



The Use and Experience of 360-Degree Feedback in Large UK Organisations

Ann-Marie Smith and Kirsty Yates

Contents

Participants	3
Key Findings	4
Objectives and Methodology	6
Research Findings	7
i. Coverage	7
ii. Reasons for undertaking 360-degree feedback	9
iii. Structure and delivery of 360-degree feedback	10
iv. Frequency and briefing	11
v. Receiving the report	12
vi. Intended use of 360-degree feedback	13
vii. Evaluation	15
viii. Overall experiences and benefits	15
Conclusions and Recommendations	18
Suggested Areas for Further Research	19

© The Learning Curve (TLC) Ltd, 2014

The text in this document may be reproduced free of charge in any format or media without requiring specific permission. This is subject to the material not being used in a derogatory manner or in a misleading context. The source of the material must be acknowledged as The Learning Curve copyright and the title of the document must be included when being reproduced as part of another publication or service. Any enquiries relating to the copyright in this document should be addressed to TLC Marketing: Tel: +44 (0)845 313 3357 or e-mail: cpn@thelearningcurve.co.uk

Participants

We are very grateful to the 49 organisations that we interviewed for this study. The following agreed to have their name cited as participating in the research:

Cambridge University Hospitals NHS Foundation Trust	London Borough of Islington (Islington Council)
City of Stoke-on-Trent Council	London Borough of Newham (Newham Council)
Direct Line Group	Marie Curie Cancer Care
E.ON Energy	Old Mutual plc
EDF Energy	Parker Hannifin
Grant Thornton UK LLP	Rochdale Borough Council
Greencore Prepared Meals	Rotherham Metropolitan Borough Council
Hampshire Constabulary	Saint-Gobain
Honda of the UK Manufacturing Ltd	Santander UK
Hull City Council	Sefton Council
Isle of Man Government - Department of Infrastructure	Smiths Group plc
Lancashire Teaching Hospitals NHS Foundation Trust	Southern Railway Ltd
Leeds City Council	SSP
Leicester City Council	Thames Valley Police
Lincolnshire County Council	University of Glasgow
London Borough of Camden (Camden Council)	Walsall Metropolitan Borough Council
London Borough of Croydon (Thurrock Council)	Warrington Borough Council

Key findings

This report, investigating the use, implementation and experience of 360-degree feedback (360) in large UK organisations, is based on interviews with HR, OD and L&D Directors and Managers in 49 large organisations collectively employing approximately 410,000 people.

The vast majority of organisations (89.8%) **use 360-degree feedback**. Only 4.1% of organisations in the sample have never used it and one fifth (20.0%) of those not currently using 360-degree feedback are considering using it in the near future.

Almost two thirds of organisations (63.6%) use 360-degree feedback solely as part of a development programme and one third (34.1%) use it as part of a development programme and a performance management system. In most cases this was as part of Management or Leadership development programmes.

Two thirds of organisations (65.9%) use 360-degree feedback to measure competencies. Some organisations also use it to measure behaviours (38.6%) and organisational values (15.9%).

Very few organisations (4.5%) offer it to staff at all levels of the organisation. **Managers are most likely to participate** in 360-degree feedback and when questioned further about the percentage of managers that do participate, over half of respondents (52.3%) said that their entire Executive Team participate in 360-degree feedback. A large proportion of Chief Executive Officers or equivalent (61.4%) also participate in 360-degree feedback.

Over half of organisations (52.3%) do not run 360-degree feedback at any set time and of those who do have a set time, the majority (61.9%) **run 360-degree feedback once a year**.

All of the organisations use **an online or electronic 360-degree feedback tool**. In terms of external provision, a large proportion use external consultants to help them build the 360 (86.4%), develop the 360 components/questions (68.2%), manage the tool (65.9%), and host the 360 (88.6%). Public/not for profit sector organisations are more likely to use external consultants than private sector organisations. Almost half of organisations (48.8%) **engage with an external consultant when the results of the 360-degree feedback report are interpreted**.

Organisations reported using a number of different methods to brief 360 participants; the majority use written (65.9%) and/or verbal (61.4%) methods.

Over half of organisations (56.8%) **choose to send the final 360-degree feedback report to the participant first**. However, those organisations who reported that the feedback report is sent to a coach first were more likely to rate their experience of 360-degree feedback very positively (8 out of 10 or above).

Once available, over half of the organisations (68.1%) mentioned that the 360-degree feedback report is **discussed in a facilitated discussion** and 52.3% mentioned that it is **discussed with the individual's line manager**.

The vast majority of organisations (97.8%) said a **Personal Development Plan (PDP) is created** as a result of the 360-degree feedback report or that it **feeds into an existing PDP**. However, only 34.1% said there were any direct consequences for not taking action on the plan.

Just over half of organisations (52.3%) **receive a summary report**, collating responses from individual 360-degree feedback reports. Organisations noted a number of uses of this organisational information but most commonly the data is used to help identify individual development needs and to inform future development programmes.

Impressively, the vast majority of organisations (81.8%) have sought feedback from participants and raters about their experience of 360-degree feedback. However, almost half (47.5%) admitted **not measuring the impact of 360 in their organisation**. Of those that do measure the impact, a number of ways were noted including comparing an individual's score on one 360-degree feedback report with previous reports. **Few organisations have been able to quantify the impact of 360-degree feedback** and even fewer have been able to assign a monetary value to the impact.

Benefits of 360-degree feedback include **raising individual self-awareness** (40.9%), **personal development/improving performance** (27.3%), **improvements to the organisation** (22.7%), and **getting feedback** (15.9%). 60.5% of organisations felt that there were disadvantages of using 360-degree feedback in their organisation.

On a scale of 1-10 (where 1 is very low [negative] and 10 is very high [positive]), **organisations rate their experience of 360-degree feedback on average 6.9**. Organisations noted a number of reasons for not rating their experience of 360-degree feedback more positively including a need for more bespoke and easier to use tools, a need for more qualitative information and more consistency across the organisation. Almost a fifth of organisations (18.2%) rated their experience of 360-degree feedback as a 5 or less out of 10. The report concludes with recommendations to improve organisations' experiences of 360-degree feedback.

Objectives and Methodology

360-degree feedback (360) is a popular method used to collect feedback on an individual from multiple perspectives: typically an employee's manager(s), colleagues, direct reports, customers and the individual themselves. For the purpose of this study, we have defined 360 as 'upward, downward and sideways feedback i.e. from direct reports, managers and peers, as well as the individual'.

360 has been found to be more valuable than self-assessments which are 'rarely predictive', (Folkman & Zenger, 2012¹), and thus can provide a more reliable indication of an individual's performance at work.

Previous research commissioned by TLC (Lewis, 2013²) concluded that 72% of Sunday Times Top 100 Best Places to Work organisations use 360 and the primary reason for using it is developmental. Other research on 360 has found that it is used for development, succession planning, coaching and during performance appraisal (Rogers et al, 2002³).

A number of 'Best Practices' have been identified (Gray et al, 2006⁴) and although these are accepted by academics there is little research into whether these best practices are being followed and whether the factors that influence the success of 360 are being taken into account when it is implemented in large UK organisations.

As part of TLC's commitment to conducting original research, this project sought to add to the current literature on the use of 360 to explore the use, implementation and experience of 360 in large UK organisations.

