advantages and disadvantages of 360 degree feedback?

This is an interesting question and the answer depends very much on how the 360 feedback survey is designed, how communications are handled regarding the goals of the program, and what is done to support people who have participated once they have gotten their feedback.

If the process is handled well, the biggest advantage of 360 feedback to participants is increased self-awareness. Understanding how you are viewed by others is an important step in developing as a leader. This, however, is just a step in a larger process of leadership development. 360 feedback should be coupled with other development opportunities such as coaching, training, job rotation, etc. Without pairing 360 feedback with other developmental opportunities you risk finding out what the disadvantages are.

The risks associated with 360 feedback are real and serious. Great care should be taken in order to avoid these pitfalls. 360 feedback instruments should be created in a participative manner. The process of creation should involve representatives from as many of the management groups participating as possible. This will increase buy in and reduce the risk of wild fantasies about what the process is really about.

360 feedback surveys should also measure leadership competencies that are linked to success, both for the organization and the participants. If the competencies used are not connected to the mission of the organization and/or the participants job function, the data is not likely to be very useful to the participant and will end up being a waste of everyone's time.

The questions used for 360 feedback surveys should be developmentally based. This is one guideline that is ignored all too much. A person who receives feedback that they do not consider other people's feelings may have a few reactions. First, this feedback can be unnecessarily hurtful. This likely would feel more like an accusation that developmental feedback. Second, the feedback can be easily dismissed because it is obvious that other people cannot possibly know another person's personal values simply through observation. Finally, what guidance is there for the recipient of such feedback? How could they improve on this? All of these concerns are addressed the survey is constructed with behaviorally based questions. If instead of getting feedback that one does not "consider other people's feelings," the feedback was that this individual rarely "asked about the impact their decisions had on others," the impact is much different. First, this would feel like less of an accusation and more of an objective observation. This feedback is also not likely to be dismissed as easily since the recipient can reflect on his/her behaviors and give thought as to the validity of the feedback. Finally, the developmental
step to improve becomes self evident, that is, start asking questions about other people's feelings.

360 feedback should be a developmental process. It should not be linked to performance appraisal. Once you introduce the element of appraisal into 360 feedback you introduce office politics into the process, competition among employees, and compromise the validity of the feedback. Another way to compromise the validity of the data is to not allow certain rater groups to give feedback anonymously. If anonymity is not given to peers, subordinates, and other rater groups that may feel exposed giving developmental feedback, the validity and therefore the usefulness of the data will be lessened.

Finally, what is done after the feedback is received is equally important in the process as all that was done leading up to that point. If nothing is done after the feedback is received, there are several risks the organization runs. First, it feels as though the process was a waste of everyone's time. Why collect this data if nothing is going to be done with it? It also can end up feeling like the organization is paying lip service to employee development and does not care or value its employees in a real way. Leaving participants with no guidance after they receive feedback can also be a very demoralizing experience. Those who received feedback that they need to improve upon certain competencies are left with no idea how to improve. At very least, there should be follow up meetings with a coach, a mentor, or a trusted supervisor to discuss the feedback. Creating goals and action plans is a very good use of these meetings as well, and if training or other developmental opportunities are available, inserting those activities into the action plan will allow the recipient of the feedback to feel some measure of agency in the process.

360 feedback can be an important part of employee development, but it is only that, a part, not a panacea. It cannot stand on its own as a complete intervention. While the psychological employment contract no longer includes the idea of lifetime employment, smart companies will offer employee development, to give their employees the benefit of lifetime employability. 360 feedback can be a powerful tool as part of an employee development process.

360-degree feedback

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In human resources or Industrial psychology, 360-degree feedback, also known as multi-rater feedback, multisource feedback, or multisource assessment, is feedback that comes from all around an employee. "360" refers to the 360 degrees in a circle, with an individual figuratively in the centre of the circle. Feedback is provided by subordinates, peers, and supervisors. It also includes a self-assessment and, in some cases, feedback from external sources such as customers and suppliers or other interested
stakeholders. It may be contrasted with "upward feedback," where managers are given feedback by their direct reports, or a "traditional performance appraisal," where the employees are most often reviewed only by their managers.

