



## Using 360 to Understand Leadership Effectiveness in Implementing Continuous Improvement

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This case study reports some interesting findings from a comparison of 360-degree feedback results against levels of performance. The organization involved has been in the manufacturing industry for over 75 years. Most companies are getting squeezed from both sides – rising costs (health care, raw materials, etc.) and customer pressure (not to raise prices, instead to lower them); and my client has experienced this pressure. About 5 years ago they introduced a continuous improvement program (CIP) as a way to reduce costs of production and increase quality of product. They are convinced this program favorably impacts their bottom line – when it works. The issue is that the effectiveness of the CIP depends on the leadership in the plant. Managers and supervisors need to empower their employees, as well as display other effective leadership skills.

Around the same time CIP was being introduced into the plants, I was conducting 360-degree feedback for the corporate office. When I was asked to extend the 360s to the plant, I wanted to tailor the items to fit the leadership skills required to effectively implement the CIP. Most of the existing items were appropriate, and we added some additional behaviors relevant to effectively implementing the CIP in the plants.

When I set up the project in 20/20 Insight GOLD, I did not intend to do a “validation” study. I did, however, intend to do an Advanced Report for the different positions (Engineers, Production, Maintenance, etc.) and different plants (to determine themes and differences). Therefore, I set up the projects to meet that objective.

### “Validation” Study

I wanted to determine the relationship between leadership effectiveness (as measured in the 360-degree feedback questionnaire) and effectiveness in implementing the CIP. (Note: I put validation in quotes because I did not do statistical analyses due to the limited sample size). My objective was mostly to see which behaviors differentiated those managers highly effective in leading the CIP from those who were ineffective. I figured that the more I understood the behaviors that made a difference, the more value-added I could be in coaching managers in the plants to implement the CIP.

### Methodology

There were 27 managers who participated in 360-degree feedback. They were department managers in different functions in the plant and some plant managers.

The Vice President of Operations was given the names of the 27 people. He did not know their individual 360-degree feedback results, and he placed each person into one of three categories set up by the Vice President:

1. Leading (in implementing CIP) -- 10 managers fell into this group
2. Minimum (in implementing CIP) -- 10 managers fell into this group
3. Lacking (in implementing CIP) -- 7 managers fell into this group

I then did 3 Advanced Reports for the people in the 3 groups and compared the groups' scores.

## Findings

1. The first data I looked at were differences in ratings between the 2 extreme groups (Leading vs. Lacking). There was a very clear relationship between effectiveness in leadership behaviors (based on how well one scored in the 360) and effectiveness in implementing CIP.

- Managers in the Leading group scored higher across ALL of the 49 behaviors in the 360-degree feedback instrument compared to the Lacking group; the Leading group outscored the Minimum group on 48 out of the 49 behaviors. The differences in scores varied (No statistical analyses were done, but to be higher on all items was meaningful from a practical interpretation.).
- The behaviors that differed the most between the 2 groups were ones that reflect “commitment” to the CIP: “Supports agreed-upon decisions even if they differ from his/her personal decision” and “Can be counted on to follow through on commitments.”
- Technical skills did not differ that much between the 2 groups.

2. I then looked at the role self-perception played, if any, in the differences between the Leading and Lacking groups. Managers Lacking in CIP implementation rated themselves much higher than others did, while Leading managers tended to be more self-critical.

- Self-ratings of Lacking managers were higher than their managers’ and peers’ ratings in 94% of the items (74% for direct reports’ ratings).
- Self-ratings of Leading managers were lower than their managers’ ratings in 55% of the items.
- The behavior with the biggest difference in self-rating versus manager rating (for Lacking managers) was “Expects high standards of performance.” Lacking managers’ self-ratings were 4.86 on a 5-pt. scale whereas their managers’ ratings were 2.57.

3. Also, I wanted to see if there were themes, regardless of which group a manager belonged to (which may suggest an organizational culture issue). Rank-orderings of the 360-degree feedback ratings for all 3 groups revealed that “helping others to succeed” behaviors tended to get rated lower than behaviors related to “helping oneself succeed.”

- Helping others to succeed behaviors included: “Challenging others to get out of their comfort zone” and “Giving accurate and timely feedback about performance.”
- Helping oneself to succeed behaviors included: “Prioritizes work to accomplish the most important first” and “Overcomes obstacles to achieve results.”

## Conclusions/Implications

Even with the limited small sample size and without a statistical analysis, it’s clear that effectiveness in implementing continuous improvement in this organization is heavily dependent on effective leadership behaviors (as opposed to technical skills). Most of these behaviors can be developed, and 360-degree feedback can play an important role in that development.

However, some behaviors may be hard to develop (e.g., supports agreed-upon decisions even if they differ from personal decision), and self-awareness may be even harder to develop. Yet these behaviors can be identified early in one’s career. So, there may be value in conducting 360-degree feedback earlier in one’s career and beginning the development process earlier.

## What does this mean for you?

There are many ways you can add value to your client or organization. Using Project or Advanced Project reports provide insightful information. Studying differences between groups may yield even more valuable information.