

The use of 360 degree feedback in professional services firms, compared to the Sunday Times 'Best Companies to Work For'

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Executive Summary

- This report, investigating take up and experience of 360 degree feedback, is based on interviews with 59 of the Top 200 Law Firms, 26 Top 100 Accountancy Firms and 24 companies from the Sunday Times Top 100 Medium Sized Companies in 2012.
- Participation in 360 degree feedback varies according to job role. It's often mandatory for senior Partners in law and accountancy firms and for people in senior positions in the Sunday Times medium-sized companies. For staff in business support roles it's often mandatory for Directors or Heads of Departments (e.g. Marketing, HR) and optional for more junior management and support staff; take up is higher amongst more junior roles in accountancy firms than in law firms.
- There is some variation in 360 coverage between the three groups of companies. Accountancy firms and Sunday Times companies are more likely to involve a larger percentage of their workforce than law firms.
- 61% of law firms run 360 once a year, compared with 57% of Sunday Times companies and 41% of accountancy firms. Whilst one fifth of accountancy firms run 360 every other year – this figure drops to 10% for law firms and no Sunday Times companies. Interestingly, about a third of all firms do not have a set timeframe for running their 360 survey.
- 82% of accountancy firms and 80% of Sunday Times companies carry out 360 as a focus for development, compared with 63% of law firms. The same percentage of law firms use 360 as part of their performance appraisal (more in Top 101-200 law firms than the Top 100), as do three fifths of Sunday Times companies. Only two fifths of accountancy firms use 360 as part of their performance appraisal.
- More than a quarter of the Top 100 law firms use 360 for assessment purposes compared with only 7% of Top 101-200 law firms and Sunday Times companies and no accountancy firms.
- There is some consistency with regard to how 360 is run, with online the preferable option in all the companies (78% of law firms, 75% of accountancy firms and 62% of Sunday Times companies run their 360 online).
- The vast majority of companies design their 360 around their own competencies, rather than using a template from a supplier. There is less consistency, however, as to whether the 360 is managed in house or by an external supplier. Almost nine in ten accountancy firms carry out their 360 internally whilst two in ten use an external supplier (a couple use both). 62% of Sunday Times companies run 360 internally (38% do so externally). Analysis of the law firms sample found that 73% of the Top 100 who run their 360 online do so with an external supplier compared with 50% of Top 101-200 law firms.
- When it comes to delivering the results of the 360, the line manager was the most popular response, although there is some variation between the three types of companies. Line managers give 360 degree feedback in two thirds of accountancy firms, 54% of Sunday Times companies whilst only in one third of law firms. The next most popular response is HR, with 31% of Sunday Times companies and 30% of law firms (39% of Top 101-200 compared with 26% of Top 100 law firms), but only 12% of accountancy firms.

- 31% of Sunday Times companies use a coach to deliver 360 degree feedback – far more than law firms (10%) or accountancy firms (6%).
- There was a general consistency in the reported benefits of using a robust 360 process. The most cited reasons were: changes in behaviour especially in partners/management and how this positively impacted on the people around them; improved performance and an ability to look objectively at individuals' strengths and development needs; a good way of identifying talent and future leaders; it encouraged co-operation across groups and gave partners the confidence to go out and promote both themselves and the firm.
- The Sunday Times companies see it as a motivational tool in that it enables employees to provide feedback on management which in turn has an impact on employee engagement and retention. They also believe it's an advantageous way of monitoring performance objectively and establishing clarity in what needs to be developed for the future success of individuals and the business.
- The Sunday Times companies are more likely to look at the bigger picture provided by the feedback from a 360 process and go beyond performance and development to look at how they live the brand and how to create an open and honest environment.
- Whilst the majority of companies' experience of 360 degree feedback is positive, on average companies in the Sunday Times Top 100 have a better experience of 360 than law and accountancy firms. These reasons include: being a useful tool with nowhere to hide; it gives real clarity to individuals about what they need to do and it enables managers and leaders to focus on where they need to put their energy; it helps to make sure the right people are promoted.
- When asked what would need to change to be able to rate more highly, comments included more people being engaged in the process, if confidentiality and honesty could be ensured, more efficient administration of the process, less onerous especially when rating more than one person at a time, and making sure individuals acted on the feedback they are given, through a robust follow up system.
- Companies using an online system in general rate their experience of 360 higher than those with either a manual process or a non-automated process.
- At least two thirds of those who were interviewed from the Sunday Times list believe there is a correlation between carrying out 360 and being voted a great place to work, although some see it as only partly responsible.
- Most law firms who don't currently carry out 360 are considering doing so and would use it for setting objectives for business planning, development and to identify talent. Nearly two fifths of accountancy firms state that they hope to introduce it for development and to help line managers give hard messages. 30% of the Sunday Times companies who don't currently carry out 360 said it's a possibility in the future to do so, in particular once they've got other systems in place such as performance management.
- Extrapolation of figures suggests that 72% of the Sunday Times companies carry out 360, compared to 63% of the top 100 law firms, 55% of the top 100 accountancy firms and 38% of the top 101-200 law firms.

2. Background and Objectives

360 degree feedback is a tool that collects feedback on an individual from a number of sources. Individuals give feedback on themselves too. There is some discussion about whether 360 includes feedback from clients, customers and/or suppliers. For the purpose of this study, we have defined 360 as upward, downward and sideways feedback i.e. from direct reports, managers and peers, as well as the individual.

