



ISSN: 0975-833X

REVIEW ARTICLE

A LITERATURE REVIEW OF 360-DEGREE FEEDBACK AS A TOOL OF LEADERSHIP DEVELOPMENT

Uttam kumar Das and Prof. (Dr.) Jayakrushna Panda*

Department of Business Administration, Utkal University, Vanivihar, Bhubaneswar, Odisha, India

ARTICLE INFO

Article History:

Received 20th January, 2015
Received in revised form
22nd February, 2015
Accepted 14th March, 2015
Published online 28th April, 2015

Key words:

360 degree feedback,
Leadership development,
Strength and weakness of employees.

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ABSTRACT

The 360 degree feedback provides valuable insight and helps to unveil areas of concern or improvement, so as to make any necessary changes. 360 degree feedback method is perfect to assess leadership qualities and also how the managers and supervisors are perceived by the employees and thus, is an effective way to growth and development within an organization. Since this kind of feedback and appraisal method is so comprehensive and thorough, it tends to be taken more personally. The 360 degree feedback method is quite beneficial for the business organizations, as it helps to identify the strengths, as well as weaknesses, of the employees and to figure out effective ways to work upon them. Also, it gives a brilliant opportunity to the employees to improve their performance and productivity.

INTRODUCTION

The process in which subordinates, peers, bosses, and/or customers provide anonymous feedback to recipients has grown during the past decade (Waldman and Atwater, 1998). 360 Degree Feedback is a system or process in which employees receive confidential, anonymous feedback from the people who work around them. This typically includes the employee's manager, peers, and direct reports. A mixture of about eight to twelve people fill out an anonymous online feedback form that asks questions covering a broad range of workplace competencies. The feedback forms include questions that are measured on a rating scale and also ask raters to provide written comments. The person receiving feedback also fills out a self-rating survey that includes the same survey questions that others receive in their forms. In human resources or industrial psychology, 360-degree feedback, also known as multi-rater feedback, multi source feedback, or multi source assessment, is feedback that comes from members of an employee's immediate work circle. Most often, 360-degree feedback will include direct feedback from an employee's subordinates, peers (colleagues), and supervisor(s), as well as a self-evaluation. It can also include, in some cases, feedback from external sources, such as customers and suppliers or other interested stakeholders. It may be contrasted with "upward feedback," where managers are given feedback only by their direct reports, or a "traditional performance appraisal," where the employees are most often reviewed only by their managers. 360-degree feedback is an evaluation method that incorporates

feedback from the worker, his/her peers, superiors, subordinates, and customers. Results of these confidential surveys are tabulated and shared with the worker, usually by a manager. Interpretation of the results, trends and themes are discussed as part of the feedback. The primary reason to use this full circle of confidential reviews is to provide the worker with information about his/her performance from multiple perspectives. From this feedback, the worker is able to set goals for self-development which will advance their career and benefit the organization. With 360-degree feedback, the worker is central to the evaluation process and the ultimate goal is to improve individual performance within the organization. Under ideal circumstances, 360-degree feedback is used as an assessment for personal development rather than evaluation (Tornow, 1998). Unfortunately, not all circumstances are ideal.

Objectives

- 1 To explore an overview 360-degree feedback tool for assessing leadership behaviour and competency
- 2 The feedback tool for individual and organizational development.
- 3 To highlight the importance of 360 degree feedback tools of leadership development.

Literature review

Schriesheim and Schriesheim (1980) found that considerate leadership explained 63% of the variance in subordinate satisfaction after initiating structure was partialled out. The influence of structuring or task-oriented leadership on employee attitudes is inconsistent and generally is not very

*Corresponding author: Panda, J. K.

Department of Business Administration, Utkal University, Vanivihar, Bhubaneswar, Odisha, India.

strong unless the job is very unstructured (Bass, 1990). Thus, we would expect that if leaders improved their relationship-oriented behaviours, employees would show improvements in their job satisfaction.

Manuel London and James W. Smither, (1995) This paper explores how 360-degree feedback can go beyond traditional performance appraisal by providing information that can be used for behaviour change and employee development. The authors present a model and seven associated propositions specifying how differences in perceptions of performance between the focal individual and his or her Co-workers can affect factors such as self-image, goal-setting, behaviour, and performance. Components in their model include personal variables, such as feedback-seeking behaviour, self-monitoring, and impression management. Situational factors in the model include how the feedback process is implemented and organizational performance standards. Atwater (1995) investigated changes in self-ratings following feedback and found that those who were over-raters (rated themselves high relative to their subordinates) lowered their self-ratings following feedback, while those who were under – raters raised their self ratings. They suggested that this was evidence that the feedback process impacts self-awareness as well as performance.

Jones and Bearley, 1996 discussed the three major shifts in organizational that make the use of multi-rater feedback necessary. First, focus has shifted from management skills to leadership skills. Second, there has been a shift from dependency to self-responsibility in career planning. Third, there has been a shift from traditional hierarchy and structure to organizational culture. Organizations are best served when they provide employees with information necessary for their own leadership development, and this can best be achieved with multi-rater feedback.