The objectives of this research were:

1. To understand the extent to which 360-degree feedback is used in large UK organisations
 - The reasons why it is used
 - The reasons why it is not used
2. To understand how 360-degree feedback is being implemented in organisations
3. To understand the benefits and disadvantages derived from using 360-degree feedback and how these are measured, e.g. Return On Investment.

HR, OD and L&D Directors and Managers from a database of 500 large organisations in the UK were invited to participate in the research. A 20 minute semi-structured questionnaire was designed and 49 telephone interviews took place between December 2013 and March 2014, giving a response rate of 10%. Only organisations with over 450 UK employees were eligible to take part in the research.

This report summarises the responses from 49 organisations collectively employing approximately 410,000 people. As displayed in Figure 1 below, there was a fairly even split between the number of private sector organisations and the number of public/not for profit sector organisations that took part in this research.

Figure 1 – Public/ Not for profit or Private Organisation



n = 49

¹. Folkman, J., & Zenger, J. (2012). Getting 360 Degree Reviews Right. *Harvard Business Review* Retrieved April 24, 2014, from <http://zengerfolkman.com/getting-360-degree-reviews-right/>

². Lewis, H. (2013). *The use of 360-degree feedback in professional services firms, compared to the Sunday Times 'Best Companies' to Work For.* Retrieved from <http://www.tlcglobal.co/whitepapers>

³. Rogers, E., Rogers, C.W., Pepsi-Cola North America., & Metlay, W. (2002). Improving the Payoff from 360-Degree Feedback. *Human Resource Planning*, 25 (3), 44-52

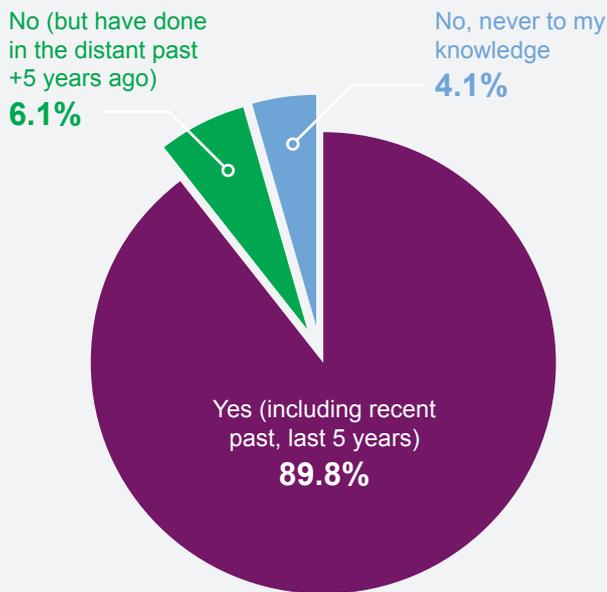
⁴. Gray A., Burke E., Lewis A., Fletcher C., Mackay, J., Kubelius, E., & Lindley, P. (2006). *360-degree feedback: Best practices guidelines.* Retrieved from <http://www.psytech.com/wp-content/uploads/2013/02/Guidelinesfor360Feedback.pdf>

Research Findings

i. Coverage

The vast majority of organisations (89.8%) interviewed use or have recently used, 360-degree feedback (Figure 2).

Figure 2- Does your organisation use 360-degree feedback?

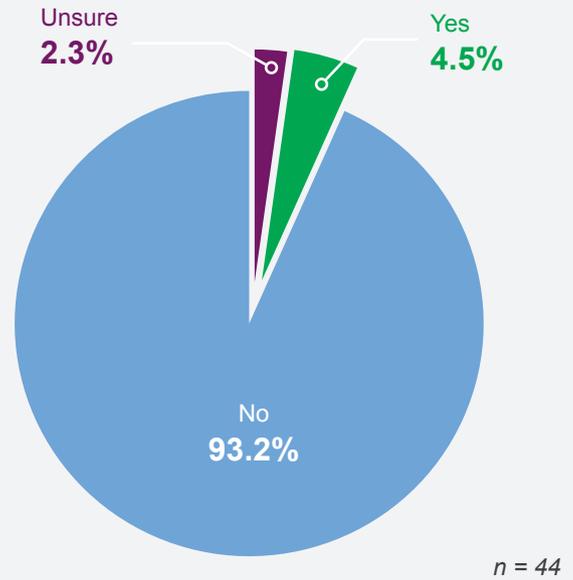


6.1% of organisations included in this research said they are not currently using 360-degree feedback but have in the distant past and only 4.1% of respondents said 360-degree feedback has never been used in their organisation. A fifth of those organisations (20.0%) not currently using 360-degree feedback are considering using it in the near future. Reasons for not using it included that 'it doesn't fit our organisational needs', it has a 'large resource impact on HR' or 'it just hasn't come up yet'.

A closer look at the data revealed that all of the public/not for profit sector organisations (100%) in the sample use 360-degree feedback compared to 79.2% of private sector organisations.

Of those using 360-degree feedback, nearly all (93.2%) said that not all staff in the organisation participate in 360 (i.e. they receive a 360-degree feedback) (Figure 3).

Figure 3 - Do all staff participate in 360-degree feedback?



As Figure 4 shows, in those organisations where not all staff participate in 360-degree feedback, participants are most frequently Senior Managers/Executive team members (59.5%) and /or Managers (54.8%). A quarter of respondents (26.2%) noted their 360-degree feedback participants as being individuals on specific development programmes.

Figure 4 - Who receives 360-degree feedback?



Note: percentages may add up to more than 100 as respondents could provide more than one answer

Figure 5- What percentage of your Executive team, and your Senior, Middle and Junior managers participate in 360-degree feedback?

Answer Options	Executive team	Senior Managers	Middle Managers	Junior Managers
None	9.1%	2.3%	2.3%	20.5%
1-25%	6.8%	22.7%	31.8%	31.8%
26-49%	0.0%	4.5%	11.4%	0.0%
50%	0.0%	2.3%	2.3%	0.0%
51-75%	4.5%	6.8%	2.3%	4.5%
76-99%	2.3%	6.8%	4.5%	2.3%
100%	52.3%	43.2%	20.5%	11.4%
Can't Say	25.0%	11.4%	25.0%	29.5%

n = 44

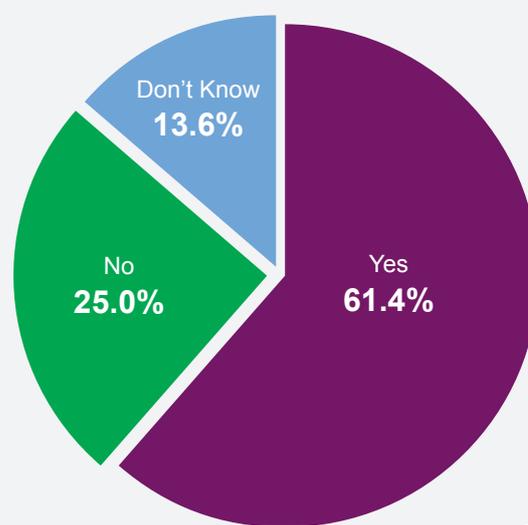
When questioned further about the percentage of managers who do participate in 360-degree feedback (Figure 5), 52.3% of respondents said that their entire Executive Team participates in 360-degree feedback. It is also notable that more than 4 in 10 of respondents (43.2%) said that all of their senior managers (100%) participate in 360-degree feedback. Only 2.3% of respondents said none of their Senior or Middle managers participate in 360-degree feedback.