The reasons for undertaking 360 are summarised by Kerin (2010): *“The assumptions are that individualized feedback, regardless of the behavioural content on which it is based or the purpose to which it is directed (i.e. development or appraisal), is intended to provide a means for enhancing self-awareness with regard to one’s strength and developmental areas. This in turn, when combined with a host of possible interventions, is expected to result in positive behaviour change and ultimately improved performance.”*¹

However, despite its popularity – as Tornow and London (1998) comment, *“At present it would be hard to find a Fortune 1000 company in the United States that hasn’t tried 360-degree feedback somewhere in the organization at least once and many are using it regularly”*² – little is known about its impact on individuals and organisations. *“Most of the pertinent research has focused on reliability and validity of feedback measures, that is, do such measures produce consistent results and accurately describe an individual and his or her behaviour. But the question of whether using a 360-degree feedback instrument improves an executive’s behaviour remains unanswered”*³ (Hazucha, Hezlett, & Schneider, 1993).

There is some research in the public domain on 360 degree feedback for specific sectors⁴ but we have found no article that brings the two sectors of law and accountancy together nor one that benchmarks these with a Best Companies list.

The objectives of this research were:

- To understand the extent to which 360 degree feedback is used in professional services organisations
- The reasons why it is used
- The benefits derived from using 360 degree feedback
- To benchmark the Top 200 law firms and the Top 100 accountancy firms with the Sunday Times best 100 medium sized companies in 2012.

¹ Kerin, Robert, 2010 (Unpublished) – *The Process of Change in Leadership Development: Using 360-degree feedback to study the roles of reflection, planning and support.*

² Tornow, W. W. & London, M. (1998). *Maximizing the value of 360-degree feedback: A process for successful individual and organizational development.*

³ Hazucha, J. F., Hezlett, S. A., & Schneider, R. J. (1993). *The impact of 360-degree feedback on management skills development. Human Resource Management, 32, 325-351.*

⁴ Accounting Today March 2011 ‘*What makes a great (accountancy) partner?*’ and Law Society Gazette September 2009 ‘*All-round feedback in a (law) firm can deliver higher performance*’.

3. Methodology

HR and L&D Directors and Managers and some CEOs from the Top 200 Law Firms (The Lawyer 2012), Top 100 Accountancy Firms (Accountancy Age 2012) and the Sunday Times Top 100 Medium Sized Companies in 2012 were invited to participate in the research⁵. A semi-structured questionnaire was designed and telephone interviews were conducted between September 2012 and January 2013. The breakdown of responses is below.

	Top 100 Law Firms	Top 101-200 Law Firms	Top 100 Accountancy Firms	Sunday Times Top 100 Medium Sized Companies
Do 360 and completed survey	27	14	18	15
Don't do 360 and completed survey	9	9	8	9
Do 360 but declined to participate in survey	7	5	3	4
Don't do 360 and declined to participate in survey	11	22	9	0
Total	54	50	38	28

This report summarises the results of the 41 law firms, 18 accountancy firms and 15 Sunday Times companies who undertake 360 and participated in the study, as well as the 18 law firms, 8 accountancy firms and 9 Sunday Times companies who don't currently use 360 degree feedback who were nonetheless happy to be interviewed. The results of the top 100 law firms and the top 101-200 law firms have been combined in the charts and any significant changes between the two groups have been highlighted in the report. Raw data was gathered from a further 45 law firms, 12 accountancy firms and 4 Sunday Times companies who were unable to complete the survey, as to whether they do or do not carry out 360. If we extrapolate the figures and assume they are a reflection of the sectors as a whole, then 63% of the top 100 law firms, 38% of the top 101 – 200 law firms, 55% of the top 100 accountancy firms and 72% of the top 100 Sunday Times medium-sized companies carry out 360.

4. Key Findings

4.1 Coverage

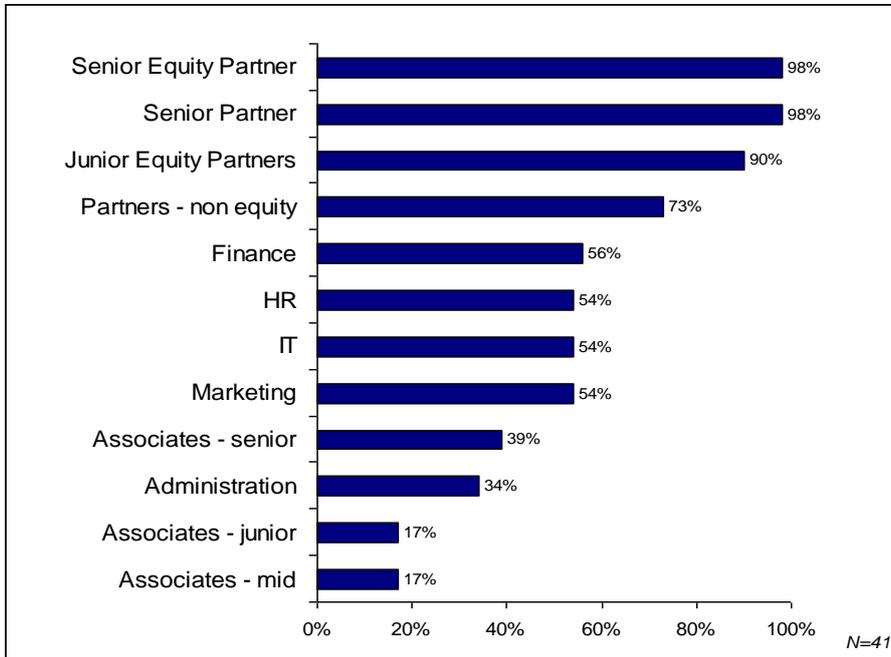
In this study we found that participation in 360 degree feedback varies according to job role (Figure 1). Managing Partners and Senior Equity Partners in almost all law firms (98%) and accountancy firms (94%) undertake 360 degree feedback, as do the vast majority of other partners (90% of law firms involve their junior Equity Partners and 73% involve non equity Partners; 94% of accountancy firms involve junior

