Summary

This report aims to show how and why businesses are using 360 degree feedback. We hope the insight and advice will be helpful for others planning or already running 360 programmes.

We started off by conducting a survey of 50 senior HR professionals from companies including Philips, Tesco, Lloyds Bank and Sainsbury’s. Between them, the HR professionals giving us their views represent well over one million employees worldwide.

They were asked questions about things like the purpose of 360 degree feedback in their organisation, how many employees are using it and how often, what it is designed to support and how people are encouraged to act on results.

Report findings, at a glance

* Increasingly diverse use of 360 as a business tool with a particularly marked increase in its use in supporting talent programmes

* A large and growing number of organisations now incorporating some attributed feedback within 360 reports rather than it being strictly anonymous

* Over half of organisations say usage of 360 has increased in the last five years

* 360 now being far more widely used by line managers of all levels rather than just senior leaders

* Rather than being a fixed annual or periodic process, the majority of organisations are using 360 on an ad-hoc basis
1. What’s 360 degree feedback being used for?

Once upon a time, 360 degree feedback was used almost exclusively as a development tool for senior leaders. This is no longer the case. This report’s findings reinforce a trend seen in our 2010 report and show that organisations are increasingly using 360 to support various business objectives.

For what reasons are organisations using 360?*

- For personal development: 85%
- As part of a talent programme: 50%
- To support appraisal: 26%
- To help embed cultural values: 26%
- To support organisational or cultural change: 17%

*Respondents were asked to indicate all purposes that apply

“This clearly shows that 360 feedback is now being used to support a number of business priorities – from developing employees to nurturing talent and driving higher performance.”

Palvi Dhiri, Business Psychologist at ETS

“360 degree feedback has long been considered a vital tool for gathering qualitative and quantitative feedback in a cost-effective and systematic way. The biggest trend we’re now seeing, though, is companies using 360 to inform the ‘how’ part of performance management. It is also being used by companies striving for a high-performance culture as they recognise that regular feedback is essential to sustainable high performance.”

Kay Lucker, Managing Consultant at ETS

Which employee groups are most commonly using 360?*

- Business unit or regional heads: 80%
- Executive leadership: 78%
- Line managers: 74%
- Talent: 54%
- Specialists: 33%
- Non-management: 28%
- Other: 2%

*Respondents were asked to indicate all groups that apply
2. How widely is 360 degree feedback being used?

Corporate use of 360 degree feedback appears to be growing with over 60% of respondents saying that their organisation uses two or more different 360 questionnaires. This possibly reflects the fact that, as the previous section showed, a number of different employee groups are now using 360 rather than just senior leaders.

How many 360 questionnaires or processes is each organisation using?

<table>
<thead>
<tr>
<th>Number of Questionnaires</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Questionnaire</td>
<td>30%</td>
</tr>
<tr>
<td>2 Questionnaires</td>
<td>9%</td>
</tr>
<tr>
<td>3 or more questionnaires</td>
<td>9%</td>
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</tbody>
</table>

What’s the total number of employees using 360 in each organisation?

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>0-50</td>
<td>30%</td>
</tr>
<tr>
<td>50-100</td>
<td>9%</td>
</tr>
<tr>
<td>100-250</td>
<td>20%</td>
</tr>
<tr>
<td>250-500</td>
<td>7%</td>
</tr>
<tr>
<td>500-1000</td>
<td>17%</td>
</tr>
<tr>
<td>1000+</td>
<td>17%</td>
</tr>
</tbody>
</table>

How has 360 usage changed in last five years?

- Increased: 52%
- Stayed the same: 30%
- Decreased: 11%
- N/A: 7%

What’s the typical frequency of the 360 process?

- Ad-hoc in line with projects: 36%
- Once a year: 24%
- Twice a year: 7%
- Every 2 years: 13%
- Other: 20%

“...This ties in with the shift in focus of performance management from one annual appraisal to an on-going process. To aid such conversations, think about how a 360 tool can be readily accessed by employees as a means of gaining regular feedback and checking in on their development. A number of our 360 clients are now using self-registration processes, which is really encouraging.”

Adam Stitcher, Senior Business Psychologist at ETS
3. How is 360 degree feedback being designed?

Naturally, with 360 degree feedback now supporting a number of business priorities, it is being designed in different ways.

The biggest surprise in these results is the revelation that around one third of organisations are using some attributed feedback within 360 reports. Our experts discuss what’s behind this trend below.

What is most commonly used to underpin 360 questionnaire design?

- Competency framework: 43%
- Leadership framework: 24%
- Company values: 13%
- Other: 20%

A number of the ‘other’ responses explained that they use a combination of values and competencies as the basis of their 360 questionnaires.

