THE USE OF 360 DEGREE FEEDBACK METHOD

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Analysis of human resources activity, also called control, appraisal, or evaluation, is viewed by human resources as feedback. Multi-source feedback methods are the new wave in human resources appraisal. We have chosen to give several details about the most used multi-source feedback method: 360 degree feedback.

Before presenting an example on how it is used in a Romanian company, with the main strengths and weaknesses in usage, we present the method, according to several authors. The second chapter of this paper contains the example – the use of 360 degree feedback inside a Romanian organization. The last chapter is dedicated to conclusions regarding the use of the method for the future. Some of the mistakes made in using 360 degree feedback in the example are identified and final conclusions are presented.

1. Introduction

The 360-degree feedback process taps the collective wisdom of those who work most closely with the employee: supervisor, colleagues (peers), direct reports (subordinates), and possibly internal and often external customers. The goal of this paper is to present this new method as it was applied in a Romanian company by us and to analyze whether 360-degree feedback is an alternative for traditional appraisals used by the old-school.

Inside the first chapter we analyze the theories regarding human resources appraisal, human resources performance management, human resources development. The opinions differ from author to author. An important part of this chapter is dedicated to the presentation of the 360-degree feedback from theory, insisting on defining the method and its principles.

The second chapter is a 360-degrees usage example. We have used the method for a big Romanian service company. All details regarding to these example are presented in the second chapter. Conclusions regarding the example and the possible usage of the method are in the final part of the paper.

2. Human resources performance management and appraisal

Performance management has been defined as a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors (Edenborough and Kogan: 2005, p.2).

There are many **types of appraisals** and many sources for evaluating human resources performance. London identifies the types of performance and the sources (London: 2003, p.67-70):

Contextual performance comprises behaviors that show: job dedication (job-task conscientiousness), organization dedication (organizational citizenship performance), and inter-personal facilitation (interpersonal citizenship performance);

Task performance consists of activities that directly transform raw materials into the goods and services produced by the organization or maintain the technical core of the enterprise by replenishing supplies, distributing products, and providing planning, coordination, supervision, and staff functions that allow for efficient functioning,

Adaptive performance, or learning, a third element of performance, can be construed as separate from task and contextual performance. It is the proficiency with which employees change their behavior to meet changing situational demands.

Jobs vary in the extent to which each of these categories of performance are relevant. Supervisors should understand the relative importance of these different job elements to the particular job they are evaluating. This also implies that supervisors should vary the type of support they provide for employees to help them perform well.

Feedback is the information people receive about their performance. It conveys an evaluation about the quality of their performance behaviors. Giving feedback is "the activity of providing information to staff members about their performance on job expectations". Feedback is an important part of the education process. People at work give feedback to reinforce others' good behavior and correct their poor behavior. The recipient of feedback judges its value and determines whether to accept and act on the feedback, reject it, or ignore it. It helps newcomers learn the ropes, midcareer employees to improve performance and consider opportunities for development, and late career employees to maintain their productivity. Managers are an important source of feedback because they establish performance objectives and provide rewards for attaining those objectives. Other sources of feedback are coworkers, subordinates, and customers (London: 2003, p.11).

Taking into account the types of performance which could be evaluated, we have identified two different **types of performance evaluation methods** – the classical one and the multi-source feedback.

The **typical performance appraisal** becomes just another dreaded experience that must be repeated at least once a year (Garber: 2004, p.7). Classical performance feedback is in the form of an annual evaluation in which your performance is measured against pre-established criteria. A standard form or format is usually followed with checklist-type criteria measuring the individual's performance against the organization standards.

Garber identified ten common pitfalls of classical performance feedback systems (Garber: 2004, p.7-15): performance feedback in the organization is given only during annual performance evaluations, performance appraisals are based on a single evaluator's feedback, feedback is presented only by the supervisor, performance evaluations are more of an argument built to support the overall performance rating that is being given, performance feedback is negatively based, performance feedback addresses only the formal aspects of job performance, performance feedback is tied to raises/performance feedback is not tied to raises, performance feedback is not specific enough about the person's performance, formal performance reviews are full of surprises, the design of many performance appraisal systems results in making 80 percent of those affected by them mad.

