People
Solutions

360º Assessment
A Best Practice Guide

Contents

Introduction
360º Assessment

Organisations worldwide are using 360º assessments to manage employees and promote their development. The success of these assessments rely on good planning, well-formulated decisions, and establishing good processes. People Solutions recognises that our customers often do not have the time to research all aspects of a 360º assessment; hence the aim of this white paper is to support our customers in conducting best practice 360º assessments. This paper defines what best practice is and outlines how to achieve it in a modern organisational context. Best practice is defined using the Three Circle Approach;[1] which involves integrating the best available research evidence, professional judgement and client/organisational preferences:

Scientific knowledge: Evidence from recent research which provides empirical or theoretical justification for particular approaches.

Professional expertise: The judgement and recommendations of professionals experienced in conducting successful 360º assessments.

Organisational resources: The practical limitations often encountered in organisations which need to be taken into consideration.

The white paper's research methodology involved:

i) conducting a practitioner survey which provided insight into the uses, value and challenges of 360º assessment;

ii) reviewing the relevant scientific literature around 360º assessment; and

iii) conducting a critical review of 360º assessment instruments commercially available in Australia at present.

From our research, we have found that the overall success of a 360º assessment depends on the five factors shown below.

PART 1: Selecting the right 360º assessment instrument

PART 2: Selecting the right raters

PART 3: Administering your 360º assessment properly

PART 4: Providing feedback to maximise results

PART 5: Evaluating the 360º assessment program success

This paper provides information, guidelines and key points on how to achieve success in each of these components. Also included is an easy to use 'checklist' for implementing your 360º assessment.

5 Factors to 360º Assessment Success
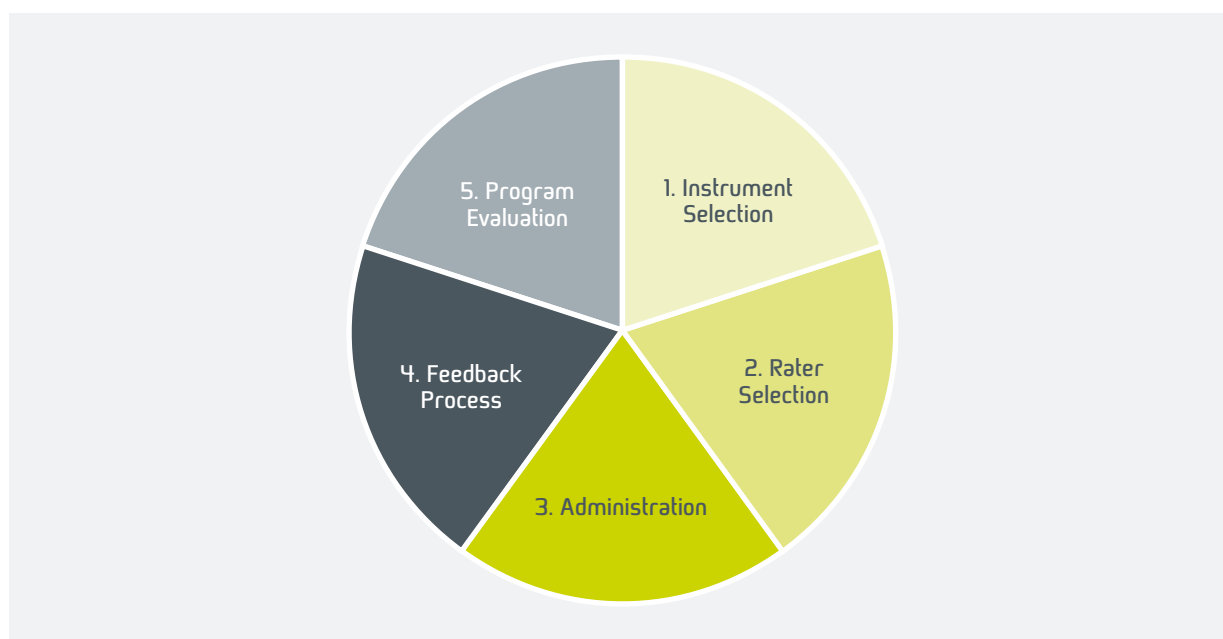
[1] Spring, B. 2007, "Evidence-based practice in clinical psychology: What it is, why it matters; what you need to know", Journal of Clinical Psychology, vol. 63, no. 7, pp. 611-631.

Preface
360º Assessment

Even in the context of organisational assessment the term '360' can mean a number of things. This section defines 360º assessment and outlines its purpose in an organisation. The benefits of using a 360º assessment over traditional methods of assessment are also discussed.

360º assessment: what is it and why use it?

360º assessments, also known as 360º feedback, multi-rater or multi-source feedback, is a process in which an individual receives feedback from a number of different people within their working environment. Feedback is usually based on behaviours relevant to the individuals' position and/or the organisations competency framework. Most commonly, feedback will come from people who have worked closely with the individual such as managers, peers, direct reports, customers and other stakeholders (Figure 1). Information from these raters is compared with a self-report assessment completed by the individual.

360º assessments were originally designed for development purposes, which remains their most common use.[2] Assessment results facilitate the discovery of 'blind spots'

and provide the individual with a good indication of how they are perceived by others. This insight assists the individual to identify their strengths and limitations and offers the opportunity to create tailored development plans.

360º assessment processes all have the following components and characteristics:

- **A ratee**: the individual being assessed and who completes a self-assessment.
- **Raters**: two or more people who provide ratings for the ratee; these can include peers, direct reports, managers and customers of the ratee.
- Assessment results are provided to the ratee and generally only shared with people of the ratee's choice.
- Assessment results are generally used to guide the ratee's development goals/plans and to benchmark their performance.

360° assessments have become increasingly popular. It's estimated that approximately 90% of Fortune 1000 companies are using 360° assessments in one form or another.[3] This growth is no surprise given the greater level of insight they provide when compared to single-source assessments.