Interestingly, whilst most organisations noted that not all Senior, Middle and Junior Managers participate in 360-degree feedback, many stated that it is available on an ad hoc rather than a mandatory basis.

Some respondents were unable to say what percentage of managers at certain levels participate in 360-degree feedback. When asked the reason for this, the majority of respondents (63.1%) explained that the number of participants is not monitored centrally.

Encouragingly, as shown in Figure 6, almost two thirds of respondents (61.4%) said that the organisation's Chief Executive Officer (CEO) or equivalent does participate in 360-degree feedback. However, a quarter (25.0%) said that the CEO or equivalent does not participate in 360-degree feedback.

Figure 6 - Does the CEO or equivalent participate in 360-degree feedback?



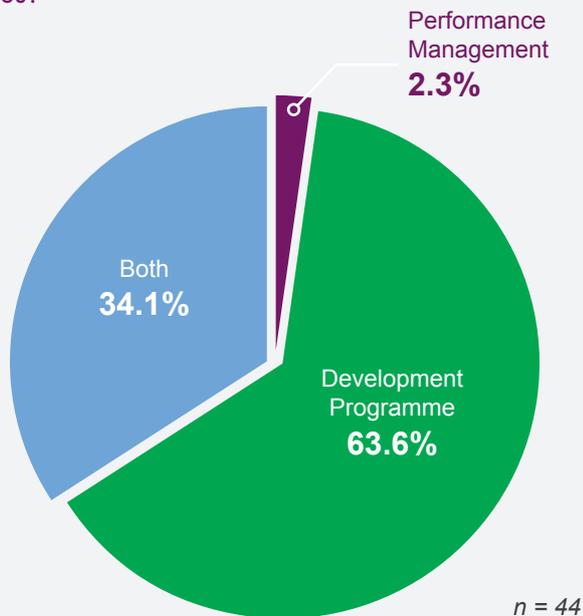
n = 44

Further comparison of the data reveals that slightly more public/not for profit sector organisations said their CEO or equivalent participates in 360-degree feedback compared to private sector organisations (64.0% vs 57.9%).

ii. Reasons for undertaking 360-degree feedback

As expected, the majority of organisations (63.6%) use 360-degree feedback solely as part of a development programme whilst only 2.3% noted using it as part of a performance management system alone. Interestingly, just over one third of organisations (34.1%) use 360-degree feedback as part of both a development programme and a performance management system (Figure 7).

Figure 7 - In our experience most organisations use 360 in 2 ways; as part of a performance management system or as part of a development programme. Which category applies to you?



Of the 36.4% that use 360-degree feedback as part of a performance management system, when asked whether the 360-degree feedback is run at the same time as a performance appraisal, 31.3% said it is run just before the performance appraisal and 12.5% said it is run at the same time as a performance appraisal.

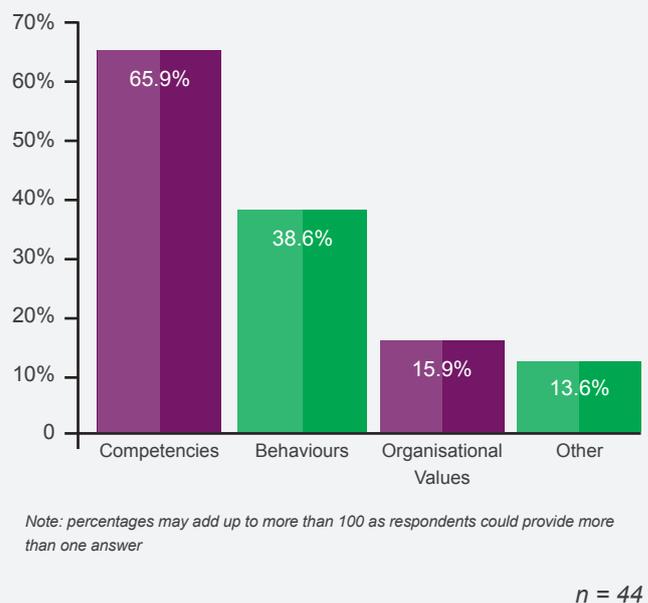
When probed about specific development programmes including 360-degree feedback over half of respondents (52.8%) noted Leadership or Management Development Programmes (Figure 8). Respondents were asked in what other circumstances they might use 360-degree feedback. The most frequently cited other use by respondents (63.6%) was individual development outside of a development programme.

Figure 8 - If 360 is used as part of a development programme, can you tell me which development programmes specifically?



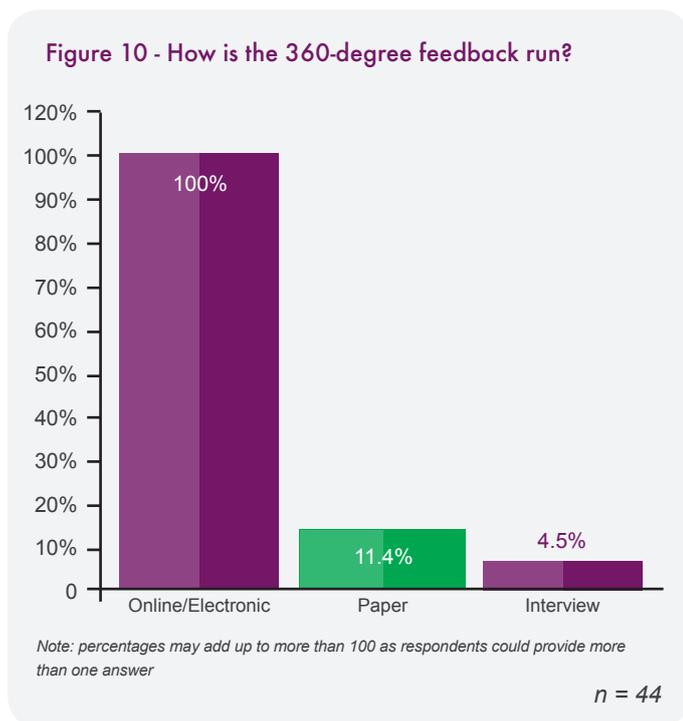
Respondents were then asked what the 360-degree feedback is designed to measure. The most frequent response was 'competencies' with two thirds of respondents (65.9%) citing this (Figure 9). 38.6% of organisations use their 360-degree feedback to measure behaviours and 15.9% measure organisational values.

Figure 9 - What is the 360-degree feedback designed to measure?

