

TALENT EDUCATION

The Good, the Bad, and the Ugly of 360° Evaluations

by Michelle Gislason and Marissa Tirona, JD

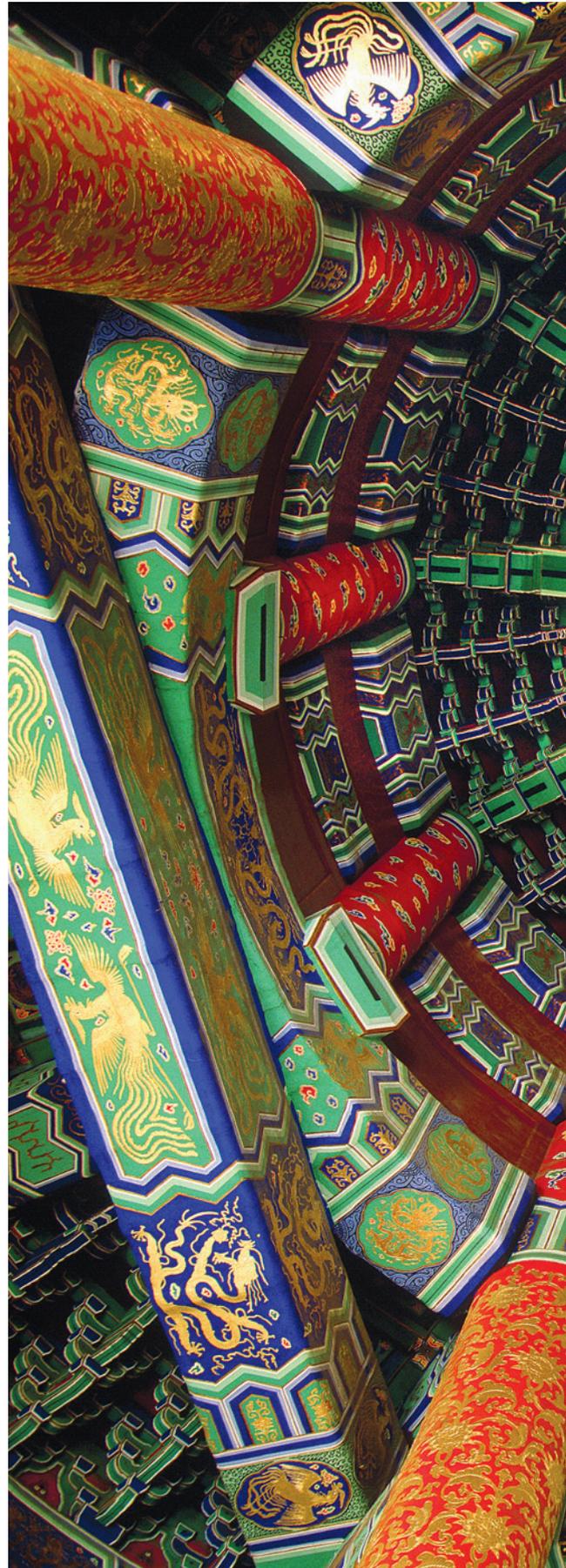
In order to accomplish a successful 360° evaluation, organizations should—among other factors—have a clear purpose and strategy going in, properly educate staff and board on the process and goals of the assessment, and ensure assessors are credible. But perhaps most fundamental to the process is leaders' commitment to across-the-board evaluation as well as willingness to be an integral part of the enterprise.

BEFORE WE INTRODUCE THE READER TO THE wonders and significant benefits of the 360° evaluation, we would like to place a warning label on the whole process—something like, “Don’t try this at home.” There are many ways in which a 360° process can go wrong, and it is generally the result of carelessness on the part of people who may be well-intentioned but underinformed about the prerequisites for a strong 360° process.

Here are a couple of stories that demonstrate how it can go awry. . . .