"The real value in 360 degree feedback lies in gaining the different perspectives of a range of people. So having some attributed feedback prompts one to think about the reasons behind others’ perceptions of them, helping them to recall specific instances and then to consider what they might do differently to improve in that area.”

Adam Stitcher, Senior Business Psychologist at ETS

What’s the favoured rating scale for 360 programmes?

- Frequency scale: 54%
- Developmental scale: 22%
- Effectiveness scale: 13%
- Other: 11%

"It’s really positive to see an increase in attributed feedback. It means that people have to take responsibility for their feedback, which includes ensuring that it is specific, developmental and respectful. It also encourages individuals to continue the feedback conversation face to face.”

Kay Lucker, Managing Consultant at ETS

Are organisations using anonymous or attributed feedback in 360?

- Anonymous: 13%
- Part attributed: 33%
- Attributed: 54%

"Being able to distinguish feedback from different relationship categories such as peers, direct reports and line manager can provide an even better understanding of any trends in feedback results and comments.”

Palvi Dhiri, Business Psychologist at ETS
4. What happens after the 360 degree feedback process?

Just running a 360 degree feedback process isn’t enough to generate behavioural change, employee development or improved performance.

We asked HR professionals how their organisations are supporting 360 participants to act on their feedback and what measures there are to assess action taken and improvement.

What follow-up support is offered after the 360?*

<table>
<thead>
<tr>
<th>Support Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Results inform personal development plan</td>
<td>70%</td>
</tr>
<tr>
<td>Internal coaches</td>
<td>46%</td>
</tr>
<tr>
<td>Line manager involvement</td>
<td>59%</td>
</tr>
<tr>
<td>Linked to appraisal</td>
<td>24%</td>
</tr>
<tr>
<td>External coaches</td>
<td>24%</td>
</tr>
<tr>
<td>No formal support offered</td>
<td>9%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
</tr>
</tbody>
</table>

*Respondents were asked to select all options that apply

“If feedback results are not properly integrated and utilised, 360 loses its value and credibility. We must encourage participants to agree and follow up on development actions as this will allow them to see the progress they’ve made, which motivates them to continue their efforts.”

Palvi Dhiri, Business Psychologist at ETS

What, if any, protocol is there for repeating the 360 process?

<table>
<thead>
<tr>
<th>Protocol Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short check in after agreed period</td>
<td>28%</td>
</tr>
<tr>
<td>Repeat full 360 one year later</td>
<td>25%</td>
</tr>
<tr>
<td>Other</td>
<td>17%</td>
</tr>
<tr>
<td>No formal follow up</td>
<td>30%</td>
</tr>
<tr>
<td>Other (mostly ad-hoc arrangements)</td>
<td>28%</td>
</tr>
</tbody>
</table>

*Other responses were mostly from organisations where follow up is entirely driven by the employee and other more ad-hoc arrangements.

“It’s concerning that many organisations and managers aren’t familiar with how to support development including how to give specific feedback, how to write SMART development objectives and how to monitor development progress and outcomes. So, underpinning a 360 process, there needs to be greater investment in the development of these skills to create a self-sufficient learning organisation that is able to drive change and improvement in individuals and organisations.”

Kay Lucker, Managing Consultant at ETS

“It’s so important to provide individuals with guidance on how to interpret and take action on a 360 report. ‘Train the trainer’ workshops are great for equipping line managers or coaches with the skills to interpret 360 reports and recommend the right actions for feedback receivers to take. Offering this level of support can have a huge bearing on the developmental value of the 360 process.”

Adam Stitcher, Senior Business Psychologist at ETS
5. What innovations and changes are needed in 360?

While 360 degree feedback is already a valuable and versatile business tool, it must continue to evolve to meet changing user and business needs. We asked HR professionals how they’d like to see 360 change in the future and what innovations they would most welcome.

**Shorter, quicker 360 process**

- Easy set up to run more frequently
- Devise continuous feedback tool

**Smartphone or tablet 360 app**

- Make 360 process more natural, less cold

**Integration with talent programmes**

- Less judgemental – development focus
- Dynamic reporting & link to norm groups

**‘Smart’ 360 tool with on-screen guidance**

**Flexibility for anytime feedback requests**

- Integration with talent programmes
- Smartphone or tablet 360 app
- Make 360 process more natural, less cold

Adam Stitcher, Senior Business Psychologist at ETS

"The broad picture that emerges here is of demand for smarter, quicker and more intuitive 360 feedback technology. Things such as having self-service or anytime feedback capability, and on-screen system prompts and guidance, are used already by a number of our clients such as Sainsbury’s and Philips. These kinds of features are becoming more commonplace and are making the 360 process quicker and simpler to complete."

Kay Lucker, Managing Consultant at ETS
We hope you found this report useful. Please get in touch for help with 360 degree feedback.

Call us on +44 (0) 1932 222700

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twitter.com/etsplc

www.linkedin.com