The 360-Degree Assessment:
A Tool That Can Help Your Organization
Maximize Human Potential
INTRODUCTION

Developing leadership organically from within an organization is a challenge that almost all organizations experience. Nearly 60 percent of companies face leadership talent shortages, which impedes performance within the organizations (Harvard Business Review, 2010). Research shows it is cheaper to develop and retain talent than it is to recruit and hire. Companies seeking to keep existing talent through development processes and programs are using 360-degree assessments because research consistently ranks individual growth and development as top contributors to job satisfaction and motivation.

Most organizations conduct some form of a performance appraisal process to evaluate how their employees are succeeding at performing their jobs. These appraisals can influence who, from within the organization, may step into a leadership role; however, it is more effective to foster a culture where individuals perceive the organization as wanting to develop them into leaders. A 360-degree assessment accomplishes this objective by creating an open and transparent environment where individuals receive feedback from not just their supervisor, but also from their peers, direct reports, and others, such as clients or customers. Individuals also have the opportunity to rate themselves, which results in the ability to see differences in how they feel they behave versus how their behaviors are perceived by others.

In the public sector, 360-degree assessments are becoming more prevalent. The rapidly growing rate of 360-degree assessment usage in the public sector has been illustrated on a federal level where the U.S. Office of Personnel Management (OPM) has successfully developed and utilized a 360-degree assessment for federal supervisors, managers and executives. This trend is spreading throughout public sector organizations because it allows them to identify the internal organizational leadership support systems necessary for developing the leaders they seek. As a result, this is increasing effective organizational performance and leader self-awareness by offering leaders and managers opportunities to actively seek-out and incorporate the views of others into his/her own self-assessment. The use of 360-degree assessments in the public sector will continue to grow because it supports the goals of public sector organizations related to workforce planning, succession planning and the ongoing retention of well-qualified leaders.

The 360-degree assessment process creates a snapshot of human potential within an organization and enhances an individual’s awareness of his/her strengths and areas for development in order to guide development planning and training initiatives. By utilizing a 360-degree assessment, organizational culture is created that can help to maximize human potential by developing individuals who already display leadership attributes and finding individuals who may not have been initially recognized as someone who could take on leadership roles. Effectively using a 360-degree assessment to develop the leadership qualities of individuals can help prepare an organization for increased rates of retirement by having a succession plan in place, as well as help improve attrition rates by making individuals feel valued because of the organization’s willingness to invest in developing their leadership skills and abilities.
It is important to remember that 360-degree assessments are not designed as an alternative for performance evaluation or as a means to take corrective action against an employee; instead, it is a tool with the sole intention of developing leadership talent within the organization. It is critical to note this distinction because a 360-degree assessment is a positive tool to enhance the capabilities of an organization and the individuals within it. If a 360-degree assessment is used for performance evaluation or corrective action, it will then be seen as a negative tool met with fear and resistance from employees, therefore losing its inherent value.

In addition to helping individuals recognize areas for development, 360-degree assessments can do the same for organizations. Composite data can reveal trends in areas ripe for development across the organization. This is valuable to organizations that seek to learn the strengths and weaknesses in their managerial and leadership culture. Effective organizations realize cultural changes start with individual change, which they then complement with an organizational development strategy.

**WHY A 360-DEGREE ASSESSMENT AND WHY NOW?**

Developing leaders in the public sector is essential to ensure preparedness to handle the current issue of increasing retirement rates. Utilizing 360-degree assessments in the public sector can allow for organizations to start succession planning by developing leadership skills and abilities within its human talent. Having a succession plan for developing leaders to compensate for the increasing retirement rates is important for public sector sustainability.

The 360-degree assessment is now widely used throughout most organizations because of the in-depth review offered by the process. Receiving feedback from a variety of sources provides a better picture of individuals’ behavioral strengths and areas for development. It is recognized as one of the most successful leadership development tools because it helps to embed a feedback culture within organizations, supports high achievers and those with a desire to grow, develops leadership talent at all levels of the organization, and reassures newer staff that the feedback is an opportunity rather than a threat. When executed properly with actionable outcomes, this developmental tool can help employees recognize their strengths and areas for development and give them the opportunity to work on both, therefore affording the organization the chance to develop employees who may be able to take on leadership roles in the future. Further, with the technology now available to capture, store, aggregate and report data, 360-degree assessments can be administered quickly, and data can be monitored over time to track improvement and changes to individual and organizational behavior.

**WHAT POTENTIAL OBSTACLES SHOULD YOUR ORGANIZATION BE AWARE OF BEFORE IMPLEMENTING A 360-DEGREE ASSESSMENT?**

There are current challenges that must be addressed when implementing a 360-degree assessment in order to ensure the process is successful and encourages ongoing individual and organizational growth.