Figure 1. Contributors of the 360° Assessment
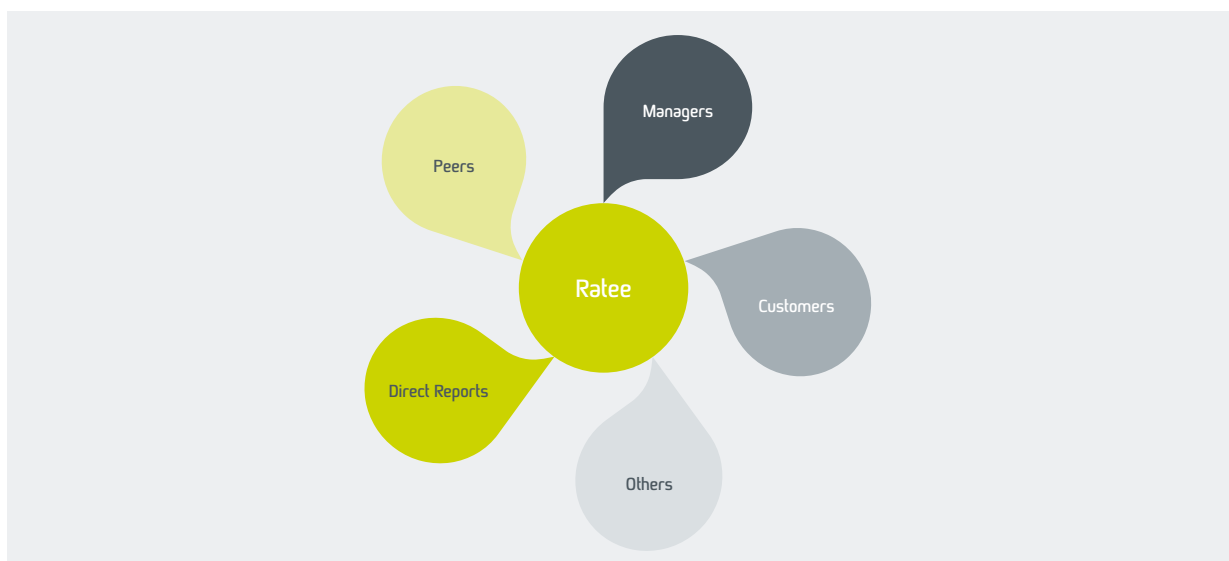
[2] A survey conducted by Brutus and Derayeh (2002) found that 74% of organisations using 360-degree feedback for developmental purposes, while 26% use for administrative or a combination of both.

[3] Antonioni, D. 2001. "The relationship between rater affect and three sources of 360-degree feedback ratings." Journal of Management, 27(4), pp.479-495.

360º assessments capture the reality that raters in various roles will have different working relationships with the ratee and are therefore exposed to different aspects of the knowledge, skills and behaviour displayed by the ratee. Combining results from multiple sources in this manner provides an accurate overall picture of a ratee, compared to single-source assessment. While there are numerous advantages to the 360º assessment methodology, such as this, there are also some drawbacks, both are presented in Table 1 below:

Table 1. Advantages and Disadvantages of 360° Assessments (compared to single-source assessment)

Advantages	Disadvantages
May lessen bias/prejudice as feedback comes from more than one person	Feedback can be intimidating and make ratees feel singled out (if done poorly)
Comprehensive information (e.g. from multiple perspectives)	Multiple perspectives can present conflicting opinions and inconsistencies
Increases rater honesty by not being the sole person providing feedback	Anonymity of raters may be used as a means to be excessively critical of the ratee
Improves acceptance of performance feedback as the process is often seen as more fair and accurate	Greater time and cost for the organisation

CAUTION: Administrative use

Whilst 360° assessments have been used for development purposes, their use has been extended to other human resource practices including compensation, promotion and succession planning.[4] This type of use is referred to as 'administrative use' and continues to be a topic of debate.[5] When feedback has administrative consequences (e.g. remuneration, promotion, etc), raters may be less inclined to provide accurate and honest ratings for a variety of reasons and ratees may also be more resistant to feedback.[6] Based on this, it is recommended that 360° assessments are used for development purposes.

Preface Key takeaway points:

💬 360° assessment is a process in which an individual rates themselves and receives feedback from an array of people in their work environment.

💬 The approach offers a number of benefits centred on gathering more reliable and insightful information than traditional methods of single-source feedback.

💬 360° assessments have been used to guide either development or administrative decisions, however use for administrative purposes (e.g. remuneration, promotion) is not recommended.

[4] Brutus, S. & Derayeh, M. 2002, "Multisource assessment programs in organizations: An insider's perspective", Human Resource Development Quarterly, vol. 13, no. 2, pp. 187-202.

[5] Bracken, D., Center for Creative Leadership, EBSCO Publishing (Firm) & Books24x7, I. 1997, Should 360-degree feedback be used only for developmental purposes? Center for Creative Leadership, Greensboro, N.C.

[6] Waldman, D.A., Atwater, L.E. & Antonioni, D. 1998, "Has 360 feedback gone amok?", The Academy of Management Executive, vol. 12, no. 2, pp. 86.

An 'instrument' is defined as the method used for collecting the actual ratings; in most cases the instrument takes the form of an online survey. There are a wealth of options when selecting a 360° assessment instrument. This section outlines the main types of instruments and the key considerations to keep in mind to select the best instrument for your assessment purpose. A comparison matrix of commercially available instruments is provided at the end of this paper (Appendix A) to assist decision making.

Defining the purpose of your 360° assessment

There is no single best instrument for all 360° assessments, there are advantages and disadvantages associated with each. Before searching for a 360° assessment instrument, it is important that you clearly establish the purpose of the 360° assessment. Having a clear purpose in mind will help you decide which aspects of an instrument are more important than others. Once you have defined what the ultimate outcomes of the assessment are for individuals/teams/the organisation, consider how important the following aspects are to achieving these outcomes.

- How important is price. Are you prepared to compromise aspects of best practice if needed?
- How much time are stakeholders willing to commit to the 360° assessment project?
- Do you have the expertise within the organisation to execute the 360° assessment project?
- What are the biggest barriers to executing the 360° assessment project in the organisation?

Answers to these questions will make it easier for you to decide which aspects of an instrument to prioritise over others.

Two types of instruments: standardised or customised

360°assessment instruments can be placed into two broad categories: standardised or customised instruments; the differences are outlined below.

Standardised: These instruments are designed for broad-scale use. They function under the assumption that the constructs being measured (e.g. planning, communication) are generic enough to be relevant to multiple roles across a wide range of organisations and industry types. Standardised instruments are usually underpinned by behavioural theories or models and have research establishing the accuracy and reliability with which they measure these constructs. Because they measure established constructs, standardised instruments often allow the opportunity to benchmark results against useful comparison groups external to the organisation (e.g. other executives in a given industry).

Customised: These instruments allow the measured constructs to be tailored or customised to some extent; typically customisations include mapping to an organisation's values or competency framework. In this way, the constructs which have been defined as specifically relevant to an organisation, business unit, or even a particular role, can be measured. A consequence of this customisation is that the constructs measured are often unique and therefore it is difficult to establish the reliability and accuracy of the measurement before use. As such, customised instruments often have little evidence to show that they measure what they are supposed to measure. Benchmarking to external comparison groups is not always possible; however, benchmarking within the organisation is still a possibility. Table 2 provides a summary comparison of the two types of instruments.

