

The Benefit of 360-Degree Input in Assessing Job Candidates

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In *The Wisdom of Crowds*, James Surowiecki asserts that a collection of individuals with diverse opinions can make more accurate predictions than even the leading expert in the group; projecting a group which is “smarter,” if you will, than its most qualified member. This notion has underpinned 360-degree performance feedback on employees for 30 years and is equally appropriate to assessments of job candidates. With input from a candidate’s bosses, direct reports or subordinates, peers, and business partners, hiring managers can make better informed—and more successful—hiring decisions.

Strength in Numbers

The introduction of 360-degree feedback in the workplace is nothing new. Consider the timeline below:

A History of 360-Degree Assessment

Late 1800’s: With the invention of the typewriter, employees began submitting unsolicited feedback on their bosses because the typewriter meant that their anonymity could be preserved. [i]

1940’s: During WWII, the German military collected 360-degree feedback on soldiers from supervisors, peers, and direct reports to provide insight into improving performance. [ii]

1950’s: Esso Research & Engineering employed 360-degree feedback to great competitive advantage. After their pioneering use, the practice gained momentum in other companies. [iii]

1990’s: The availability of the Internet meant that the practice need no longer be paper-based. By 1996, 90 percent of Fortune 500 companies were collecting 360-degree feedback on their employees. [iv]

2001: Studies suggest that over one-third of U.S. companies use some type of multi-source feedback. Web 2.0 technology has made the process automatic and convenient. [v]

Feedback collected from multiple sources – often called 360-degree, multi-rater, or full-circle feedback – is commonly used to assess an employee’s developmental needs. Proponents of 360-degree evaluations point to the fact that gathering contributions from multiple sources is bound to provide a more comprehensive picture of a person than that of just one source, much as a three-way mirror provides a more complete view than a single mirror. Certainly, a consensus among raters serves to strengthen faith in the results and avoids the danger of making a decision which reflects individual bias. Likewise, widely divergent views are also an important flag, worthy of further investigation.

When the same methodology is applied to gathering insights on a job candidate, a candidate’s bosses, peers, and direct reports all complete a carefully designed, electronic survey to weigh in on the candidate’s work behaviors and performance. A key benefit is that the raters have been able to observe the candidate’s skills and behaviors first-hand in a variety of situations.

But, is it really necessary – or even valuable – to collect full-circle feedback rather than relying exclusively on supervisors who, after all, are paid in part to monitor, document, and assess their employees’ performance against standards? How much can assessments from peers add to the picture?

An Unvarnished View

Many employees have “multiple personalities” in which they act differently toward co-workers than towards their manager, depending upon their relative position of influence. They’ve learned to “manage up,” displaying their best qualities and performance in full view of the people who hired them and who wield power over them. Managers, after all, conduct employees’ performance reviews, determine compensation, and guide their career paths within the organization. It is clearly in an

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employee's best interest to put their best foot forward in interactions with their managers.

These same employees may not, however, recognize their peers—people in the same or similar jobs or at approximately the same level in the organization—as important witnesses of their capabilities, interpersonal skills, and work ethic. In other words, employees may be more likely to let down their guard in front of their peers.

A Measure of Teamwork

Teamwork is essential to getting things done efficiently within an organization. Whether it is intra-departmental or across functions, the success of a team can have far-reaching outcomes on an organization. This is nowhere more pronounced than in a healthcare setting, where successful teamwork is crucial to patient well being and oftentimes their survival.

More than with other business relationships, the relationships that employees have with their peers reflect their sense and demonstration of teamwork. Does the person maintain constructive and cooperative working relationships with teammates? Does the person maintain self-control even in difficult situations? Does he or she treat others with fairness and respect?

Who best to answer these questions but the candidate's peers?

The Predictive Power of Peers

There is, indeed, evidence that assessments that include responses from peers and direct reports are actually more predictive of a person's job performance in a new position than assessments from only their past managers. One large healthcare system employing over 4,000 people used pre-employment assessment to screen nursing candidates based on 360-degree feedback. Subsequent supervisor evaluations for the nurses hired through the system were analyzed in a formal case study. Interestingly, the assessment scores which included feedback from all references correlated more closely with the new supervisors' eventual evaluations than reference feedback from just managers did alone. The "wisdom of crowds"—in this case of supervisors, peers, and direct reports — trumps the wisdom of supervisors alone.

Hiring managers may instinctively know that they can make better decisions with input from a wider array of references. Given that 360-degree feedback provides insight into a person's team orientation, takes the same amount of time to gather as single-source feedback, and is actually more accurate in predicting job performance than manager-only feedback, it is time for organizations to embrace this as the best practice for employee assessment.

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Resources

[i] Thornton, Shane, "The History of 360 Degree Feedback," ehow.com.

[ii] Maylett, Tracy, Ed.D., SPHR, "360-Degree Feedback: From Development to Appraisal," DecisionWise Webinar, September 9, 2009.

[iii] Bracken, D.W., Dalton, M.A., Jako, R.A., McCauley, C.D., & Pollman, V.A., "Should 360-degree feedback be used only for developmental purposes?," Greensboro, NC: Center for Creative Leadership, 1997

[iv] Waldman, David K, et. al., "Has 360 Degree Feedback Gone Amok?," Academy of Management Executives, May, 1, 1998, Pg. 86.

[v] Carruthers, F. "Nothing but the truth," Australian Financial Review, November 14, 2003, Pg. 78