⁵ The Sunday Times Top 100 Medium Sized Companies was chosen as these companies were more comparable with the law and accountancy firms than the Top 25 Large Companies.

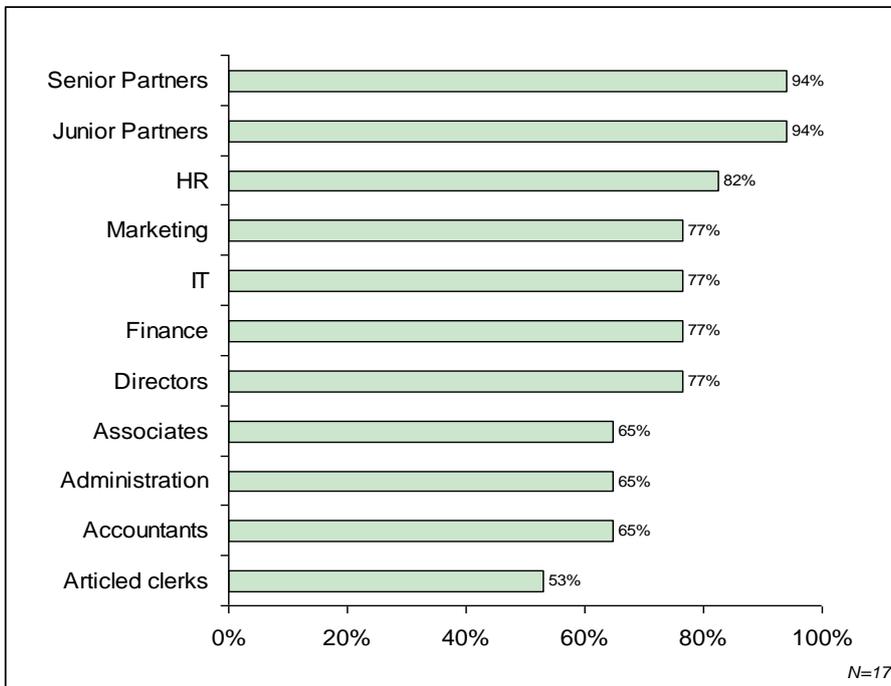
Partners). Similarly, take up is very high amongst people holding senior positions in the Sunday Times population: 87% of Sunday Times companies carry out 360 with their senior (executive) teams and CEOs/Managing Directors and 80% with senior management.

Figure 1: Who within your firm receives 360 feedback?

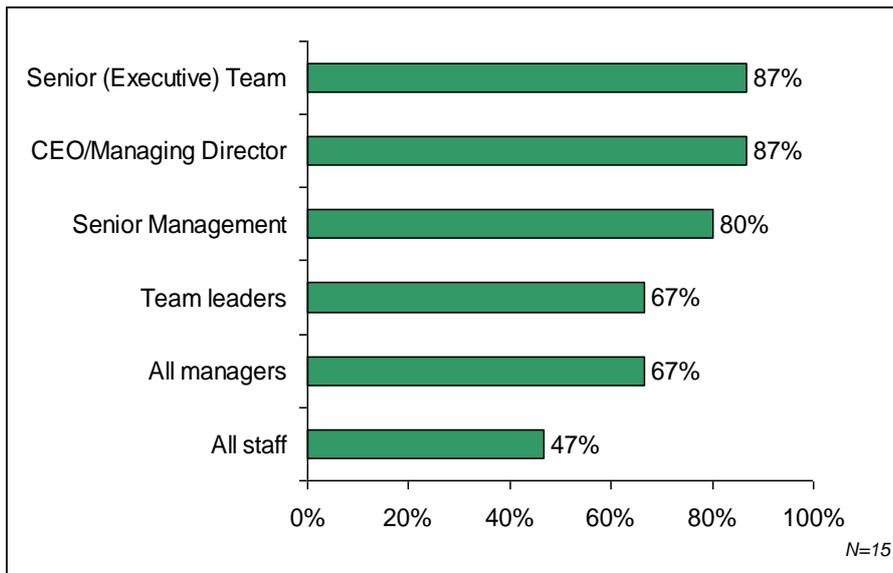
a) Law firms



b) Accountancy firms



c) Sunday Times companies



“Everyone is encouraged to do 360 across the business, both partners and the business support people. Individuals can nominate their own feedback providers, and line managers have the veto to amend those choices as they see fit.”

Top 100 law firm

Participation amongst staff in non partner roles is higher in accountancy firms than law firms: more than three quarters of accountancy firms involve HR, Finance, Marketing and IT in 360 compared with just over half of law firms involving staff in these roles.