Damon recently became the executive director of a small organization focused on sustainable food practices. Although hoping for a fresh start with Damon at the helm, the board was still concerned about how staff would work with him, given that they were not involved in his hiring. A board member had heard about a 360° assessment, and thought it would be a good way to get a sense of what staff thought of Damon’s potential as an executive director. They asked staff to

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complete an anonymous survey. Because Damon was new and staff were unclear about the 360° process, they were not sure how to evaluate him. The board members met to discuss findings and next steps, but didn’t know how to interpret or present the results. As a result, the feedback was vague and unhelpful. Damon was disheartened by the board’s feedback and their inability to assure him of their confidence in his leadership. He left the organization a few months later.

Tamara is the human resources manager for an arts education organization. It had been about five years since the organization had done formal performance reviews, and feedback was given inconsistently across the board. Tamara wanted everyone to get a performance review, but didn’t have the time to create a template and train staff on the process. A board member gave her a copy of the 360° feedback tool his corporation used, and Tamara instructed the staff on its use. Knowing the feedback would be anonymous, some staff used the process as an opportunity to express frustration with colleagues. As Tamara reviewed the feedback she realized that parts of it were very negative, and, hoping to preserve peoples’ feelings, edited out all critical feedback before forwarding the reports to the recipients. As a result, legitimate issues identified by staff were neither acknowledged nor addressed, resulting in staff frustration and then apathy toward the 360° assessment process. The tool went unused the following year.

In both instances, the organizations mistook the intent and purpose of the 360° assessment tool and missed opportunities to leverage a process that has the potential to facilitate staff capacity building and foster an environment that supports leadership development.

What the 360° Process Is For

A 360° assessment tool systematically collects candid feedback about job performance, skills, and behaviors from an individual’s supervisor, colleagues, subordinates, clients, and other key community stakeholders, as well as from the individual who is being assessed. It identifies those leadership and management competencies that are critical to the organization’s impact and

reflect the organization’s values and strategies. A 360° assessment may gather feedback about a range of skill types:

- **Technical:** The ability to develop and manage complex project budgets;
- **Strategic:** The ability to make high-quality, organization-wide decisions;
- **Operational:** The ability to manage multiple stakeholders in a complex work process; and
- **Relational:** The ability to negotiate or “manage up.”

The assessment includes both quantitative (numerical ratings) and qualitative (comments) data. Ratings are generally shown in the aggregate; scores from an individual’s supervisor, colleagues, subordinates, clients, and others are averaged and then compared to the individual’s ratings of his or her own performance. Comments are similarly presented in summary fashion, with key themes and patterns identified.

Living in a Feedback Desert

Feedback is a critical component of leadership development, because only by understanding one’s strengths and challenges can a leader effectively get things done in an organization.¹ And yet we live in a feedback desert. Our well-intentioned efforts to serve our communities and deliver on our missions often come at the price of sacrificing the kind of feedback that fosters self-awareness and promotes improved performance. “I have been in this job for three years and I have never received any kind of formal feedback about what I do well and what I don’t,” said a caseworker who provides education and support to homeless youth. “I’m not really even sure how I contribute to my organization.” Staff can feel lost if they do not know what is expected of them. Without feedback from partners and collaborators, an individual’s view of his or her role in an organization will remain static, despite having invested days, weeks, or even months working on a project.

Structuring a way to provide leaders with honest feedback allows for a kind of “stop-action” play. Honest feedback interrupts the usual barriers to information about one’s own performance. It supports “relentless learning,”

and can enhance leaders' ability to scan for new ideas, absorb them, and translate the new learning into productive action for their organizations.² Much has been written about the desire of the Millennial Generation (those born between 1977 and 1997) for a constant stream of feedback as a way to connect skills-building to a larger purpose.³ Given that Millennials will account for nearly half the employees in the world in a few years, organizations need to have the skills, systems, and culture in place to deliver the feedback this generation requires. Feedback also reinforces collaboration, because the ability to grow and flourish in one's workplace requires that colleagues hold up a mirror and reflect back one's behavior and performance.

