

# The 360-Degree Feedback Model as a Tool of Total Quality Management

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The 360-degree feedback, also known as “multifaceted feedback”, is a management tool, according to which an employee receives feedback (comments) from peers, subordinates, supervisors and in some cases may include external feedback such as customers, suppliers or other interested parties. It is a process of systematic data collection from many sources regarding the skills, abilities and behavior of employees. In most cases the subject of the feedback is a senior executive. In contrast to the traditional approach, this method collects information from a set of individuals who form a “circle” around the feeder, hence the name of the tool.

*Keywords:* 360 degree feedback, total quality, management, economics

## Introduction

The development of this tool is based on the view that evaluation from multiple sources allows greater balance and objectivity compared to that done by a single individual. 360-degree feedback acknowledges that the manager (supervisor) is not the only source of information about employee performance, yet his role remains central, as he is involved in drafting the final report and overseeing the overall process. All rating systems are based on the assumption that employees need feedback on their job performance. 360-degree feedback helps employees understand what they are doing right and wrong and how well they are approaching their goals. Evaluation by subordinates enables the boss to be judged on parameters such as communication, motivation, ability to assign tasks, leadership characteristics, etc. In addition, peer evaluation can be a good source of feedback for employees and to help find more efficient ways of working together. The 360-degree feedback tool allows the employee to compare the information collected with his or her own performance appraisal (self-assessment). Self-assessment enables the employee to examine his strengths and weaknesses and to judge his overall job performance (Antonioni, 1996).

Upon completion of the process, the employee receives a large amount of information that, if used properly, can help improve his or her performance. The results of a 360-degree feedback are usually used to map the strengths and weaknesses of the feed backed behavior, but can also be used to make administrative decisions regarding staff remuneration and promotions. However, there is a great deal of controversy as to whether this tool should be used solely for developmental purposes, or whether it can also be used for staff appraisal, which we will discuss in more detail below (Atwater & Waldman, 1998).

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### **Methodology**

The three main assumptions underlying a 360-degree feedback are as follows: Evaluation by many people (different perspectives) produces a more accurate picture of the strengths and weaknesses of the employee compared to the corresponding evaluation done by a single person. The comparison of the evaluation by third parties with the self-evaluation leads the employee to increased self-knowledge, which is necessary in the work environment. Employees who are effective in their work will have a perception of themselves that will largely match the perception that third parties will have of them (Atwater & Waldman, 1998).

### **Implementation**

Basically using this tool involves the following steps. Initially, the organization recognizes a series of “managerial behaviors” that it believes are critical to its success and that are at the same time observable. Then every employee (as we mentioned above usually people in senior management) who take part in the process is graded by existing, supervisors, colleagues of the same level, customers, through anonymous questionnaires. However, in the case of peer review, the answers can only be anonymous if the employee has more than one senior. Finally, the employee receives the results of the survey in a report, which usually shows the average of each group of raters (Antonioni, 1996).

In conducting these surveys there are many variations on topics such as the scope of the investigation, the observance of anonymity, whether the employee participates in the investigation by making his self-assessment, the way in which the final report is prepared and finally whether it follows training of the employee taking into account the results of the survey. However, the central goal for using this tool is always the same and has to do with improving the leadership skills of high-ranking executives of a company (Bracken & Rose, 2011). Companies that use 360-degree feedback as a tool for employee development promote a culture of continuous improvement that results in improved efficiency. The management and development of employees based on the results of feedback, leads to a more open and communicative business environment; in which employees embrace corporate goals and values (Atwater & Waldman, 1998).

It should be noted, however, that the use of this tool is only the beginning of an organizational process of employee skills development. In order to achieve employee growth and improvement, feedback must be accompanied by support activities that will last at least six months from the announcement of the results. It is essential that there are people in the organization who will be in charge of providing advisory support to the employees who have received feedback, in order to properly interpret the results and link them to the goals of the organization (Goldschmidt et al., 2002). The counseling process is also necessary in cases of negative feedback, in order to avoid a drop in employee morale. In these cases, the employee should focus on the positive points recognized by his colleagues and identify which aspects of his behavior can be improved (Edwards & Ewen, 1996).