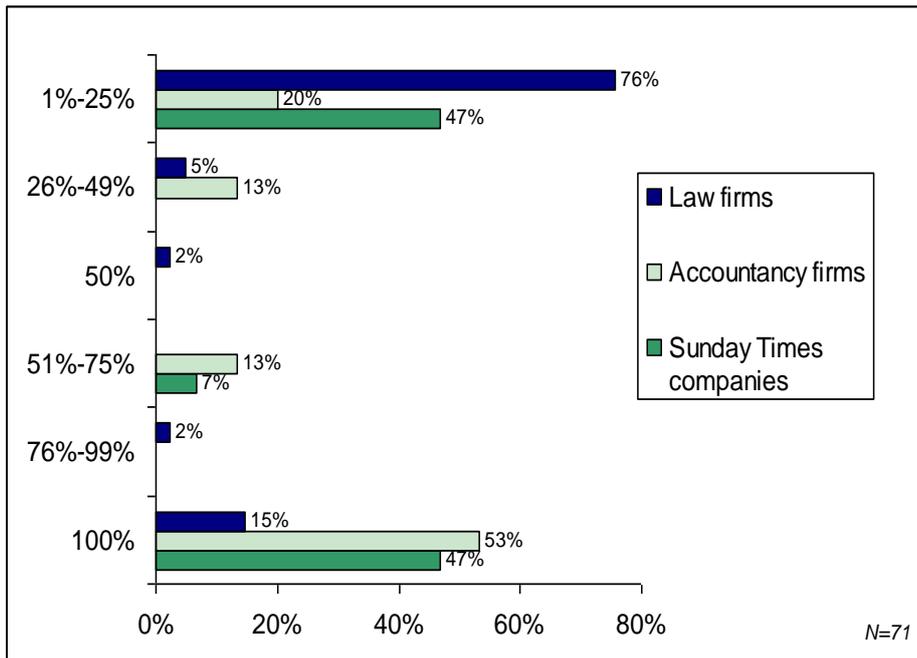
Closer analysis of the law firms’ data found that involvement amongst these support functions is higher in the Top 100 law firms compared with the Top 101-200 law firms: finance (67% compared with 43%), marketing and HR (both 59% versus 43%) and, to a less extent, IT (56% compared with 50%). Two thirds of the Sunday Times companies involve all managers and almost half (47%) involve all staff. Almost two thirds of accountancy firms involve people with administrative roles compared with only one third of law firms.

Law and accountancy firms were also asked which level of non-legal/financial/audit staff were involved in 360: 75% of law firms involved the Director/Head of roles compared with 93% of accountancy firms whilst the same percentage of accountancy firms involve senior managers compared with 42% of law firms. Involvement by middle and junior managers and admin/PA staff is much higher in accountancy firms than in law firms (80% of middle/junior managers in accountancy firms compared with 27% of law firms and 60% of admin/PA staff in accountancy firms compared with 27% of law firms).

Firms were asked what percentage of their workforce participates in 360. As Figure 2 shows, there is some variation between the three groups of companies. 76% of law firms involve only up to a quarter of their staff in 360 (with almost no variation between the Top 100 and Top 101-200 firms). This is in contrast to 47% of Sunday Times companies and 20% of accountancy firms. For the latter in particular they involve many more people in the 360 process. 53% of accountancy firms involve all their staff, 47% of Sunday Times companies whilst only 15% of law firms do the same. Law and accountancy firms were also asked what percentage of their partners participate in 360: 59% of law firms involve all their partners compared

with 92% of accountancy firms. Two thirds of Sunday Times companies involve all their managers and 27% involve up to a quarter of their managers.

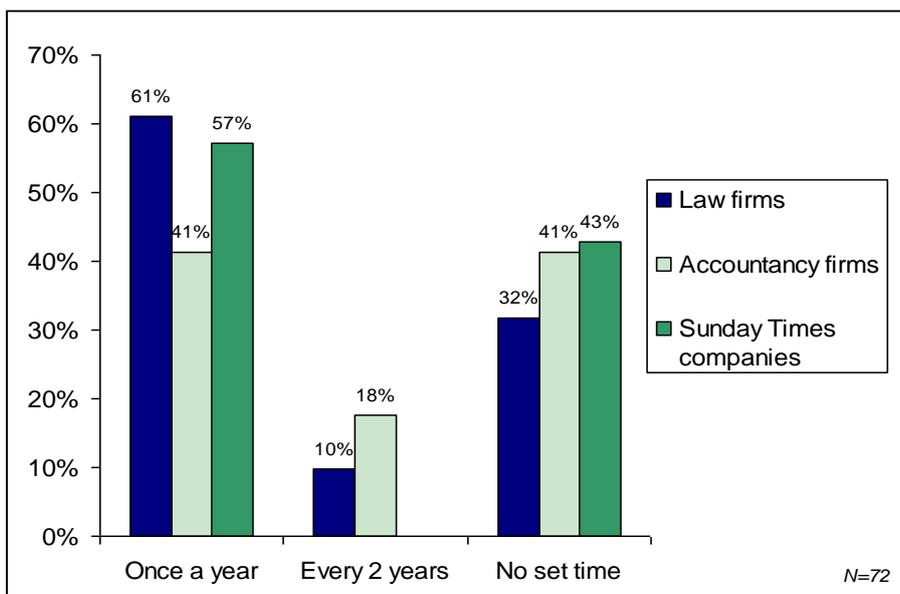
Figure 2: What percentage of your workforce participates in 360?



