Chapter 1

INTRODUCTION

To day we are living in a different world as compared to two decades ago. This is a global world where barriers are broken, technology is in the forefront. This is information world, internet world, knowledge world and service excellence world. This is also highly competitive world. Organizations are competing across the world to have an upper hand over each other in terms of revenues, sales, market share, top line, bottom line, service excellence, speed, innovations, decision making and so many other variables. There has been an increased recognition about the need for competent people to man organizations and take them forward. Technology, finances, systems and many hard variables have become so easily accessible that they have lost their strategic significance. What has become significant is having talented people who can make a difference. The talented people are known by many names: Stars, A category performers, Fast tracks, and High fliers, People, Leaders, and global Managers etc. Identification of them has become a great challenge. As Byham et al. (2002) put it more and more organizations are facing a shortage of leaders. The shortage is so much that many organizations like the General Electric itself have undertaken projects to multiply leaders. The work by Noel Tichy on "Leadership Engine" (Tichy and Cohen, 1997), McCall (1999) on the "High Flyers", Smart (1999) on "Top Grading" and by Byham et al. (2002) on

"Grow you own leaders" etc are just some illustrations of the relative need for top performers across the world. In an effort to grow talent many organizations have been extensively using new tools like the 360 Degree Feedback and Assessment Centres or Development Centres besides the traditional tools like training and mentoring, coaching, performance management systems etc. (Armstrong and Baron, 2006).

As Kevin Kraft (2006) observes ...,"Today's modern organization is under constant pressure from competitive forces. Eager upstarts or giant powerhouses can unexpectedly take market share. If you don't keep up, you will soon find your business tumbling downwards rapidly. Although that kind of "tumble" can be a good wakeup call, it may also end up being a farewell song. For this reason it's vitally important to have a good foundation for your organization and build it into a solid, well-oiled team. .... "People can usually be categorized into three types: The top-performer, the average-performer, and the under-performer. An unbalanced team with under-performers will leech efficiency and effectiveness from an organization and is a killer of team motivation and performance. Top-performers who are not managed to lead properly will also cause bottlenecks. Under-performers who are kept on the team for the sake of harmony will eventually pull the others down and decrease performance across the board. (It's key to get the right mix) Let's look at these three performer types in more detail. The key to organizational success you'll find understands the three types and learn how to integrate them effectively and efficiently."

Managing talent in a competitive world therefore requires an understanding of all categories of performers and managing them appropriately. This requires an understanding of what if any differentiates the high performers from the under performers.

In recent times 360 Degree Feedback has proved to be a great tool in delineating various leadership, managerial and behavioural factors underlying the performance of managers. What exactly characterises the high performer in Indian context? How are the high performers or A class different from the others? Answers to this question may provide insights for designing interventions for training future leaders and high performers. This study is an attempt to delineate the factors that characterise the star performers and differentiate them form other average or relatively low performers using the powerful tool of 360 Degree Feedback.

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What is 360 Degree feedback?

360-degree feedback is an assessment tool that provides employees with feedback about their performance. Supervisors, peers, and, where appropriate, customers answer questions about an individual's skills and attributes.

The employees are often rated in areas such as leadership, communication, and productivity, and technical skills. Employees also rate themselves in these areas. All of the information is compiled into an individual report for each employee. The reports show employees' strengths and weaknesses according to the 360 survey responses. Participants use this information to make changes in their behaviour and performance.

360-degree feedback is often known by other names such as:

Multi-source feedback	Multi-rater assessment
Full-circle appraisal	Upward feedback
Peer evaluation	3-dimensional Tool
360 Degree Assessments	360 Appraisals

The 360-degree feedback or multi-rater assessment has become a worldwide phenomenon. As Hollenbeck (1997) observes it has becoe a modern organisation management tool. It was extensively used at the Indian Institute of Management Ahmedabad in India from mid eighties though the term 360-degree feedback was coined in USA in early nineties. Khandwalla (1995) for example describes the details of a program conducted at the Indian Institute of management Ahmedabad in mid eighties by his colleagues T. V. Rao, S. Ramnarayan and J. P. Singh along with him which formed the basis of his research on management styles reported in that publication. This method of collecting anonymous feedback or assessment from juniors,

colleagues, seniors and other customers has become a popular change management tool and leadership competence-building tool.