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**Potential Obstacles**

- Poor Development
- Ineffective Implementation
- Meaningless Administration
Poor development of the 360-degree assessment

- Not having a clear purpose for the 360-degree assessment
  One of the main reasons for an unsuccessful implementation of a 360-degree assessment is the lack of a clear purpose. Not taking the time to clearly identify the objective to be accomplished from the 360-degree assessment before beginning to develop it will lead to unsuccessful results before the process even begins. An organization that has not yet planned the purpose of its 360-degree assessment will not be able to accurately identify the necessary competencies on which to assess the subject\(^1\). In addition to not being able to properly plan or implement the 360-degree assessment, an organization cannot adequately interpret the results from feedback received because of the lack of direction. Subsequently, the organization will not be able to adequately develop plans after interpreting the results. Remember that the purpose of a 360-degree assessment is to help guide developmental actions taken after the feedback portion of the 360-degree assessment has concluded.

- Not measuring the right competencies
  One of the main reasons for an unsuccessful An organization that does not take the time to carefully select the competencies and behaviors that align with leadership for the organization will not be able to effectively conduct a 360-degree assessment to develop leadership. It is important to carefully select competencies that will assess the subjects on different areas of leadership skills and abilities; however, it is important to understand not all leadership competencies have equal importance among different organizations. It can also be the case that an organization wants to focus on specific leadership competencies that it believes to be the central focus for development, but those leadership qualities may not be driving factors currently embedded in the organizational vision and philosophy; therefore, it is important to determine where the organization is now and where it anticipates its future. A 360-degree assessment will be ineffective if an organization does not identify the appropriate leadership competencies for its own specific organizational strategic needs. Further, if the specific questions/behaviors on which subjects are being rated are not linked to a well-established competency model developed from an analytical process, it will not be effective in assessing performance factors and the important behaviors identified for a 360-degree assessment.

Ineffective implementation of the 360-degree assessment

- Lack of support from the executive team and management
  If the leaders of an organization do not vocally support and encourage participation in the 360-degree assessment and express their belief in the benefits it will provide, a 360-degree assessment will never gain momentum. It is important to include organizational stakeholders in the 360-degree assessment planning process, or it may result in a lack of commitment at different stages of the process. If management is not made aware of important decisions and the rationale behind them, it can result in a lack of understanding of the 360-degree assessment.

\(^1\) Subjects are defined as individuals who are receiving feedback in the 360-degree assessment process.
process and the roles of those involved, as well as a general apathetic approach across the organization. Ensuring all pertinent stakeholders are in agreement about the details of the 360-degree assessment is essential to ensure that there are no negative feelings or attitudes that filter down to other individuals involved in the program. The 360-degree assessment is a continual process that requires ongoing support from executives and managers in order to elicit a positive response and active involvement from employees. Losing (or not gaining) support from organizational stakeholders at the beginning of the 360-degree assessment process will diminish the commitment of the organization that is needed to ensure a fair, objective and constructive feedback and developmental process.

• **Lack of follow-through plans or action**

*One of the major pitfalls for organizations when implementing 360-degree assessments is treating the process like an event, rather than a continuous process.* The goal of the 360-degree assessment is to develop leadership qualities within individuals and throughout the organization. That will not happen if the process ends after subjects receive feedback on their strengths and areas for development. If there is not a solid follow-through plan implemented after the feedback has been recorded and received, then the opportunity for subjects to expand upon their strengths and improve upon their areas for development is vulnerable to being lost by the normal day-to-day, busy schedules of work. Additionally, subjects may develop the tendency to focus on the negative feedback without knowing the direction in which they should turn. The lack of follow-through plans for a 360-degree assessment will significantly diminish the likelihood of it being an effective process at developing leadership qualities from within the organization, and subjects may be likely to develop feelings of inadequacy, which could stunt development and result in a lack of commitment to the organization. If an organization fails to do anything with the data and feedback, then money, time, and, potentially, human talent have been wasted. Additionally, future requests for the same or similar feedback will be met with distrust and reduced response rates.