The main mistake of organizations that apply 360-degree feedback is the lack of clear targeting. Too often organizations apply this tool without aligning it with organizational issues and strategies. The ideal feedback process has a clear goal such as developing an employee’s leadership skills. In addition to clear objectives, the process must have measurement tools that produce results directly related to those objectives. General information about an employee’s performance does not produce useful feedback that reflects the skills needed

to accomplish an organization's goals and mission. Focusing on strategy and goals not only creates a useful tool, but allows the development of action plans based on feedback results (Atwater & Waldman, 1998).

### Discussion

Many studies note that the use of this tool improves feedback, because it helps them see their work performance from different perspectives. It is noted, however, that the cooperation of all is required to provide honest feedback, a guarantee that the data will remain confidential, and the existence of experts who will help recipients understand the complex information and also develop a plan to improve it.

In a survey of repeated use of this tool, 84% of the feedback showed a large or small change in the second or third measurement. In the same survey, the strongest points of the feedback were: capable (97%), likeable (48%), respected (36%) and credible (27%), smart (15%). Respectively, the most common points for improvement were communication (63%), self-confidence (24%), team building (18%) and improvement of working conditions (18%). Professor Maury Peiperl of Stanford's General Management Department suggested four paradoxes to explain why the results of this tool are not always accurate. The first of these is called "Role Paradox", according to which a grader experiences internal conflicts by being both a colleague and a judge. The second is called the "team performance paradox" which accepts that most of the work that takes place in a corporate environment is done as a group and not individually. The third is the "measurement paradox" according to which other techniques are much more effective in creating change. Finally, there is the "reward paradox" according to which people who evaluate their colleagues are more interested in the reward they will receive when completing their work, than in the actual content of the evaluation.

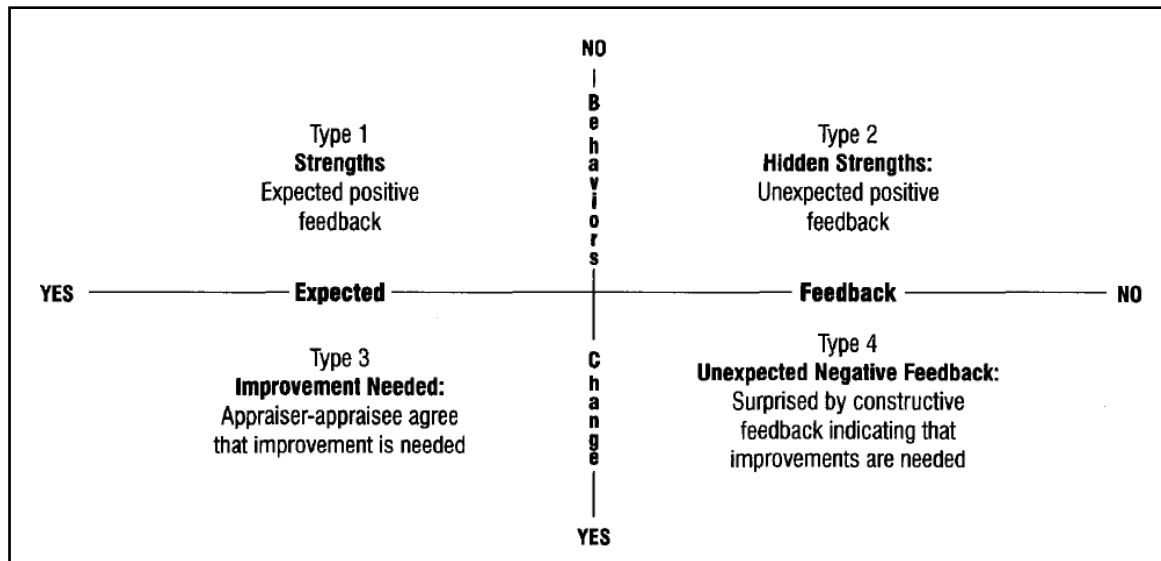


Figure 1. Designing an effective 360-degree appraisal feedback process, organizational dynamics.

