

EVERYTHING YOU NEED TO KNOW ABOUT 360 SURVEYS

INTRODUCTION

Phrases like “the war for talent” and “creating high performance organizations” have now become common in the lexicon of effective human capital management. In order to retain key employees and nurture internal talent pools, enterprises are implementing a formalized employee performance measurement and management process that encompasses competencies, skills, training and development plans, and collaborative performance appraisals. To enhance this process, these enterprises are also including a regular and systematic 360 degree survey to provide honest and constructive feedback in order to identify weakness and opportunities and develop strengths and performance.

This white paper highlights some of the key issues that the enterprise and the participants need to appreciate and establish before introducing 360 degree surveys and feedback as an integral part of their human capital management process.

DEFINING 360

In simplest terms, a 360 survey provides an individual with confidential feedback on specific sets of competencies and behavioral traits as observed by his/her colleagues and other stakeholders (e.g. key customers who can comment on specific individuals). This feedback is meant not as a criticism of the individual but as constructive input that can lead to specific actions for self-improvement. It is meant to reinforce positive aspects of the employee’s performance as well as to improve performance by identifying possible areas of weakness. 360 surveys are a powerful tool with an important purpose – to harness the power of honest feedback to identify weakness and develop performance.

WHY A FORMALIZED 360 SURVEY?

Individual performance improvement relies on regular and active feedback. During the course of his/her work, an employee has regular interaction with a variety of people including peers, direct reports and managers, and possibly customers and vendors. Every interaction, formal or informal, gives the other person an opportunity to evaluate the employee’s thinking, work habits, motivations, competencies and skills. Typically, any feedback received is usually anecdotal, given on the spur of the moment, and often one-sided – tending towards the positive instead of constructive.

Traditionally, feedback is achieved through the formal, structured review process held between managers and direct reports, but with limited input from others. The 360 survey methodology is intended to augment this process by seeking out honest feedback from a select set of observers/raters to obtain more accurate, systematic, unbiased and comprehensive comment that can enrich the employee’s future performance.

A well designed and well executed 360 feedback will result in:

- improved understanding of the individual’s strengths and weaknesses in key aspects of competency and behavior
- setting a baseline against which future changes/improvements can be measured
- a good benchmark comparison between the individual’s own perceptions and those of the “raters”
- the identification of specific training and learning opportunities to make changes and improvements
- identification and development of future stars
- platform for employee opinion and improved employee engagement

COMMON USES OF 360 SURVEYS

Performance Assessments: 360 surveys allow management to get a complete look at the actual performance status of employees. By polling colleagues, peers, managers, customers, and other organizational members, accurate assessments can be generated and employees can be recognized, developed, and rewarded fairly.

Management Development: The most popular use of 360 surveys is to develop management and executives. 360 surveys are used to highlight "Blind Spots" management and leaders may be suffering from.

Succession: This type of 360 survey obtains feedback from past and present supervisors in order to identify future stars and candidates for promotion.

New Hire Feedback: Newly recruited employees are great sources of feedback related to onboarding practices, overall corporate culture, training and development experience, and a company’s hiring process. 360’s offer a secure platform for obtaining this essential data from new-hires.

Organizational Change Management: Using 360 surveys, organizations can solicit honest and valuable feedback about organizational changes that impact employees. This type of survey gives employees a voice in the organization and also helps companies to limit the risks involved with present and future organizational changes.



A TYPICAL 360 SURVEY DESIGN

One size does not fit all. However, a typical survey should include questions on specific areas using a proper evaluation scale that can lead to understanding and improvement of individual performance. The Design stage of a 360 survey should not be underestimated and merits time and attention. Past 360 surveys should be revisited and updated

where necessary and organizations who have relatively little experience or have had little success with their 360 survey designs should seek consult. Having a well-structured and relevant survey that touches on key areas will result in useful survey results.

As a rule, a 360 survey should get feedback on:

1. Competencies and skills displayed by an individual in his/her current position
2. Leadership style
3. People management skills
4. Communication skills – internal and external
5. Budgeting and Financial Management (if this area is one of their primary responsibilities)
6. Time and workload management and delegation
7. Attitudes and behaviors as an individual and as part of a team

The survey questions should be designed to obtain specific insights in each of these areas. The length should be short enough to be completed within 15 minutes, so that it can be answered by at least five “raters”.

For each question, the evaluation scale should be at least a 5 point scale (maximum being 7¹).² In some questions, there could also be an option to select “not sufficient opportunity to observe” or “not applicable”.

GETTING READY FOR A 360 SURVEY

The greatest benefits of a 360 process are realized if all participants are informed about what they should expect from their “recipient” and “rater” roles. To realize maximum benefits, it is absolutely necessary that every aspect of the 360 process is kept completely confidential and kept separate from the performance appraisal process. The importance of confidentiality in soliciting and obtaining accurate feedback cannot be understated. At this point in the planning process, it is important to weight the importance of confidentiality and determine if sourcing a third party to execute the survey is necessary to guarantee this fundamental element.