Multi-source resources measurement systems

In each of the previous levels of performance feedback, there has been at least one common factor: The supervisor has been the source of the performance feedback. Even though in most circumstances the supervisor would likely seek input from others in the organization, he or she is still the focal point for providing this information to the individual (Garber: 2004, p.80).

Multiple-source performance feedback provides an individual a number of different perspectives about how others in the organization see him or her. This can be particularly valuable feedback for the individual because it eliminates many of the inherent problems of single-source feedback

discussed earlier. For instance, biases that one might perceive their supervisor has against them can distract from any feedback received from their boss. Multi-source feedback refers to ratings that can come from subordinates, peers, supervisors, internal customers, external customers, or others (London: 2003, p.84-86). This main feature in comparison to classical feedback is exposed in the next figure. When feedback comes from all the locations around a person (boss, subordinates, suppliers, customers) it is also called "360-degree" feedback. Usually, multi-source feedback is collected for managers or supervisors, but it could be collected for any employee, with the raters depending on the employee's role in the organization.
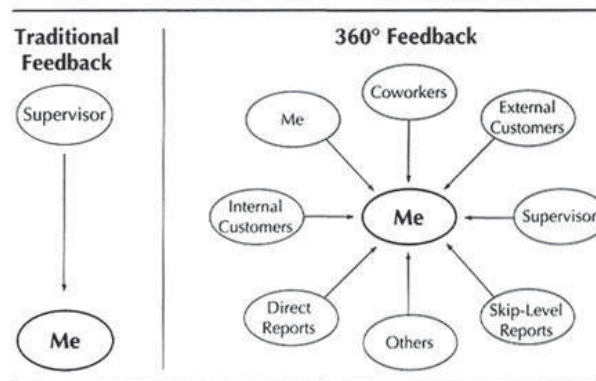

Figure 1. 360-degree feedback versus traditional feedback, Edwards and Ewen: 1996, p.8

The 360-degree feedback model differs substantially from the traditional single-source assessment completed by the supervisor. Supervisor-only appraisal typically occurs once a year with the express purpose of providing employees with an assessment of their work performance and management with information it needs for decisions on pay and promotions.

As the name implies, a person receives feedback from the "full circle" of other people who work around him or her. Feedback is provided by others from every direction including peers, subordinates, supervisors, and even the individual him- or herself.

360-Degree feedback systems provide the individuals with feedback from a variety of levels in the organization. In a traditional supervisor-subordinate performance evaluation, the supervisor looks at a person's performance from an evaluative viewpoint. In 360-degree reviews, the purpose of the information is more from a feedback viewpoint. This is a very important distinction: The focus is on feedback rather than evaluation, taking this information out of the organization's formal evaluation process with all its implications on the person's career and future.

360-Degree feedback processes involve a standardized questionnaire that looks at a number of dimensions of an individual's job performance. Typically, forms are sent to a person's supervisor(s), peers, and direct reports, creating the full circle of feedback. There is also a form that the individual completes about his or her self-perceptions. Once sent in, the completed forms are summarized by the company who developed the feedback tool, and a confidential summary report is sent to the individual. How are people typically viewed by those from various perspectives at work? Are their peers and direct reports more or less critical than their supervisor? How do people see themselves compared to these others? Of course, there are many different ways this data will result depending on the people involved.

Again, the greatest advantage of this type of performance feedback (and team and self-directed feedback, to be discussed later) **is that they typically are used as a developmental not evaluative tool.** They are most effective when they are used on a non-consequential basis. In other words, a person should not feel that their future or career is "on the line" as a result of the feedback they receive. 360-Degree feedback is presented in a confidential manner, and the information is shared only if the person chooses to do so as part of their developmental plan.

Multiple-source feedback systems such as this also take into account the fact that we interact differently with different people. An individual might be a very effective supervisor, but might not be as good at being a subordinate, or vice versa. 360-Degree feedback gives a more accurate description of the person's total skill and performance capabilities. By better understanding how others see us, we can identify opportunities to continue to grow and improve our job performance.

Most commonly, 360-degree feedback serves as a supplement to, not a replacement for, supervisory review. It blends the multi-source feedback on behaviors or competencies with the supervisor's assessment of results. Individuals are evaluated both on how they do the job that is, their behaviors and what they do their results or outcomes (.The 360-degree feedback process offers extensive and diverse **benefits to key stakeholders** in the organization and the organization too:

Customers – the process gives customers a chance to strengthen the customer-supplier relationship. The 360-degree feedback captures the relevant and motivating information from internal and external customers while giving them a voice in the assessment process.