In the Type 1 reaction the employee expects a positive feedback, which he eventually receives. The whole process has a positive impact on the employee's behavior because he feels that his strengths are perceived by others. In the Formula 2 reaction the process also has a positive effect. In this case, the employee does not expect positive feedback, which he eventually receives, which means that he put a lower score on his self-assessment, compared to the evaluation of his colleagues. The Type 3 reaction is neutral as the employee

acknowledges that there is room for improvement and therefore justifies the low score of his colleagues. The type 4 reactions can vary and create confusion or even defensiveness in the employee, who rated himself higher than his colleagues (Carson, 2006).

### Conclusion

The above analysis shows some advantages of using this tool. Initially the employee becomes aware of the expectations that others have towards him. If used properly the results can lead to improved work practices and overall employee performance. Another advantage is that communication is facilitated as the employee being evaluated becomes aware of his or her unwanted behaviors. Finally, a tendency of continuous improvement is established in the organization, successive feedback, elements that contribute to the creation of what is called "Learning Organization".

Businesses in order to successfully implement 360-degree feedback are asked to answer the following questions: What are the goals of implementing the tool? How committed are those involved in adopting the tool? What media will be used to collect the feedback? Who will be involved in the feedback process? How will anonymity be maintained? How will the research results be capitalized? Once these questions are answered, the company can proceed with the implementation of the tool which can be a useful tool for the development of its human resources, provided that attention is paid to the design, implementation and evaluation of the process.

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## Appendix

### Sample 360 Degree Feedback Leadership Appraisal

#### Feedback Report For:

Joe Sample

June 30, 2004

Your feedback includes ratings from the following other people:

1	Boss
3	Peers
3	Subordinates (Direct Reports)
1	Consultant

The following scoring system was used to evaluate leadership competencies:

1 = Never or Seldom (0 to 10% of the time)

2 = Occasionally (11 to 30%)

3 = Sometimes (31 to 70%)

4 = Often (71 to 90%)

5 = Always or Mostly (91 to 100%)

Blank (no entry) = Unknown to evaluator

**Larger numbers are better.**

#### Leadership Categories Summary Results

		Self	All Observers	Boss	Peers	Direct Reports	Others
1	LEADING OTHERS	4.8	3.9	4.0	3.6	3.9	4.7
2	EFFECTIVE COMMUNICATION	4.9	4.0	4.0	3.4	4.4	4.4
3	PLANNING AND GOAL SETTING	5.0	3.9	3.8	3.5	4.4	None
4	RESULTS-ORIENTED BEHAVIOR	5.0	3.7	3.7	2.9	4.1	4.7
5	INNOVATION AND RISK ASSESSMENT	5.0	3.3	3.5	3.0	3.4	None
6	DELEGATION	4.3	3.4	3.7	3.4	3.2	None
7	DECISIVENESS	4.7	3.6	4.0	2.5	3.9	4.0
8	TIME MANAGEMENT	5.0	4.3	3.8	4.2	4.9	5.0
9	CHANGE MANAGEMENT	4.8	2.8	3.3	2.5	2.7	None
10	INTELLIGENCE	5.0	4.3	4.0	4.2	4.5	5.0
11	EMPLOYEE DEVELOPMENT	5.0	3.3	3.8	2.9	3.4	None
12	SELF-AWARENESS	4.8	3.7	3.8	3.1	4.4	None
13	NEGOTIATING SKILLS	5.0	4.1	3.8	3.5	4.6	4.4
14	BUSINESS KNOWLEDGE	4.5	3.9	3.5	4.2	4.0	None
15	MARKETING	5.0	2.9	3.0	3.2	2.7	None
16	GOVERNMENTAL POLITICS	5.0	3.6	3.0	3.8	4.0	None
<b>Average Scores</b>		<b>4.9</b>	<b>3.7</b>	<b>3.7</b>	<b>3.4</b>	<b>3.9</b>	<b>4.6</b>

