



Using 360 Degree Feedback Data for Taking Strategic HR Decisions

By Peter Ward, author of 360-Degree Feedback published by CIPD

Peter Ward Investigates:

We have heard much in the last year or so about the uses to which 360-degree Feedback can be put. The trend is to start with personal development or use as part of a management development programme, and then to proceed to more adventurous applications such as performance management and pay. One use that has still not achieved much prominence is the use of the data for strategic decision-making purposes.

The better 360-degree processing systems can now give a wealth of data of a composite nature, based on an amalgam of many scores. Provided the demographics are available i.e. collect in advance interesting and significant conclusions emerge from 'slicing' it in several different ways. Thus it is perfectly possible to see the strengths and weaknesses of different groups within the organisation. This can be based on level in the organisation, location, department, age or gender. One particular analysis some organisations carry out is a simple ranking, for a given group of people, of all the items in a questionnaire, in descending order of effectiveness. From this it is possible to ascertain the main strengths and weaknesses of the group, and therefore target expensive training and management development activities accordingly.

Sometimes the results can be surprising and perhaps disquieting. For example a well-known management college uses a 360-degree instrument as part of a strategic management programme it runs on a regular basis. Participants on this programme are a cross section of managers from a variety of public and private organisations. Over the years several hundred people have been through the programme and 360-degree data is therefore available in abundance.

Taking a strategic overview of the scores reveals some very interesting findings. The instrument measures the importance of sixteen job competences, and the effectiveness of detailed behaviours within each competency. Table 1 shows a ranking of average importance score given by staff/support respondents. Skill areas such as personal integrity, communications, and empowerment are seen as critical success factors. Technical competency and creativity are seen as the least important.

Table 1 Ranking of Leadership Competencies by Importance

Ranking	Competency	Ranking	Competency
1	Personal Integrity	9	Quality of results
2	Communicating	9	Vision
3	Empowerment	11	Planning and goal-setting
4	Initiative and risk taking	12	Mentoring
4	Problem Solving	13	Coaching
4	Delegating	14	Diversity
4	Motivating	15	Creativity and innovation
4	Teamwork	16	Technical competencies

Task-oriented competencies/Person-oriented competencies

The college has limited opportunities to use this data. Yet if all these people belonged to the same organisation, think how valuable this data would be to senior management. Already, you might be tempted to conclude that people should be promoted into senior management on the basis of their skills or potential in integrity, communications, and empowerment. To see if you would be right – read on.

Table 2 Ranking of Leadership Competencies by Effectiveness

Ranking	Competency	Ranking	Competency
1	Technical Competencies	9	<i>Motivating</i>
2	Quality of results	9	<i>Teamwork</i>
3	Initiative and risk-taking	11	<i>Vision</i>
4	Problem Solving	12	<i>Mentoring</i>
4	<i>Personal Integrity</i>	13	<i>Diversity</i>
4	Creativity and innovation	14	<i>Delegating</i>
4	<i>Empowerment</i>	15	Planning and goal-setting
4	<i>Communication</i>	16	<i>Coaching</i>

Task-oriented competencies/Person-oriented competencies

Table 2 shows a ranking of the same competencies in descending order of effectiveness. But where are our three most important competencies now? Fourth, seventh and eighth respectively. The competency at which people perform best is technical competency, which has the lowest importance rating of all.

If you were the HR Director of an organisation confronted with statistics like this you might be tempted to ask some disturbing questions:

- What is the basis on which people move up the organisation?
- Why are people seemingly promoted on technical competency when this is seen as of least importance?
- How do our selection, developmental, and career promotion procedures allow this?
- What attitudes exist in the organisation to encourage this?
- What should we be doing to ensure that we have senior managers with more appropriate strengths?
- What can we do to value these more appropriate behaviours?

Another analysis from Table 2 distinguishes between task oriented competencies (shown in bold) and people-centred skills (shown in italics). The ranking shows that task-orientation is much the stronger of the two. This leads to more questions:

- Is this emphasis consistent with our corporate values and the managerial behaviours we are trying to promote?
- How can our developmental or performance management systems be adjusted to encourage better performance on other priorities?



As organisations become more international and take an increasingly global view of their geographical components and markets, individual performance data achieved through 360-degree feedback can reveal telling differences between, for example, nationalities that need to be addressed. Data from an Anglo-French company reveals or confirms that nationalities have different strengths. The French nationals tended to be stronger on intellectual competencies such as problem solving and business or commercial sense. The predominantly Anglo-Saxon sections were stronger in the people or relationship skills, such as communicating and motivating.

Arguably, analyses like this confirm such differences rather than revealing startling new insights. However, the power of conferring them to decision makers in the organisation encourages more sensitive handling of management issues.

Another useful way of using strategic 360-degree data is to combine with information at the individual level. Thus it is possible to reveal to an individual how he or she performs in relation to a particular norm group, chosen from people with the same demographics in the organisation.

Management consulting is nothing if not competitive, an attitude that shows itself in the interest and motivation of consultants themselves. One firm finds that their consultants are highly motivated by where they stand in relation to their colleague, and that this data, when given to the individual, stimulates self-development and behaviour change.

Unfortunately, many organisations who have developed their own competencies and then derived detailed questionnaire from them find that some normative data is thus not available to them. Only standard instruments or standard questions will permit this type of analysis.

A final use for strategic 360-degree data is in measuring change. Many organisations are seeking not just to stimulate individual behaviour change. They are trying to promote changes in style and values across the organisation as a whole, making it a different place to work in, or manifest a different culture. The value of 360-degree feedback here is that not only can it create a datum line of organisational performance, it can also show how this has changed over time as a result of the various culture change initiatives the organisation has taken. This analysis can be applied to the organisation as a whole or any part of it.

As the amount of 360-degree data available to an organisation grows, and as HR professionals understand how to use it, then the value of strategic analysis will be more properly recognised. Some might be tempted to say: 'Yes, but we have known about our managers' strengths and weaknesses for years'. Leaving aside the obvious riposte of 'That shows how active and successful you have been in doing something about them' (!), the other answer is that the knowledge is likely to be based mainly on anecdotal evidence. Here then is a better weapon for persuading top management to take expensive, strategies and bold decisions on HR issues. Which will be more powerful in the long term? Comprehensive, hard data in which they may have already participated in providing as individual respondents, or hunches and war stories?

About the author: Peter Ward had held a number of senior human resource management positions in the motor industry and for Tesco's where he introduced the concept of 360-degree feedback in the mid-1980s before setting up Ward Dutton Partnership with John Dutton in 1991. Peter Ward was a founding director of Consulting Tools Ltd.