This is evident from the increase in the number of Indian companies adopting it. It is estimated that more than two hundred organisations have been using it India and it may triple in the next one year or so. As Hollenberg (1997) observed, T-Group training which popularised feedback as an important tool for change, failure of Performance appraisal systems to generate objective assessment of the individual, quality movement, new organisational forms like flat organisations, new employment contracts that put the onus of development on the employee than the employer etc. have all lead to the popularisation of 360 Degree Feedback.

"The concept of 360-degree feedback makes a lot of sense and, if used well, should have a great deal to offer. It seems to suit the move towards the less hierarchical, more flexibly-structured and knowledge-based organisations of the future." Says Professor Clive Fletcher, Goldsmiths College, University of London (Fletcher, 1997) . Augmenting the traditional practice of top-down supervisory performance appraisal, 360-degree feedback entails having multiple sources (e.g., subordinates, customers, peers, supervisor, self) provide performance feedback to a leader in areas important for organizational success (Bracken & Timmreck, 1999; Turnow, 1993).

Typically, performance appraisals have been limited to a appraisal and feedback process between employees and supervisors. However, with the increased focus on teamwork, employee development, and customer service, the emphasis has shifted to employee evaluation and feedback from the full circle of sources. This multiple-input approach to performance feedback is sometimes called "360-degree assessment" to connote a full circle.

Research has shown assessment approaches with multiple rating sources provide more accurate, reliable, and credible information.

The *circle*, or perhaps more accurately the *sphere,* of feedback sources consists of supervisors, peers, subordinates, customers, and one's self. It is not necessary, or always appropriate, to include all of the feedback sources in a particular appraisal program. The organizational culture and mission must be considered, and the purpose of feedback will differ with each source. For example, subordinate assessments of a supervisor's performance can provide valuable developmental guidance, peer feedback can be the heart of excellence in teamwork, and customer service feedback focuses on the quality of the team's or agency's results. The objectives of performance appraisal and the particular aspects of performance that are to be assessed must be established before determining which sources are appropriate.

360 Degree Feedback Process

"The (360 degree) feedback process...involves collecting perceptions about a person's behavior and the impact of that behavior from the person's boss or bosses, direct reports, colleagues, fellow members of project teams, internal and external customers, and suppliers. Other names for 360 degree feedback are multi-rater feedback, multi-source feedback, full-circle appraisal, and group performance review" (Lepsinger, 1997, p. 6).

Ward (1997, p. 4) describes 360 Degree feedback as "the systematic collection and feedback of performance data on an individual or group, derived from a number of the stakeholders in their performance". Assessment through 360 Degree feedback is normally via a questionnaire completed by a "stakeholder" in the individual's performance: those who work closely enough with the manager to respond to questions about their behavior and its impact. The data is then

fed back to the participant, in a way that is intended to result in acceptance of the information and the formulation of a development plan (Ward, 1997).

A 360- degree feedback mechanism is a questionnaire that captures perceptions of key internal audiences (superiors, peers, subordinates) regarding the quality of an individual's leadership and management characteristics. It compares those perceptions to the individual's self-view. (Francie Dalton, (undated web reference) MRO TODAY, www.daltonalliances.com) Dalton concludes that the 360 is the only tool that provides quantitative and qualitative evidence of the causal link between management behaviour and businesses outcomes. If we agree that managerial behaviour significantly impacts productivity, employee attitudes, morale, retention, teamsmanship, and therefore the quality of customer interaction and overall business results, then we must exert the same level of scrutiny upon behaviour as is traditionally imposed upon other functions.

Richard Lepsinger (co-author of The Art and Science of 360 Degree Feedback) explains, "360 degree feedback is a reality check, a way to overcome the false or misleading information which we usually get about ourselves, by replacing it with the truth, at least as others perceive it: candid 360 degree feedback from people within our work environment, who are in a position to judge various aspects of our performance, providing information which can help us to avoid mistakes and improve our ability to do our jobs in the way we would like."