## Sample 360 Degree Feedback Leadership Appraisal

### Feedback Report For:

Joe Sample

### Leadership Competencies Detail Results

		Self	All Observers	Boss	Peers	Direct Reports	Others
<b>1 - LEADING OTHERS</b>							
a	Sets goals worth winning.	5.0	3.5	3.0	3.5	4.0	None
b	Makes expectations clear and lofty.	5.0	3.1	3.0	3.0	3.3	None
c	Inspires people to want to be part of a team.	5.0	2.1	2.0	2.0	2.3	None
d	Involves others to build buy-in for plans or initiatives.	5.0	3.1	3.0	2.3	3.0	4.0
e	Demonstrates the highest standards of personal integrity and enduring, honest principles.	5.0	4.9	5.0	4.7	5.0	5.0
f	Shows respect for all employees and clients.	5.0	4.7	5.0	4.0	4.7	5.0
g	Consistently recognizes individual and group accomplishments.	5.0	3.4	3.0	3.3	4.0	None
h	Causes people to follow through on their commitments.	4.0	3.9	4.0	3.0	4.5	4.0
i	Acts fairly and does not show favoritism to some employees.	5.0	4.8	5.0	4.3	5.0	None
j	Properly deals with "problem" employees and employee problems.	4.0	3.0	4.0	4.0	1.0	None
k	Carries out effective job performance appraisals for subordinates.	5.0	3.0	4.0	4.0	1.0	None
l	Team-oriented, and not self-oriented or self-promoting.	5.0	4.4	4.0	3.7	5.0	5.0
m	Takes responsibility when things go bad.	5.0	4.4	5.0	3.3	5.0	None
n	Stays cool under pressure, and behaves in a manner appropriate to the situation.	4.0	4.9	5.0	4.7	5.0	5.0
o	Shows humility, and thanks others for their good efforts and achievements.	5.0	4.7	5.0	3.7	5.0	5.0
<b>Average Scores</b>		<b>4.8</b>	<b>3.9</b>	<b>4.0</b>	<b>3.6</b>	<b>3.9</b>	<b>4.7</b>

### 2 - EFFECTIVE COMMUNICATION

a	Uses good listening skills to achieve clarity in the wants/needs of others.	5.0	4.5	5.0	4.0	4.0	5.0
b	Is open to input from others; not closed-minded.	5.0	4.6	5.0	3.3	5.0	5.0
c	Listens to people at all levels of the firm.	5.0	4.4	5.0	3.3	5.0	None
d	Gives clear directions, with specific expectations.	5.0	3.8	3.0	3.7	4.5	4.0
e	Effectively delivers the firm's message to clients and prospects.	5.0	4.0	3.0	4.0	5.0	4.0
f	Proactively informs employees of news and changes that may affect them.	5.0	3.1	3.0	2.7	3.5	None
g	Is able to professionally present bad news or unpopular decisions.	4.0	3.8	4.0	3.0	4.0	4.0
<b>Average Scores</b>		<b>4.9</b>	<b>4.0</b>	<b>4.0</b>	<b>3.4</b>	<b>4.4</b>	<b>4.4</b>

## Sample 360 Degree Feedback Leadership Appraisal

Feedback Report For:  
Joe Sample

		Self	All Observers	Boss	Peers	Direct Reports	Others
<b>3 - PLANNING AND GOAL SETTING</b>							
a	Sets specific personal and business goals.	5.0	3.8	3.0	4.0	4.5	None
b	Effectively measures and communicates progress in achieving goals/milestones.	5.0	3.1	3.0	2.3	4.0	None
c	Establishes clear priorities when multiple goals conflict.	5.0	4.0	4.0	3.5	4.5	None
d	Prepares and manages a realistic budget for his or her responsibility area.	5.0	4.5	5.0	4.0	4.5	None
<b>Average Scores</b>		<b>5.0</b>	<b>3.9</b>	<b>3.8</b>	<b>3.5</b>	<b>4.4</b>	<b>None</b>

### 4 - RESULTS-ORIENTED BEHAVIOR

a	Is focused, and stays on track without getting distracted.	5.0	4.4	4.0	3.7	5.0	5.0
b	Demonstrates a sense of urgency.	5.0	3.6	4.0	2.0	3.3	5.0
c	Does whatever it takes to achieve important goals.	5.0	4.2	4.0	3.5	5.0	None
d	Sets clear goals and priorities, manages them aggressively, and keeps them on everyone's mind.	5.0	3.7	4.0	3.0	4.0	None
e	Assigns clear accountability.	5.0	3.0	3.0	3.0	3.0	None
f	Regularly follows up on pending actions items.	5.0	3.9	4.0	2.7	5.0	4.0
g	Seizes opportunities when they arise.	5.0	3.1	3.0	2.7	3.7	None
<b>Average Scores</b>		<b>5.0</b>	<b>3.7</b>	<b>3.7</b>	<b>2.9</b>	<b>4.1</b>	<b>4.7</b>

