Using Structured vs. Unstructured 360° Feedback to Improve Performance

The Changing Face of 360° Reviews & Performance Feedback

This paper is designed to shed light on the evolving processes used by organization to collect and use 360° reviews and feedback to support an effective talent management strategy.

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Phrases like "the war for talent" and "creating high performance organizations" have now become common in the lexicon of effective human capital management. In order to retain key employees and nurture internal talent pools, enterprises are implementing formalized employee performance measurement and management processes that encompasses competencies, skills, training and development plans, and collaborative performance appraisals.

More companies are choosing to enhance these processes by incorporating 360° feedback (a.k.a. peer feedback) into their appraisals and decisions. **Why?** 360°'s are a powerful tool with an important purpose – to harness the power of multi-faceted perspectives to identify strengths and weakness and develop performance. 360° feedback provides multiple angles on specific sets of competencies and behavioural traits as observed by an employee's colleagues and other stakeholders.

360° feedback is meant to reinforce positive aspects of the employee's performance as well as to improve performance by identifying possible areas of weakness. Peer feedback of any form is popular because many believe the employee perceives the feedback differently and take it more seriously. Some think 360° peer feedback can increase the chances of true behaviour change in an employee or leader.

Managers have a unique and often limited perspective when it comes to their employees. 360° feedback gives managers the ability to gain insight from people who work closely with one another to generate fair and accurate reviews that actually have value. At the same time, employees and leaders often have a skewed view of their own performance and can benefit from identifying the gaps between their own perceptions and that of the people who surround them. Overall, 360° feedback is a perfect tool for ensuring accurate employee performance data is collected and used for decision making.

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A well designed and well executed 360° feedback strategy will result in:

* improved understanding of employee competency and behaviour
* setting a baseline against which future changes can be measured
* identifying gaps between employee perceptions and those of their peers
* identifying training & learning opportunities to make changes and improvements
* managers being given a complete picture of employee performance to use as a basis for critical decision making

But enough about the 'why', let's move onto the 'how'. How are organizations using modern 360° to assess and improve employee performance?

Using Structured vs. Unstructured 360° Feedback for Assessing Employee Performance

Structured 360° Feedback:

Collecting 360° feedback has traditionally been a very structured process whereby HR and/or managers choose a list of raters, formal surveys collect the data, and the results are compiled and presented to employees and leaders. Times have changed and technology has given companies of any size the ability to create and send their own online 360° surveys. But, like any business process, the success of 360° surveys are only as good as the methodology behind it, and unless companies have a clear focus, proven questions, and the strategic capacity for interpreting and using the 360° data, all of the time and effort that goes into executing these surveys is easily wasted.

Another challenge traditionally faced with gaining value from structured 360° feedback is **timeliness.** Because of the time and effort that goes into executing 360° surveys, they are typically completed once a year and only for select employees or executive leaders. This lack of timeliness can hinder an organization's ability to react quickly enough to changes in performance, leadership, or output.

Structured 360° feedback is still an important part of effective talent management and formal 360° surveys are not going away anytime soon. Talent management technology is, however, helping to refine how structured 360° feedback is being collected and used. Great technology like emPerform, gives companies a library of proven and focused 360° questions, configurable forms, email notifications and status reports, and most importantly, the ability for employees and managers to nominate raters.

Great technology has also given organizations the ability to go beyond just surveys. Talent management software like emPerform also supports integrated 360° appraisals, which allow peers to rate an employee before the manager. This crucial workflow helps make the manager's job a little easier by giving them an "upfront view" of what peers are thinking before adding their own comments. Finally, technology is allowing organizations to USE the 360° data in meaningful ways. emPerform reporting allows HR and managers to slice and dice 360 data in order to identify performance gaps or trends. 360°

data can also be fed right into succession or compensation plans. All of these refinements help organization conduct successful 360° reviews & surveys that contain the most useful data possible on which to base performance assessments and decisions.

Unstructured 360° Feedback:

Having a detailed 360° account of performance and journal notes ensures managers have accurate data to support ratings, development plans, and compensation decisions.

Because of the challenges with relevance and timeliness that are posed by structured, annual 360° feedback, companies are now opting to augment their 360° processes by incorporating unstructured 360° feedback into their talent management efforts.

Technology-enabled talent management platforms, like emPerform tag, that allow peers, managers, employees and HR to send and receive real-time performance feedback and is changing the face of how 360° data is being collected and used for performance management.