Table 2. Comparison of Standardised and Customised 360° Assessment Instruments

	Standardised	Customised
Psychological Theory	Generally underpinned by established theories/models with competencies that relate to successful performance	Generally underpinned by surveys of people in similar roles of what competencies they deem important to successful performance
Consistency and Accuracy	Have research establishing the reliability and validity of the measurement	More difficult to establish reliability and accuracy of measurement if the constructs are unique
Norms/Comparisons	Opportunity to benchmark results against various external comparison groups	Benchmarking generally only possible within the organisation
Accreditation	Often accreditation or qualifications are required to administer, score and interpret	Often accreditation or qualifications are not required to administer, score and interpret
Perceived Relevance	May not be seen by ratees/raters as relevant to the role or specific issues	May be seen by ratees/raters as more relevant to the role or specific issues

Specific instrument considerations

In addition to considering what will be measured, consideration of the question and report format, as well as the scientific features of the instrument, is also recommended.

Format features

Format features refer to the format of the questions and the presentation of results in the feedback report; these features may seem less important but they can impact how assessment feedback is perceived and accepted by ratees.

Assessment questions: Questions may either be quantitative (e.g. rating scales) or qualitative (e.g. written comments). While quantitative information allows for strengths and weaknesses to be easily identified (e.g. which behaviours), the qualitative responses will give context and meaning to these strengths and weaknesses (e.g. why these behaviours). Therefore, it is recommended that your 360° assessment incorporates both qualitative and quantitative questions to ensure accurate and insightful information is collected.

Assessment reports: The assessment report summarises and delivers the feedback and should therefore provide information in a clear and concise manner. Feedback may be presented visually through diagrams, graphs and/or through text. Ensure you review a sample report and consider how easily the ratee will be able to comprehend the information and translate it into development goals.

Scientific features

Statistical analyses are used to identify how well an instrument assesses the constructs of interests and this in turn guides the types of inferences that can be made from the results. These analyses should be conducted by the instrument developer and be made available to the purchaser. As alluded to earlier, these analyses are often only available for standardised instruments.

Reliability and validity: Simply put, these terms refer respectively to: how consistently, and how accurately, the instrument measures what it claims to measure. An acceptable level of reliability and validity is a minimum requirement for any assessment instrument including a 360° assessment. Exactly what constitutes an 'acceptable' level of reliability and validity is complex and outside the scope of this paper. However, at a minimum we recommend that the instrument you choose offers at least some form of evidence for its reliability and validity in the form of a technical manual or white paper. Our review of 360° assessment instruments at the end of this white paper, provides an indication of which instruments have this evidence. Be aware that some instruments cite only face validity as support for the accuracy of measurement. While it is important for the assessment to look relevant to the raters, face validity by itself is insufficient and some evidence of criterion validity is required. These terms are explained below.

Reliability	The degree to which a test yields consistent results over time
Criterion Validity	The degree to which assessment scores are related to 'real world' outcome criteria (e.g. performance measures) which they should relate
Face Validity	The degree to which a test looks like it measures what it claims to measure

Norm comparison groups: Norm groups, or comparison groups, can be valuable for meaningful interpretations of results. Good 360° assessment instruments will offer a norm group which is representative of the ratee being assessed. In order to be representative, groups must be composed of people which are similar to the ratee across factors such as i) the level of experience, ii) organisational position, and iii) industry. The closer the match between the people in the norm group and the ratee, the more useful the interpretation. The composition of norm groups should be available in an instrument's technical documentation. It is recommended that norm groups are based on at least one hundred individuals (preferably more) as norm groups based on only a handful of individuals are likely to be inaccurate and will not provide useful comparisons.

Norm groups are typically used to compare ratee's scores to others external to the organisation at national and global levels in terms of the industry type or role. Although comparing results to national or international norm groups can be useful, it may be more useful to compare results within the organisation. Internal norms allow ratee's scores to be compared to their peers within the organisation, or to historical data if this type of assessment has been conducted before. Whether external or internal comparisons are more suitable will depend on the broader purpose of your 360° assessment. Whatever the comparison point, it is important that the norm group used is representative of the ratee, and is meaningful given the purpose of your 360° assessment.

PART 1 Key takeaway points:

- The selection of your 360° assessment instrument should be driven by the purpose and the outcomes desired from the overall 360° assessment project.

- 360° assessment instruments can be standardised or customised, each has its advantages and disadvantages.

- The instrument should include both quantitative and qualitative questions and reports should provide information in a manner which will be easily understood by ratees.

- Estimates of both reliability and validity should be provided for the instrument. Be cautious of instruments that only cite face validity to demonstrate measurement accuracy.

- If norm groups are to be used, ensure the instrument offers norm groups which are representative of the ratee/s with regard to level of experience, organisational position and industry.

Please see Appendix A for a review of a selection of commercially available 360° assessment instruments.

Part 2
Selecting Raters

The selection of raters for 360° assessments is often the most important factor in determining whether a ratee accepts or rejects the feedback.[7] This section outlines the main factors impacting the reliability and perceived credibility of raters.

Number of raters

Many of the benefits of 360° assessments come from having sufficient raters to build a holistic view of the ratee, as shown in Figure 2. As the number of raters increase, so does the reliability of the assessment. In this context, reliability refers to the accuracy of the overall rating provided. Simply put, the more raters there are, the more accurate the overall rating. Research suggests that a minimum of 6 raters should be used (not including the ratee's self-evaluation).[8] However, above 10 raters, any increases in reliability are not likely to warrant the resources required.

Figure 2. Relationship between 360° Assessment Reliability and Number of Raters (Hensel et al., 2010)
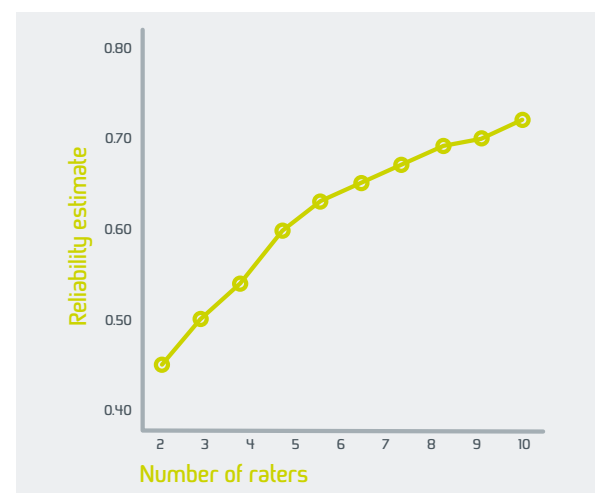
Rater-ratee familiarity

One of the most important predictors of rater accuracy is how long the rater has known the ratee. Research indicates that the most accurate ratings are obtained when the rater knows the ratee long enough to get past superficial impressions (beyond 1 year), but not long enough to rate in a consistently favourable manner (ideally no more than 3 years).[9] Moreover, it is also important that the raters have not only known the ratee for an acceptable period of time, but have had sufficient interaction in a work setting during this time to allow accurate judgements. This time-accuracy relationship is shown in Figure 3 below.

