360-Degree Feedback: Optimistic Perspective for its Implementation

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ABSTRACT *In order to bridge the "gap" between the actual and the required performance of an employee, feedback plays a crucial role in evaluating his potential. 360-degree feedback facilitates the person to know that how he is being perceived by the related parties. He may have contradictory results from his superiors or subordinates as he usually behaves in different manner with the different parties. It provides information to the employee from all the channels associated with him. Multi-source ratings (alternatively called 360-degree feedback) have been used widely as a means of giving managers developmental feedback about their performance from different perspectives (Brutus, Fleenor, & London, 1998). This paper focuses on the need for introducing multi-source ratings system in the organization. It also describes the benefits of implementing 360-degree feedback to the employees and the organization along with some factors for its successful implementation.*

Introduction:

360-Degree Feedback offers a unique opportunity to link specific leader behaviors to organizational performance and for individuals to find out how their bosses, their colleagues, their direct reports, their fellow team members, their external and internal team customers, and their suppliers perceive their use of these behaviors (Lepsinger, & Lucia, 2009). Rowe (1995), describes four main elements of 360-Degree Feedback: 1) Downward appraisal – the traditional form of appraisal in which superior appraises subordinate – is retained as an important part of the process. Any suggestion that upward appraisal replaces downward appraisal must be rejected. 2) Upward appraisal is where the subordinate assesses the performance of the superior and, as we shall see, this can take various forms. 3) Peer appraisal is where work colleagues assess one another's performance. 4) Self appraisal – easily ignored but, to my mind, an essential part of the process – is where the individual takes responsibility for his or her own performance and assesses his/her present work and future development. This helps in improving the relationships with all the stakeholders. 360-degree feedback nourishes the communication channels by providing a two way informative flow of perceptions for individual development.

Need for 360-Degree Feedback:

Feedback is a fundamental component of the learning process and managers can use feedback to prepare development plans for the employees (Rao, & Chawla, 2005). The detailed reports generated in a 360 degree evaluation make it easier for an organization to match a manager's skills with a particular job or function. Multi rater feedback systems can make sure that managers align themselves with the organization's strategies and vales (Shaver, 2000). It focuses on individual development. With a complete SWOT analysis of an individual he may spot the areas which need improvement. A 360-degree feedback system is needed to review the performance of an employee. Incase feedback is taken from a single source, the concerned person may be biased according to his perception or personal issues, while in multi-channel feedback a complete picture would be revealed from all the possible angles. 360 degree reviews are intended to give an employee the opportunity to understand and remedy any friction points or issues that may exist between themselves and the rest of the organization. Friction points often times include issues in the areas of interpersonal relationships, teamwork, communication and management style (Alexander, 2006). It helps the managers to be acquainted with the workplace perceptions about his performance and behaviour in the organization.

Parties involved in 360-degree feedback:

Advantages of 360-Degree Feedback:

1. Accuracy: This form of feedback can increase the reliability, fairness and acceptance of the data by the person being rated. This occurs because the feedback is received from multiple sources and not just one source (Garavan, Morley, & Flynn, 1997, p.140). Ratings from one party may be biased depending on their past relationship, while by including a number of raters the reliability of the whole process increases. When feedback comes from a number of individuals in various jobs, discrimination because of race, age, gender and so on, can be reduced. Moreover, 360-degree feedback can provide comprehensive information about organizational training needs (Sahoo, & Mishra, 2012).

2. Individual Development: A fundamental assumption of 360-degree feedback is that performance information from various organizational sources leads to individual development. The contribution of 360-degree feedback to individual development is closely related to the extent to which the focal manager uses the feedback information to set developmental goals. Without such a link, that is if managers ignore 360-degree feedback in setting their developmental goals, the process loses much, if not all, of its utility. We argue that focal managers use 360-degree feedback information to set developmental goals (Brutus, London, & Martineau, 1999).