Unstructured 360° feedback has always been collected in organizations in one shape or form. Think about all of the emails, notes, meeting shout-outs, or phone calls that employees or managers have received that contain indicators of performance achievements – the problem is that these mediums lack a formal repository forces this feedback to fade from memory or slip between the cracks when reviews comes around.

Today, enabling ongoing 360° feedback is crucial for effective talent management. Not only does ongoing feedback ensure performance milestones are recognized, but having a detailed 360° account of performance and journal notes ensures managers have accurate data to support ratings, development plans, and compensation decisions. Using tag, managers can access a library of 360° data from within appraisals and simple click to copy the feedback directly into the review.

360° Rater Selection: Who Should Have Control?

There is no surprise that the usefulness of 360° data rests with the sources so it begs the question – who should be in charge of selecting raters and how does unstructured feedback take control away?

Traditionally, HR was responsible for assigning raters to a 360° survey or review. This still stands today in certain industries and companies. Things are, however, shifting and the power to nominate raters is now being passed to managers and even employees themselves. The obvious rational behind this is that managers and employees know better than anyone WHO should be called

upon to provide feedback on a particular person. Where HR might nominate raters based on role, division, or level, managers and employees will nominate raters based on relevance and knowledge of performance.

TIP: Selecting Raters for 360° Reviews

When selecting raters to provide 360° feedback to a participant, the Canadian Public Service Commission recommends that the following criteria should be considered:

1. **Ensure that the raters are people who know the participant well. A rater must have sufficient experience working with the participant to provide valid responses. Because the statements in the questionnaire are based on observable behaviours, raters must have been in a position to observe the participant if their feedback is to be useful.**

2. **Ensure that a cross-section of raters is selected. Selecting raters who have had a wide variety of experiences with the participant (i.e., good and not so good, various projects, etc.) will provide the participant with a more balanced and complete "picture" of strengths and areas for further development.**

3. **Ensure you select enough raters to ensure a truly multi-dimensional feedback. A typical process will contain 4 categories of raters, with a total of 10-12 raters in various categories: Self, Superior, Peers, Employees, and Other.**

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This shift in rater nomination has transformed the validity and usefulness of structured feedback but what about unstructured feedback? If 360° feedback is being solicited company-wide, wouldn't that diminish the validity of the responses received? No! Professionals agree that because unstructured 360° feedback results in a higher frequency and quantity of comments, managers have a larger pool of data in which to base their decisions. Also, since managers possess the context needed to interpret 360° data, they are typically able to quickly discard anomalies. Overall, unstructured 360° data is processed differently by management in that supervisors are aware that they must process the results with a subjective mind and contextual filter.

If you are looking to implement an unstructured 360° feedback program into your organization but want to ensure managers have the tools needed to process the data, ensure that your technology platform is configurable enough to allow you to specify if the feedback can or cannot be sent anonymously, if the feedback can or cannot be sent to employees only, or if feedback collected

can or cannot be made public. These settings will ensure that if needed, managers have the direct source of the feedback and can investigate further if needed.

The face of 360° feedback is indeed changing and the implications will have an immense impact on how employees and managers approach performance management. Structured surveys and reviews are becoming more focused, control over raters is being passed to employees and managers, and the process itself is becoming easier for companies to own. Social real-time feedback is rapidly permeating traditional reviews and the effect is allowing relevant and timely performance data to be collected year-round and used to engage and recognize employees and to allow managers to make better, quicker decisions.

This is why emPerform includes the tools needed to share and collect all types of 360° feedback. emPerform includes integrated 360° surveys, and integrated 360° assessments with peer nomination capabilities as well as a ground-breaking tool for organization-wide year-round feedback & journaling – tag. These features are included with emPerform appraisals at no extra cost. Contact us to learn more.

360° Feedback at your Fingertips

emPerform tag™ enables real-time, year-round 360° performance feedback to be delivered, archived, and accessed when documenting and assessing employee performance.

Located directly within emPerform's powerful online performance management solution, tag allows employees and managers to send instant feedback throughout the year. tags can be archived and are accessible directly within performance reviews – giving managers the 360° performance feedback needed to deliver accurate and timely performance assessments and giving employees the valuable feedback needed for improvement and to be recognized.

- Capture continuous 360° performance feedback
- Engage managers and employees in performance management
- Acknowledge and reward performance year-round

To learn more about emPerform tag, visit www.employee-performance.com and request a FREE trial.