



› Driving the economic development of Queensland ‹

Maximise the value of 360° feedback

360° feedback can be a powerful performance management tool. When used inappropriately, however, it can be quite threatening. Experts have found that 360° feedback should be used only as a tool to improve performance – not as a formal appraisal tool (although many managers are tempted to use it that way). It is most effective when employees and managers trust each other and are relatively open and honest with each other.

The following strategies can be utilised to get the most value from 360° feedback:

1. Focus on advantages, but be aware of disadvantages

Advantages:

- 360° feedback is generally more complete, accurate and objective than the traditional boss-down approach.
- Perspectives other than the boss's are considered.
- Self-development opportunities are enhanced.
- Self-evaluation generates discussions about individual strengths and weaknesses.
- The involvement of key stakeholders will increase accountability to an employee's internal and external clients.
- An employee gets to understand the gaps between their intent and their impact.
- Greater accuracy is achieved.
- Comments are difficult to ignore when expressed by a number of stakeholders.

Disadvantages:

- The process can be time-consuming.
- The raters can become fatigued and, having so many feedback reports to do, and may not think about the responses as carefully as they should.
- If not timed properly, it can create unnecessary anxiety.
- Competition among staff can affect individual ratings.
- Employee-raters may rate their bosses high because the levels of trust are not high.
- Employees may be reluctant to contribute because of concerns about rocking the boat.
- Results can be difficult to interpret if too many raters are used.
- In companies where 360° feedback is used formally, especially where results directly contribute to remuneration and reward decisions – ratings tend to be higher, generating data that is unreliable.

2. Reinforce your business goals

The bottom line about an employee's behaviour is that it will contribute to the business's competitive advantage. A great deal of time and effort is likely to have been expended on setting strategy, so it's important that the actions of individuals contribute to achievement of that strategy. The 360° feedback program will, therefore, serve as a valuable barometer for organisational change initiatives. Other effective uses can include identification of high potential employees, career planning and succession planning.



› Driving the economic development of Queensland ‹

3. Aim for a performance management system

Consider using 360° feedback as building blocks or elements of a business-wide performance management system. This system will help your employees focus on what's important, and reinforce working relations to ensure better business results are achieved through people. After all, if you are inviting colleagues' and customers' comments, it makes good sense to maximise the benefits of such data.

4. Involve customers and add value

By involving customers in the process, you will help to reinforce the important link between customers' needs and the long-term success of your business.

5. Create a continuous-learning culture

The term "learning organisation" is used to describe a situation in which everyone in an organisation is involved in increasing their value and contributions in a meaningful way. 360° feedback helps employees to develop skills and competencies, and to progress along their career paths. As employees see that accurate, constructive feedback contributes significantly to their personal development, a culture is created in which learning is valued and promoted by all.

6. Use the feedback

Presenting information generated by the feedback process will not, by itself, lead to improved performance, enhance working relationships or result in a learning organisation. Employees are likely to need help in accepting and converting that information into goals within their own development plan. That's where formal development programs are important and can range from feedback meetings with the manager, to in-house and external training programs, to the introduction of coaching and mentoring.

7. Thank participants

Customer and employee contributions should be recognised. This could be as simple as thanking them for their contributions. People will continue to be involved if they know that their contributions are appreciated, valued and used in some way.

Further information

The following fact sheets provide further information on these issues:

- 360° appraisal
- Performance appraisal