The results from 360-degree feedback are often used by the person receiving the feedback to plan training and development. Results are also used by some organizations in making administrative decisions, such as pay or promotion. When this is the case, the 360 assessment is for evaluation purposes, and is sometimes called a "360-degree review." However, there is a great deal of controversy as to whether 360-degree feedback should be used exclusively for development purposes, or should be used for appraisal purposes as well (Waldman et al., 1998). There is also controversy regarding whether 360-degree feedback improves employee performance, and it has even been suggested that it may decrease shareholder value (Pfau & Kay, 2002).

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[edit] History

The German Military first began gathering feedback from multiple sources in order to evaluate performance during World War II (Fleenor & Prince, 1997). Also during this time period, others explored the use of multi-rater feedback via the concept of T-groups.

One of the earliest recorded uses of surveys to gather information about employees occurred in the 1950s at Esso Research and Engineering Company (Bracken, Dalton, Jako, McCauley, & Pollman, 1997). From there, the idea of 360-degree feedback gained momentum, and by the 1990s most human resources and organization development professionals understood the concept. The problem was that collecting and collating the feedback demanded a paper-based effort including either complex manual calculations or lengthy delays. The first led to despair on the part of practitioners; the second to a gradual erosion of commitment by recipients.

Multi-rater feedback use steadily increased in popularity, due largely to the use of the Internet in conducting web-based surveys (Atkins & Wood, 2002). Today, studies suggest that over one-third of U.S. companies use some type of multi-source feedback (Bracken, Timmereck, & Church, 2001a). Others claim that this estimate is closer to 90% of all Fortune 500 firms (Edwards & Ewen, 1996). In recent years, Internet-based services have become the norm, with a growing menu of useful features (e.g., multi
languages, comparative reporting, and aggregate reporting) (Bracken, Summers, & Fleenor, 1998).

**[edit] Accuracy**

A study on the patterns of rater accuracy shows that length of time that a rater has known the person being rated has the most significant effect on the accuracy of a 360-degree review. The study shows that subjects in the group “known for one to three years” are the most accurate, followed by “known for less than one year,” followed by “known for three to five years” and the least accurate being “known for more than five years.” The study concludes that the most accurate ratings come from knowing the person long enough to get past first impressions, but not so long as to begin to generalize favorably (Eichinger, 2004).

It has been suggested that multi-rater assessments often generate conflicting opinions, and that there may be no way to determine whose feedback is accurate (Vinson, 1996). Studies have also indicated that self-ratings are generally significantly higher than the ratings of others (Lublin, 1994; Yammarino & Atwater, 1993; Nowack, 1992).

**[edit] Results**

Several studies (Hazucha et al., 1993; London & Wohlers, 1991; Walker & Smither, 1999) indicate that the use of 360-degree feedback helps people improve performance. In a 5-year Walker and Smither (1999) study, no improvement in overall ratings was found between the 1st and 2nd year, but higher scores were noted between 2nd and 3rd and 3rd and 4th years. A study by Reilly et al. (1996) found that performance increased between the 1st and 2nd administrations, and sustained this improvement 2 years later. Additional studies show that 360 feedback may be predictive of future performance (Maylett & Riboldi, 2007).

Some authors maintain that 360 processes are much too complex to make blanket generalizations about their effectiveness (Bracken, Timmreck, Fleenor, & Summers, 2001b; Smither, London, & Reilly, 2005). Smither et al. (2005) suggest, "We therefore think that it is time for researchers and practitioners to ask, 'Under what conditions and for whom is multisource feedback likely to be beneficial?' (rather than asking 'Does multisource feedback work?') (p. 60)." Their meta-analysis of 24 longitudinal studies looks at individual and organizational moderators that point to many potential determinants of behavior change, including positive feedback orientation, positive reactions to feedback, goal setting, and taking action.