The 360° process provides a framework that ensures feedback is received in a balanced way and from a variety of stakeholders, a common language for naming the behaviors and skills that reflect an organization's values, and strategies for improved individual performance. As a result, *the process promotes a performance-based organizational culture*. The explicit and unspoken behaviors and cultural values of an organization can get in the way of enhanced individual and organizational performance. Resistance to giving and receiving feedback ("I don't want to evaluate my colleagues' performance" or "Aren't I effective enough if I'm out there doing the work?") can make it difficult for the adaptive learning that must take root for an organization to successfully bring about social change. By demonstrating how performance feedback and reflective self-assessment are critical to supporting organizational impact, an organization can create a culture of performance that undergirds everything it sets out to do.

Who Uses 360° Assessment Processes?

An organization's ability to design and use this type of tool has less to do with the kinds of services it provides or how large a staff it has than it does with the quality of its orientation toward learning, collaboration, and performance accountability. The Center for Creative Leadership has developed extensive 360° assessment tools to complement its well-respected leadership development programs. The Gap Foundation has adapted a corporate 360°

assessment tool to be used in the leadership work it does with its nonprofit community partners. At CompassPoint, we use 360° assessments in many of our leadership development programs. And, over the past five years, managers and leaders from organizations representing various sectors of the nonprofit field—housing, health, human services—have used the 360° assessment process to accelerate their learning and support professional development.

What Does an Effective 360° Assessment Process Look Like?

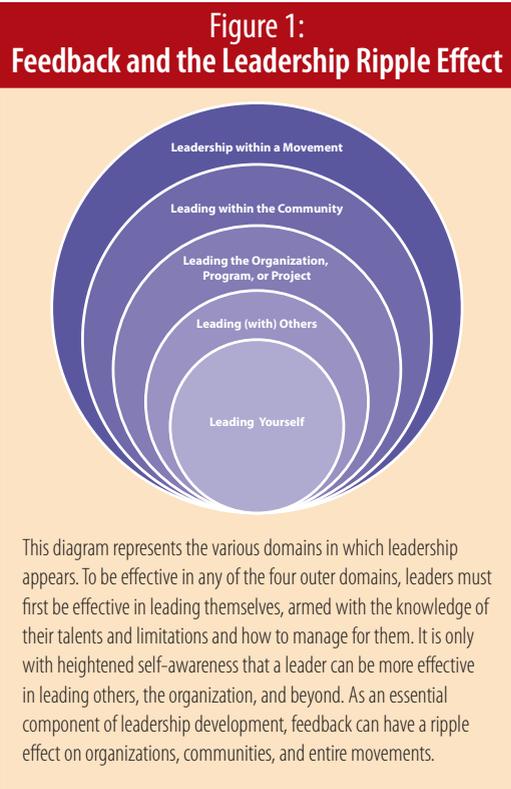
At its core, the 360° assessment provides increased clarity regarding an individual's strengths, and reveals blind spots and areas for improvement. Effective 360° feedback reflects back to staff the skills that are valued in the organization. The ratings, comments, and emphasis that colleagues, supervisors, subordinates, and other key stakeholders provide should give a clear picture of the behaviors and competencies that make staff effective members of an organizational team.

Indeed, *an effective 360° process gathers balanced feedback from a wide range of collaborators and partners*. Feedback from a single source (usually a supervisor) can be biased and subjective; moreover, the source's assessment is only one view of the staff member's performance, because the source does not observe or is not affected by all aspects of the staff member's behavior. The 360° process systematically collects opinions about performance, skills, and behaviors from a wide range of individuals whose divergent and various vantage points can provide fairly comprehensive and well-rounded feedback. When implemented properly, the tool can surface themes and patterns emerging from the data that provide valuable insight to the staff member.