Team members – the only option for identifying team and individual members' effectiveness is 360-degree feedback. Failing feedback from multiple sources, team members lack the information necessary for effective individual development

We can't say that there are no disadvantages. It depends very much on how you use this method. A final conclusion regarding this method is that it is a very cultural sensitive method – it depends very much on the organizational culture how you implement it and how you can use the results.

3. The use of 360 degree feedback in practice – example
We have used the method in December 2008 to evaluate the shifts chiefs from a big Romanian company, which we shall further call Romgroup.
Name of the evaluated group: shifts chiefs of Romgroup
Date of the evaluation: 2,3,4,5 December 2008
Number of the interviewed persons: 197 (including superiors and subordinates)
Number of the usable questionnaires: 180
360-degree feedback method had consisted in:
Each participant performed a self-evaluation, each participant has been evaluated by the direct supervisor, and each participant has been evaluated by hers / his colleagues, the persons which have management positions have been also evaluated by subordinates.
Main goals of the process were to build a coherent framework, a 360-degree view regarding each person's individual competencies and to identify high-flyers and drag-feet employees.
The evaluation instrument. Based on the discussions with Romgroup management team, a questionnaire has been developed with low difficulty level, considering the level of knowledge of operational workers:
Circle the number corresponding to the affirmation which best fits the evaluated person (including you):
Quantity of work: (1)He/she solves very few of the received tasks; (2)He/she solves few of the received tasks; (3)The number of solved tasks is acceptable;(4)He/she solves most of the received tasks; (5)He/she solves all of the received tasks;
Quality of work: (1) He/she never performs the work with accuracy; (2) He/she rarely performs the work with accuracy;(3)Most of the times he/she performs the work with accuracy;(4) He/she almost always performs the work with accuracy; (5) He/she always performs the work with accuracy;
Complying with the term: (1) He/she never finishes the tasks in time; (2)He/she rarely finishes the tasks in time; (3) Most of the times he/she performs the tasks in time;(4)He/she almost always finishes the tasks in time;(5) He/she always finishes the tasks in time;

Work knowledge*:(1)He/she doesn't have the knowledge for the performed work; (2)He/she has poor knowledge for the performed work; (3) He/she has acceptable knowledge for the performed work; (4) He/she has good poor knowledge for the performed work; (5) He/she has very good knowledge for the performed work;*

Team working: *(1)He/she works very hard in a team; (2)He/she works hard in a team; (3)He/she works acceptable in a team; (4)He/she works well in a team;(5)He/she works very well in a team;*

Complying to the discipline rules: *(1) He/she doesn't comply at all with the disciplines rules; (2)He/she doesn't breaks often the disciplines rules;(3)He/she complies mostly to the disciplines rules;(4)He/she complies almost always to the disciplines rules; (5)He/she complies always to the disciplines rules;*

Initiative: *(1)He/she makes never any suggestions for activity improving;(2)He/she makes rarely suggestions for activity improving;(3)He/she makes from time to time suggestions for activity improving;(4)He/she makes seldom suggestions for activity improving;(5)He/she makes very often suggestions for activity improving;*

Leading capacity: *(1)I would not trust him or her if he/she were my chief; (2)I would have few trust him or her if he/she were my chief; (3)I think he/she would be an acceptable chief; (4)I would trust him or her if he/she were my chief;(5)I would have maximum trust if he/she were my chief.*
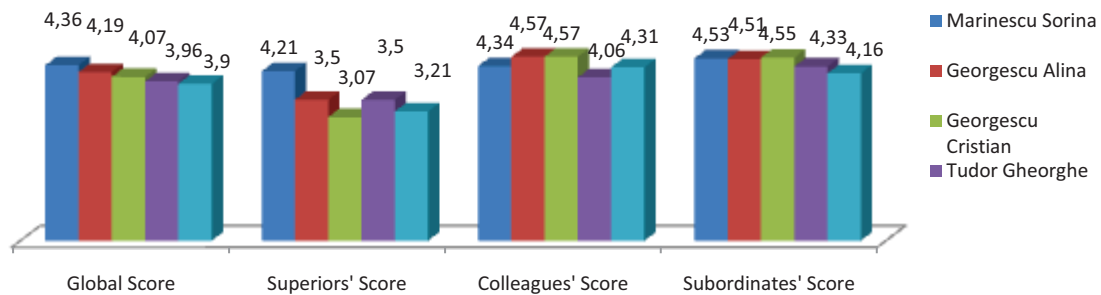
4. Conclusions
Results centralization