Bracken et al. (2001b) and Bracken and Timmreck (2001) focus on process features that are likely to also have major effects in creating behavior change and offer best practices in those areas. Some of these factors have been researched and been shown to have significant impact. Greguras and Robie (1998) document how the number of raters used in each rater category (direct report, peer, manager) affects the reliability of the feedback, with direct reports being the least reliable and therefore requiring more participation.
Multiple pieces of research (Bracken & Paul, 1993; Kaiser & Kaplan, 2006; Caputo & Roch, 2009; English, Rose, & McClellan, 2009) have demonstrated that the response scale can have a major effect on the results, and some response scales are indeed better than others. Goldsmith and Underhill (2001) report the powerful influence of the participant behavior of following up with raters to discuss their results. Other potentially powerful moderators of behavior change include how raters are selected, manager approval, instrument quality (reliability and validity), rater training and orientation, participant training, manager (supervisor) training, coaching, integration with HR systems, and accountability (Bracken et al., 2001b).

Other authors state that the use of multi-rater assessment does not improve company performance. One 2001 study found that 360-degree feedback was associated with a 10.6 percent decrease in market value, while another study concludes that "there is no data showing that [360-degree feedback] actually improves productivity, increases retention, decreases grievances, or is superior to forced ranking and standard performance appraisal systems. It sounds good, but there is no proof it works." (Pfau & Kay, 2002) Similarly, Seifert, Yukl, and McDonald (2003) state that there is little evidence that the multi-rater process results in change.

Additional studies (Maylett, 2005) found no correlation between an employee's multi-rater assessment scores and his or her top-down performance appraisal scores (provided by the person's supervisor), and advised that although multi-rater feedback can be effectively used for appraisal, care should be taken in its implementation (Maylett, 2009). This research suggests that 360-degree feedback and performance appraisals get at different outcomes, and that both 360-degree feedback and traditional performance appraisals should be used in evaluating overall performance.[1]

**360 degree feedback**, also known as *multi-rater feedback*, is the most comprehensive appraisal where the feedback about the employees’ performance comes from all the sources that come in contact with the employee on his job.

360 degree respondents for an employee can be his/her peers, managers (i.e. superior), subordinates, team members, customers, suppliers/ vendors - anyone who comes into contact with the employee and can provide valuable insights and information or feedback regarding the "on-the-job" performance of the employee.

360 degree appraisal has four integral components:

1. Self appraisal
2. Superior’s appraisal
3. Subordinate’s appraisal
4. Peer appraisal.

**Self appraisal** gives a chance to the employee to look at his/her strengths and weaknesses,
his achievements, and judge his own performance. Superior’s appraisal forms the traditional part of the **360 degree performance appraisal** where the employees’ responsibilities and actual performance is rated by the superior.

Subordinates appraisal gives a chance to judge the employee on the parameters like communication and motivating abilities, superior’s ability to delegate the work, leadership qualities etc. Also known as internal customers, the correct feedback given by peers can help to find employees’ abilities to work in a team, co-operation and sensitivity towards others.

Self assessment is an indispensable part of 360 degree appraisals and therefore 360 degree Performance appraisal have high employee involvement and also have the strongest impact on behavior and performance. It provides a "360-degree review" of the employees’ performance and is considered to be one of the most credible performance appraisal methods.

**360 degree performance appraisal** is also a powerful developmental tool because when conducted at regular intervals (say yearly) it helps to keep a track of the changes others’ perceptions about the employees. A 360 degree appraisal is generally found more suitable for the managers as it helps to assess their leadership and managing styles. This technique is being effectively used across the globe for performance appraisals. Some of the organizations following it are Wipro, Infosys, and Reliance Industries et

A 360 degree performance appraisal is a highly effective tool that can be utilised in a performance management program or as part of a self evaluation during a career coaching program.
If you are transitioning in life, or your career, or seeking to gain opportunities to climb internally within your current organisation, then a targeted 360 degree performance appraisal can be an excellent way to identify your core strengths, areas for development and opportunities to capitalise upon.