Consequently, *the 360° process accelerates personal growth and serves as a springboard for effective individual development planning*. Its primary function is to increase self-awareness and support one's ability to self-manage. Self-awareness is foundational to effective leadership development; it is only in deepening understanding of one's strengths and weaknesses that a leader can clarify a sense of personal purpose and then align that purpose to organizational decision making

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and vision. When working with participants from the various leadership development programs we create and facilitate, we connect the 360° feedback process to an Individual Development Plan (IDP). Effective IDPs align personal purpose with organizational impact, and the information a leader gets from the 360° feedback process can help answer some critical questions:

- What can I do differently that would make the greatest positive impact in my work?
- What developmental priorities will give me the greatest leverage in improving my individual leadership and management competencies or my organization's performance?
- What development goals motivate and energize me?
- Will achieving these goals help me to be more effective in my current position?

The Pitfalls and Drawbacks of 360° Leadership Assessments

While there can be many benefits for nonprofits that engage in 360° assessments, the tool should be used carefully. There are pitfalls to this particular type of feedback, the primary one being anonymity.

The dearth of specific examples when raters don't want the recipient to guess who gave the evaluation is the biggest drawback to anonymous feedback. Without specific examples of a person's behavior or performance, the recipient has little to nothing to work with. Also, as Tamara from the earlier example discovered, anonymous feedback can create an organizational culture that permits staff to express frustration with colleagues indirectly. At its worst, anonymous feedback can provide fuel for personal retribution, and, if tied to appraisal, may even affect an individual's compensation or opportunity for promotion.

Another pitfall involves administration of the tool itself. Who chooses raters and how many are chosen, how the data is collected and interpreted, and how the feedback is processed by the recipient and turned into actionable next steps in his or her professional development planning can make the difference between a successful or an unsuccessful assessment.

360° assessments can also be costly in terms of staff hours or consultant time. According to the Center for Creative Leadership, implementing a 360° initiative is inherently labor-intensive despite technological advances in data collection and reporting.⁴

Finally, it is important that consistency be maintained throughout the process, which can be a challenge for large organizations. The Center for Creative Leadership suggests that larger organizations run a pilot first: "Start small, run a pilot, and then address the larger numbers. Make sure that the first person and the last person going through the process will have the same high-quality experience."

Essential Ingredients for a Successful 360° Process

Nonprofit consultant Renee Okamura, who has assisted organizations and leadership programs in implementing 360° assessments, has said, "I believe they are good tools for individual development, best administered through external leadership development programs and with good coaching to process the results." But for those organizations that are unable to engage in a 360° process through a neutral third party or program, here are some

essential ingredients to keep in mind:

- Be clear about your purpose. What outcomes do you intend to accomplish with a 360°? Who will receive the feedback? How will you use it? Is everyone else clear about the intended outcomes?
- Select an assessment tool that is relevant to the organization and its needs (see Figure 2, “Buy or Build?,” on the following page).
- Coach the staff and board in advance on what to expect from the 360° process, including how best to process the results with recipients and how to address performance issues and broader organizational issues that may surface.
- Be sure there is support from positional leadership, such as the executive director, board, and senior management team. Many suggest that positional leaders engage in a 360° assessment process *first*, to model their commitment to and support of the process.
- Include multiple raters with diverse perspectives to ensure balanced feedback. Some organizations simply have recipients select their own raters, and some ask that they select with input from a supervisor. Make sure the raters are credible, and that they are focused on the organization’s needs rather than on their individual relationship with the recipient.
- The best 360° assessments focus on strengths and talents *first* and then on areas needing improvement. Train staff in how to provide specific appreciative and developmental feedback, and provide individual coaching or support to assist the recipient in interpreting that feedback.
- Ensure individual and organizational readiness. For instance, does the timing work? If the executive director is being evaluated, is there a good relationship between the board and the executive director? If staff are being evaluated, do they trust the people conducting the 360° process?

Case Study: Anatomy of a Successful 360° Process

Jackie is the executive director of a multicultural agency that serves survivors of domestic violence. Her staff is comfortable giving feedback to one

another, but Jackie would like to formalize a process that incorporates individual development planning in order to build and develop leadership among her staff (including herself). She does not want to create an assessment tool from scratch, but she feels it is important that the tool reflect her organization’s unique values of collaboration and consensus-based decision making.