SELECTING RATERS

When selecting raters to provide 360° feedback to a participant, the Canadian Public Service Commission recommends that the following criteria should be considered²:

1. **Ensure that the raters are people who know the participant well.** A rater must have sufficient experience working with the participant to provide valid responses. Because the statements in the questionnaire are based on observable behaviors, raters must have been in a position to observe the participant if their feedback is to be useful. As, it would be helpful to choose raters who have worked with the participant at least 6 months.

¹ Examples of typical 5 point scale would be: 1: Very inadequate/very poor, 2: Less than adequate/poor, 3: Adequate, 4: More than Adequate, 5: Excellent. or 1: Completely disagree, 2: Somewhat disagree, 3: Neither disagree/agree, 4: Somewhat agree, 5: Completely agree.

² “360° Feedback Services - Frequently Asked Questions” 9 March 2012. Public Service Commission of Canada Personnel Psychology Center 2011 < <http://www.psc-cfp.gc.ca/ppc-cpp/360/qa-qf-eng.htm>>.

2. **Ensure that a cross-section of raters is selected.** Selecting raters who have had a wide variety of experiences with the participant (i.e., good and not so good, various projects, etc.) will provide the participant with a more balanced and complete "picture" of strengths and areas for further development.
3. **Ensure you select enough raters to ensure anonymity and get truly multi-dimensional feedback.** A typical process will contain 4 categories of raters, with a total of 10-12 raters in various categories: Self, Superior, Peers, Employees, and Other.

A few guidelines must be followed in selecting raters in a category. A minimum of 3 raters must be included in each of the "Peers", "Employees" and "Other" categories. This ensures rater anonymity.

Raters in the "Employees" category should be people who report or have reported directly to the participant; not indirect employee reports. The "Other" category can be customized by the participant. For example, it can be used for indirect reports by a participant who would like to capture this perspective. Alternatively, the "Other" category can be used for other relevant raters, such as clients, partners or committee members who interact with the participant³.

CONFIDENTIALITY IS KEY

Simply stated, employees will not participate honestly in 360 surveys if they are not completely sure that their confidentiality is protected. Employees will naturally fear retribution or being accountable for delivering negative feedback. Because the objective of administering 360 surveys is to solicit open and honest feedback, maintaining the confidentiality and anonymity of respondents should be of the upmost importance. There are a handful of ways to protect confidentiality and guarantee anonymity to respondents, such as online survey tools that do not require demographic information; however, the only way to ensure absolute confidentiality for both the raters and individuals being rated is to outsource the process to a professional service third party (such as Confidential Insight).

The importance of confidentiality cannot be overstated. Not only is confidentiality vital from an ethical perspective, to reduce legal challenges, and to secure honest feedback from respondents, but it is also crucial for displaying a company's commitment to using valid, unbiased data for strengthening processes.

PREPARING INDIVIDUALS TO RECEIVE FEEDBACK

While we all like to receive compliments from our peers, it is also important to hear constructive criticism so that we can identify improvement opportunities and be in a position to take remedial action. However, too often it is difficult for colleagues to provide honest (although constructive) feedback due to a fear of a negative or defensive reaction from the recipient, so it is necessary to prepare each employee to willingly and enthusiastically participate in the 360 survey.

Our experience indicates that no matter how aware an individual may be about their own self, the receipt of their first 360 survey feedback often comes as a surprise; in some cases an unpleasant one. There is a high probability that the feedback contradicts the individual's own perceptions about his or herself.

³ ³ "360° Feedback Services - Frequently Asked Questions" 9 March 2012. Public Service Commission of Canada 2011
< <http://www.psc-cfp.gc.ca/ppc-cpp/360/qa-qr-eng.htm>>.

Therefore, it is important to help the individual frame and process the results. Some important points for them to keep in mind include the following:

- 1. *The feedback you receive will often be more influenced by the way you deal with people and your communication style than by the quantity and quality of your work.***
- 2. *Focus on overall results; don't obsess about outliers.***
- 3. *Treat every comment and rating, especially in those areas that your raters have identified as your greatest weaknesses, as an opportunity to learn and improve.***

PREPARING INDIVIDUALS FOR THE “RATER” ROLE

Not surprisingly, providing honest feedback is highly important to get the most benefit from the 360 survey. Accordingly, it is absolutely essential that respondents give objective and unbiased responses to the questions. Many people are uncomfortable assigning “lower ratings” to their peers for the fear of offending the recipient even though they know that the survey is confidential. They are also reluctant to provide specific comments on an incident, knowing that the recipient may discover their identity. Our experience is that a large number of respondents are reluctant to provide below average ratings.