360 Degree Feedback (360 DF) Process: Implementation

360 Degree Feedback Involves a process of collecting relevant feedback from various role set members, in an anonymous manner using a customised instrument specifically created for the purpose, compiling a profile of the individual and presenting it to him in a value adding form through means of a workshop and counselling. Role set members for any individual are the

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various individuals the candidate or subject comes in contact with in course of completing his work, within and even out of the organization he belongs too. These categorically include the incumbents' boss or seniors, direct subordinates, peers and colleagues, internal customers and external customers like suppliers, distributors, government officials etc. In some instances, feedback has been sought even from Bosses worked with in a previous organization.

The implementation of a 360DF exercise can last anywhere from a month (minimum) to a year (maximum) though on an average, most times it is just a matter of two months. The organization referenced above that took a whole year in completing the exercise did so owing to internal problems that had suddenly cropped up causing the discontinuity in the process. However, such cases are extremely rare and for all practical purposes, an average 360DF exercise takes two months to complete.

The implementation Process involves the following steps:

1. Introduction to assessee's or participants

2. Framing policies, rules, guidelines and deadlines of the exercise

3. Creating the Instrument or tool to be used in 360DF

4. Orientation of assessors

5. Distribution of instrument

6. Collection of feedback

7. Data Digitization

8. Report or Profile generation

9. Trend analysis of group data

10. Workshop and profile handover

11. Individual Counselling

12. Development plans and Action Plans based on feedback

The duration of two months has been calculated from the start of the process; the start being a point in time when the organization has decided to implement 360DF, up to its logical conclusion when the prepared feedback profile of each individual is handed over and counselling done.

Introduction to assessee's or participants: Assuming that an organisation has opted to undergo the intervention, the first step is a usual call for throwing more light on the whole process, outcomes, time limits and other sensitivities. Consultants make a visit to the organisation for an interaction with the participants who are usually the top management. It is a global trend that 360 Degree Feedback or appraisal exercise is mostly initiated from the top. This initial presentation involves a briefing of the procedures and complexities involved, resources required, time involved and closing of the intervention. Benefits to the organisation and individual are also touched upon here itself.

Depending on a condition, this is more or less akin to the orientation process done for the assessee's; the condition being the making of a customised instrument or tool specific to the organisation. Tailor making the instrument calls for further information that is secondary as well as primary. Primary information collection is done through individual and group interviews. Sources of required information are the assessee's and assessors themselves. Hence it is not unusual or uncommon to use the information collection process from the assessors as an orientation too.

Such practise is usually observed in organisations that are large and spread out over vast geographical areas i.e. has branches or offices across regions. Using the information gathering process as an orientation to the exercise helps save costs and time in revisiting later for orientations. However, this happens only when the organization requires a customised instrument to be created. Where standard tools are used, the orientation is conducted separately after the first initial meeting for clarification of the process.

Framing policies, rules, guidelines and deadlines for the exercise: owing to the complexity involved, it is vital to be clear on all fronts of the intervention, especially before the orientation begins since the orientation involves communicating these very policy decisions. All such decisions are taken during step 1 itself since it involves the decision makers themselves i.e. top management. Every organisation has its own intricacies and characteristics or culture that is unique and so policies differ from organisation to organisation. Some issues requiring decisions are:

- Purpose of exercise
- Ownership of the generated profiles/reports
- Choosing of assessors
- Minimum and maximum number of assessors
- Anonymity of feedback
- Deadlines for accepting feedback
- Target population
- Workshop dates and batch size
- Involvement of external customers
- Frequency of exercise in the future
- Voluntary or Mandatory

- Sharing of Action and Development plans with HR

- Feedback from Boss and seniors to be anonymous or not

- Post exercise follow up

- Access to data and scores post the intervention and in case of employees leaving the organisation

The instrument to be created is specific to the organizational culture and values promoted therein. The purpose of the exercise plays an important role in terms of framing the questionnaire. It is the purpose which sets the general tone of the instrument. E.g. when the intervention is being done for propagating a performance culture in the organisation, much of the questions or content of the tool will focus on performance related matters. Interviews conducted both group and individual, focus on collecting information from the assessee's as well as assessors. Instructions given during individual and group interactions are on the following lines:

On separate sheets of paper, please list down

- Area's on which you would find feedback from your seniors/reporting officer useful

- Area's on which you want feedback from your colleagues , internal customers and peers