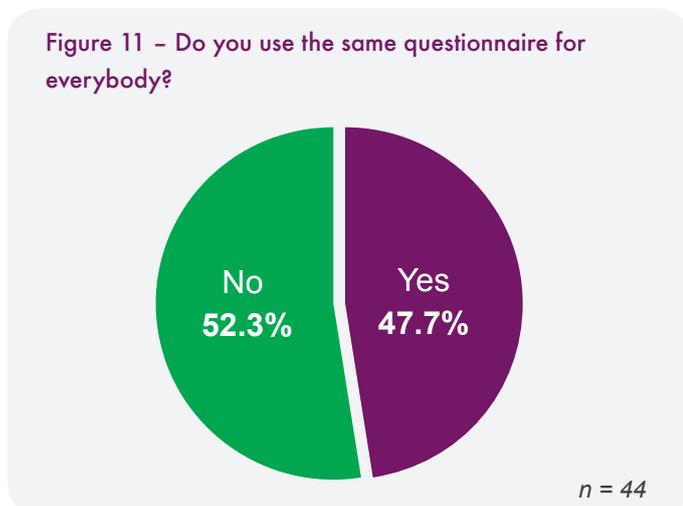


iii. Structure and delivery of 360-degree feedback

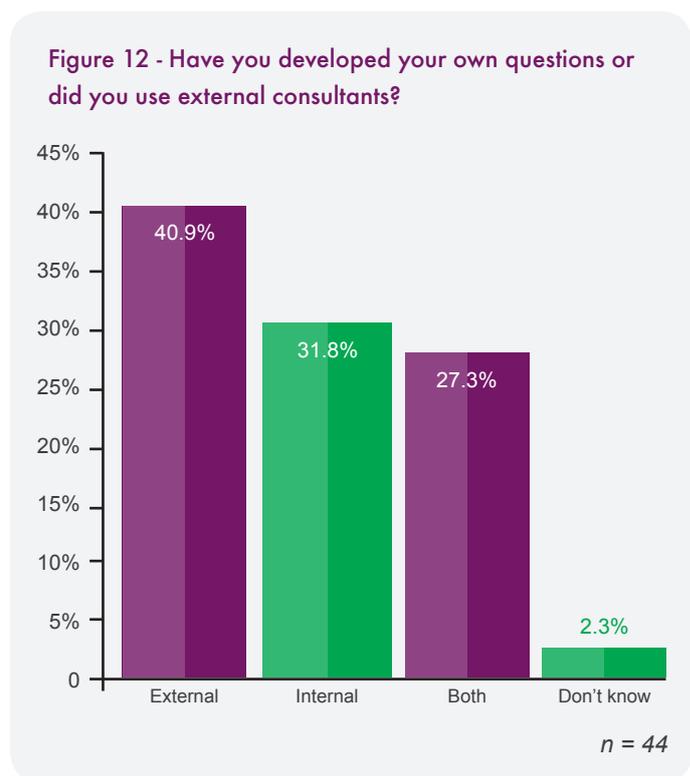
As displayed in Figure 10, every organisation (100%) runs their 360-degree feedback tool online or electronically. Interestingly, a few organisations also use interview (4.5%) and paper versions (11.4%).



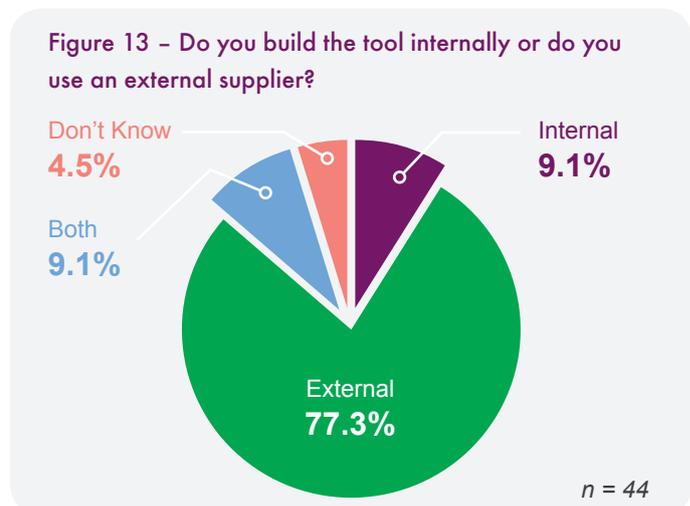
Over half of the organisations (52.3%) don't use the same questionnaire for everybody, with some organisations noting more than two versions of 360-degree feedback are in use, depending on the staffing group (Figure 11).



Over two thirds of organisations (68.2%) use external consultants to help them design the questions that make up the 360-degree feedback survey (Figure 12). Public /not for profit sector organisations are more likely to use external consultants to develop the questions than private sector organisations (73.1% vs 57.8%).

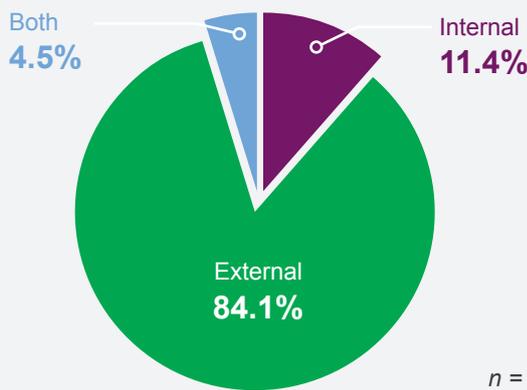


The majority of organisations (86.4%) use an external supplier to build their 360-degree feedback tool (Figure 13).



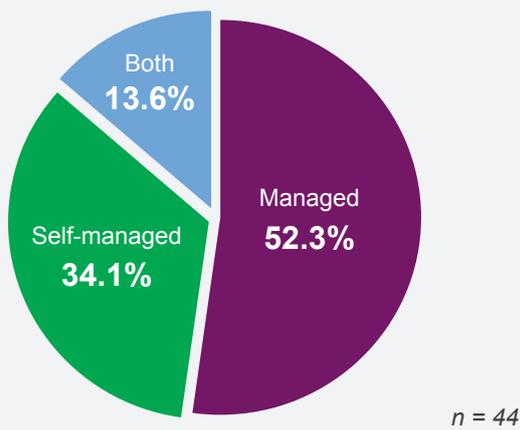
Only 11.4% of organisations host their 360-degree feedback tool internally (Figure 14), suggesting that an externally hosted 360-degree feedback tool is most preferable.

Figure 14 – Is the IT platform hosted internally or externally?



Just over one third of organisations (34.1%) manage their 360-degree feedback tool internally (Figure 15), while over half (52.3%) have a managed approach.

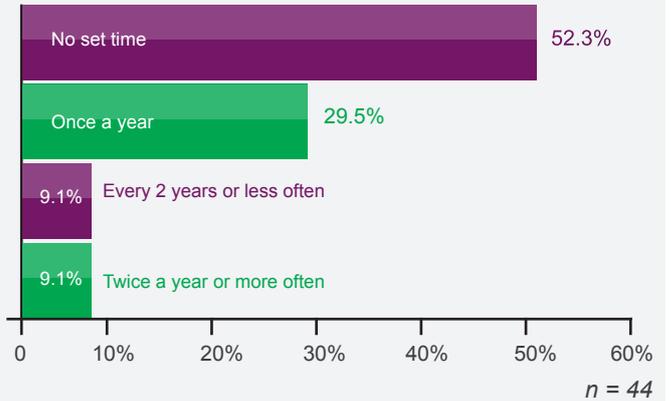
Figure 15 – Is the tool managed or self-managed?



iv. Frequency and briefing

Respondents were asked how frequently 360-degree feedback is run in their organisation. Over half of respondents (52.3%) said there is no set time (Figure 16), many saying that it varies depending on the particular individual, development programme or part of the organisation.