4.2 Frequency

As Figure 3 shows, 61% of law firms run 360 once a year, compared with 57% of Sunday Times companies and 41% of accountancy firms. Nearly one fifth of accountancy firms run 360 every other year – this figure drops to 10% of law firms and no Sunday Times companies. Interestingly, about a third of all firms do not have a set timeframe for running their 360 survey.

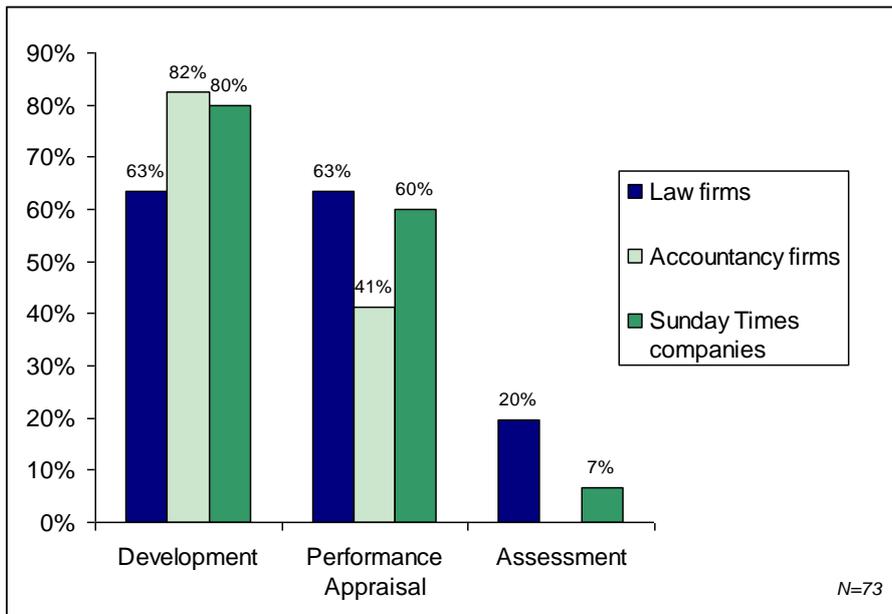
Figure 3: How often do you run 360?



4.3 Reasons for undertaking 360 feedback

In this study, 82% of accountancy firms and 80% of Sunday Times companies carry out 360 as a focus for development, compared with 63% of law firms (Figure 4). The same percentage of law firms use 360 as part of their performance appraisal (more in Top 101-200 law firms than the Top 100), as do three fifths of Sunday Times companies. Only two fifths of accountancy firms use 360 as part of their performance appraisal. Interestingly, 26% of the Top 100 law firms use 360 for assessment purposes compared with only 7% of Top 101-200 law firms and Sunday Times companies and no accountancy firms.

Figure 4: What is the primary reason for carrying out 360?



Many firms across all three sectors use 360 to look at the behaviours of their people and the impact it has on the other members of their team, in terms of people management and leadership and see how they can improve in areas such as communication, motivation and dealing with people. Some law firms stated that 360 is “all the rage” in their sector and felt it necessary to keep up with the other firms.

Companies in the Sunday Times list were more keen to look beyond just performance and development and take a bigger picture viewpoint – they talked about living the brand, creating an environment in which teams and individuals can be open and honest in how they feel and to look at the overall improvement of the business. Some law firms and some accountancy firms use 360 as an aid to promotion and state that it’s very useful in determining talent and future partners.

Many stated that 360 enables getting the most out of their people such that they can recognise their strengths as well as weaknesses, both of which are deemed to be valuable pieces of information determining the development needs of individuals. A couple of law firms have used 360 as a means of deliberately unhooking appraisals from compensation and reward, in particular for partners, though one firm said they use it to assess the performance of junior equity partners to calculate their annual bonus.

“There are often a lot of surprises, for example partners didn’t realise the impact their behaviour sometimes had, so it’s been an eye-opener in many ways.”

Top 100 law firm

These findings support those of Mabey (2001) who argues that 360-degree feedback programmes offer a better diagnosis of development needs resulting in more effective development plans for individuals and a more strategically focused investment in training for the organisation. He tested these claims in a qualitative and quantitative field study of participants in a 360-degree programme for middle and senior managers at a London university. Mabey’s results indicate that while the content of the 360 degree feedback was unsurprising for most of the managers, it did have the effect of motivating more focused self-development activities. Many examples were given of managers addressing weaknesses highlighted by the 360, making progress in the areas of personal development and receiving positive feedback from colleagues as a result.⁶

4.4 Content and execution of 360 degree feedback

The vast majority of companies design their 360 around their own competencies (Table 1), rather than using a template from a supplier. 92% of Sunday Times companies use their own competencies for their leaders’ and managers’ 360; 83% of accountancy firms use their own competencies for their leaders/partners and 91% do so for their managers. 85% of Top 100 law firms use their own competencies for their leaders/partners and 88% for their managers, whilst the figures drop to 67% for both groups in Top 101-200 law firms. Not one company taking part in the survey uses a supplier’s template for the 360 of their administrative staff.