Figure 3. 360° Assessment Rater Accuracy and Years of Ratee Familiarity (Eichinger & Lombardo, 2004)
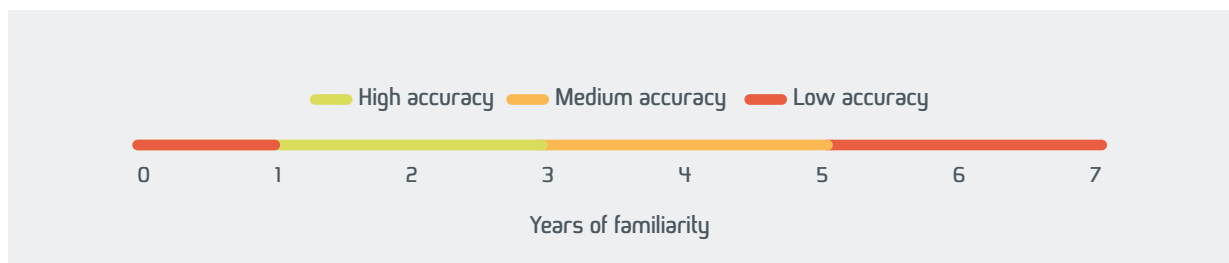
[7] Podsakoff, P.M. & Farh, J. 1989, "Effects of feedback sign and credibility on goal setting and task performance", Organizational Behavior and Human Decision Processes, vol. 44, no. 1, pp. 45-67

[8] Hensel, R., Meijers, F., van der Leeden, R. & Kessels, J. 2010, "360 degree feedback: how many raters are needed for reliable ratings on the capacity to develop competences, with personal qualities as developmental goals?", The International Journal of Human Resource Management, vol. 21, no. 15, pp. 2813-2830.

[9] Eichinger, R.W. & Lombardo, M.M. 2004, "Patterns of rater accuracy in 360-degree feedback", Human Resource Planning, vol. 27, no. 4, pp. 23.

Organisational position of raters

Raters from a wide range of positions and levels of hierarchy within the organisation should be included. It's important that the ratee believes that each rater is a credible source of information and that they are familiar enough with his or her role and performance to make accurate judgements. Table 3 highlights the different raters and the types of insights they can contribute to the 360° assessment. They are listed in order of the degree of accuracy, as established by research comparing rater feedback to objective measures of performance.[10] While some rater groups are noted as less accurate, they can still be beneficial in providing insight on topics that other raters may not.

Table 3. Organisational Positions of Raters in order of Rating Accuracy (highest to lowest)

Ratee's Managers	Individuals who oversee the work performed by the ratee. They often have a good understanding of the context in which the ratee operates
Ratee's Peers	Individuals that are in a similar organisational position or level as the ratee; they have regular contact and may better understand the context of performance
Ratee's Direct Reports	This group refers to those who report directly to the ratee. They are usually a good source of information regarding leadership capabilities
Other (customers, stakeholders)	Other people that do not fall into the above categories such as customers or stakeholders may provide further insight. However, they may not understand the context of performance very well
Ratee themselves	The ratee. Self-assessment will prompt introspective thinking and allow the opportunity to identify rating incongruities

Selection of raters

Research shows that allowing the ratee to be involved in the selection of raters generally increases the ratee's perceptions of rater credibility and the fairness of the 360° assessment. Enhanced perception of credibility translates into greater engagement with subsequent development of goals based on the assessment, and produces greater job performance outcomes.[11] A common concern with ratees being involved in rater selection, is that the ratee will primarily select raters who are likely to provide favourable feedback. However, research indicates that if raters are kept anonymous, accurate ratings will still be derived.[12] It is therefore recommended that ratees are included in the selection of at least some, if not all of their raters.

PART 2 Key takeaway points:

- Have at least 6 raters for each ratee, in addition to the self-assessment.
- Managers, peers and direct reports are the most accurate raters and should therefore be prioritised as raters.
- Raters should ideally have worked with the ratee for 1 to 3 years.
- Ratees should be included in the selection of raters to enhance perceptions of rater credibility and fairness of the 360° asessment process.

[10] Eichinger, R.W. & Lombardo, M.M. 2004, "Patterns of rater accuracy in 360-degree feedback", Human Resource Planning, vol. 27, no. 4, pp. 23.

[11] Becton, J.B. & Schraeder, M. 2004, "Participant input into rater selection: potential effects on the quality and acceptance of ratings in the context of 360-degree feedback", Public Personnel Management, vol. 33, no. 1, pp. 23.

[12] Falcone, P, Tan, W, 1957 & Ebooks Corporation 2013, The performance appraisal tool kit: redesigning your performance review template to drive individual and organizational change, American Management Association, New York.

This section outlines best practice guidelines for implementing your 360º assessment. It includes information on the administrative processes including the timing of the 360° assessment, how to clarify the purpose, how to establish trust and communicate with stakeholders.

Timing

Raters and ratees of 360º assessments often report difficulty finding time to complete assessments, or attend feedback and coaching sessions. Rushing assessments may lead to inaccurate ratings or hinder ratee's ability to absorb feedback and translate it into action. Ultimately, the best timing will have to be determined by every organisation individually but below are some essential considerations:

- Is the organisation currently experiencing issues that may be of greater priority?
- Are there other projects being undertaken which involve the rater and ratee? If so, consider how much time they need and allocate this formally.
- Will raters and ratees have time to partake in rating, feedback and coaching?
- What frame of mind are raters and ratees in presently? Are they likely to provide honest ratings and be open to feedback?
- How does the 360º assessment align with the organisation's performance management cycle?

As for any internal project, a 360° assessment needs to be properly resourced and driven by someone who has the credibility/authority to run a project. At a minimum, clear timelines should be set for all 360º assessment related tasks from initial engagement through to post implementation performance reviews. Timelines need to realistic for all involved and a participatory approach to setting these can be useful. Clear and consistent communication is also a minimum requirement, especially if this is the first time a 360° assessment has been implemented. All stakeholders should be clear about their role in the process and have had a chance to ask any questions they might have. A major part of good communication is clearly establishing the purpose of the 360° assessment.