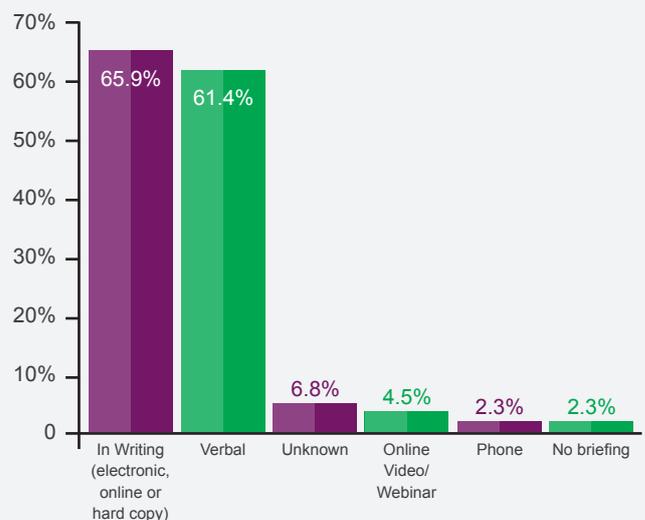
Figure 16 – How often do you run 360-degree feedback in your organisation?



Of those organisations who do have a set time of running 360-degree feedback, the majority (61.9%) run 360-degree feedback once a year.

Respondents noted a number of methods they use to brief individuals participating in 360-degree feedback. The majority of organisations reported that participants are briefed in writing (65.9%) and over half said they use a verbal briefing (61.4%) (Figure 17). Just one organisation mentioned that participants receive no briefing beforehand.

Figure 17 - How are participants briefed beforehand?

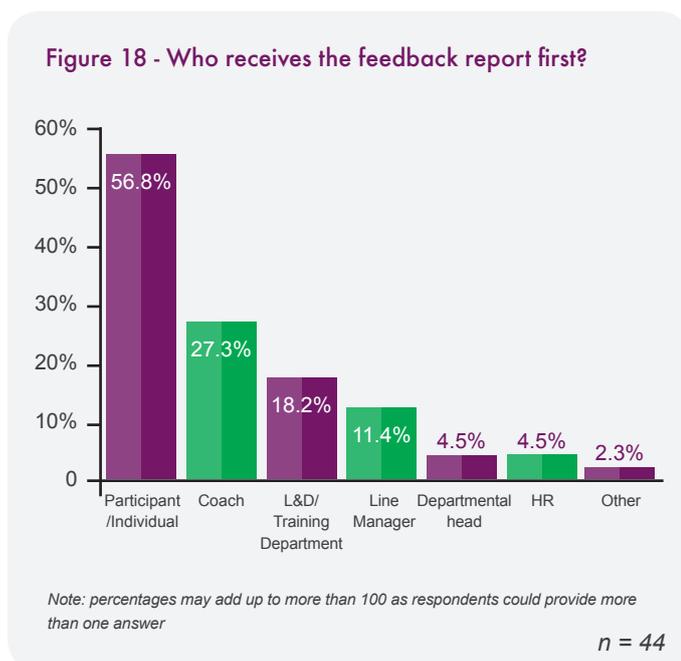


Note: percentages may add up to more than 100 as respondents could provide more than one answer

n = 44

v. Receiving the report

Respondents were then asked who the finished 360-degree feedback report is sent to first. Organisations using more than one 360 report delivery method were asked to note all that apply (Figure 18).



Over half of respondents (56.8%) said that the 360-degree feedback report goes to the participant (or individual receiving 360-degree feedback) first. Of those that send the report to the participant first, a quarter (28.0%) send the report to somebody else at the same time.

One respondent explained the reason for sending the report to the participant first in their organisation as:

“We used to send it to the Manager or nominated feed backer [first] in case there was anything contentious, but we had loads of instances where line managers changed due to organisational reconstruction and lots of feedback where people complained that it was their 360 and therefore they felt they should receive it and not have to wait for a meeting with their line manager or nominated feed backer.”

A private sector organisation

Just over a quarter of respondents (27.3%) said that the feedback report is sent to a coach or to a coach and somebody else simultaneously first. A closer look at the data reveals that

respondents who rated their experience of 360-degree feedback very positively (8 out of 10 or above) were more likely to send the 360-degree feedback report to a coach first (40.9%).

Only 11.4% of respondents said the feedback report is sent to the individual’s line manager first but this was always at the same time as being sent to somebody else.

Further analysis shows that fewer than half of respondents (45.5%) who later went on to rate their overall experience of 360-degree feedback highly (8 out of 10 or above), said the 360-degree feedback report is sent to the participant first. This is a difference of 11.3% compared to the whole sample.

Organisations’ reasons for not sending the 360-degree feedback report to the participant first were captured. Many respondents felt that the report needed to be delivered in a facilitated feedback session and that giving it straight to the participant might lead to misinterpretation.

“The feedback would need to be delivered by someone who understands the report.”

A private sector organisation

“It does not go cold to the respondent, we review it and then plan the coaching interview so we can make it very impactful.”

A public/not for profit sector organisation

“In case there is any misunderstanding or misinterpretation of the report.”

A public/not for profit sector organisation

“So the facilitator can provide the feedback to the participant in context.”

A public/not for profit sector organisation

“The L&D Manager co-ordinates the feedback for the UK and Ireland, so for confidentiality reasons it comes through to us [the L&D team] first and we then match the participant to a coach. We don’t want to send it to the participant without them having that facilitated feedback session because of the way it may be taken or misinterpreted but we send it to them 24 hours before the meeting so they have time to consider it and pull out themes.”

A private sector organisation

vi. Intended use of 360-degree feedback

Respondents were asked to explain what happens once the 360-degree feedback report is received by the participant. The majority of respondents (68.2%) mentioned that the report is discussed with the participant in a facilitated feedback session with an internal or external coach/facilitator and just over half of respondents (52.3%) mentioned that the report is shared with the participant's line manager.

"The participant and a facilitator meet to discuss the feedback and then a development plan is created."

A public/not for profit sector organisation

"The participant is offered an independent discussion with one of the coaches in the organisation and then they are encouraged to share it with their line manager but it is not enforced."

A public/not for profit sector organisation

Some respondents noted that there is a team discussion about the 360-degree feedback.

"Their manager gets an anonymous overview and it is explored in team sessions."

A public/not for profit sector organisation

"Individual feedback goes to people at the team away day, where we look at ways that we can work together more effectively."

A public/not for profit sector organisation

In some organisations sharing the 360-degree feedback report with the line manager is an expectation whereas in other organisations it is optional.

"It is their [the participant's] choice, their data and up to them who they share it with. Participants are encouraged to share it with their line manager. Most line managers see the report. Sometimes they will choose to come and talk to someone in HR and then they may schedule time with their own line manager to go through it. We have external coaches, participants can use them if they are in a coaching assignment. If they are not in a coaching assignment they can request a coach via their line manager."

A private sector organisation

"They [the participants] are then able to look at it [the report] and assess. It is then shared in a 1:1 with their manager."

A private sector organisation

"The individual talks about it with their line manager."

A private sector organisation

"They would be encouraged to have a discussion with their line manager and we would offer the opportunity for a development discussion with the Talent team."