• **Misuse of the 360-degree assessment**

It is instructive to note that organizations have commonly misused 360-degree assessments as an alternative to yearly performance appraisal systems. A 360-degree assessment is not a substitute for managing a poor performer. Instead, it is a process for helping people gain a rich, accurate perspective on how others view their leadership practices and the competencies that define those practices. It should not take the place of managers assessing and managing employee performance, which should occur on an ongoing basis. Managers may be tempted to use a 360-degree assessment to facilitate a behavioral change in poor performers, but it will then result in a negative perception of the 360-degree assessment process whenever it is used again for future positive goals, such as leadership development. Performance appraisals do not always include self-assessments because they are sometimes disregarded in performance management; however, 360-degree assessments do include self-assessments because these
are beneficial for professional and leadership development. The self-assessments help to identify gaps and other areas for development that might not otherwise be recognized through the traditional performance appraisal process.

*Meaningless administration of the 360-degree assessment*

- **Fear of retaliation for providing honest feedback**
  If respondents\(^2\) are fearful of providing honest feedback for the subject, an organization will be fighting an uphill battle. Respondents, especially direct reports, may have a fear of retaliation from providing honest feedback; therefore, they may not accurately rate subjects and instead provide inflated positive feedback. This, consequently, will result in subjects receiving positively skewed ratings. Respondents may also avoid providing feedback altogether, resulting in diminished effectiveness of the 360-degree assessment. Both situations result in a lack of thorough, honest feedback for an individual seeking leadership development and an organization that needs to determine the bench at which its leadership talent sits. Fear of retaliation is an important issue that must be addressed before the 360-degree assessment begins.

- **Negative reactions from subjects after receiving feedback**
  The delivery of feedback to a subject is a very delicate process and, if not handled correctly, can have more negative outcomes than positive ones. It is human nature to focus on behaviors that do not receive high ratings. Subjects may try to pinpoint the source who provided the negative feedback, focus on the negative aspects of their ratings, and become less engaged for a period of time. The benefits from receiving feedback are unlikely to occur when subjects react negatively. Consequently, these individuals will not want to continue devoting any more time or energy to follow-up plans to help improve their areas for development and further develop their strengths. If the appropriate training and communication do not take place before delivering feedback to subjects, then the 360-degree assessment is unlikely to have any positive effects on the goal of leadership development.

- **Fear of compromised anonymity/confidentiality**
  The 360-degree assessment process is based on the principles that people should feel safe providing anonymous feedback to individuals with whom they work and subjects should feel confident knowing the data will not be openly disseminated. It can be significantly damaging to the 360-degree assessment process if anonymity or confidentiality is compromised or if there is the perception that it has been compromised. Lack of willingness to participate in the 360-degree assessment is one of the main challenges that will arise if individuals perceive anonymity or confidentiality is not respected or upheld during the process.

\(^2\) **Respondents** are defined as individuals who are responding to the items in the 360-degree assessment to provide feedback to the subjects.
WHAT CAN YOUR ORGANIZATION DO TO INCREASE THE SUCCESS OF A 360-DEGREE ASSESSMENT?

An organization has the ability to grow its human talent if the development and administration of a 360-degree assessment is properly executed. In order to avoid the common obstacles previously discussed, there are steps to follow when developing and administering a 360-degree assessment. By putting careful time, thought, and resources towards the process, an organization has the opportunity to grow its individual human talent and better the organization as a whole.

**Acquire buy-in from the executive team and management**

Before implementing a 360-degree assessment into an organization, the support of key stakeholders, such as the executive team and management, should be acquired to ensure that there are no negative attitudes towards a new or changed process. Additionally, it is key that they support the value of a 360-degree assessment so that the communication of its importance will be carried on throughout the organization. Providing some form of education and/or training on what a 360-degree assessment tool is, how it is used according to best practices, and the benefits that result from its proper application within an organization can help create the support and buy-in needed for a 360-degree assessment to be successful. Acquiring buy-in from key stakeholders will help to ensure follow-through on all stages of the 360-degree assessment, including the action planning to be taken after feedback has been recorded. Support for the 360-degree assessment from all levels of management will result in more engagement and, ultimately, better results when trying to develop leadership qualities within the organization.

**Prepare and plan for the implementation of a 360-degree assessment**

Preparation is the first step for an organization before implementing a new 360-degree assessment. The purpose and goal for the 360-degree assessment need to be established by the organization so that everyone involved understands the expectations and outcomes of the process, as well as their roles, before implementation occurs. There should be a plan in place describing how information will be communicated, how respondents will be trained on providing feedback, how subjects will receive feedback, and how actionable outcomes will be developed after feedback has been received.

There must also be a plan when it comes to coordination and administration of the 360-degree assessment. Overseeing the administration can be a logistical challenge, so it is important to have clear decisions, a clearly communicated understanding on how the survey instruments will be distributed and processed, and direction in how feedback will be reported out to subjects. There may also be logistical
challenges with online software, so a clear point-of-contact should be established who can answer questions. This individual should not have a bias or stake in the results and should be trusted with handling and overseeing confidential information.