Gore (1996) stated that managers are the person who is accountable for the company outputs therefore, managing people in the organization is very important. 360 degree feedback system was used here to collect data on managers relating to their behaviour and performance. The data was given by the line managers then the developmental tool kit was developed. This process helped the managers to understand “the concept of competence models” and relate it to their performance. Competence models are also drawn to support the company goals. 360 degree feedback is used for the training and development needs as well as appraisal and it was found that when 360 degree was related to appraisal it resulted in a more effective manner.

According to Jones and Bearley (1996), stated that the main reason why leaders seek feedback on their competencies includes the fact that it provides information on a leader’s current behaviour and the perceptions of others; acts as a guidance mechanism for continuous improvement; helps leaders validate their self-perceptions; ensures that leaders view themselves realistically; and most importantly, encourages organisational stakeholders to invest in the effectiveness of their leaders. 360-degree feedback is based on the assumptions that comparing discrepancies between self perceptions and

perceptions of others results in enhanced self-awareness which, in turn, results in maximum performance of managers and leaders (Garavan *et al.*, 1997).

Coates (1996) discussed about the Multisource feedback and its recommendations. 360 degree feedback is a very effective process of feedback followed by development wherein technology has to be properly understood before implementing. The organization should be prepared for the implementation of the process keeping in view two important factors: skilled facilitator and maintaining confidentiality. The feedback leads to the developmental activities which should be timely followed up. Well researched and well constructed survey items should be kept in mind so that separate developmental feedback form should be used for personnel and compensation decisions

Dominick *et al.* (1997) agreed that people will be more motivated to develop the behaviours that they believe are rewarded. Dominick *et al.* (1997) found that employees can change behaviour merely by becoming aware of the behaviours that are rewarded in the organisation. It follows that survey participants may take their survey results on behaviours more seriously if they perceive the relevant behaviours to be valued. Garavan *et al.* (1997), highlighted that, To ensure the success of 360-degree feedback as a developmental tool, supervisors should provide coaching and the organisation should reward managers for their efforts. Positive results are also obtained when the feedback process is built into broader strategic human resources activities (Cacioppe and Albrecht, 2000; Lepsinger and Lucia, 1997).

Taylor and Bogdan, (1998) were designed to capture participants’ reactions to the findings of the 360-degree survey component of the program. Discussion of expectations and conversation created by the 360-degree feedback process also creates opportunities for sharing and clarifying the organization’s values. Individuals question why they have particular expectations and why they have attitudes in particular ways (Waldman, 1998).

One studied by Brutus *et al.* (1999) revealed that ratees listen most to feedback from people whom they supervise. The study, covering data from 2,163 managers, showed that multi-source feedback contributed to the selection of developmental goals, and that subordinate ratings, compared to ratings from other sources, were most influential in the setting of goals. Some studies show that only limited improvement will follow.

360-degree feedback received as part of a developmental programme is more focused on the self, managers are often more negative towards this type of feedback (Ryan *et al.*, 2000). According to McCarthy and Garavan (2001), this is especially true in organisational cultures that have been characterised as traditionally bureaucratic and hierarchical. Cacioppe and Albrecht (2000) explain this as the evidence that feedback is able to change a person’s self-evaluation in a number of ways, including their estimate of competency, the goals individuals set and the level of an individual’s esteem. Hence, most individuals experience tension regarding feedback, because of a desire to gain valuable information that

conflicts with the desire to avoid anything that might harm one's self-concept (Ryan *et al.*, 2000).

According to Maurer, Mitchell and Barbeite (2002), the main purpose of 360-degree feedback is to heighten managers' self-awareness. This is accomplished through a comparison of their own perceptions of their leadership skills and personal style with those of important observers in the work environment (Cacioppe and Albrecht, 2000). Owing to the fact that this feedback recognises the complexity of management (Garavan, Morley and Flynn, 1997), presentation of this feedback allows managers and developing leaders to identify the skills they need to improve (Rosti and Shipper, 1998), confirm their strengths, identify leadership blind spots and behaviours or habits they may have an adverse impact on others, and hence confirm their developmental priorities (Cacioppe and Albrecht, 2000).

Standard 360-degree feedback instruments are often used when the focus is developmental as opposed to evaluative, and provide an increase in reliability, repeatability, comparison against norms and flexibility (Cacioppe and Albrecht, 2000).

According to Day (2000) and McCauley and Van Velsor (2004), a leadership development approach is oriented toward building organisational capacity, in our ambiguous environment, to proactively perform the basic leadership tasks to collectively set direction, create alignment and maintain commitment and motivation. (McCarthy and Garavan, 2001), stated that, an element of reciprocity with subordinates and co-workers serving in return as sources of feedback and reinforcement. Thus participative cultures focused on improving work output are created and organisations are able to reap the benefits of a high involvement workforce, with access to individual development needs and performance thresholds.

