedback reflect a central truth validated by research that there is a significant gap between how employees and leaders see themselves and how they are perceived by others (Nowack, 1993; Nowack & Mashihi, 2025). *'The only person who likes change is a baby with a wet diaper!'* (attributed to Mark Twain).

In today's evolving workplace, organisations are increasingly adopting 360-degree feedback systems to develop leaders and gain holistic insights into employee performance as well as personnel driven purposes (Rose & Biringer, 2025; Scott, Scott & Foster, 2019).

A central ethical and legal fault line is whether 360-degree feedback is used strictly for development or incorporated into formal employment decisions such as selection, performance evaluation, promotion, high-potential identification, and succession planning. Although no major or significant changes with respect to specific government and legal regulations, laws and rulings appear to substantially change the use of 360-degree feedback by companies, vendors and practitioners alike. An overview of important issues is raised and summarised below.

Global legal framework, laws, regulations and compliance risks

Across the UK, EU and the US, overlapping and similar legal laws and regulations exist at the intersection of equality law, data protection, and disparate impact regulations (see Appendix, Table 1). Compliance with data protection frameworks, such as GDPR, and emerging artificial intelligence (AI) regulations is essential for both organisations and practitioners.

Many legal, psychometric, and fairness considerations must be addressed when 360-degree feedback data is used for making personnel decisions (e.g. selection, performance evaluation, succession planning). These include but are not limited to:

- **Job relevance:** In order for 360-degree feedback assessments to be legally defensible, they must be shown to be job-related through formal analysis and documentation procedures.
- **Fairness across and within feedback providers.** Ratings both within and between feedback providers is important to legally consider in the use of 360-degree feedback (Jackson et al., 2020; Nowack & Mashihi, 2012; Nowack, 2009, 2019).
- **Fairness and equivalence across cultures and languages.** Ratings in 360-degree feedback assessments can be influenced by cultural differences (Eckert, et al., 2010; Macey & Barbara, 2019; Nowack & Mashihi, 2012).
- **Subjectivity/bias in evaluation.** Because 360-degree feedback ratings are partly perceptual, organisations should attempt to mitigate common sources of bias (leniency/severity, halo, similarity-attraction, stereotype-driven narratives) via rater education, behavioural anchors, and quality controls on open-ended comments (Bracken, Roe & Church, 2016; Bracken, Timmreck & Summers, 2011; Church et al., 2019; Feeney et al., 2026; Fleenor, 2019).
- **Psychometric considerations.** Organisations and practitioners should be aware of various forms of reliability (e.g. test-retest, internal consistency) and validity (e.g. constructs, such as convergent or discriminant or criterion-related, such as predictive, concurrent, or incremental) that could be used to ensure basic psychometric integrity of the 360-degree feedback assessment being used.
- **Privacy, confidentiality, and data security.** Programmes using 360-degree feedback should minimise data, limit access on a need-to-know basis, implement retention schedules, and use *secure platforms*.

Legal best practices for implementation of 360-degree feedback

In summary, reducing legal and compliance risks associated with 360-degree feedback involves adopting strategies such as employing objective performance metrics, ensuring consistency across the organisation, and providing training to all participants, raters, and decision-makers. Regularly reviewing and updating organisational policies to align with current laws in the UK, EU, US and other jurisdictions is also essential.

Ethical considerations and concerns in using 360-degree feedback

A number of overlapping professional ethical codes and guidelines exist (e.g. British Psychological Society, American Psychological Association, International Coaching Federation, European Mentoring and Coaching Council) to guide the use of 360-degree feedback and other assessments for organisations and practitioners (Giraldez-Hayes & Smith, 2022; Macey & Barbera, 2019; Oates et al., 2021; Passarelli, 2023).

Each of these guidelines and codes outlines ethical obligations, which generally include:

1. **Avoiding harm:** Protecting participants in feedback programmes through proper administration, scoring, reporting, and structured debriefs.
2. **Ensuring transparency:** Providing clear communication and disclosure regarding the 360-degree process, data management, and reporting.
3. **Protecting privacy:** Safeguarding confidentiality and anonymity for both participants and feedback providers, while clearly defining any exceptions to confidentiality.

Given the emotional dynamics at play, implementing 360-degree feedback programmes successfully requires addressing several key questions. Several critical ethical issues arise based on whether or not the 360-degree feedback assessments and programmes are designed in-house or purchased by an outside vendor.