In order to obtain the best feedback from the raters, the following should be emphasized prior to the survey:

1. Honest feedback is the best way to help a colleague; honest feedback will give them the opportunity to improve their skills and habits.
2. Avoid giving bland, middle-of-the-road ratings and consider skipping questions you can't answer or comment on; if you can't rate someone due to inadequate knowledge of that person in that area, choose the “not enough knowledge to rate” response.
3. You must go beyond anecdotal encounters and personality traits that are not critical to the recipient's performance in the work environment.
4. It is important to put personal relationships aside in order to provide an objective, professional opinion.
5. Ensure that the comments are fact-based and improvement-oriented. You may think that someone's performance is below average and is affecting your own performance. In that case, you may want to provide harsh feedback on the one or two behaviors that need to change. However, rather than just providing a comment/observation of the behavior, provide specific actions that the individual can take to improve the situation.

We should also note that the individual is also asked to rate him/herself on the same questions and that the self-assessment is included as a benchmark against the aggregate of all responses for comparison purposes.

PLANNING FOR THE 360 ROLL-OUT

Typically, the Human Resources function within an enterprise carries out the design and execution of the 360 initiative. The survey also needs the support of the CEO and other senior executives. HR is normally responsible for finalizing the content of the survey (sections, questions, ratings, comments etc.), and may also have significant influence in choosing respondents for each employee; this should be done in consultation with respective Heads of Department or Team Leaders.

Although many employees would prefer to nominate their raters, this is a bad idea from a “best practice” perspective. HR should always be involved, not only to ensure a standard of fairness, but to ensure that those who are able to observe and are in a position to provide honest feedback are selected as raters.

HR should also conduct group sessions with employees to explain the format of the survey and the expectations of each employee, and to address their concerns about the use of the results and the steps taken to ensure confidentiality. Depending on the culture of the enterprise, an outsourced option should be considered a viable option.

Once the survey is completed, HR should ensure that each respondent receives their specific feedback and give them an opportunity to discuss their individual results confidentially with an HR professional.

MANAGED 360 EXECUTION & INTERPRETATION

For many reasons, it might be a better option to outsource the execution and interpretation of a 360 surveys:

- **ROI:** if you consider the time and tools necessary to design, execute, gather, and compile surveys and results, it might be more cost effective to have it managed by an outside service.
- **Best-practice methodologies:** executing a proper and effective 360 survey is a valuable undertaking that organizations should not take lightly. The results can substantially influence company success. For smaller organizations, organizations who are not accustomed to this process, or companies who want to guarantee full anonymity and confidentiality, it can be more beneficial to trust the execution of 360 surveys to best-practice third parties who have years of experience guiding the process.
- **Confidentiality:** if 360 surveys are managed by an outside third party, the confidentiality of all responses is 100% guaranteed. As discussed, this prompts raters to be open and honest in their feedback and ensures those being rated that their results will in fact remain confidential.
- **Interpretation of results:** the data collected from 360 surveys is only as useful as their interpretation and follow-through. Organizations are given the option of contracting Confidential Insight consultants to interpret 360 results and either make recommendations based on the feedback, or set-up one-on-one consults with those being rated to discuss the results and recommend follow-through. Having a third party interpret results ensures confidentiality, eliminates bias, and equips individuals with a solid plan of action based on feedback and real-world experience.

USE OF 360 SURVEY RESULTS

There are two uses for the 360 survey.

First, for an individual receiving the feedback, the results of the 360 survey can be used for a variety of purposes. This is an opportunity to test one's own perceptions against those of peers, to identify strengths and weaknesses, to pinpoint training and development opportunities as well as identify blind spots in behavior or gaps in essential skills like leadership, communication or team work. A regular 360 feedback process also allows for comparisons across time periods.

Second, an overall report at the organizational level aggregating results across all individuals can also provide critical insights when planning an overall learning and training program for the enterprise. This program can be geared towards improvements in competencies and skills as well as specific behavioral aspects that can provide significant benefits to all participants.

CONCLUSION

360 Surveys have proven their value in the marketplace as very cost effective tools for identifying factors that can help employees to improve their performance. A well designed, well executed, and confidential 360 survey is a powerful tool that augments the standard formalized process by providing an opportunity to give and receive honest feedback on key aspects of one's work life and to continuously improve individual performance. It is no surprise that they are being conducted regularly by an increasing number of organizations.

If you are interested in evaluating the benefits of a managed 360 survey for your own organization, contact Confidential.Insight@crgroup.com or call us at 613.232.4295

About Confidential Insight 360 Surveys

Quickly and easily harness the power of confidential and secure feedback to gain the rich insight needed for successful decision making. Confidential Insight 360 Surveys provide proven and professional design, execution, and interpretation of best-practice confidential 360 surveys. For years, Confidential Insight consultants have been helping organizations of every size obtain rich and useful feedback from employees and turn that feedback into successful strategies for improvement.

To learn more, visit www.crgroup.com/Confidential-Insight