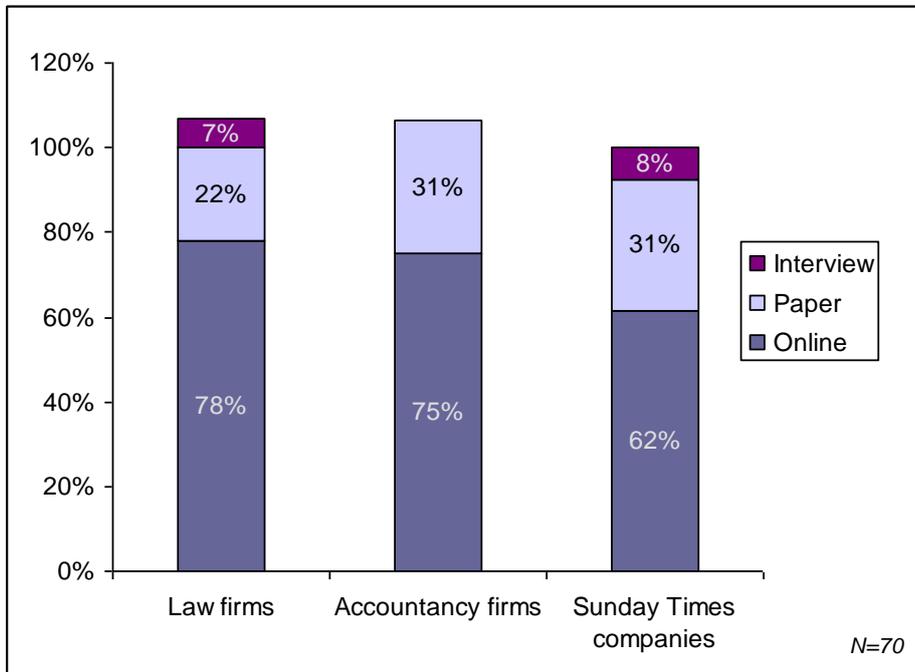
Table 1: What kind of questionnaire do you have and how was it derived?

	Law firms		Accountancy firms		Sunday Times companies	
	Own competencies	Template from supplier	Own competencies	Template from supplier	Own competencies	Template from supplier
For leaders/partners	79%	24%	83%	6%	92%	8%
For managers	82%	9%	91%	0%		
For administrative staff	100%	0%	88%	0%	100%	0%

⁶ Mabey, C. (2001) - Closing the circle: Participant views of a 360-degree feedback programme. *Human Resource Management Journal*, 11(1), 41-53.

There is some consistency with regard to how 360 is run (Figure 5), with online the preferable option in all the companies (78% of law firms, 75% of accountancy firms and 62% of Sunday Times companies run their 360 online). Almost a third of accountancy firms and Sunday Times companies use paper surveys compared with a fifth of law firms. 7% of law firms and 8% of Sunday Times companies use interviews to capture 360 feedback.

Figure 5: How is 360 run?



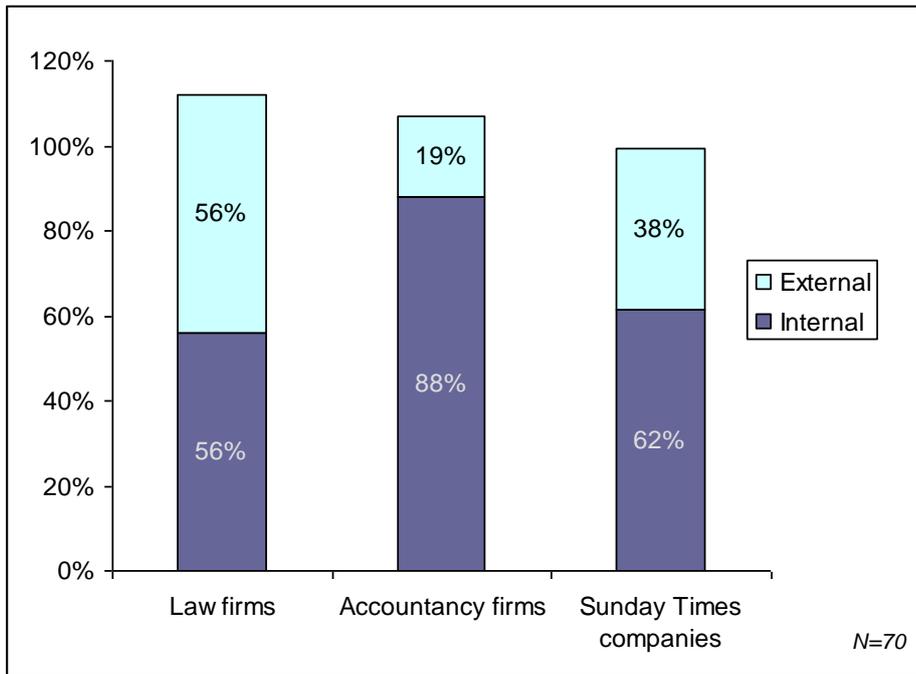
When asked whether they carry out 360s internally or use an external supplier almost nine in ten accountancy firms carry out their 360 internally (Figure 6) whilst two in ten use an external supplier (a couple use both). 62% of Sunday Times companies run 360 internally (38% do so externally). Analysis of the law firms sample found that 73% of the Top 100 who run their 360 online do so with an external supplier compared with 50% of Top 101-200 law firms.

"We run it internally online but use a third party to do the administration. Each partner asks 15 people to provide feedback. These 15 have been approved by a senior partner."