- **Purpose drift.** A recurring ethical and legal problem is ‘purpose drift’ where a programme is launched for development (e.g. coaching a leader) but later becomes an input to performance ratings, promotion discussions, or succession planning.
- **Defining exactly who the client is in the 360-degree feedback process.** In most codes of ethics, there are specific references to ‘clients’ and ‘those affected’ but it is often unclear to organisations, consultants, and practitioners exactly which relationships exist and how they are defined in 360-degree feedback programmes. For practitioners and coaches, it is important to delineate limits of confidentiality, explanations around agreements concerning who receives feedback, and their specific role(s) in the 360-degree feedback process.
- **Balancing anonymity, confidentiality and accountability.** Balancing anonymity, confidentiality, and accountability is a critical ethical consideration in the 360-degree review process. While anonymous feedback can encourage honesty, it may also lead to unconstructive or harmful comments without accountability on the part of feedback providers.
- **Confidentiality in multi-source feedback: balancing transparency and privacy.** Maintaining confidentiality is essential to protect employee privacy and comply with legal obligations. Organisations should communicate clearly about the feedback process, including who will see the results, and any exceptions to confidentiality.

- **Consideration of written or open-ended comments.** Open-ended comments or written narratives are common in almost all development-based 360-degree feedback programmes. However, it is also a potential source for contributing to disengagement and strong emotional reactions (Nowack & Mashihi, 2012; Smither & Walker, 2004).
- **Nomination of feedback providers.** Most commonly, feedback providers in development-focused 360 programmes are selected by the participant without input from their supervisor or HR (Rose & Biringer, 2025). The organisation and practitioners should clearly communicate how feedback providers will be selected, and clarity surrounding confidentiality, and anonymity (e.g. some organisations set minimum cutoffs for how results will be presented and/or included in the feedback reports).
- **Interpreting and using mean scores in 360-degree feedback reports wisely.** Comparisons of self and other evaluations using any rating scale typically utilise average or mean scores (Rose & Biringer, 2025). However, mean or average score interpretations can be easily misunderstood and used incorrectly. Vendors and organisations should include measures of variance within rater groups (e.g. standard deviation, range of scores) in reports to clarify rating agreement (Nowack, 2019; Nowack & Mashihi, 2012).
- **Addressing cultural differences in 360-degree feedback interpretation.** It is well established that giving feedback and acceptance vary widely across cultures (Hofstede, 2001; Mashihi & Nowack, 2025; Meyer, 2015; Robbie et al., 2000; Shipper et al., 2007). Key cultural factors that organisations and practitioners should be aware of can have ethical implications for providing feedback in a consistent and fair manner including context, directness, power distance, and collectivism. Research suggests that 360-degree feedback systems are particularly effective in individualistic cultures, though the overall influence of cultural biases on rating patterns is relatively modest (Nowack & Mashihi, 2012; Robbie et al., 2000).

Ethical issues surrounding the use of 360-degree feedback with employees who are neurodiverse

A critical yet often overlooked set of ethical challenge involves the use of 360-degree feedback on neurodivergent employees (e.g. those with autism, ADHD, or dyslexia). Traditional feedback competencies often prioritise neurotypical social norms such as maintaining eye contact, demonstrating high sociability, or communicates verbally with ease can systematically disadvantage neurodivergent employees (Praslova, 2023, 2024).

Practical ethical safeguards include offering alternative modalities for participation and debriefing; ensuring the 360 administration and feedback platform meets accessibility standards, using behaviorally anchored items that focus on job-relevant competencies, and training raters to avoid diagnostic speculation or comments about medical status.

Practitioners involved in 360-degree feedback report debriefing should be prepared to reframe ambiguous social-feedback themes into concrete workplace behaviors and environmental supports, be sensitive to individual norms around maintaining eye contact, minimise the use of jargon, sarcasm, nuance, irony and complicated theories, and explore specific strategies to best align with the communication style of those who are neurodiverse (Praslova, 2023, 2024).

Ethical issues surrounding the use of 360-degree feedback with artificial intelligence (AI)

By leveraging new and emerging AI-based tools, we expect organisations and practitioners to be able to enhance their employees' learning opportunities and greatly improve the efficiency of 360-degree feedback, coaching, and development in many ways. For example, AI could be used with the growing and changing landscape around digital coaching platforms, including AI-driven chatbots and interactive personal assistants (de Haan, Terblanche & Nowack, 2026; Passmore & Daly, 2026; Passmore, Olafsson & Tee, 2025; Passmore & Tee, 2023; Tavis & Woodward 2024; Terblanche, van Heerden & Hunt, 2024).

Using AI for employee coaching and development, as well as performance management, could be especially useful for streamlining or simplifying frequent tasks, including:

- Providing best practices and research for organisations implementing 360-degree feedback programmes; Generation of competency architectures and models;
- Development of item pool questions and items;
- Recommendations for assessment response scales;
- Translations of competency definitions, items, questions and other text related to the 360-degree feedback assessment;
- Interpretation of 360-degree feedback results with synthesis and summary recommendations for highlighting strengths and illuminating development areas;
- Sentiment analysis of open-ended questions and written comments;
- Competency specific developmental recommendations and resources such as books, videos, podcasts, case studies, and online courses;
- Personalised development plans;
- Behavioral nudges and reminders to reinforce translating insight from the 360-degree feedback reports to ongoing practice; Generation of practice exercises, role-play simulations, and strategies to enhance job performance;
- Evaluations forms and processes to measure the impact and effectiveness of programmes;
- Composite and group summary trends and recommendations as needs assessments for future coaching and programmes;
- Preparation of succession planning and ranking reports based on results; and
- Integration with other HR L&D and administrative systems (e.g. performance evaluation, succession).