Clarify the purpose

360º assessments rely on collaboration between all parties involved and a level of trust between 360° assessment stakeholders and the organisation more broadly. Ensuring that the rationale behind the 360º assessment is established from the beginning is critical to gaining honest and constructive feedback, and ensuring that feedback is utilised productively. Transparency is essential when communicating the purpose of a 360° assessment; a lack of transparency can erode trust very quickly. The exact purpose of a 360° assessment will vary across organisations and situations, however, as shown in Figure 4, the assessment's purpose should be aligned to the ratee's role specifically, the team working around them and align with the broader organisational purpose.

Figure 4. 360° Assessment Purpose Alignment Between the Individual, Team and Organisation
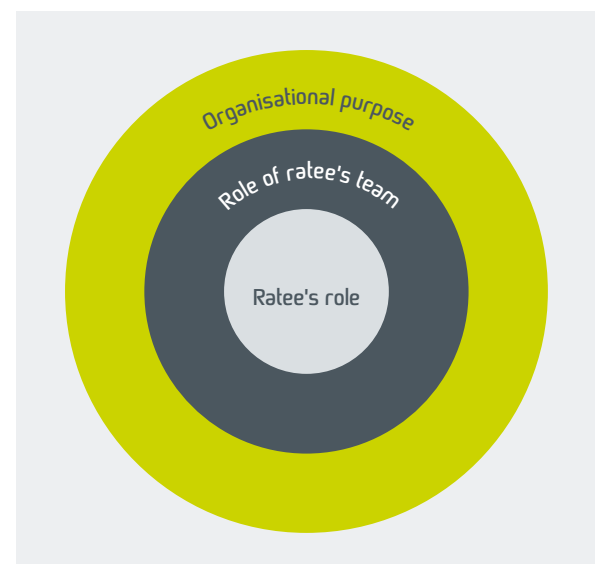
Establish trust

Unsuccessful 360° assessment programs can often be attributed to poor trust in the process. Issues around the confidentiality of feedback and reports is a common concern of both raters and ratees. Research indicates that people are more likely to provide honest ratings when they know that their data will remain confidential.[13] Establish from the start of the project exactly what is meant by 'confidential' (exactly who will see which information, why and when). It is important to be particularly clear with ratees about what is expected of them post-feedback and what support will be made available to them for development. Establishing sufficient trust will depend on factors such as the organisation's culture, the individual ratees, and the credibility/authority of the people/department implementing the process. If the time is not taken to establish sufficient trust, the anticipated benefits of a 360° assessment stand to be eroded substantially through inaccurate ratings and lack of engagement with developmental goals. Moreover, the process as a whole can undermine the credibility of key people in the organisation/business unit and can have consequences for the organisation's culture more broadly.

Communication

As already alluded to, providing clear, consistent and transparent information around the 360° assessment is critical in reducing anxiety, improving assessment quality and subsequent behaviour change engagement. Consider conducting an information session to provide any opportunity to address concerns and start disseminating key information. Key aspects of the project should be provided in written format (emails, letters or notices) and should clearly communicate the purpose behind the assessment, the processes for selecting raters, clarification of rater anonymity, the confidentiality of information and the expected post-feedback outcomes. Again, ensure that all parties involved have a mutual understanding of what is expected of them in order to maximise the opportunity for success.

PART 3 Key takeaway points:

- 💬 How you administer your 360° assessment will have a strong impact on rater accuracy and ratee's response to feedback.

- 💬 Timing is important, your 360° assessment program should be undertaken during appropriate times. The raters and ratees should be given the time to complete ratings and engage with developmental activities.

- 💬 Timelines should be transparent and communicated clearly; a participatory approach to planning is recommended. Feedback and coaching session should be booked in advanced.

- 💬 Establishing a high level of trust is absolutely essential for success. The purpose for the 360° assessment should be communicated and it should align with the ratee's role, their immediate team and the broader organisation.

- 💬 All communication should be timely, clear, consistent and transparent. At a minimum, formally communicate confidentiality (who sees which information, when). Consider running group information sessions to address common concerns and do not presume understanding.

[13] Brutus, S. & Derayeh, M. 2002, "Multisource assessment programs in organizations: An insider's perspective", Human Resource Development Quarterly, vol. 13, no. 2, pp. 187-202.

Part 4
Feedback Process

The way in which feedback is provided in a 360° assessment can have a strong influence on how motivated ratees are to engage with the feedback and adopt developmental goals. This section outlines the empirical research underpinning good feedback practices and practical guidelines for implementation.

The importance of feedback

Delivering the feedback session correctly is crucial to maximising any behaviour change benefits from a 360° assessment. The feedback session serves the following purposes:

- To help the ratee understand their results
- To allow the ratee to recognise/leverage their strengths and effective behaviours
- To allow the ratee to recognise/develop their weaknesses and ineffective behaviours
- To assist the ratee to prioritise areas for improvement, set goals and develop a plan

Due to the sensitive nature of the feedback information, it is critical that feedback is provided by a professional that is trained in presenting feedback in an objective and constructive manner and managing the diverse array of reactions to this. They should also have enough familiarity with the ratee's role and how it fits into the broader organisation, yet have enough 'distance' from the ratee to avoid bias or conflicts of interest.

Feedback coach: internal or external

A major decision for organisations using a 360° assessment is whether feedback should be provided by internal personnel such as HR staff or managers, or whether feedback should be outsourced to a skilled coach. Table 4 provides some guidelines for making this decision.

Internal coaches: Internal coaches are a cost-efficient way of facilitating feedback and offer the benefit of having a good understanding of the workplace culture. If time is formally allocated for them to coach around a 360° assessment program, internal coaches often have flexibility to adapt to day-to-day changes within an organisation. When providing feedback to ratees in senior roles the credibility of the internal coach must be carefully considered; a participatory approach may be useful here. Furthermore, issues of bias, conflicts of interest, and confidentiality may come in to play when internal coaches are used, these issues must be kept in mind when selecting coaches.

External coaches: Coaches external to the organisation have been supported by research as being more likely to maximise coaching success.[14] The professional coach will bring a wealth of knowledge and experience around developing skills, changing behaviour and managing motivation. Research shows that the more senior the position of the ratee, the greater the necessity for external coaches.[15] Ratee's preferences for external coaches has been attributed to increased perceptions of credibility, objectivity, abidance of confidentiality, and ability to provide fresh perspectives,[16] these perceptions are likely to transcend into an increased engagement with developmental goals.

Table 4. Guidelines for the Utility of Internal versus External 360° Assessment Feedback Coaches

	Internal Coaches, use when:	External Coaches, use when:
Budget	Limited	Dedicated
Ratees	Assessments on less senior ratees	Assessments on more senior ratees
Perspective	Strong necessity for understanding company culture	Stronger necessity for fresh perspective

[14] Tompson, H., Vickers, M., London, J. and Morrison, C. (2008). Coaching: A Global Study of Successful Practices. American Management Association.