Figure 2. Score of evaluated persons per sources

From this figure we see that the worse scores were given by the superiors, thing which is abnormal at this kind of evaluation, at least at international level. Colleagues' and subordinates' scores are above 4 for all persons, which could mean that there is no true feedback culture inside Romgroup organization.
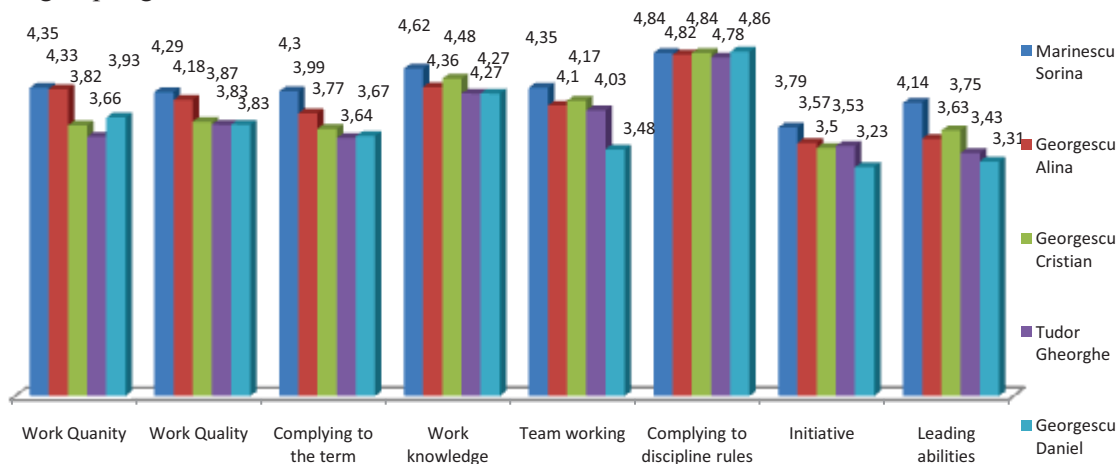

Figure 3. Score of evaluated persons per sources

We can see that the worse score is for initiative, probably influenced by superiors' opinion. The question is whether there is a leadership style which permits such initiative to appear. It is clear from the evaluation that all the persons involved are trustful and willing to perform a good job. There are not very clearly high-flyers and draw-feet, at least these is not an evaluation which performs to drive out such a conclusion, given the fact that the differentiation was made mostly on supervisor's opinion. We think that there should be created on long term a feedback culture which will permit for the future better results at such evaluations, more accurate and more trustful.

Problems related the example
There are several issues in the performed study which did not take into account the theories related to 360-degree feedback construction in the evaluation we have performed at Romgroup:
The elements which were measured did not take into account which factors contribute to attaining firms' objectives, the method was applied more as an evaluative method – one goal was for the firm the dismissal of the person with the worse score.
The focus should be in developing these persons / the report should contain recommendations regarding what abilities, competencies should be improve at organizational level and for each evaluated person individually;
Only the supervisors realized the importance of the evaluation, while the others considered the evaluated persons just some friends which need help.
Considering these problems, we consider for our next studies several **ways for improvement in usage**:
-The most productive way to introduce the method is to use it *first for development alone*. Then, after employees become used to the technique and the resulting data, and receiving feedback becomes routine, the organization can begin to incorporate it into administrative decision making.
-In any case, all raters and those rated should be clear about the purpose of the process.
-Generally, managers tend to be more accepting of multi-source feedback when the organization provides training to help managers improve on the performance dimensions rated;
-Multi-source feedback surveys usually should have some space for open-ended comments. Managers often say that this qualitative information is the most useful, and they tend to rate them heavily in determining areas for improvement. They do not require digesting numbers and comparing scores. Recipients may feel that the evaluators wrote comments about areas that were of most importance to them, and that they thus deserve attention. Also, because the raters took the time to formulate and type in specific comments, the recipients will feel obligated to take them seriously.

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