Today, AI can already help or manage all aspects of these 360-degree feedback related administration, scoring, reporting, and development planning dimensions of current programmes offered externally by vendors or internally by organisations. However, a number of important AI related challenges and risk respect to both legal and ethical laws, regulations, and codes are summarised below.

- **Algorithm bias.** Algorithms in current AI tools may have been trained on data based on a wide variety of existing biases primarily from WEIRD countries (Western, Educated, Industrialised, Rich, and Democratic) leading to an obvious bias such as insensitivity to both individuals and culture.
- **Privacy/security.** AI engines and models already collect and track personal information and leaders must understand the limits of vendor confidentiality, privacy, and security.

- **Accuracy, explainability, and automation risk.** When AI is used to draft narrative summaries, detect sentiment in 360-degree feedback reports, infer competencies, or recommend actions, organisations should treat outputs as tentative and require additional review and validation. Controls with the use of AI for 360-degree feedback programmes might include: (a) human review by trained professionals; (b) written audit trails that preserve original text and document transformations; (c) evaluation for demographic bias; (d) appropriate AI model being used and specific prompt governance (e.g. stating restrictions on using personal data in external models without appropriate safeguards); and (e) clear participant communication that AI was used, what it did, and how to challenge errors or discrepancies.
- **Trust/accuracy/hallucinations.** Generative AI models are sometimes prone to errors and ‘hallucinations,’ where they generate plausible but factually incorrect information. The sometimes hidden nature of the algorithms behind many AI platforms used for decision-making makes it difficult for employees to challenge the accuracy of the feedback, a right central to due process (Passmore & Daly, 2026; Tavis & Woodward, 2024).

Summary: Ethical best practices for use and implementation of 360-degree feedback

Looking ahead, legal frameworks in the UK, EU, US and other countries and jurisdictions are likely to place greater emphasis on demonstrable fairness, oversight of AI coaching platforms, robust data protection, and accommodation of neurodiverse and disabled employees in all forms of assessment, including 360-degree feedback.

For practitioners, HR leaders, and organisations the challenges in the future will be to design 360-degree feedback systems that simultaneously honour professional association ethical codes, comply with jurisdiction-specific laws and regulations, and champion the purpose of such systems to compare and contrast self and other feedback to drive individual learning or personnel decision making.

Conclusion

A well-structured 360-degree feedback system can enhance performance, equity, and organisational insight, but only when built on a solid legal and ethical foundation. Recognising the measurable realities of bias and embedding compliance safeguards transforms the process from a mere evaluation tool into a model for inclusive leadership development. Evolving workforce demographics, a heightened emphasis on cultural and neurodiversity, and the rapid integration of artificial intelligence necessitate a reimagining of strategic 360-degree feedback to optimise individual, team and organisational performance.

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Appendix

Table 1: Summary of legal requirements influencing use of 360-degree feedback.

Category	United Kingdom (UK)	European Union (EU)	United States (US)
Primary Frameworks	UK GDPR, Data Protection Act 2018, and Equality Act 2010	General Data Protection Regulation (GDPR), Employment Equality Directive, and Racial Equality Directive	Title VII Civil Rights Act, Age Discrimination in Employment Act of 1967 (ADEA), Americans with Disability Act (ADA), and Health Insurance Portability and Accountability Act (HIPAA)
Anti-Discrimination	Equality Act (2010) Prohibits direct/indirect discrimination; requires criteria to relate to legitimate business plans.	Requires objective justification for competencies through systematic job analysis.	Prohibits discrimination based on protected characteristics; requires proof that competencies are job-related.
Data Protection	Similar to EU GDPR; requires clear disclosure of data sharing with human resources, managers, or contractors.	Strict adherence to transparency, purpose limitation, and participant data rights.	Focuses on confidentiality of health-related data under ADA and HIPAA.
Adverse Impact	Requires adverse impact studies if statistical patterns show lower ratings for certain groups.	Procedures must not disadvantage protected groups without job-related reasons.	Mandates that rating systems do not create unjustified impact against protected groups.
Neurodiversity	Equality Act 2010 requires reasonable adjustments for neurodiverse employees.	European Accessibility Act (EAA) mandates digital design standards for inclusive access.	ADA requires 'reasonable accommodations' and web accessibility (Section 508/Title II).
Artificial Intelligence	Strict adherence to GDPR; Medical Devices Regulations 2002 (SI 2002/618); Online Safety Act 2023 (OSA 2023).	EU AI Act (fully applicable August 206) mandates strict, risk-based compliance (high-risk assessments, transparency).	US sectoral laws; Executive Order 14179 (2023); State specific AI regulation and use.