A private sector organisation

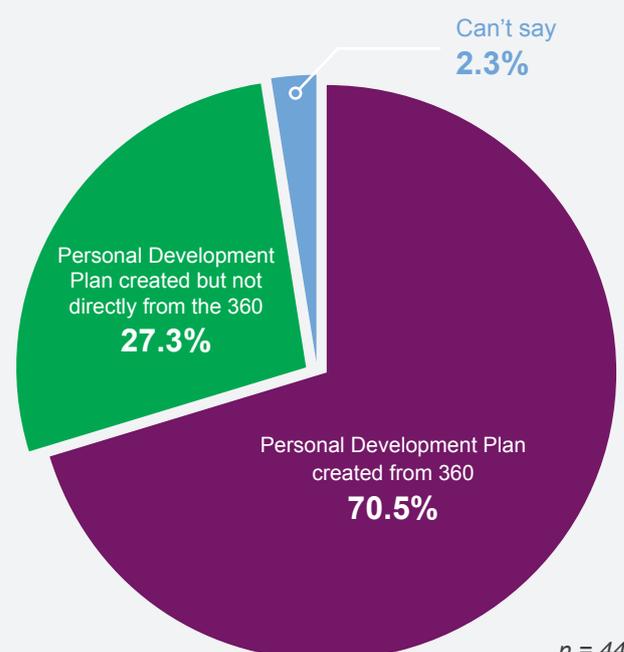
"It's then available to their line manager and discussed as part of their performance appraisal."

A private sector organisation

A closer look at the data reveals that the vast majority of respondents (81.8%) who later went on to rate their overall experience of 360-degree feedback highly (8 out of 10 or above) mentioned that the report is discussed with the participant in a facilitated session with an internal or external coach/facilitator.

As displayed in Figure 19, the vast majority of organisations (97.8%) said a Personal Development Plan (PDP) is created as a result of the 360-degree feedback report or that it feeds into an existing PDP.

Figure 19 – Is a Personal Development Plan (PDP) created as a result of the 360-degree report?

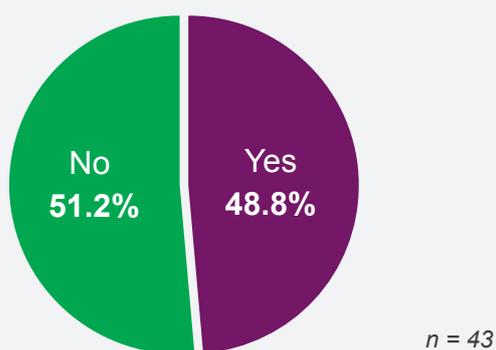


Respondents were then asked whether or not there are consequences for not taking action on the PDP. Only 34.1% of respondents said there were any direct consequences for not taking action on the plan. Responses included not getting promoted and being questioned by a line manager. In no cases were there remuneration consequences for not taking action.

A quarter (25.0%) were unable to answer the question with many citing that consequences would be discussed between the participant and their line manager privately.

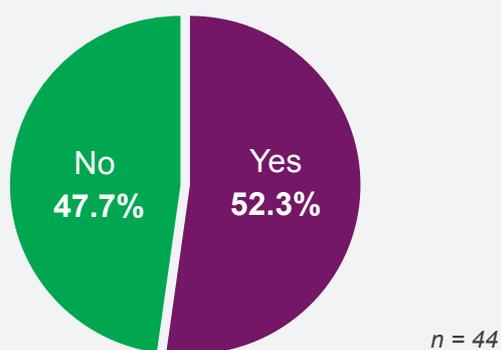
Almost half of organisations (48.8%) engage with an external consultant when the results of the 360-degree feedback report are fed back to the participant (Figure 20).

Figure 20 – Do you engage with an external consultant/supplier during the 360-degree feedback report interpretation process?



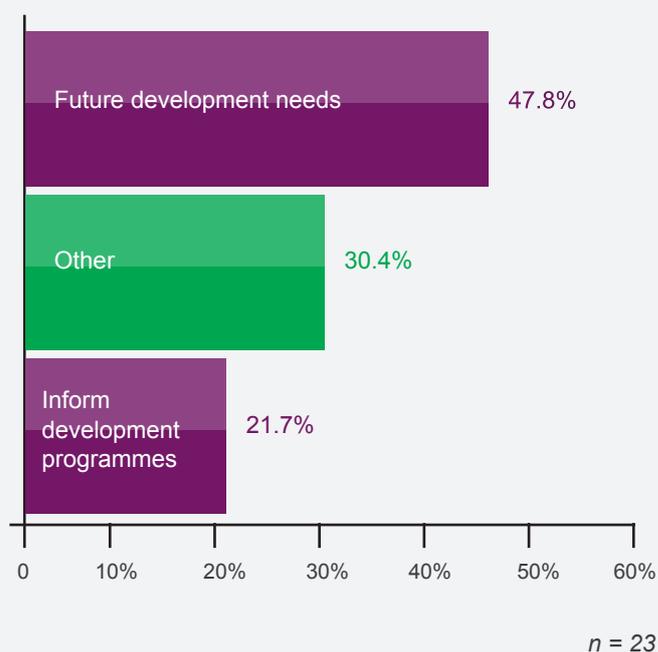
Respondents were asked whether or not they receive a summary report, pulling together the headline results from all the 360-degree feedback participants. As shown in Figure 21 only 52.3% do.

Figure 21 – As the 360 lead in your organisations, do you receive a summary report which pulls together the headline results from all participants?



Organisations that do receive a summary report use the data for future development needs (47.8%) and/or to inform development programmes (21.7%), (Figure 22). A number of other uses for the data were noted including remuneration and succession planning.

Figure 22 – If yes, what do you use this data for?



“This was sent to the CEO to look at patterns and trends. The information was used as evidence for remuneration at a senior level and also development.”

A private sector organisation

“We use it for trend analysis, looking at the behavioural profile of e.g. our senior leader population, then breaking that down by business unit, which is then fed back to the Executive and Leadership team. The Leadership team looks after the strategy and development of our leaders. They look at the common themes.”

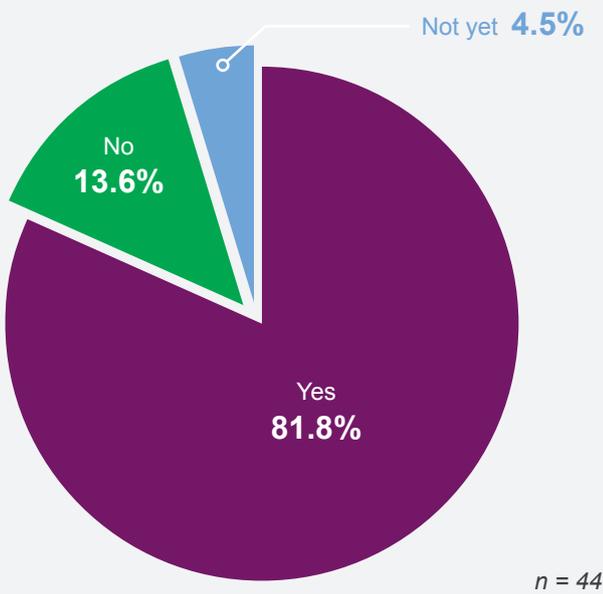
A private sector organisation

Those organisations who do receive a summary report went on to rate their experience of 360-degree feedback more highly on average (7.4 out of 10) compared with organisations who do not receive a summary report (6.4 out of 10).

vii. Evaluation

Respondents were asked whether the organisation had sought feedback about the experience of the people engaged in 360. As Figure 23 shows the vast majority of organisations (81.8%) said they had sought feedback from the people engaged in the 360-degree feedback process.

Figure 23 – Have you sought any feedback from people engaged including participants, raters etc, about the 360-degree Feedback experience?



