The Ultimate Use for 360-degree Feedback:
Measuring Individual Performance Improvement

By Dennis E. Coates, Ph.D.

What's the purpose of 360-degree feedback? What are the most powerful ways to use it?

The technology for collecting and reporting multi-source feedback was developed in the 1980s. Its original purpose was to diagnose leadership performance issues. By assessing a comprehensive set of skill areas, leaders obtained quantitative and qualitative information about strengths and areas that need improvement.

Other innovative uses for multi-source feedback have evolved over the decades (see Appendix). However, when most people hear about 360-degree feedback, they still think of its traditional use: a global diagnostic of competence and skill.

A much more powerful application of 360-degree feedback goes beyond the diagnosis to reinforce changes in behavior. Just as a doctor's diagnosis can reveal a disease, 360-degree feedback can identify priority areas for performance improvement. But this information isn't enough to cure a disease or improve work habits. Changing a behavior pattern may require instruction (classroom or online), followed by months of practice and coaching. Try changing the way you eat or the way you swing a golf club. You'll see it may be months before you see results. A good example is golfer, Tiger Woods, who made changes in his swing early in 2004. He didn't start to win again until almost a year later, after persisting through hours of practice for many months.

The problem with changing behavior is that even with the best of intentions, when people try to do things differently, initial attempts tend to feel awkward. When these efforts don't achieve the desired result, frustration and discouragement follow. Without a formal program of follow-through, reinforcement, support and coaching from the direct manager and others in the workplace, people tend to fall back on what feels familiar and comfortable. They eventually return to their old ways of doing things.

After people are ***assessed*** and areas for improvement are identified, they may need ***training.*** Assessment and training must be followed by an extended period of ***reinforcement, coaching*** *and* ***accountability***. This commonsense

developmental sequence is the foundation for what is perhaps the most powerful 360-degree application ever devised: ***measuring individual performance improvement***. Used in this way, 360-degree feedback works both as a diagnostic assessment *and* as a means to check whether weak areas have improved.

The concept is simple. First, integrate behavior-based assessment with behavior-based training and coaching. Then several months later, follow through with a more focused behavior-based assessment related to the priority areas for improvement. Compare the pre-training scores with the post-training and coaching scores. Improved scores will indicate how much skills have improved.

This approach has significant benefits. First, the results of the pre-training diagnostic allow participants to set quantified, behavior-based performance improvement goals.

And knowing that follow-up assessments will be administered causes people to be more focused and motivated as they work with trainers and coaches—this is the ideal mindset for learning.

In addition, the post-training assessments give individuals quantified and qualitative feedback about how they're doing as they work to improve their skills.

Finally, following through with post-training assessments creates **accountability**. The post-training assessment results will document whether the individual has improved on-the-job performance. These assessments can be administered as desired to produce ongoing measures of performance improvement.

To implement this system, you'll need a fully customizable 360-degree assessment system, because the assessment *items need to be tailored to exactly mirror the desired behaviors* taught in training. In other words, assessment and training must be integrated.

Post-training assessments *need only focus on priority developmental areas*. Since the pre-training and post-training items are identical, scores can be compared. This ability to measure improvements in performance fulfills the need for ongoing feedback and accountability.

The data created by performance improvement assessment can also be used as a practical return-on-investment (ROI) calculation. For example, assume that leadership skills account for half of a supervisor's effectiveness. Assessment scores showing an average improvement from 6.4 (before assessment and training) to 7.7 (several months after) would indicate a 20% percent

improvement. Since half of a salary of $60,000 is $30,000, the organization would be getting 20% more effectiveness for this cost, worth roughly $7,500—a result many times greater (in dollars) than the cost of the individual's training.

Simple ROI calculations like this can be performed locally. They are made possible by pre-training/post-training performance improvement measurements powered by a customizable automated feedback system.

The bottom line: global diagnostic assessments serve an excellent purpose if you follow through with training and reinforcement. Combine an economical, flexible feedback technology with a behavior-based leadership development curriculum, and you get a fully integrated assessment, training and reinforcement system:

- Focused, motivated people
- Ongoing feedback during reinforcement
- Performance improvement accountability (Level 3 evaluation of training)
- An easy method for calculating ROI (Level 4 evaluation of training)

More important, leaders are empowered to reinforce and ingrain their new skills over time to create ***permanent, measurable changes in behavior***—the Holy Grail of leadership development.

In the end, how well your managers lead affects the bottom line—and every other aspect of your organization. Considering the billions of dollars invested annually in leadership development, organizations need a way to demonstrate whether these programs are actually changing behavior. Using multi-source feedback to measure performance improvement is the most effective way to quantify the return on your investment.

For leadership development, many organizations use 20/20 Insight GOLD to gather feedback. They then use Strong for Performance to help leaders integrate the skills they're taught in training.

About the Author

Dennis E. Coates, Ph.D., is CEO of Performance Support Systems, based in Virginia. He is the author of 20/20 Insight GOLD, an award-winning 360-degree feedback system (www.2020insight.net), and Strong for Performance, an interactive online coaching platform for developing leadership skills (www.StrongForPerformance.com). Dr. Coates has over 40 years experience as a leader, manager and HR professional.

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Appendix

The advantage of using a highly flexible automated feedback system such as 20/20 Insight GOLD is that it supports much more than traditional 360-degree feedback. It's a virtual platform for a variety customized survey applications, such as the following:

Individual Surveys

Measuring performance improvement – Administer customized surveys based on course objectives before and after training to determine if the skills taught in training transfer to improved performance on the job.

Leadership development **–** Diagnose skill strengths and areas for development of executives, managers and supervisors.

Managers' coaching skills – Find out how effective managers are at coaching their direct reports about on-the-job performance.

Individual skill development – Have team members give each other feedback about personal leadership, team interaction and workplace skills.

Team and Organization Surveys

Team development – Assess team issues by collecting input from a variety of customers and stakeholders.

Needs assessment – Study aggregated performance data to decide how much to invest for training and development programs.

Organizational climate surveys – Collect information about the organization's vision, values, policies, structure, communication and management support.

Post-training survey of organizational support – Survey participants of your training programs to find out if the current policies and systems support the application of new skills.

Customer satisfaction surveys – Get feedback from customers to find out what you need to change to create loyal customers.

Special Applications

Competency development – Get feedback about draft competency lists. Ask stakeholders to rate the importance of the behaviors.

Market Research – When you're considering a new product or service, gather input first from potential and current customers to find out what they *really* want.