- Area's on which you want feedback from your subordinates or direct reportee's (What would you want to know about yourself or the impact you make, from your subordinates)

Alternately, On a sheet of paper, please list down :

- Area's on which feedback to your immediate superior would be of use

- Activities, tasks or behavior's which seniors are good at and should continue doing, or which should be initiated

- Activities or tasks which should be discontinued, or are of little value

- Area's on which seniors should be made aware of their impact, effect (of managing or motivating style)

Data compilation is done on basis of 3 categories

- Data from Seniors
- Data from Colleagues & internal customers
- Data from Subordinates
- Repetitions are eliminated

Categorization is done into dimensions or main headings e.g. Communication, Subordinate Development, Delegation etc .are main heads which in turn have other tasks and activities under them. Activities representing variables and competencies are framed, sections and scales used where required in the proper format. The instrument should consist of essentially:

- Name of person being assessed
- Relation of assessor to assessee
- Instructions for answering
- Scale to be used for ratings
- Open ended questions inviting suggestions for improvement

Orientation of assessors: basically a repetition of orientation which is done for the assessee's. In addition, assessors are briefed on giving value adding feedback, anonymity maintenance, and some information on the questionnaire and its make up, rating scales to be used, deadlines for giving feedback, sample of report shown and some experiences with other companies shared. Most important in orienting the assessors are mentioning about anonymity since the authenticity and value add of the intervention depends up to a large extent on the

quality of data or feedback being provided. Any doubts and questions the assessors have are clarified during the orientation

Distribution of Questionnaires: There are two possible ways of distributing the questionnaires. They can be sent directly to each assessor by the consultant or third party, or they can be sent by the assessee. Each questionnaire is sent along with two notes or letters. One letter is addressed by the participant to the assessor requesting feedback and stressing on anonymity. The other letter is from the third party or consultant asserting that the participant is taking part in the process and requesting feedback to help the assessee. With each questionnaire and two letters, there is also an envelope addressed to the third party in case the assessor wishes to directly mail his/her feedback to the consultants.

Collection of feedback: as mentioned earlier, the assessor always has the option of sending the feedback form directly to the consultant through mail. Some organisations have set up drop boxes at predetermined places of common access so that assessors having finished the feedback giving may put it in the envelope, seal it and drop it into the drop box. Every week, the box is cleared and all collected envelopes sent to the third party.

Data Digitization: is essentially entering or transferring the data from paper to the computer in digital format. It is important that all forms received be properly accounted for and stored till a couple of years post the last phase of 360DF. Storage is important in case of issues raised later on during the process which may require a revisitation of the raw forms. Beyond two years, the data forms may be destroyed.

Report generation: involves calculating average percentages for each of the scores in various sections and transferring these to the main report format. The report format is the final

form in which participant receives his profile and feedback. Summary tables, analysis and open ended feedback form part of this final profile generated.

Trend analysis and Group data: is calculated for the batch of participants attending the workshop for reasons of benchmarking. Overall average scores for each item of the questionnaire, highest score and lowest score in the batch and some very basic analysis of the open ended feedback are provided as group data. It is common to point out areas of strength and area's needing improvement as indicated by the ratings after doing an analysis of group data. When the batch consists of all top management, it may be taken as representing the organisation and one may identify the training and development needs for the organisation as a whole. All average scores, highest and lowest scores are provided without identifying the individual for obvious reasons.

Feedback profile is handed over to respective individual towards the end of the first day in the workshop. Handing over the reports at a proper time is essential since the participants have to be prepared adequately for receiving feedback through various means. Preparing them includes conducting few exercises which are aimed at identifying specific items that are critical for each individual's performance and function. Additionally, the participants are oriented to thinking positively and viewing the feedback from various perspectives rather than reacting to negative feedback in ways which are not beneficial to anyone.

Counselling individually on a one to one basis begins once the feedback has been handed over to the individual and adequate time has been given for them to introspect and go over their reports. Counselling serves many purposes, the main being interpreting the feedback correctly and charting out a development cum action plan. Participants tend to use counselling mainly to explain their specific context and ratify action plans they have made post receiving

the feedback. Counselling also helps clear up any contradictions the participant see's in the report and explain interpretation of ratings.