Respondents were also asked how their organisation measures the impact of 360-degree feedback. Whilst some organisations said 360-degree feedback is not measured formally, many said they do measure the impact of 360-degree feedback in some way, with many saying they look at an individual's development or performance change. Other respondents noted measuring the impact by comparing an individual's results on one 360-degree feedback report with previous 360-degree feedback reports. Some respondents said they evaluated the impact of 360-degree feedback as part of a wider development programme.

"We don't measure it as a single intervention, we measure it as part of the development process and therefore we measure the outcomes."

A private sector organisation

"We take a holistic view, 360 is part of the jigsaw, we look at what they do, what goals do they set and achieve for themselves."

A private sector organisation

"We do a 'before and after' on our leadership programmes, it's very much behavioural. It's difficult to say something is attributed to a particular variable."

A private sector organisation

Another common theme expressed by respondents was a difficulty measuring the impact of 360-degree feedback in isolation.

"It's difficult to measure, we do in terms of whether people get promoted or not."

A public/not for profit sector organisation

"It's something we need to think a little bit more about, I'm not sure we've got that built in just yet."

A public/not for profit sector organisation

"We find it difficult to measure the impact but we would like to look into this."

A private sector organisation

"I really struggle with attempts to evaluate learning interventions."

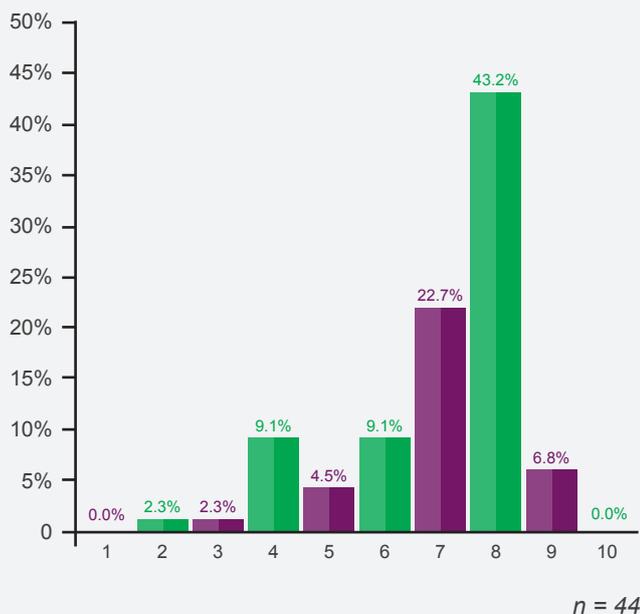
A private sector organisation

Of those organisations that do measure the impact of 360-degree feedback, less than half (42.9%) have quantified that impact. And of those who have been able to quantify the impact, less than half have been able to assign a monetary value to the impact, that's to say only 9.1% of organisations who use 360-degree feedback.

viii. Overall experiences and benefits

Organisations were asked to rate their experience of 360-degree feedback on a scale of 1-10 where 1 is very low and 10 is very high. Most organisations rated their experience of 360-degree feedback positively with the most popular rating 8 out of 10 and the average rating 6.9 out of 10. Having said this, there were still 18.2% of organisations who rated their experience of 360-degree feedback as 5 out of 10 or less (Figure 24).

Figure 24 - On a scale of 1-10, where 1 is very low and 10 is very high, how do you rate your experience of 360-degree feedback?



A closer look at the data revealed that those organisations who had been able to quantify the impact of 360-degree feedback rated their experience of it more positively (on average 8.2 out of 10) than those who had not been able to quantify it (6.6 out of 10).

In addition private sector organisations rated their experience of 360-degree feedback slightly more positively than public/not for profit sector organisations (7.1 out of 10 vs 6.8 out of 10). Organisations that had sought feedback from those engaged in the process rated their overall experience of 360-degree feedback slightly more positively on average (7.1 out of 10) than those that hadn't (6.5 out of 10).

Respondents mentioned a number of reasons for a less than perfect rating. Responses included the need for cultural changes, a more consistent approach and more engagement across the organisation. Some respondents noted a need for the tool to be more bespoke to individual job roles and complained that the 360-degree feedback tool is too long or difficult to use.

"We need more responsiveness from some senior colleagues in terms of completing the 360, and a culture shift in the organisation."

A private sector organisation

"Reduce the number of questions and make it more appropriate to the person's job rather than generic."

A public/not for profit sector organisation

"We need a way of gathering it as management information; so you can look at ROI. We can't do this at the moment."

A public/not for profit sector organisation

"One gap we identified is that the only written comment is free text right at the end of the report; it would be more useful to have comment space at the end of each section as well. If you could capture more qualitative data as you go along that would be helpful."

A public/not for profit sector organisation

When asked what it would take to score a 10, some respondents also said they felt it wasn't possible for the experience of 360-degree feedback to ever be rated 10 out of 10.

"Not sure you can make it 10."

A public/not for profit sector organisation

"I don't believe it can be made a 10."

A private sector organisation

Finally, organisations were asked about the benefits and disadvantages of using 360-degree feedback in their organisation.

Respondents noted a number of benefits of 360-degree feedback in their organisation including raising self-awareness (40.9%), personal development/improving performance (27.3%), improvements to the organisation (22.7%), and getting feedback (15.9%).

"It is a fabulous way to gather structured perceptions of different managers and leaders that we have so they can get those insights into how others are perceiving them and the impact that has on their ability to lead and build client relationships."

A private sector organisation

“The benefits can be expressed in a variety of ways including increasing employee engagement, raising levels of skill and knowledge, and making individuals more aligned to organisational values and have advocacy for the brand. It has a very wide ranging impact across the organisation.”

A private sector organisation

“Raising self-awareness on the individual level.”

A public/not for profit sector organisation

“It gives individuals much greater insight into themselves and their behaviour.”

A private sector organisation

“It is a very powerful tool to allow people to reflect on how they are perceived and what they could do to improve certain aspects of their behaviour.”

A public/not for profit sector organisation

60.5% of organisations felt there were disadvantages of using 360-degree feedback in their organisation. Recurring themes were a lack of resource, cost, lack of time and the fact the report is confidential.

“It’s time consuming in terms of interpreting results and some people are receptive to the results whilst others are not.”

A public/not for profit sector organisation

“I think the anonymity is not helpful sometimes as it works against us creating a feedback culture, and the free text space isn’t always well used. People tend to prefer anonymity which we don’t feel is always helpful in an organisation that wants to promote an open and transparent culture.”

A private sector organisation

Conclusions and Recommendations

The aim of this research was to gain a greater understanding of the way 360-degree feedback is used, implemented and experienced in large organisations. The research highlights some interesting points for discussion.

Whilst the vast majority of organisations use 360 it is often not available to all staff in the organisation but reserved for managers. However the findings show that whilst it is available to all managers in many organisations not all of them participate – its use is optional. This finding is interesting particularly when noted that most organisations report having a positive experience of 360-degree feedback. We might have expected there to be a higher uptake.

All the organisations sampled use an online or electronic 360-degree feedback tool. This finding contradicts previous research by Rogers et al (2002⁵) who found paper versions of 360 were most prevalent, revealing that the way 360-degree feedback is run has changed in the past 10 years as digitalisation has grown. It does, however, support previous research commissioned by TLC (Lewis, 2013⁶) and may well have contributed to the almost universal uptake of 360 by the organisations sampled.

Most organisations that regularly run 360-degree feedback run it annually, which allows them to track progress, even if the initial survey is conducted as part of a bespoke programme.