**Invest in the proper development of the 360-degree assessment**

Before implementing a 360-degree assessment into an organization, the support of key stakeholders, it is important to evaluate (and possibly develop) different leadership competencies and decide which ones best fit the leadership goals for the organization and the purpose of the process. These competencies should measure different areas of leadership and will, ultimately, be used as the foundation for the development of items to be measured in the 360-degree assessment. The actual items that are being rated should be directly tied to the competencies and measure individual observable and specific behaviors.

Another concern to be aware of is survey fatigue, as respondents are unlikely to complete an assessment that takes too much time, especially when a 360-degree assessment is typically completed during “down time” at work. It is recommended to utilize an assessment that consists of 60 – 80 items, but no more than 100. There should always be more than one item per competency to ensure that the competency is being adequately measured during the assessment. A competency should be composed of more than one behavior, and it cannot be fully measured without addressing the various behaviors by which it is defined. If a competency is only being measured by one behavior or 360-degree assessment item, then the organization should re-evaluate what it wants to measure and why.

The development of a 360-degree assessment should be an iterative process that includes multiple stakeholders and reviewers to ensure that an organizational perspective is included, rather than an individual perspective. This is typically the most time-consuming step in the process for an organization, but, arguably, one of the most important, as a poorly developed 360-degree assessment will result in meaningless data and information that do not benefit the subject or the organization.

**Provide open and transparent communication throughout the organization on the objectives of the process**

It is essential that everyone in the organization involved in a 360-degree assessment is informed on the objectives of the 360-degree assessment and for what the feedback will be used; otherwise, this process can do more harm than good. Communication is essential in a 360-degree assessment, and it is imperative to be sure that all stakeholders and other interested parties have had the opportunity to voice their concerns before implementation. At a minimum, they need to understand the rationale underlying major decisions and its positive impact on the organization.

Additionally, there are often judgment calls or other unexpected questions that crop up during the 360-degree assessment. The possibilities should be well thought-out in advance in order to minimize the amount of confusion throughout the process. Ensuring that everyone involved is aware that the 360-degree assessment is for beneficial development purposes is essential for resolving any fears of providing and receiving feedback.
**Provide education and training to all participants involved in the 360-degree assessment**

Preparing individual participants\(^3\) for a 360-degree assessment involves educating them about the assessment and the feedback. Most importantly, participants should be informed on the objectives of the 360-degree assessment and how feedback will be used.

It is important to train all respondents on proper rating techniques. Providing feedback is subject to rater bias errors, and it is necessary to train the respondents to help them avoid common rating errors. This training should also be used to emphasize the role of the feedback in reinforcing the organization’s core values and strategies.

Training also needs to be provided to all subjects receiving feedback to reinforce that the purpose of the feedback is to help the subjects grow professionally. Since developing individuals within the organization is the main objective of the 360-degree assessment, it is vital that the subjects are prepared to receive feedback and then use it to build upon their strengths and to help develop their areas for development. Training subjects on how to practice active listening and to evaluate the feedback slowly are a couple of techniques that can be used to train individuals in receiving feedback on the 360-degree assessment. It is important for subjects to be well prepared on how to handle receiving feedback and understand how it is going to be used. The better subjects are trained on knowing how to interpret and act on their feedback received, the less likely they will be nervous about receiving it in the first place. It is essential for subjects to know what they have to do with their feedback to be able to get the best results from the 360-degree assessment.

**Develop an actionable plan to implement feedback as a tool for leadership growth that will be revisited periodically**

What happens after you collect all of the data? *The most critical aspect of the 360-degree assessment is to follow through after feedback has been received.* This provides insight on how a subject can further build upon his/her strengths and improve upon areas for development. This is the aspect where most organizations lose focus and miss out on valuable benefits for both the subject and the organization. Development may seem easy, but it can be quite complex and takes time. Ensure an action plan is in place with attainable goals that afford the subject a chance to develop. While it may seem like a subject should focus on everything at once, it is important to narrow the focus to ensure changes in behavior do occur – this could take six months to a year, as change does not happen immediately. Besides implementing an action plan, it is vital to follow up occasionally to see if that plan has been effective or whether it should be modified.

It is fundamental to remember that individuals should focus on developing areas for development, but also capitalizing on strengths, which can continue to develop and grow over time. A proper 360-degree assessment allows subjects to understand both. By focusing only on the negative aspects of behavior and insisting that individuals only strive towards improvement, individuals may become discouraged, and the organization will not be able to capitalize on behavioral assets. Making sure to emphasize

\(^3\) *Participants* are defined as a conglomerate of all individuals involved in the 360-degree assessment process (i.e., subjects and respondents).
strengths in the 360-degree assessment changes how people feel about receiving feedback, which can transform a potentially negative experience into a positive one of discovery.