The review process itself is one that gains your own personal reflection of your performance (across all areas of the business operations, including both technical and interpersonal skills), the input of a direct report and the input of a manager or client. Each area being assessed is rated with a weighting that is attached to both consistency of performance and knowledge of the core element, and comments that are made by each assessor are very useful in developing a strategic development plan from the end result.

The final outcome of the 360 degree performance appraisal is a highly engaged review of your personal performance, and a true understanding of the way that your actual skill set is perceived by those that you are conducting business with. It will enable you to create a solid action plan, that can be linked to your personal or professional goals and may include further learning and development.

Gathering feedback in this manner, from multiple channels within your business, will also provide you with key data regarding your value add capabilities and there are potential gems to be discovered in what you do well as well as what could perhaps be further developed or possibly even outsourced.

Don't be scared of the 360 degree performance appraisal, for any feedback that allows you to gain further clarification on your future direction is only going to serve you and your business in the long run.

**360 degree performance appraisal**

360 degree performance appraisal

1. **Definition of 360 degree performance appraisal**

In the formatted from of 360-degree performance appraisals, the performance of an employee will be assessed based on ideas of many other different people, for example customers, suppliers, peers and direct reports. If the assessed is a manager, his/her staff will be often asked for feedback on how that manager is doing his task. In case of using 360-degree performance appraisal, it is vital that the process be implemented by the manager of Human Resources Department so that the subordinate reviewers (or staff) are made sure that all their assessments on performance are kept anonymous.
2. What’s 360 degree measures?

• 360 degree measures manners and capacities.
• 360 degree improves such skills as listening, planning and goal-setting.
• 360 degree concentrates on subjective areas, for example efficiencies of teamwork, character, and leadership.
• 360 degree supplies on the way others think about a specific staff.

3. Advantages of 360 degree appraisal

• Offer a more comprehensive view towards the performance of employees.
• Improve credibility of performance appraisal.
• Such colleague’s feedback will help strengthen self-development.
• Increases responsibilities of employees to their customers.
• The mix of ideas can give a more accurate assessment.
• Opinions gathered from lots of staff are sure to be more persuasive.
• Not only manager should make assessments on its staff performance but other colleagues should do, too.
• People who undervalue themselves are often motivated by feedback from others.
• If more staff takes part in the process of performance appraisal, the organizational culture of the company will become more honest.

4. Disadvantages of 360 degree appraisal

• Taking a lot of time, and being complex in administration
• Extension of exchange feedback can cause troubles and tensions to several staff.
• There is requirement for training and important effort in order to achieve efficient working.
• It will be very hard to figure out the results.
• Feedback can be useless if it is not carefully and smoothly dealt.
• Can impose an environment of suspicion if the information is not openly and honestly managed.

5. Who should conduct 360 degree performance appraisal?

• Subordinates.
• Peers.
• Managers (i.e. superior).
• Team members.
• Customers.
• Suppliers/ vendors.
• Anyone who comes into contact with the employee and can provide valuable insights and information.

6. 360 degree appraisal has four components:

• Self appraisal
• Subordinate’s appraisal
• Peer appraisal.
• Superior’s appraisal

7. Related 360 degree performance appraisal

• [Performance appraisal methods](#)
• [Performance appraisal examples](#)
• [Self appraisal sample](#)
• [Appraisal questionnaire of 360 degree system](#)
• [Advantages of 360 degree appraisal](#)
• [Appraisal by subordinates form](#)
• [Peer appraisal form](#)
• Supervisor performance appraisal

• Manager performance appraisal form

8. Best performance appraisal resources

• Employee Performance Appraisals Forms

• Phrases For Performance Appraisals

• Employee Performance Review: Tips, Templates & Tactics

• Managers Guide to Performance

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