Top 100 accountancy firm

One third of accountancy firms said they have the opportunity to give qualitative as well as quantitative feedback and found this extremely valuable for individuals. Several accountancy firms have different methods of gathering feedback for partners as against other fee earners and support staff. For example, partners' questionnaires are built around core competencies and they are measured against these competencies whereas other members of the team use a generic questionnaire, not specific to the firm. Many law firms have the opportunity for both qualitative and quantitative feedback with a few firms providing comments only and one firm provide quantitative rating only. Raters in the Sunday Times companies are more likely to be given the chance to give both types of feedback.

Figure 6: Who carries it out?



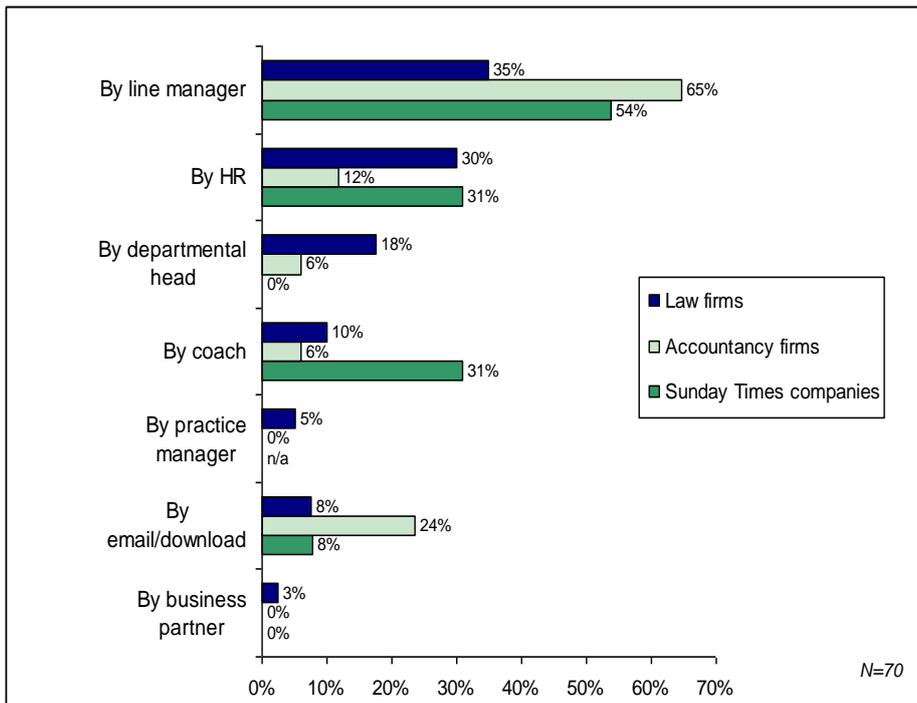
As regards the number of people who are asked to rate individuals, the numbers range from three up to as many as 15 in both law and accountancy firms with the average being around 5 whereas in the Sunday Times companies, the numbers are generally higher, where known, and one company runs a 360 degree feedback process that involves all members of their staff giving feedback on the whole organisation.

"We use a full 360 process for partners, asking specific questions around competencies such as Financial Awareness and Business Development, as well as looking at Leadership competencies."

Top 101-200 law firm

When it comes to delivering the results of the 360, the line manager was the most popular response, although there is some variation between the three types of companies (Figure 7). Line managers give 360 degree feedback in two thirds of accountancy firms, 54% of Sunday Times companies whilst only in one third of law firms. The next most popular response is HR, with 31% of Sunday Times companies and 30% of law firms (39% of Top 101-200 compared with 26% of Top 100 law firms), but only 12% of accountancy firms. Almost a quarter of accountancy firms give their 360 results by email/download compared with 8% of Sunday Times companies, 15% of Top 101-200 law firms and only 4% of Top 100 law firms. 31% of Sunday Times companies use a coach to deliver 360 degree feedback – far more than law firms (10%) or accountancy firms (6%).

Figure 7: How is the feedback delivered?



HR’s involvement in all sectors is fairly consistent. In accountancy firms, HR does a variety of things from training the reviewers, collating all the data, ensuring consistency in the reports and on occasion, delivering the feedback. In law firms, HR’s involvement is similar and will also create specific reports such as on pay and performance and sometimes attend partnership recruitment interviews using the feedback from the 360 process. Sunday Times’ HR people have similar involvement to both law and accountancy firms and are more likely to deliver feedback. Most of the respondents to the survey were from within either HR or the Learning & Development department and all had had some input into their organisation’s 360 process.