### 5 - INNOVATION AND RISK ASSESSMENT

a	Challenges the status quo, or existing procedures, to explore better work methods.	5.0	3.1	3.0	3.0	3.3	None
b	Carefully evaluates options, and risk-benefit balance, in situations critical to the firm.	5.0	4.0	4.0	4.0	4.0	None
c	Thinks outside the box.	5.0	3.0	4.0	2.0	3.0	None
d	Looks at the client's needs for creative solutions.	5.0	3.1	3.0	3.0	3.3	None
<b>Average Scores</b>		<b>5.0</b>	<b>3.3</b>	<b>3.5</b>	<b>3.0</b>	<b>3.4</b>	<b>None</b>

### 6 - DELEGATION

a	Appropriately delegates: When, to whom, and what.	4.0	3.1	3.0	3.0	3.3	None
b	Gives authority appropriate to the responsibility delegated.	5.0	3.6	4.0	3.5	3.3	None
c	Effectively checks progress of delegated tasks without micromanaging.	4.0	3.6	4.0	3.7	3.0	None
<b>Average Scores</b>		<b>4.3</b>	<b>3.4</b>	<b>3.7</b>	<b>3.4</b>	<b>3.2</b>	<b>None</b>

## Sample 360 Degree Feedback Leadership Appraisal

### Feedback Report For:

Joe Sample

		Self	All Observers	Boss	Peers	Direct Reports	Others
<b>7 - DECISIVENESS</b>							
a	Is action-oriented.	5.0	3.5	4.0	2.5	3.7	4.0
b	Makes hard decisions promptly, and then moves ahead.	5.0	3.8	4.0	2.7	4.5	4.0
c	Does not over-think a decision, or become paralyzed when facing important action.	4.0	3.5	4.0	2.3	3.5	4.0
<b>Average Scores</b>		<b>4.7</b>	<b>3.6</b>	<b>4.0</b>	<b>2.5</b>	<b>3.9</b>	<b>4.0</b>

### 8 - TIME MANAGEMENT

a	Effectively manages multiple priorities, tasks, and responsibilities.	5.0	3.8	3.0	4.0	4.5	None
b	Has a specific plan (time budget) at the beginning of each workday.	5.0	4.5	4.0	None	5.0	None
c	Personally - and effectively - manages his/her calendar and deadlines.	5.0	4.3	4.0	4.0	5.0	None
d	Is on time, and prepared, for meetings	5.0	4.7	4.0	4.7	5.0	5.0
<b>Average Scores</b>		<b>5.0</b>	<b>4.3</b>	<b>3.8</b>	<b>4.2</b>	<b>4.9</b>	<b>5.0</b>

### 9 - CHANGE MANAGEMENT

a	Leads change by example.	5.0	2.8	3.0	2.7	2.7	None
b	Effectively overcomes subordinates' resistance to change.	5.0	2.7	3.0	2.5	2.5	None
c	Is concerned with other people's concerns during change.	5.0	3.2	4.0	2.5	3.0	None
d	Adjusts his or her management style to changing or unique situations.	4.0	2.6	3.0	2.3	2.5	None
<b>Average Scores</b>		<b>4.8</b>	<b>2.8</b>	<b>3.3</b>	<b>2.5</b>	<b>2.7</b>	<b>None</b>

### 10 - INTELLIGENCE

a	Is able to understand opposing and complex ideas.	5.0	4.6	4.0	4.3	5.0	5.0
b	Quickly masters new technical skills necessary for the job.	5.0	4.0	4.0	4.0	4.0	None
<b>Average Scores</b>		<b>5.0</b>	<b>4.3</b>	<b>4.0</b>	<b>4.2</b>	<b>4.5</b>	<b>5.0</b>

### 11 - EMPLOYEE DEVELOPMENT

a	Appropriately delegates important tasks to challenge and train subordinates.	5.0	3.2	4.0	3.0	2.7	None
b	Provides prompt performance feedback, whether positive or negative	5.0	3.5	4.0	3.0	3.5	None
c	Teaches by example, and gets involved in day-to-day activities.	5.0	4.0	4.0	3.5	4.5	None
d	Good at selecting, inspiring, and retaining talented people.	5.0	2.7	3.0	2.0	3.0	None
<b>Average Scores</b>		<b>5.0</b>	<b>3.3</b>	<b>3.8</b>	<b>2.9</b>	<b>3.4</b>	<b>None</b>



