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July 2009

## 360-degree feedback - More angles

Findings from a roundtable discussion  
hosted by ETS



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# Contents

<b>Anonymous vs. attributed feedback .....</b>	<b>3</b>
<b>Selecting raters.....</b>	<b>4</b>
<b>Using feedback to change behaviours.....</b>	<b>4</b>
<b>360-degree feedback to transform a business.....</b>	<b>5</b>
<b>Contact ETS .....</b>	<b>6</b>

ETS hosts regular, cross-industry roundtable discussions for HR professionals with responsibility for multi-rater feedback. The well-attended session in July focused on the merits of anonymous rater feedback, how to use feedback to change individuals' behaviour and the possible introduction of 360-degree feedback into a challenging setting. As always, this report summarises the challenges and presents some human resource success stories. The discussion was held under the Chatham House rule and all comments have been anonymised.

These roundtables take place on a regular basis and are highly valued, according to delegates' feedback. Delegates at this session agree that they had heard insights from delegates and ETS that they would find difficult to gain elsewhere. Senior HR professionals wishing to hear about future roundtable discussions should contact ETS at [info@etsplc.com](mailto:info@etsplc.com).

## About ETS

ETS designs, develops and hosts performance management, 360-degree feedback and employee research solutions for world-leading companies. ETS delivers each client their 'ideal world' by developing a solution to meet their exact needs.

ETS delights its customers through creating their ideal world solutions and through excellent customer service. You can review written and video case studies of ETS clients at [www.etsplc.com](http://www.etsplc.com).

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## Anonymous vs. attributed feedback

Feedback is provided anonymously at nearly all the organisations that attended the roundtable. This is seen as valuable (or at least provides a ‘security blanket’) for more junior colleagues providing potentially challenging feedback to more senior colleagues. Attendees highlighted some practical issues related to anonymity that need to be addressed by each organisation:

- Individuals who work closely together tend to know their colleagues’ style of writing and can deduce who has written what. Also, “[Rates] tend to know the general theme of feedback before they receive it,” as one attendee put it.
- In the experience of one participant, colleagues often identify themselves in open-ended comments and suggest having a conversation. While this is useful to the person being appraised, they point out that this can remove anonymity if all but one person has attributed their comments.
- One participant from a major health insurer described how anonymous feedback works for their organisation and that the starting point is the relationship between manager and team before the 360 was introduced. “Managers need to show [their] team pre-360 that [they] are open and not defensive and can have a two-way, professional adult conversation about behaviour as well as the technicalities of the job.”
- A senior representative of a national automotive supplier shared his experience of wholly attributed, face-to-face feedback. He relayed his experience of ‘truth days’ where senior managers gave each other positive and negative feedback. At the end of the four days, they were set a challenge to make a 10% cost reduction. The power of the ‘truth days’ was these leaders opening up and understanding each other, resulting in a plan to reduce costs within the business.

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## Selecting raters

**360-degree feedback offers the individual a source of credible and actionable feedback. However, each organisation must decide how to guide users to ensure their rater selection is representative. A few approaches were offered:**

- A major energy supplier asks its managers to select two direct reports, two internal customers and their line manager. Crucially, managers approve the rater list, which discourages people choosing their friends and avoiding colleagues with whom they have a poor working relationship.
- At an international law firm, the 360 rules mean that if someone asks you for feedback, you will automatically invite them to provide you with reciprocal feedback. This often leads to partners receiving feedback, which has been positively welcomed in the non-partner population. Feedback is anonymous and is presented in a combined form for rater categories with fewer than three respondents.
- The behaviour of raters changes when 360-degree feedback is used for performance appraisals, noted the HR representative of a second, global energy company. He reported that scores tend to become bunched and positive even with a representative group of raters since colleagues tend to say: “We think you are a lovely person.” This is not isolated to 360-degree feedback, he remarks: “90% of managers will say that their staff are better than 50% of the population.”

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## Using feedback to change behaviours

Each organisation must decide how to manage the output of 360-degree feedback to enable individuals to change their behaviours. Many organisations provide the report to the individual with support from the line manager, a coach or as part of a development programme. There were two perspectives that build on this:

- One global energy firm employs an innovative technique, which follows an initial 360 and development planning. The original raters are asked to observe the individual’s improvement on the ten to 12 questions that most closely link to their development needs. Raters are re-surveyed after six months using a scale that asks how much the individual has changed. This company’s experience is that the public commitment to improve is a powerful motivator.
- One delegate highlighted that individuals can choose whether or not to accept feedback. They must acknowledge that something has happened – they’ve received feedback backed up by examples, which they may find emotionally difficult – and it’s their decision as to whether they will act on it. In this person’s experience, most people will own their feedback and the development actions.

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## 360-degree feedback to transform a business

The 360 technique is used to achieve many different goals. A financial services firm at the roundtable is seeking to introduce 360-degree feedback for the first time to help their continued, rapid growth. To inject new ideas and methods, the company recently employed two new board members from outside the business and is considering the use of 360-degree feedback.

The challenges to the proposed 360 include:

- The existing board has deep experience of the business and their leadership style is transactional, reflecting their original, hands-on roles. They now need to embrace a transformational leadership style.
- There is resistance to the use of 360-degree feedback, which is a new tool for this company.
- Some very senior people will receive some difficult feedback from their peers and direct reports.

Attendees at the roundtable were supportive with suggestions for these challenges:

- A delegate recommended analysing the stakeholders to identify the level of support and who would be influential and receptive to doing a pilot study.
- The business should be asked to define what it wants from its leaders that will make the business successful. One person noted that 360-degree feedback is a measurement tool – it can't change behaviours on its own or define what needs to be achieved.
- The representative of a high-street retailer shared their experience of introducing a new 360 through developing a pilot among the management tier just below the top directors. This group was hungry to know what they needed to do to become directors. The directors saw how well it had worked and asked if they could use it.
- A representative of a law firm shared their experience of working with partners. In their experience, the partners quickly embraced the new 360-degree feedback programme. Also, the feedback provided by more junior people had been constructive, if not always favourable.

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## Contact ETS

ETS delivers 180 and 360-degree feedback programmes for companies such as Allianz, Centrica, Coca-Cola Enterprises, House of Fraser, Ikea, Johnson Matthey, Land Securities, National Trust, Rexam, Thomas Cook and Virgin Atlantic.

If you would like to talk about the contents of this document or about your 360-degree feedback needs, please contact us at [info@etsplc.com](mailto:info@etsplc.com).

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