Some organisations use 360 as part of a performance management system and development programme at the same time. If participants and their raters believe that the outcomes will impact someone's remuneration and/or their potential for career progression, it seems reasonable to expect there might be a potential for over- or under-rating. Even more so if participants are peers to each other. However, this has not been conclusively proven and our own research fails to report conclusively on this matter. We would nevertheless argue that the two need to

be divorced in order for it to be truly effective as also thought by Maylett, (2009⁷) . In addition, some organisations run the performance appraisal at or around the same time as the 360, therefore the two processes, although not physically linked, may be psychologically linked for the participants and raters, and this may impact the way they perceive the tool and the responses each gives.

Interestingly, organisations are most often using 360-degree feedback to measure competencies. Research has suggested that in the future organisations should be moving towards a combination of strengths, values and individual capability models to manage talent most effectively (Zircon, 2012⁸).

The majority of organisations encourage participants to build or enhance a Personal Development Plan (PDP) directly from the 360 but most noted no consequences for not taking action on the plan. Research has revealed that often 'what gets measured gets done' (Peters & Waterman, 2004⁹) and therefore although creating a PDP is a good and necessary first step, organisations need to go one step further to ensure the plan is being actioned.

It has been advised that having a coach or facilitator interpret the report and go through it with the participant is vital to ensure a 'greater transfer of learning and goal setting' (Mashihi & Nowack, 2012¹⁰; Smithier et al, 2002¹¹), and behaviour change is greatest when feedback is given in a facilitated discussion (Gray et al, 2006¹²).

Most organisations do not formally measure the impact of 360-degree feedback or quantify the return on investment (ROI) of 360 implementations. We make some suggestions on how to do this in the recommendations section below.

The majority of organisations who currently do offer 360-degree feedback see it as a positive experience and have sought feedback on the experience from the people engaged, especially

⁵ Rogers, E., Rogers, C.W., Pepsi-Cola North America., & Metlay, W. (2002). Improving the Payoff from 360- Degree Feedback. *Human Resource Planning*, 44-52

⁶ Lewis, H. (2013). *The use of 360-degree feedback in professional services firms, compared to the Sunday Times 'Best Companies to Work For*. Adsum, Retrieved from <http://www.tlcglobal.co/whitepapers>

⁷ Maylett, T. (2009). *360-degree feedback revisited: The transition from development to appraisal*. Retrieved from <http://www.decision-wise.com/pdf/publications/sage-journals-360-degree-feedback-revisited-the-transition-from-development-to-appraisal.pdf>

⁸ Zircon Management Consulting Limited. (2012). *The future of talent management*. Retrieved from http://www.tlcglobal.co/_uploads/downloads/Future-of-Talent-Management.pdf

⁹ Peters, T. J., & Waterman, R. H. Jr. (2004). *In Search of Excellence: Lessons from America's Best Run Companies*. United States of America. Harper Business Essentials

¹⁰ Mashihi, S., & Nowak, K.M. (2012). Evidence-based answers to 15 Questions about leveraging 360-degree feedback, *Consulting Psychology Journal: Practice and Research*, 64 (3), 157-182.

¹¹ Smithier, J.W., London, M., Flautt, R., Yvette, V., & Kucine, I. (2003). Can working with an executive coach improve multisource feedback ratings over time? A quasi-experimental field study. *Personnel Psychology*, 56 (1) 23-44

¹² Gray, A., Lewis, A., Fletcher, C., Burke, E., Mackay, J., Kubelius, E., & Lindley, P. (2006). *360-degree feedback: Best practices guidelines*. Retrieved from <http://www.pyttech.com/wp-content/uploads/2013/02/Guidelinesfor360Feedback.pdf>

participants and raters.

The research indicates that although some best practices are adhered to in the running of 360-degree feedback, there is still room for improvement in many organisations. In order for a 360 implementation to be a reliably effective process and to create a positive experience, we believe a clear, robust methodology and organised follow up are essential.

In light of these findings we make the following recommendations:

1. Use 360-degree feedback as part of a Development programme or Performance Management process but not both simultaneously.
2. Effective questionnaire design is crucial to the process and we support the fact that the majority are using external expertise in this area.
3. Send the 360-degree feedback report to a qualified coach or facilitator first, who then delivers the feedback to the participant in a facilitated discussion to enhance interpretation and to encourage the greatest commitment to further development. If a line manager is to be the facilitator of that session, ensure that they are firstly sufficiently motivated and secondly adequately trained.
4. If a lack of resources prevents you from offering facilitated feedback sessions, then look for a report that is very easy to interpret with clear guidelines for development planning.
5. Create, or add to, a robust Personal Development Plan directly from the 360-degree feedback report. Based on the premise 'what gets measured gets done', monitor the execution of the plan. For more senior managers, consider assigning them a coach to help them deliver on their PDP.
6. We would recommend that you also allow time for the participants to go back to their raters and check-out their feedback. In this way they can gain greater depth and clarity about what behaviours they wish to keep and leverage, as well as to brainstorm ways that they can develop. Checking-in every few months ("How am I doing?") ensures that their behaviour continues to develop. Checking-out and checking-in can be done by telephone where face-to-face meetings are not possible. Email is another method but may encounter less engagement and impact.
7. Use a robust online 360 tool that outputs with easy to interpret data that individuals can use to identify their strengths and their development needs.
8. Choose a 360 tool that offers a comprehensive array of organisational intelligence reports that can assist you with succession planning and talent management.
9. Don't run 360-degree feedback more than once a year to allow time for people to develop and change. Ensure that benchmarking happens at the individual level: look for evidence of behavioural change between the 360 implementations.
10. Seek to involve all staff and facilitate creative conversations with line managers to create a feedback culture in your organisation. This has been described as 'creating a deliberately developing organisation' (Kegan et al, 2014¹³).
11. Ensure that the approach takes into account organisational readiness otherwise it will fail. Additionally, the systems and approaches surrounding the 360 process, e.g. Performance Management, need to be in place, robust and complementary.
12. Seek feedback on the experience of all those involved in the 360-degree feedback process to continually improve future 360 implementations inside your organisation.

Suggested Areas for Further Research

The present research highlights the need for more research comparing the effectiveness of different methods used to carry out 360-degree feedback. For instance, it is not clear whether verbal or written participant briefings are more effective at preparing participants to engage in the process.

If the 360 results are tied to any kind of assessment, especially if they are linked to pay, then it seems reasonable to expect there might be a potential for over- or under-rating. We would like to see more research investigating this hypothesis.

It would be useful to know more about the reasons for optionality: if there is simply resistance to the process by participants, we need to understand why when the evidence we have found is overwhelmingly positive. If the reason is a lack of resource, then a stronger emphasis on robust evaluation processes is required to present stronger business cases in the future.

¹³Kegan, R., Lahey, L., Fleming, A., & Miller, M. (2014). Making Business Personal. *Harvard Business Review The Magazine*, April 14 44-52

© The Learning Curve (TLC) Ltd, 2014

The text in this document may be reproduced free of charge in any format or media without requiring specific permission. This is subject to the material not being used in a derogatory manner or in a misleading context. The source of the material must be acknowledged as The Learning Curve copyright and the title of the document must be included when being reproduced as part of another publication or service. Any enquiries relating to the copyright in this document should be addressed to TLC Marketing: Tel: +44 (0)845 313 3357 or e-mail: cpn@thelearningcurve.co.uk