360-Degree Feedback: The Whole Story

Many organizations use some kind of 360-degree assessment inventory—called 360-degree because feedback is collected “all around” an employee, from his or her supervisors, subordinates, peers, and customers. A 360-degree assessment provides a comprehensive summary of an employee’s skills, abilities, styles, and job-related competencies.

The use of 360-degree feedback inventories is increasing for the following reasons:

- a need for cost-effective alternatives to assessment centers
- the increasing availability of assessment software capable of summarizing data from multiple sources into customized feedback reports
- the need for continuous measurement in continuous-improvement efforts
- the need for job-related feedback for employees affected by career plateauing
- the need to maximize employees’ potentials in the face of technological changes, competitive challenges, and increased workforce diversity.

Various 360-degree feedback inventories can be used in a wide range of HRD situations—including supervisory training, management development, assessment centers, succession planning, style and leadership awareness, career development, needs assessment, training and OD evaluation, employee coaching, and personnel selection.

Sources of feedback

Using 360-degree feedback assessments, employees can compare their own perceptions of their skills, abilities, and styles with the perceptions of others. But how accurate are self-reports? And how do they compare with the reports of others?

Studies suggest that in predicting
job performance, self-reports tend to be less accurate than peer and supervisory reports. People may give themselves higher ratings on their own skills and abilities than others do. It’s important to recognize this “leniency effect”—particularly in employees who have poor insight into their strengths and weaknesses. Those employees may ignore negative feedback and resist making changes.

The first step in getting employees to change and improve is getting them to accept—in a nondefensive manner—critical feedback from others.

Each of the usual feedback providers—an employee’s supervisor, subordinates, peers, and customers—offers a unique perspective on the employee’s performance and potential. But these feedback sources don’t have equal opportunities to observe every aspect of the way an employee performs his or her job. Consequently, you should consider several factors before selecting people to give feedback.

If you plan to use feedback for an employee’s development, it’s important to gather as many diverse perspectives as possible. For succession planning, an employee’s direct supervisor may provide the only practical and desirable point of view. In some cases, it’s appropriate to ask employees to choose their own feedback providers.

There is no research to support an ideal number of feedback providers. Theoretically, a single, accurate, and objective appraisal of an employee’s skills, abilities, and styles could be helpful. External consultants and suppliers usually call for 4 to 10 feedback providers in their 360-degree assessments. Who gives the feedback is more important than how many.

The goal of a 360-degree feedback assessment should be to give an employee objective, comprehensive, and accurate feedback. When an employee lacks faith in the people giving feedback, he or she may discount and ignore their perceptions.

**What to measure**

You can develop your own 360-degree feedback assessment to meet your organization’s needs or you can purchase an off-the-shelf inventory from a training supplier. But first, you should decide what it is you want to measure.

If you’re conducting a feedback inventory for the purpose of employee development, you should try to integrate the inventory with existing classroom and on-the-job training programs. Training needs analysis data that are already available can help you identify the knowledge, skills, and abilities (KSAs) your assessment will measure. With this approach, employees receive feedback that is job-related.

Off-the-shelf 360-degree assessments reflect a variety of theoretical and conceptual models. Different assessments measure different knowledge, skills, and abilities. But most of them are designed and developed on five basic models.

**Job analysis.** This type of 360-degree assessment measures KSAs based on traditional job-analysis procedures. The KSAs required by a specific job are determined through interviews, focus groups, and job-task information questionnaires.

**Competency-based.** This model measures competencies rather than KSAs associated with a particular job. Competencies are identified by comparing behaviors of high performers with those of low performers. The differences form a set of “best” competencies.

**Strategic planning.** This type of 360-degree assessment measures KSAs based on an organization’s strategic plans and on its needs for future success. “Strategic” KSAs are identified through interviews and focus groups with key senior executives.

**Developmental theory.** This kind of assessment measures KSAs based on theoretical and conceptual models of employee growth and development. The models identify critical KSAs for various developmental stages.

**Personality theory.** This model measures KSAs associated with personality—such as qualities, traits, temperaments, and styles in communication, leadership, interpersonal relations, and cognition.

**Scoring**

In scoring 360-degree assessments, employees can compare their own scores over time—called ipsative scoring—or they can compare their scores with the scores of “like employees”—known as normative scoring. Or they can compare their scores with a set of competencies.

In ipsative scoring, employees benchmark against themselves by tracking their own job performances over a certain period of time. An employee takes the same assessment on two or more occasions. His or her initial scores serve as the baseline measurement against which later scores are compared. Ipsative scoring focuses on behavioral changes on the job between one assessment and the next. Basically, ipsative scoring enables employees to compare where they are with where they started. Also, an employee’s supervisor can look at the scores or data to determine whether the employee’s behavior on the job has changed—and can provide feedback to that employee.

Some personality-based 360-degree assessments that use ipsative scoring don’t emphasize behavioral changes. Instead, they focus on an employee’s degree of awareness of his or her interpersonal, communication, or leadership styles at given points in time.

In normative scoring, an employee can compare his or her scores with the scores of a representative group of similar employees—others who are in the same job, the same organiza-
tion, or the same industry.

Off-the-shelf assessments cover a wide range of industries and job classifications—known as norms. You should select the norms that most accurately represent what you're trying to measure. If your norms aren't accurate, the feedback may be difficult to interpret and may even be worthless.

In interpreting the results of a 360-degree assessment, organization-specific norms may be more meaningful than industry-specific norms. The former provide direct comparisons between employees in the same organizational environment. Using your own organization as a normative base of comparison can also help you identify training needs for each of the KSAs being measured. But be sure to use a large representative sample to help determine your organizational norms.

Competency-based norms provide another scoring alternative based on your own organization. You can determine competency-based norms by first identifying a large representative sample of high performers or high-potential employees in your organization. Then give those employees a 360-degree assessment.

Next, analyze the results to calculate means and standard deviations from the individual scales. The means become the competencies for employees who take the same 360-degree assessment. Those employees can compare their scores to the competencies shown by the high performers or high-potential employees in your organization.

Confidentiality and anonymity

When using any 360-degree assessment, it's important to ensure that participation is voluntary. You also need to decide whether feedback providers should be identified or remain anonymous. You may ask them to sign their names to feedback reports, or you may offer them the option of remaining anonymous. The issue of confidentiality has to do with who sees the feedback and whether the names of feedback providers will be shared.

Employees who feel coerced into providing feedback or who think they'll be identified may still be will-
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Are the questions and measurement scales relevant to employees’ jobs? Are the criteria valid?

high ratings to the frequency of the same behavior.

Your 360-degree assessment inventory should have the reliability and validity of other time-tested paper-and-pencil instruments. There are many different types of reliability and validity, but you should ask yourself the following questions:

- Are the tests and retests consistent over time?
- Are the scales being measured consistent internally?
- Do employees initially react positively to the assessment? In other words, does the assessment look good “on the face of it”?
- Are the questions and measurement scales relevant to employees’ jobs?
- Are the criteria valid? In other words, does what’s being measured predict anything about job performance?

You can test your 360-degree assessment on a small representative group of employees to determine whether the scales are reliable and valid. If you’re using an off-the-shelf assessment, the supplier should provide documentation on its reliability and validity.

Assessments that provide 360-degree feedback can be powerful tools for a wide variety of training and OD interventions. These tools provide employees with unique opportunities to compare objectively their own perceptions of their skills, abilities, and styles with the perceptions of others. When an employee can acknowledge and accept critical but accurate feedback, that employee is on the way to better job performance.

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