[15] Rivenbark, L. & Battley, S. 2006, Coached to Lead, Society for Human Resource Management, Alexandria.

[16] Underhill, B.O., McAnally, K. & Koriath, J.J. 2007,Executive Coaching for Results, Berrett-Koehler Publishers

Feedback setting: one-on-one or group

Providing feedback to ratees on their 360° assessment results can happen in two ways; one-on-one or a group session. The best approach will be governed by individual circumstances. The advantages and disadvantages of the two options are discussed below. Table 5 provides some guidelines for the selection of the setting.

Group feedback: Group feedback sessions can be a cost-efficient solution for organisations conducting a number of 360° assessments and creates a learning environment for those involved. However, for this to be successful, a coach experienced in creating a non-threatening, learning environment and managing individual's barriers to critical feedback is required. If such an individual is not available, ratees may be reluctant to share feedback and be less inclined to engage with development goals. Group feedback is unlikely to be suitable for ratees in senior positions and/or situations where sensitive topics need to be discussed.

One-on-one: One-to-one feedback sessions allows greater focus on the issues specific to the ratee and/or allow for discussion of sensitive topics. The private setting may prompt greater trust and openness from the ratee and as a result can lead to more honest efforts to develop.

Table 5. Guidelines for the Utility of Group versus One-on-one 360° Assessment Feedback Settings

	Group Feedback, use when:	One-on-one Feedback, use when:
Resources	Less available	More available
Number	Assessments on multiple ratees	Assessments on few ratees
Assessment Similarity	Criteria assessed are shared between ratees	Criteria assessed are unique to ratees
Level of Ratee Seniority	Assessments on low to mid-level ratees	Assessments on senior level ratees
Sensitivity	None of the information essential to the feedback process is sensitive with regard to other ratees	There is information essential to the feedback process which is sensitive with regard to other ratees

Number and frequency of development sessions

Ratees should be adequately supported and held accountable for progress towards their development goals. This accountability should be guided by regular sessions with a coach.

As can be seen in Figure 5, research shows that a greater number of coaching sessions following initial feedback is likely to yield greater behaviour change. While the number of sessions needed will vary between individual ratees, research suggests at least 3 coaching sessions are needed to establish sustainable behaviour change.[17] While the frequency of sessions will be influenced by organisational constraints to some extent, between session time should be enough for the ratee to implement new strategies and approaches, but not so long that momentum is lost. Research suggests a gap of 1 month following the initial feedback session, with subsequent intervals becoming longer over time.[18] An experienced coach will be able to tailor session intervals to a specific ratee in order to maximise outcomes.

Figure 5. Relationship between Number of 360° Assessment Coaching Sessions and Leader Effectiveness over a 6 Month Coaching Period (Thach, 2002)

[17] Thach, E.C. 2002, "The impact of executive coaching and 360 feedback on leadership effectiveness", Leadership & Organization Development Journal, vol. 23, no. 4, pp. 205-214.

[18] Thach, E.C. 2002, "The impact of executive coaching and 360 feedback on leadership effectiveness", Leadership & Organization Development Journal, vol. 23, no. 4, pp. 205-214.

Report access

Depending on the purpose of the 360° assessment, which individuals the assessment information is shared with may differ. If the assessment collects any sensitive information, the dissemination of feedback, including computer generated reports have to be considered carefully. When used for development purposes, it is recommended that ratees are given ownership of their report and whom they choose to share it with beyond their coach is a decision for them.[19] This will ensure trust with the 360° assessment process and garner greater engagement with subsequent development. If using an online rating platform with computer generated reports, check all settings so that reports are not automatically emailed to the incorrect people upon completion (e.g. administrators).

PART 4 Key takeaway points:

- The feedback session is a critical point in the 360° assessment process in generating motivation for meaningful behaviour change; it should be conducted by a qualified and experienced coach.

- Internal or external coaches can be used; due to the greater risk of interest conflicts and biases associated with internal coaches, research generally supports the use of external coaches especially for senior ratees, such as executives and CEO's.

- Group feedback is most suitable for entry level positions and large ratee groups; one to one feedback is recommended for senior ratees. One-on-one feedback is always essential if feedback includes information which is sensitive with regard to other ratees in a group.

- At least 3 post feedback coaching sessions are recommended to establish sustainable behaviour change.

- Where possible, ratees should be given ownership of their report and the freedom to choose with whom they share it. Double check the settings for any online rating platform which automatically emails reports upon completion.

[19] Fleenor, J.W., Taylor, S., Chappelow, C. & Ebooks Corporation 2008, Leveraging the impact of 360-degree feedback, 1. Aufl.;1; edn, Pfeiffer, San Francisco.

Part 5
Program Evaluation

Part of any organisational development initiative is an evaluation and improvement phase. This section outlines ways to assess the success of your 360° assessment program.

Assessing the success of a 360° assessment program

Assessing the program's success holds all parties involved to account (ratees, raters and implementation partners) and in particular, allows for the opportunity to recognise ratees/raters which have positively engaged with the program. Being disciplined in tracking and measuring change as a result of the 360° assessment is critical to establishing the return on your investment. Although there are numerous ways to assess an organisational development program, a useful framework is outlined below (Table 6). This framework recommends evaluating your program across four levels.[20]

Table 6. Four Levels for 360° Assessment Program Evaluation (Fleenor et al. 2008)

Evaluation type	Evaluators	Method	Time	Example
Reaction: how ratees felt about the assessment, whether it was engaging and relevant to their job	Ratees	Questionnaires, interviews, focus groups	Immediately after feedback	Questionnaire after feedback about feedback content, relevance to their role and administration process
Learning: the knowledge and skills acquired as a result of the 360° assessment program	Ratees	Pre and post questionnaires, tests or performance demonstration	Two to six months after feedback	Comparison of questionnaire administered before and after feedback around criteria assessed and developed
Behaviour: the observed changes in workplace behaviour relevant to feedback	Raters and Ratees	Post feedback questionnaires, interviews, focus groups (if possible before feedback also)	Three to six months following program completion	Comparison of work behaviour directly relevant to the criteria assessed after feedback (if possible before feedback also)
Results: the organisational outcomes as a result of the 360° assessment program	Managers and Stakeholders	Key metrics from performance management systems	Ten months following program completion	Comparison of KPI's pre and post the 360° assessment program

In addition to the levels above, it is recommended that the assessment component of the overall 360° assessment program is re-administered 12 months following the program. This will allow longer term changes to be identified and help shape future development objectives.