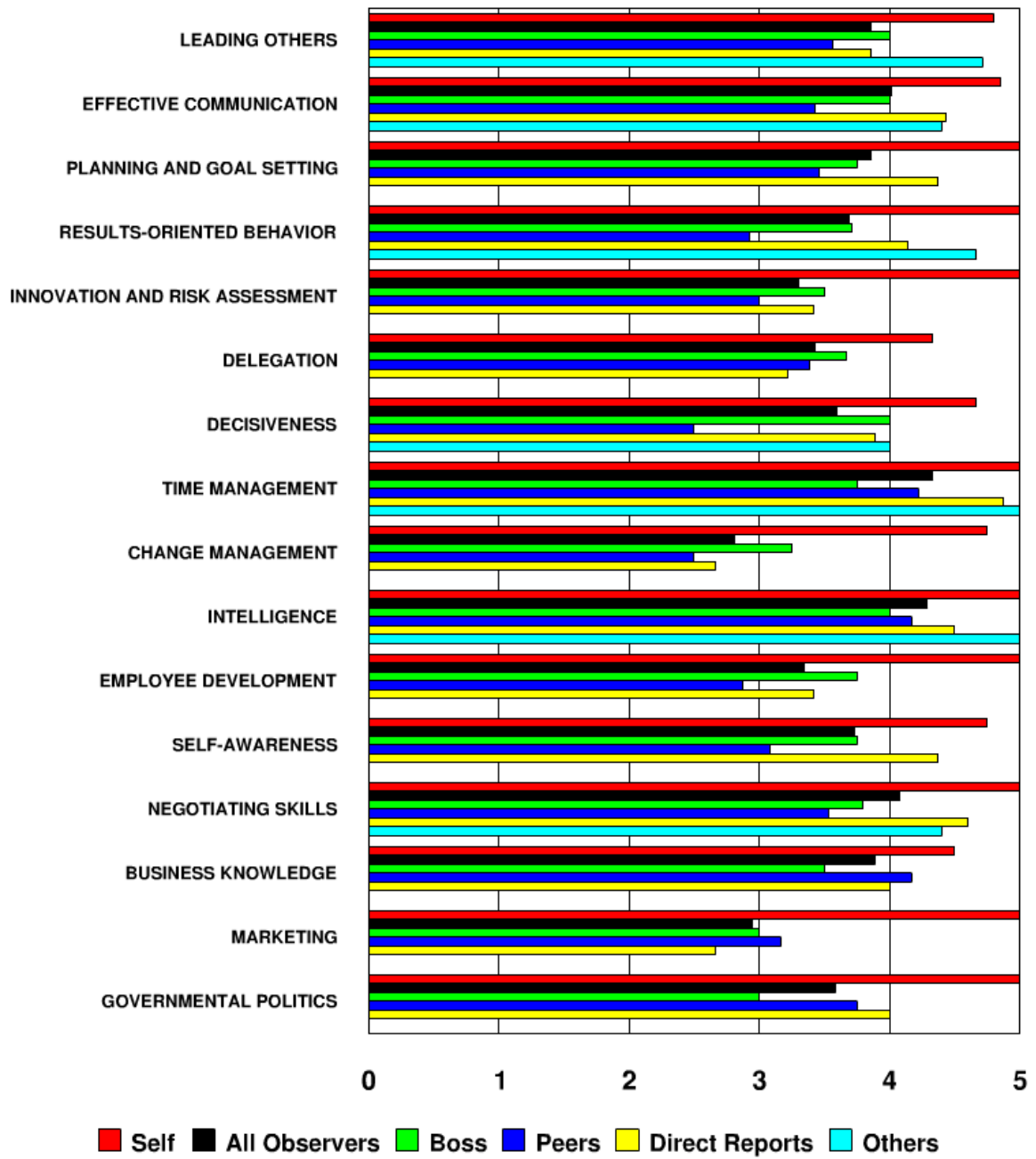
## Sample 360 Degree Feedback Leadership Appraisal

