

## Members Quarterly

Winter 2014 Edition

## Feature

## Maximize Benefits of 360-degree Feedback — *Strategies for success*



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“Optimizing leadership development is a top priority for organizations today. Identifying the most effective pathways to this goal is invariably tricky as countless options exist. One enduring approach which has gained increased interest in recent years is 360-degree feedback. Recent estimates suggest that 90% of Fortune 500 companies utilize this type of developmental exercise with their executives.

### *What is a 360-degree feedback process?*

Also called multi-rater feedback, the center of a 360-feedback is the leader him or herself. It is called a 360 because individuals across all levels of the organization (e.g., direct reports, peers and supervisors) assess the candidate on a series of questions related to his or her performance.

The primary goal of a 360 is to raise the self-awareness of the individual leader. Specifically, by being more aware of how they come across to others, leaders can take proactive steps to maintain their positive impacts while adopting new strategies to avoid/minimize the negative ones.

Research has suggested that 360-degree feedback is a valuable professional development endeavour. Marshall Goldsmith, a widely renowned executive coach and thought leader, spearheaded a study examining the impacts of participating in 360-degree feedback for over 3000 executives. He found that almost 75% documented some form of improvement 3 to 6 months following the intervention when their direct reports were surveyed.

Despite these impressive results, 360s can also cause harm to leaders and organizations alike. Tales of nightmarish multi-rater feedback projects exist in many organizations. To maximize the benefits of this approach, it is important to review previous research which has identified several valuable ‘best practices’ to consider:

- **Many consulting firms provide a 360-degree feedback tool. Make sure you ask critical questions about how the tool was developed.**

For example, are the items reliable? Do they measure what they intend to measure? Most importantly, do they link with outcomes that are important to your organization? Exploring the reliability and validity of the tool is critical to ensuring the success of the initiative. Although tools can “look good” and their questions “make sense,” it does not mean that the appropriate scientific testing and development were conducted. If you cannot obtain this information, it may be in your best interest to look elsewhere.

- **Use 360-degree feedback as a development tool, not as a compensation/promotional vehicle.**

Research has shown that the maximum benefit is derived from 360-feedback when used to assist in the growth of an individual leader rather than as a way to reward or punish him or her.

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- **Prepare the candidate, their raters and the organization at large.**

360s are most effective when everyone understands their purpose and how best to engage in the process. Stress the importance of honest and direct feedback. Ensure that there is a clear communication strategy in place to explain how everyone will engage in this initiative.

- **Provide an opportunity for discussion.**

One success factor that has been linked to creating and sustaining positive behavioural change within 360s is providing the individual the opportunity to discuss the feedback in a constructive manner with another party, ideally a trained facilitator. This conversation helps set the stage for the next steps and can assist the individual in making sense of the large amount of data collected. It also will help the leader focus on key strengths and opportunities for development.

- **Follow-up is critical.**

The research by Marshall Goldsmith and colleagues also shed some light on which leaders made the most of a 360 exercise. They reported that leaders who followed up with their direct reports about the results exhibited significantly better performance improvements than those who did nothing following the experience. This suggests dedicated follow-up is highly beneficial to a successful 360 process.

- **Partner with a coach.**

In a paper published in the Leadership and Organization Development Journal, an action learning study involving almost 300 executives concluded “that the combination of multi-rater feedback and individual coaching do increase leadership effectiveness up to 60 per cent ± according to direct report and peer post-survey feedback.” In addition, although preliminary, the author noted that the higher the number of coaching sessions, the greater the improvements noted.

Obtaining external feedback on how we are perceived by those around us can be invaluable. It provides a tremendous opportunity to align our intentions with our impact. However, despite its benefits, one must be cautious of jumping into this type of exercise too quickly. Taking sufficient time at the outset to appropriately research the tool, prepare all participating parties and chart an effective follow-up plan will maximize the benefits of this developmental exercise.

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