Jackie asks her operations manager, Devin, to research tools that are already built but that can be customized. Devin identifies an easy-to-use tool that employs a bar-graph format to compare ratings from different groups, including superiors, peers, subordinates, and the employee being rated. It also easily highlights positive blind spots (strengths being underutilized) and negative blind spots (challenges the participant isn’t aware of), summarizes top strengths and challenges, and proposes key questions to consider as well as suggestions for addressing those questions. Jackie and Devin customize the tool to incorporate questions on how staff members make decisions in collaborative partnerships, how they communicate with others regardless of cultural background, and how they facilitate strong networks with key stakeholders.

Once the tool is ready, Jackie and Devin brief staff on the process and assist them in determining how to select coworkers and other staff as raters who (1) will provide candid and insightful responses, (2) have known recipients professionally for at least six months, (3) have worked closely with them in the recent past, and (4) know their position and work responsibilities. Each staff member selects a diverse group of raters. The lists are sent to Devin, who sends an e-mail to the raters that contains a link to an electronic survey.

Sarah, a trusted and longtime volunteer with a background in human resources, receives and compiles the results in a neutral and confidential report with anonymous responses. The following month the reports are sent to staff, who make appointments with Sarah for hour-long, one-on-one debriefing.

Joshua is one of the staff members who will be meeting with Sarah. Sarah reviews the report with Joshua and helps him to identify trends, answer questions, and pinpoint two or three

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Figure 2: Buy or Build?

There are many 360° tools out there, a good number of which are incredibly expensive and contain extraneous information. Should you purchase an out-of-the-box assessment tool, or create one from scratch? Consider the following criteria in order to select a tool that fits your needs.

<p>If you . . .</p> <ul style="list-style-type: none"> • are a small to midsize nonprofit; • are new to the 360° assessment process; and/or • have limited human resource support 	<p>. . . then you might consider purchasing an existing survey tool or one that is affordable to customize.</p>	<p>Example: Bank of America’s Neighborhood Excellence Initiative provides Pfeiffer’s 360° Leadership Practices Inventory (“LPI 360”) to each participant in their program (www.lpionline.com). At just over \$100 per person, the tool is relatively affordable.</p> <p>Example: Several nonprofit organizations have worked with CustomInsight’s 360° assessment tool (www.custominsight.com). Assessments can be customized and are available in a number of languages. Costs vary.</p>
<p>If you . . .</p> <ul style="list-style-type: none"> • are a larger nonprofit; • have the staffing capacity to implement an intensive feedback process; • are familiar with using 360° assessments; and/or • have unique organizational needs 	<p>. . . then you might consider building a tool that includes competencies more tailored to your needs. For example, an organization that does advocacy for transition-age youth may find that it requires competencies that address developing strategic partnerships and alliances or engaging multiple stakeholders in a consensus-based culture.</p>	<p>Example: The Center for the Health Professions at the University of California custom-designed a tool by Censeo Corporation (www.censeocorp.com/solutions/360-degree-feedback.asp), which can be purchased with no, some, or extensive customization. Costs vary.</p> <p>Example: Enterprise for High School Students (EHSS) provided the Lominger Voices 360 survey (www.lominger.com) as part of their participation in the Gap Inc. Leadership Initiative. Costs vary, and the debriefing session must be led by someone who has been certified by Lominger.</p>

Some 360° tools can be purchased and customized, which might appeal to organizations wanting a tool that has been tested as well as which can be tailored. But whether you buy or build, *keep it simple*.

areas of development that are in line with both his motivations and aspirations and his organizational priorities. Because Joshua has been receiving feedback in other ways at work, the 360° assessment surfaces few surprises for him. Instead, it formalizes and reinforces things that have already been discussed, and highlights a couple of areas where his self-assessment is out of alignment with how others perceive his performance. Additionally, it reinforces strengths that Joshua can continue to build and develop. Joshua then sets up a meeting with his supervisor to discuss the two or three areas of development he has identified and create an individual development plan. Joshua’s supervisor was not privy to his 360° report, but he decides to share the feedback with her anyway to ensure they are both on the same page regarding priorities. They agree on his plan and set up quarterly supervisory check-ins.