PART 5 Key takeaway points:

- Program evaluation provides the opportunity to establish the value of the 360° assessment program and to identify opportunities for improvement.
- Ratee's reaction to the program, knowledge and skills gained, behavioural changes and organisational level outcomes as a result of behaviour, should be evaluated.
- The assessment component of the 360° assessment program should be re-administered 12 months after the program to identify long term changes and to guide developmental objectives.

[20] Fleenor, J.W., Taylor, S., Chappelow, C. & Ebooks Corporation 2008, Leveraging the impact of 360-degree feedback, 1. Aufl.;1; edn, Pfeiffer, San Francisco.

Appendix A
Comparison of Standardised 360° Assessment Instruments

Instrument review

Given the large number of 360° assessment instruments available, this white paper provides a comparison of a number of popular 360° assessment instruments to help guide your decision making. The points of comparison selected were driven by the issues which our practitioner survey highlighted as well as what best practice research has indicated as important. The instruments in this review are compared with regard to the following factors:

Theory	Is instrument development based on a supported theory, model or empirical research (e.g. transformational leadership theory, extensive competency mapping)?
Reliability	Is at least one study available which provides basic reliability estimates (e.g. test-retest, internal consistency, inter-rater reliability)?
Validity	Is at least one study available which provides basic validity estimates (e.g. construct validity, criterion validity)?
Norms	Are Australian and/or global norm groups available?
Time	How long does completion of a typical version of the instrument take? It is noted this time may vary depending on the assessment content and the speed of completion.
Cost	What is the current cost for a one-off purchase of the instrument including a feedback report? It is noted price may change depending on the number of assessments purchased.
Accreditation	Is accreditation or qualification required to administer, score and interpret assessments?
Customisation	Can the assessment criteria of the instrument be customised? If not, are other instruments available for different positions or roles?

All the information presented was derived from publically available sources (test developer websites, brochures, and administration manuals) and/or by contacting test developers and vendors for this information. Whilst all reasonable attempts were made to obtain accurate and current information from test developers, it is essential that you contact a reputable development consultancy or the test developer directly before making any decisions to purchase an instrument. All information is based on the purchase of the single 360° assessment for one ratee including the feedback report (rater number is generally unlimited).

When using this review, please keep in mind:

- Although comprehensive, this review is not an exhaustive list of all 360° assessment instruments (or those claiming to be) in Australia.
- Instruments include other characteristics that are not represented in our analysis that may be of importance to your organisation.
- Be aware that the information provided is correct as at April 2016, but it is subject to change. Cost may vary over time and volume discounts often apply, norms can be updated and psychometric properties can be improved on over time. Additionally, companies may change accreditation requirements, or offer variations in their instruments in the future.
- People Solutions has no affiliations with any test developers and/or vendors.

Comparison Matrix of 360° Assessment Instruments

	Based on theory/research	Reliability research	Validity research	Available norms	Completion time	Cost	Accreditation requirements	Assessment customisability	Alternative 360° instruments
Benchmarks (Executives version)	✔	✔	✔	Global	L	$$	R	X	O&C
Cubiks 360	✔	✔	✔	X	M	$$$$	E	✔	O&C
Emotional and Social Competency Inventory	✔	✔	✔	Global	M	$$	R	X	X
Emotional Quotient Inventory 360	✔	✔	✔	Global & AUS	L	$$	E	X	X
Everything DiSC 363 for Leaders	✔	✔	✔	Global	L	$$	R	✔	O
Full Circle Feedback (Executives version)	/	/	/	X	M	$$	E	X	O&C
Hogan 360	✔	✔	✔	Global & AUS	M	$$	R	✔	X
Integral Leadership and Management 360 Profile	✔	/	/	AUS	L	$$$	R	✔	O
KRG Consultants Executive Leader Index	✔	/	✔	AUS	M	$$$$$	E	✔	O&C
The Leadership Circle	✔	✔	✔	Global & AUS	S	$$$$	R	X	O
Leadership Navigator (Corporate version)	✔	✔	✔	Global	M	$$$	N	✔	O&C
Leadership Practices Inventory 360	✔	✔	✔	Global	S	$	N	X	O
Life Styles Inventory	✔	✔	✔	Global & AUS	L	$$$	R	X	O
Multifactor Leadership Questionnaire 360	✔	✔	✔	Global & AUS	M	$	N	X	X
Saville Wave Performance 360	✔	✔	✔	Global & AUS	S	$$	R	X	X
SHL Multi Feedback System	✔	✔	✔	Global & AUS	M	$$$$	R	✔	O&C
Sigma Radius 360 Feedback	/	/	/	Global	M	$$$	E	X	X
Voices 360	✔	✔	✔	Global	M	$$$$$	R	✔	X

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✔	Yes, the instrument has this feature	S	Short admin time (15 mins) <40 questions	$	$100-$200 per report	R	Accreditation required	C	Fully customised purchase option available (e.g. mapped to competency framework)
X	No, the instrument does not have this feature	M	Medium admin time (20 mins) 40-70 questions	$$	$200-$300 per report	N	No accreditation required	O	Other 360° assessment versions available for varying roles, industries or ratee levels
/	Information about this feature could not be obtained	L	Long admin time (30 mins +) >70 questions	$$$	$300-$400 per report	E	Experience or qualification necessary (e.g. HR or Reg. Psyc)		
				$$$$	$400+ per report				

Please note: More comprehensive information on the psychometric properties of the instruments can be found on the following page.

Comparison Matrix of Instruments Reliability and Validity

	Reliability			Validity			
	Test-retest	Internal Consistency	Inter-rater	Construct	Convergent	Discriminant	Criterion-related
Benchmarks (Executives version)	/	✔	✔	/	/	/	✔
Cubiks 360	/	✔	/	✔	/	/	✔
Emotional and Social Competency Inventory	✔	✔	/	✔	✔	✔	✔
Emotional Quotient Inventory 360	✔	✔	/	✔	✔	/	/
Everything DiSC 363 for Leaders	✔	✔	/	✔	✔	/	/
Full Circle Feedback (Executives version)	/	/	/	/	/	/	/
Hogan 360	/	✔	/	✔	✔	/	✔
Integral Leadership and Management 360 Profile	/	/	/	/	/	/	/
KRG Consultants Executive Leader Index	/	/	/	✔	/	/	/
The Leadership Circle	/	✔	/	✔	/	/	✔
Leadership Navigator (Corporate version)	✔	✔	/	✔	/	/	/
Leadership Practices Inventory 360	✔	✔	/	✔	/	✔	✔
Life Styles Inventory	/	✔	/	✔	✔	✔	✔
Multifactor Leadership Questionnaire 360	✔	✔	✔	✔	✔	✔	✔
Saville Wave Performance 360	✔	✔	✔	✔	✔	/	/
SHL Talent Measurement 360	/	✔	/	/	/	/	/
Sigma Radius 360 Feedback	/	/	/	/	/	/	/
Voices 360	/	/	/	✔	/	/	✔