The 360-degree assessment should not be perceived by the organization as a one-off appraisal technique, but rather the 360-degree assessment should be viewed as an ongoing process that requires continued momentum from all involved to ensure that manageable action plans are delivered, fulfilled and revisited. Taking the time to use the feedback to set realistic, actionable goals; enhance strengths and improve upon areas for development; and develop a manageable plan will embed a feedback culture within the organization. When the principles and practices of providing and receiving feedback are embedded in an organization as a constructive process, there is an underlying acceptance that it offers opportunities rather than threats. These outcomes will benefit not just the individual, but the whole organization.

The action plan set in place should balance reinforcing the positive along with spotlighting performance gaps and should ensure that the goals are attainable. Most importantly, it should be communicated to the subject that there are not expectations of instantaneous change. It is important to afford subjects a sufficient time to process the feedback and the plan, as well as what can be done to continuously enhance their leadership qualities and abilities. A professional coach who can provide ongoing one-on-one direction and continuous feedback and support is highly recommended.

**Ensure anonymity and confidentiality**

If an environment of trust does not exist, data collected may be inaccurate or non-existent. People only give honest feedback if they feel safe and trust the process. All participants involved in a 360-degree assessment should know whose ratings will be anonymous (i.e., peers, for example, are typically reported as an average) and whose will not be anonymous (i.e., supervisor ratings). The best way to handle this potential challenge is to confirm what information is anonymous and/or confidential before the 360-degree assessment begins.

Respondents in the 360-degree assessment may be concerned about retaliation or punitive consequences for their ratings, especially if the person they are rating is their supervisor. This concern that respondents have when providing feedback can result in a lack of willingness to participate or inaccurate results. For this reason, it is crucial to ensure anonymity of the ratings provided in the 360-degree assessment. In this instance, it would be beneficial to have an outside vendor who can aggregate results appropriately and protect anonymity throughout the process to ensure that respondents feel comfortable participating and providing honest and accurate feedback.

Confidentiality is another issue of concern when feedback is delivered to subjects. It is important to be able to ensure that a subject’s feedback is only shared with the appropriate individual(s), such as a professional coach or a trusted stakeholder in the organization (e.g., a Human Resources Department representative). Subjects may feel uncomfortable if they know there is a possibility of others learning or finding out about their ratings or feedback received. Having a plan for how feedback is delivered and presented to subjects is an issue for which there must be planning. It is ideal to have a trusted representative who can handle the feedback and guarantee the confidentiality of subjects’ feedback ratings.
WHAT ARE THE BENEFITS OF A CPS HR CONSULTING 360-DEGREE ASSESSMENT?

Developing a 360-degree assessment can be time-consuming and requires the proper focus and support of an organization. If it is not properly developed and/or implemented, adverse implications across an organization may occur for years to come. CPS HR Consulting (CPS HR) provides both off-the-shelf (the Accelerated Leader 360° Feedback Assessment™) and customized 360-degree assessments to assist organizations with identifying strengths and areas for development, not only for people in current leadership roles, but also for those who might benefit from increased leadership development. **We focus, specifically, on the public sector.**

By offering 360-degree assessments, CPS HR has the ability to increase effective organizational performance and leader self-awareness and development by offering individuals opportunities to actively seek out and incorporate the views of others into their own self-assessment. CPS HR provides support for the development of an organization and its human talent by developing competencies and behaviorally-based and competency-specific survey items; providing individual customized reports, as well as group reports; providing ongoing communication and support to all stakeholders; collecting and analyzing all data in order to ensure confidentiality and to gain support of participants; and providing action plan templates, training and coaching. These services then lend support to the goals of an organization related to workforce planning, succession planning, performance management and the ongoing retention of well-qualified leaders. Finally, CPS HR can help organizations identify additional resources that will maximize personal and professional growth for those receiving feedback.

ABOUT CPS HR CONSULTING

CPS HR Consulting is a self-supporting public agency providing a full range of integrated HR solutions to government and nonprofit clients across the country. Our strategic approach to increasing the effectiveness of human resources results in improved organizational performance for our clients. We have a deep expertise and unmatched perspective in guiding our clients in the areas of organizational strategy, recruitment and selection, classification and compensation, and training and development.

To further discuss the importance of thoroughly studying jobs or to learn about all of the ways our job analysis expertise can benefit your organization, reach out to us at:

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