When Not to Use 360° Assessments

Not all organizations are ready to use 360° assessments. For example, it is not recommended to introduce a 360° process in the middle of a large organizational change such as a merger, downsizing, or executive director transition. Think back to Damon’s example. If the person participating in the 360° process is new to the organization, raters will be unable to adequately assess the individual’s behavior or performance. Similarly, if there are not enough people who truly understand the full scope of the individual’s responsibilities, it will be difficult to generate a balanced assessment.

You may also want to consider forgoing 360° assessments if staff members are experiencing survey fatigue from other organizational projects or if they work in an environment where there is a high degree of mistrust.

Finally, do not engage in a 360° process if staff

have not been properly trained to provide specific appreciative and developmental feedback *or* if you do not have a process in place to accurately and objectively summarize the results. Think back to the example with Tamara. Her inability to share difficult feedback in a specific and supportive way ultimately undermined the credibility of the process.

Creating a Culture of Feedback

As we've mentioned, 360° assessments are a good way to systematically collect candid feedback about an individual's performance, skills, and behaviors. At its best, a 360° assessment should formalize feedback that has already been communicated. Susan Scott, author of *Fierce Leadership: A Bold Alternative to the Worst "Best" Practices of Business Today*, writes, "Creating real impetus for change requires extraordinarily compelling feedback that is clear, insightful, well thought out, specific, and delivered face to face by someone who has observed us in action long enough and thoughtfully enough to tell us something about ourselves." But, as Scott explains, while anonymous feedback may be useful in some instances (for example, for staff who feel marginalized or who fear personal retribution from someone who holds positional power), it can often do more harm than good.

A useful alternative or complement to a 360° assessment process involves creating a culture of feedback. Organizations with feedback cultures are fiercely committed to learning and growth, open communication, and high-trust working relationships.⁵ To that end, they invest in the skills, systems, and culture needed for feedback to take root. These organizations train staff to give specific feedback to one another in an open, constructive, and nondefensive way. They also practice and model those skills by incorporating feedback into both formal and informal supervision meetings. They ensure feedback is both given and received by organizational decision makers, and they address trust issues by engaging staff in conversations about how power and privilege manifest in their organizations.

Conclusion

As James Kouzes has remarked, "If there is one thing leaders can do to understand their own behavior, it is the willingness to ask for feedback."⁶ Without feedback, leaders will not have the most complete picture of what they need to do to mobilize others to tackle tough challenges. Without feedback, leaders will not know how they can improve their ability to make strategic decisions. Without feedback, leaders will be unable to recognize when new behaviors, skills, or attitudes are needed, nor will they accept responsibility for developing them.⁷ But with 360° feedback, learning can happen. And it is in that space of learning that a leader can develop those short- and long-term future capabilities that the complex and uncertain landscape we work in demands.

NOTES

1. Linda A. Hill and Kent Lineback, "Are You a Good Boss—or a Great One?" *Harvard Business Review*, January–February 2011, 125–131.
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4. Craig T. Chappelow, "360-Degree Feedback," in *The Center for Creative Leadership Handbook of Leadership Development*, 2nd ed., eds. Cynthia McCauley and Ellen Van Velsor (San Francisco: Jossey-Bass, 2003), 58–84.
5. Judith Wilson and Michelle Gislason, *Coaching Skills for Nonprofit Managers and Leaders: Developing Others to Achieve Your Mission* (San Francisco: Jossey-Bass, 2010).
6. James M. Kouzes, "Enduring Truths about Leadership in Tough Times" (webinar presented online throughout 2009).
7. Renée Hultin, "Fundamental 4: Core Leadership Skills for Every Career Stage," in *Leading Effectively E-Newsletter* (2010), Center for Creative Leadership, www.ccl.org/leadership/enewsletter/2010/OCTissue.aspx.

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