Development and Action plans: are based on the feedback. While these are two separate things, it is possible for action plans and development plans to be the same. Action plans are specifically what the individual plans to do on return to work in terms of received feedback. These have to be SMART, i.e. Specific, Measurable, Achievable, Realistic and Time bound. Development plans are area's in which the individual needs to improve and various things that require to be done in order to enhance effectiveness. These may include activities like attending training programmes, buying and reading books, discussing with seniors or a mentor and other such actions. It is a common practice for individuals to hand over their development plans to their HR departments in order to receive support in their endeavour of improvement.

Need for the Study

Many organizations have been found to use 360DF as a leadership development tool, inspite of its most popular research studies are scanty, and there is also no scientific evidence to suggest that the 360DF results in change. More fundamentally, basic questions like 'effective people get better feedback than the less effective people: 'or' Do star performers, as assessed by other methods of appraisals get better 360Degree Feedback than the average and poor performers? Answers to such questions can go a long way in enhancing the understanding of the 360Degree Feedback and putting it in more effective use. The current study is an attempt to find if the 360Degree Feedback obtained by star perform better impact on their juniors, peers, seniors, internal and external customers

Study, through research, what is it that successful people, effective leaders, potential future leaders and fast track employees do differently as indicated by their 360 DF and their average counterparts. It is hypothesized hat the Roles Styles, Delegation and qualities (RSDQ) comparison for the two categorised groups of high and low performers will indicate difference between good and average performers. The topic chosen has the element of 360, a concept which is, relatively speaking, new in our country. Similarly, the very idea of identifying a group of individuals and putting them on a fast track is itself less than a decade old (India). Both of these concepts and tools are only recently being used by a multitude of organizations. They would very much be a part of organizational practices and policies where done professionally and consistently

Star Performers: are basically those individuals who had a high performance record in a consistent manner over the years, (usually 2 or 3), and as such demonstrate potential to take on more responsibility and thus keep growing. These star performers show promise for the future in the respective area's of work or where ever they may be so placed. They are on the fast track of growth.

Organizations have their own definitions and eligibility criterion for identifying star performers. While such criterion may be varied for various companies, there are always a few components basic to all e.g. Performance appraisal system, Performance records of previous subsequent years, tenure of service in current organization to be at least a minimum of one year... And so on. `

Research scope and coverage

360 Degree Feedback profiles were prepared for the senior management teams of six organizations. All senior managers were included for 360 Feedback profiles as the exercise

was accepted as a development initiative or exercise. The exercise was initiated as a voluntary service on part of the organization. Taking part in the intervention was a choice left to the individual only. Accordingly, the following organizations were included in the study:

- Automobile manufacturing Company
- Logistics company
- Cigarette making company
- Pharmaceutical company
- Very large Public Sector Unit
- Multi divisional family owned company

All the above organizations are professionally managed tough most of them started as family owned businesses (except in the Pharmaceutical Company and the PSU). The participants and their respective assessors were oriented through an initial interaction session. Anonymous feedback was obtained based on RSDQ model of leadership.

Across the 6 organizations, there were a total of 186 participants who were assessed by close to a thousand manager-assessors. Of them 52 were assessed as star performers ('A' category) and 36 as average performers ('C' category) by their CEOs and HR managers jointly using the last three years performance. The in-betweens ('B' category also called as Above average performers) were not included for this study. Anonymous feedback was received directly through mail and converted to digital data in order to generate each individual's feedback profile.

Post completion of profile distribution, HR chief of each company was requested, along with the CEO or MD, to divide the batch into two sets of groups (A category and C category performers or rather; to identify the star or fast track performers and low performers). The remaining participants would be assumed to be Above Average performers. At this point, the Above Average performers were dropped from further development or consideration. The

Average performers are called as C category performers and not as poor performers as it is assumed that if they are poor performers they would not have been there I the organization at top levels. Also due to the stigma attached to calling a top level manager as poor performer the term "Average performer" is used.

The study aimed at finding out the difference between the group of star performers and average performers. The 360 questionnaire provided data on a number of variables and it was assumed that these variable when studied and taken tog ether will provide great insights into the qualities and characteristics of star performers. It was assumed that any insights of the differences will help designing strategies for cultivating and developing high performers and leaders in Indian context. It will help develop a leadership pipeline as well as multiply leadership talent.