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✔	Yes the instrument has this feature
/	Information about this feature could not be obtained

Test-retest reliability	Stability of the assessment scores over time
Internal consistency reliability	Degree to which all assessment items relate to one another
Inter-rater reliability	Degree of consistency among different raters rating the same ratee
Construct validity	Degree to which the relationships between assessment constructs are consistent with theory
Convergent validity	Degree to which two assessment constructs that should theoretically be related, are in fact related
Discriminant validity	Degree to which two assessment constructs that should not be theoretically be related, are not related
Criterion-related validity	Degree to which assessment scores are related to 'real world' outcome criteria (performance measures) which they should relate to (for the purpose of this review criterion validity includes concurrent and predictive validity)

Appendix B
360° Assessment Toolkit: A quick reference guide

The following checklist provides a guide to all the considerations around 360° assessments which were highlighted in this white paper. It is broken into the same five parts of instrument selection, rater selection, administration, feedback and evaluation.

Instrument Selection

- ☐ Identified purpose of 360° assessment (ratees, criteria to assess, desired organisational level outcomes)
- ☐ Identified time and financial resources available for administration
- ☐ Shortlisted available instruments that align with the assessment purpose
- ☐ Ensured that theories or models that underlie instruments align with assessment purpose
- ☐ Ensured the instrument has some evidence of consistency and accuracy (reliability and validity)
- ☐ Ensured that any norm population used for benchmarking is representative of the ratee
- ☐ Ensured qualitative and quantitative questions are included and have reviewed a sample of them
- ☐ Considered ease of administration, including time, accreditation requirements and report complexity
- ☐ Considered ability to customise or purchase different versions of the instrument for other role types (if necessary)

Administration

- ☐ Ensured timing aligns with other organisational priorities
- ☐ Pre-booked times for assessments, feedback and coaching to take place
- ☐ Assessment purpose and its alignment with the goals of the ratee, team and organisation is understood by all
- ☐ Key facts around anonymity, confidentiality of information and use of information is understood by all
- ☐ Concerns of those involved have been addressed (e.g. information session)
- ☐ 360° assessment purpose, confidentiality and use of information made available in writing to all

Rater Selection

- ☐ Ratees included in the selection of raters
- ☐ At least 6 raters of varying roles included (at least one manager and one peer)
- ☐ Raters have had the opportunity to observe the ratee in a variety of work situations
- ☐ Raters understand the nature of ratee's work
- ☐ Raters have known the ratee for long enough to get past first impressions (>1 year)
- ☐ Raters have not known the ratee long enough to generalise favourably (<3 years)
- ☐ Rater and ratee would be comfortable discussing the report together if necessary

Feedback

- ☐ Identified time and financial resources available for feedback and coaching
- ☐ Considered whether understanding of company or fresh perspective is of greater value
- ☐ Considered ratee's preference for an internal/external coach
- ☐ At least 3 coaching sessions included as a part of the program
- ☐ Coaching sessions are frequent enough to engage with change (1 month initially, then spread)
- ☐ Ratees given ownership of their report and whom they choose to share it with
- ☐ Ratees develop 360° assessment action plan
- ☐ Development objectives are aligned with the goals of the work team and the broader organisation

Program Evaluation

- ☐ Reaction of ratees assessed immediately after the provision of feedback
- ☐ Learning of ratees assessed two to six months after feedback
- ☐ Behaviour changes assessed by ratees and raters three to six months following program completion
- ☐ Results assessed by managers and key stakeholders ten months following program completion
- ☐ Evaluation information used to improve 360° assessment process

Definition of Terms

Term	Definition
360° Assessment	A system that provides employees with all-round feedback from an array of people in their work environment regarding work-related constructs. Sources may include self-reports, managers, peers, direct reports and customers.
Anonymity	Concealing of rater identity through the process. It protects raters against negative outcomes that may result from providing negative feedback, and serves to ensure that the information gathered is accurate.
Assessment	Standardised methods to evaluate, measure, and document reports of the employees' work-related constructs. It provides a consistent framework to compare feedback between raters.
Coaching	A training method in which a skilled and qualified person provides an employee with guidance to help identify their development needs and prepare development plans. It is focused around the improvement of future behaviours.
Competency	A characteristic or attribute that is required for effective performance of a specific task or role. It typically includes knowledge, skills, abilities, personality and other relevant characteristics.
Confidentiality	A set of rules and procedures that limits access or places restrictions on sharing certain types of information. It protects participants against negative outcomes that may result from sharing sensitive material.
Construct	A psychological trait in an assessment tool, the thing that is being assessed (e.g. communication skill, empathy). Most assessments include multiple constructs that relate to the purpose of the assessment.
Face Validity	The degree to which an assessment appears to be measure what it states that it measures.
Feedback	The provision of assessment information to the ratee regarding reports of his or her performance or behaviour. It typically focuses on discussion of past behaviours and identification of development needs.
Goal	A desired outcome the individual, or organisation, seeks to attain.
Norms	A method for comparing results with relevant comparison groups. 360° assessment results can be benchmarked against the performance of people in similar positions.
Psychometric Assessment	A standard and scientific method used to measure an individual's mental capacity and behavioural style.
Ratee	The subject of the 360° assessment. An employee of the organisation who will receive the assessment feedback.
Rater	A respondent providing feedback about the ratee. Someone that is familiar with the ratee's role and performance to make an accurate judgement.
Reliability	The consistency of the assessment. The extent to which it is able to yield the same results when administered repeatedly under identical circumstances.
Three Circle Approach	A theory outlining evidence based practice as the integration of the best available research evidence, professional judgement and client preferences.
Validity	The degree to which a test measures what it claims or intends to measure. The appropriateness of the ways scores from the test can be used.
Single Source Evaluations	A traditional approach to workplace feedback, where feedback is provided from a single source. Feedback is usually provided by managers.
Stakeholder	Someone with a vested interest in successful completion or outcome of a project. Typically includes those in direct contact with the employee, alongside broader organisational personnel.

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People
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This white paper was developed by the People Solutions' Commercial Research Lab which delivers market relevant, accessible and evidence based research to practitioners.

People Solutions Profile

People Solutions is a boutique organisational development consultancy, providing integrated psychology services for clients across Australia. Our experienced team is a diverse one, comprising organisational psychologists, business leaders and human resources practitioners. Together, we develop and deliver bespoke best practice solutions that span the selection, development, safety and transition spectrum.

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