### Feedback Report For:

Joe Sample

		Self	All Observers	Boss	Peers	Direct Reports	Others
<b>12 - SELF-AWARENESS</b>							
a	Admits personal strengths and weaknesses, and works to make weaknesses irrelevant.	5.0	3.8	4.0	3.0	4.5	None
b	Acknowledges mistakes, learns from them, and then works to repair the situation.	4.0	4.1	4.0	3.3	5.0	None
c	Seeks corrective feedback to improve his or her performance.	5.0	3.3	3.0	3.0	4.0	None
d	Understands the value of a good mentoring relationship.	5.0	3.7	4.0	3.0	4.0	None
<b>Average Scores</b>		<b>4.8</b>	<b>3.7</b>	<b>3.8</b>	<b>3.1</b>	<b>4.4</b>	<b>None</b>
<b>13 - NEGOTIATING SKILLS</b>							
a	Makes convincing arguments.	5.0	3.6	4.0	3.0	3.5	4.0
b	Determines what is important to the other side.	5.0	3.6	3.0	3.0	4.5	4.0
c	Goes for win-win situations.	5.0	4.3	4.0	3.0	5.0	5.0
d	Does not get emotional.	5.0	4.7	4.0	4.7	5.0	5.0
e	Stays focused on the goal.	5.0	4.3	4.0	4.0	5.0	4.0
<b>Average Scores</b>		<b>5.0</b>	<b>4.1</b>	<b>3.8</b>	<b>3.5</b>	<b>4.6</b>	<b>4.4</b>
<b>14 - BUSINESS KNOWLEDGE</b>							
a	Demonstrates a good understanding of project labor hour and profit budgets.	5.0	4.1	4.0	4.3	4.0	None
b	Uses the company's "Key Numbers" to manage activity for desired results	4.0	3.7	3.0	4.0	4.0	None
<b>Average Scores</b>		<b>4.5</b>	<b>3.9</b>	<b>3.5</b>	<b>4.2</b>	<b>4.0</b>	<b>None</b>
<b>15 - MARKETING</b>							
a	Effectively recruits new clients to the firm.	5.0	2.8	3.0	3.5	2.0	None
b	Effectively promotes the company to potential clients and the public.	5.0	3.0	3.0	3.0	3.0	None
c	Engages others in business development, even if they are uncomfortable "selling."	5.0	3.0	3.0	3.0	3.0	None
<b>Average Scores</b>		<b>5.0</b>	<b>2.9</b>	<b>3.0</b>	<b>3.2</b>	<b>2.7</b>	<b>None</b>
<b>16 - GOVERNMENTAL POLITICS</b>							
a	Understands how public decisions are made.	5.0	3.8	3.0	4.5	4.0	None
b	Can communicate with decision makers effectively	5.0	3.3	3.0	3.0	4.0	None
<b>Average Scores</b>		<b>5.0</b>	<b>3.6</b>	<b>3.0</b>	<b>3.8</b>	<b>4.0</b>	<b>None</b>

## Joe Sample



+++      ++      +      -      --  
 Yes very much,    yes much,    yes,    no,    no not at all  
 100      80      60      40      20      0

1. This manager gives you a good feeling? (1c)
2. Is this manager clear in what he wants to be done? (1a)
3. Does this manager inspire you? (1a)
4. Can this manager arrange matters well? (1b)
5. Does this manager acts personally as a good example? (1b)

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6. Is this manager honest? (1d)
7. Is this manager capable of delegation? (1b)
8. Do you trust this manager? (1d)
9. Do you enjoy working together with this manager? (1a)
10. Does this manager inform you about relevant issues? (1a)

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11. Do you have a bond with this manager? (1d)
12. Can you count on support of this manager in difficult situations? (1d)
13. Do you regard this manager as a boss? (1b)
14. Do you regard this manager as a coach? (1b)
15. Is this manager a good organizer? (1c)

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16. Does this manager know your professional activities? (1c)
17. Does this manager support your professional activities? (1d)
18. Does this manager know your private circumstances? (1d)
19. Does this manager have a sense of humor? (1c)
20. Do you fight the same battles together with this manager? (1a)

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