London (2002), Peiperl (2001) and Rao and Rao (2005) argued the efficacy of 360-degree feedback to aid reflective practice, particularly to improve interactive engagement in the leadership role (Boyatzis *et al.*, 2002). This study came about because of a desire to discover more about the place of 360-degree feedback in leadership and management development. The study is set in by the higher education leadership environment, and is timely in a period of accelerated age-related attrition in the global tertiary leadership sector currently, placing pressure on succession leadership planning and development.

According to Fletcher and Bailey (2003), individuals with a high level of self-awareness are better able to incorporate comparisons of behaviour into their self-perception and these comparisons are often more valid and reliable. Conversely, people with a low self-awareness are more likely to discount feedback about themselves. This explains why, as the use of 360-degree feedback continues, individuals gain greater self-awareness, and the comparison between self other ratings therefore becomes more congruent (Garavan *et al.*, 1997).

(Armandi *et al.*, 2003; Cardona, 2000). Stated that, five common factors in the definition of leadership are highlighted

by Shriberg, Lloyd, Shriberg and Williamson (1997). These include interpersonal influence; influential increment; encouraging others to act and respond to a shared direction; influencing by persuasion; and being the principal force motivating and coordinating the accomplishment of organisational objectives.

Thomas (2004) highlights on how V& A was successful by adopting 360 degree feedback. The main purpose of V&A was to develop the skills of its people. Here the entire process was conducted online which helped in getting feedback from senior manager where in the process was safe, secure and easy to use maintaining the anonymity of the person giving the feedback. Hence it helped in supporting the personal development and enhancing the talent pool and also helping people in knowing their own strength and development needs. In the study, Rafferty and Neale (2004) investigated notions of supportive and developmental leadership by analysing open ended comments made by respondents to the quality leadership profile (QLP). The QLP is a 360-degree feedback survey instrument tailored to leading and managing in the education/knowledge environment, used mainly by both academic and administrative leaders in Australia and New Zealand (Drew, 2006).

According to McCauley and Van Velsor (2004), assessment has gained credibility through its ability to provide individuals with a clear understanding of their current state, highlighting their strengths and providing an indication of the expected level of effective leader performance. This in turn helps individuals to identify development gaps, resulting in an increase of their level of self-awareness (Mumford and Gold, 2004). Increased self-awareness has according to Fletcher and Baldry (2000), been show to correlate positively with leadership effectiveness. Avolio (2005, p. 94) stated that, "To be an effective leader means to reflect, deeply reflect, on events that surround oneself that have reference to how you see our own behaviour and actions influencing others." To reflect, Avolio (2005, p. 194) suggests, means "to know oneself, to be consistent with one self, and to have a positive and strength-based orientation toward one's development and the development of others."

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emphasis that raters placed on supportive and developmental forms of leadership. Seifert, Yukl, and McDonald (2003) found only 14 studies that evaluated the effects of 360-degree or multisource feedback programs, and most relied on changes in ratings of managers' behaviour across time. To date, only two studies have attempted to address the outcomes of 360-degree feedback other than by simply looking at changes in participants' pre- and post feedback ratings. Van Dierendonck *et al.* (2007) examined a sample of 45 managers and 308 staff members of a health care organisation receiving an upward feedback report and a short workshop to facilitate interpretation.

The study invoked two measurement points within six months. It found that managers lack insight into the impact of their behaviour (which in itself suggests the usefulness of gaining feedback) but that the upward feedback program had small overall positive effect. The study found that managers' self-rating on key interpersonal behaviours decreased over the two successive measurement points. Snyder *et al.* (2007) studied the higher education management environment; similarly argue the importance of supportive institutional strategies to ensure appropriate integration of a 360-degree feedback mechanism. It is suggested; the 360-degree feedback interview should focus on relationship-building to create shared meaning and mutual understanding (Lewis and Slade, 2000) and should inspire self-motivation to learn (London, 2002). In a study published in 2004, a team of researchers were interested to discover the emphasis that raters placed on supportive and developmental forms of leadership.

Drew (2009) highlighted on individual leadership development by using 360 degree feedback. The author analyzed that 360 degree feedback has favourable influence in different universities as well as also in knowledge based entities in the aspect of leadership. Here "People engagement" was thoroughly checked by gaining well defined feedback. 360 degree feedback is considered as an adding value to individuals where in individuals looks into their self and work on it for their own development there by meeting the organization's objective.

Conclusion

The literature review discusses that the 360 degree feedback helps to leadership development in the organization. The 360-degree feedback interview should focus on relationship-building to create shared meaning and mutual understanding and should inspire self-motivation to learn. Leadership plays a central part in understanding group behaviour, for it is the leader who usually provides the direction towards goal attainment. Therefore, a more accurate predictive capability should be valuable in improving group performance. 360 degree feedback helps individuals looks into their self and work on it for their own development there by meeting the organization's objective. 360 degree feedback results are used in Leadership development.

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