3. Promotes Open Communication: It enhances two-

way communication and increases the opportunity for employee involvement. It can help to create better working relationships within the organization (Garavan, Morley, & Flynn, 1997). The benefits of implementing 360-degree feedback are communicated to the workers. And on the other side, by participating in the feedback system they communicate their perception regarding the concerned employee/manager. The before and after feedback communication is necessary for the successful implementation and evaluation of performance of the employee.

4. Involves every stakeholder: 360-Degree Feedback is a comprehensive concept which includes a complete range of related stakeholders in collecting the overall performance feedback about the concerned employee. Multi-rater feedback (which can be provided through the use of any of a number of instruments allows managers to see how they are viewed by their boss, their peers, and their direct reports and to compare these views with their own view (McCauley, & Moxley, 1996).

5. Multi-dimensional picture: A one-dimensional picture may not reveal the overall SWOT analysis of the manager. He is judged over various aspects like his traits, behavior with superior and subordinates, performance etc. Therefore, a complete picture about the appraisal of the employee may be constructed with the help of 360-degree feedback.

6. Changing organizational culture: When 360-degree feedback starts at the top of an organization and involves the participation of the chief executive and the board, the directors see it as a necessary ingredient to changing the organizational culture as well as developing leadership skills, building confidence and trust at the most senior levels (Curtis, 1996).

7. Performance Appraisal: The specific behaviour feedback clearly targets developmental areas such as developing professional and technical skills. Additional respondent narrative comments may supply specific recommendations for new actions designed to make performance better (Edwards, 1996). Antonioni observes the following outcomes of multi-rater feedback: increased awareness of appraiser's expectations, improvement in appraisee's work behaviour, increase in informal multi-rater degree performance reviews, and increase in the giving and receiving of constructive feedback on a more regular basis (Jansen, & Vloebergs, 1999).

8. Performance Improvement: The 360-degree feedback process offers an effective tool for performance facilitation. Multi-source assessment (MSA), often called 360-degree feedback, offers an excellent tool for targeted performance feedback because it enhances the accuracy and credibility of performance information by enlarging the assessment pool from one supervisor acting alone (Edwards, 1996).

Antonioni describes twelve important factors to design successful 360-degree feedback:

1. Raters prefer the use of 360-degree feedback for developmental purposes as opposed to using feedback for compensation purposes. Such use of 360-degree feedback could produce negative reactions from participants.
2. Written and descriptive 360-degre feedback may be more helpful than rating scale information.
3. Managers prefer accountability for ratings by the rater. Raters, however prefer their ratings to be anonymous.
4. Direct report raters (subordinates) who were held accountable for upward feedback (their names were associated with the feedback) give their managers higher ratings. Anonymous raters gave lower ratings.
5. Managers indicated the following about the nature of the feedback they received: 25% was expected positive feedback, 30% was unexpected positive feedback, 20 to 30% was expected negative feedback, and 15 to 20% was unexpected negative feedback.
6. Raters estimated that 19% managers would be surprised by low ratings in the feedback.
7. Only half of the raters reported that managers had shared summary results of the upward appraisals.
8. Managers who score high on achievement motivation and who value feedback are more likely to discuss results with their raters.
9. Managers are not likely to develop specific goals or action plans based on 360-degree feedback.
10. Improvement of low performance ratings is left to the ratee.
11. 72% of the ratees reported that managers do not follow up action plans related to 360-degree feedback.
12. 87% ratees felt raters had not recognized their improvement efforts.

Conclusion:

Before the implementation of 360-degree feedback in the organization, one needs a collaborative and learning culture. The objective for its implementation must be made clear to the employees. They must be committed towards the acceptance of their positive as well as the negative points. 360-degree feedback provides a mechanism to track careers and employee development. Enhanced succession planning information serves both employees and the organization. Personal career planning and development are the benefits to individual performers (Edwards, 1996). The major objective of 360-Degree Feedback is individual development through self awareness and recognizing the perception of the related parties. From this evaluation process, the employee is able to trace out the deviations in his self awareness and others perception about him through which he could set new goals for his further development.

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