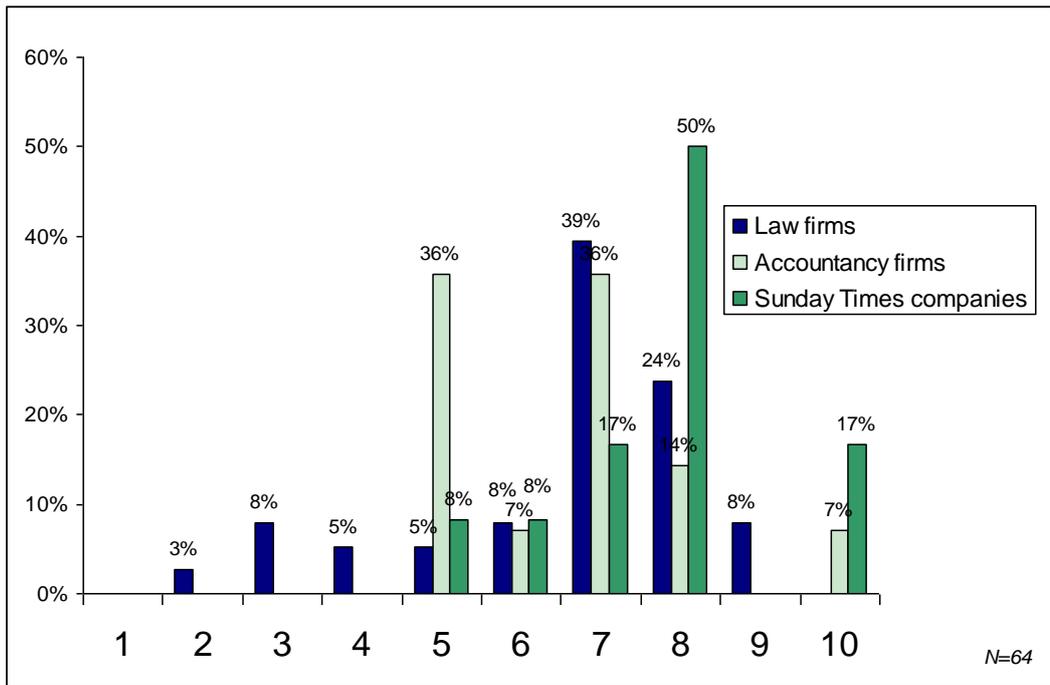
4.5 Experiences and benefits of 360 degree feedback

Respondents were asked to rate their experience of 360 on a scale of 1 to 10 where 1 is low and 10 is high. Whilst the mean scores for law and accountancy firms are almost identical (accountancy 6.57, law 6.61) companies in the Sunday Times Top 100 have a better experience of 360 – their mean score is 7.75. As Figure 8 shows, they are more likely to rate their experience at least 8 out of 10 with one in six giving it a 10. Law firms, on the other hand, gave a wider range of scores, including the lowest scores, which were given by law firms from the Top 100 sample.

Sunday Times companies gave a number of reasons why 360 is rated highly, such as being a useful tool with nowhere to hide; it gives real clarity to individuals about what they need to do and it enables managers and leaders to focus on where they need to put their energy; it helps to make sure the right people are promoted.

“It works brilliantly well. It’s very well ingrained and is pivotal to the organisation”.
 Sunday Times top 100 medium-sized company

Figure 8: How do you rate your experience of 360?



Accountancy firms are more mixed in their responses and some have concerns with its complexity and ensuring there's honest feedback. On the other hand, a good many of them have been pleasantly surprised at how well it's been received.

"We've been running 360 since 2008. Some of my fears haven't materialised, such as receiving inappropriate feedback or using the process to give unfair feedback. This is down to the anonymity of our 360 process".

Top 100 accountancy firm

Individuals were asked what could make the process worthy of the highest satisfaction rate and responses were uniform across all sectors – keeping the process simple, ensuring confidentiality of raters, having total honesty in the feedback, that the feedback be given by someone who's trained and sensitive to the recipient's feelings and having continuity and consistent follow up.

"What we've got works well. It was first introduced two years ago and there was some scepticism and nervousness – but now they are all very glad to have the opportunity to be able to comment in an appropriate and constructive way – and anonymously. "

Top 101-200 law firm

Interestingly, smaller firms, or those working in smaller teams, in particular stated that they would like the process to be less onerous. For example, when individuals have to rate many people – often up to 6 – there was the dual challenge of it being not just a time-consuming task, but also ease of identification.

"It could always get better. A lot of people don't have time to give feedback, for example, if they have 5 partners to review, they struggle with time and we have to chase them quite a lot".
Top 100 law firm

"For the legal sector, it would be good to find a way of making it (giving feedback) less onerous, especially in smaller firms, for example where one person has to give feedback to 5 people. If there was a way of getting over it, that would make it a 10."
Top 101-200 law firm

Also in all sectors, those who used an online system in general rated their experience of 360 higher than those who had either a manual process or a non-automated process.

In both the Sunday Times and law sectors, there was a view that the conversations with the coach helped with the development of setting SMART goals and objectives and coming up with an action plan, having rationalised the feedback together.

Benefits are manifold and there was a general consistency in what perceived benefits are derived from using a robust 360 process. The most cited reasons within the accountancy firms were: changes in behaviour especially in partners/management and how this positively impacted on the people around them; improved performance and an ability to look objectively at individuals' strengths and development needs. In law firms, as well as agreeing with the benefits from accountancy firms, many also cited that it was a good way of identifying talent and future leaders; it encouraged co-operation across groups and gave lawyers the confidence to go out and promote both themselves and the firm. The Sunday Times companies see it as a motivational tool in that it enables employees to provide feedback on management which in turn has an impact on employee engagement and retention. They also believe it's an advantageous way of monitoring performance objectively and establishing clarity in what needs to be developed for the future success of individuals and the business.

Where satisfaction rates were lower, the main reasons given were due to the potential issues around confidentiality and anonymity, that the process was too resource intensive and time-consuming and a nervousness that it might be used for redundancy purposes or related to individual's pay and reward. One respondent said that there was a danger of people being "bombarded with requests for feedback", a sentiment that was shared by others and several stated that it would be more effective if there was follow up and support by HR, the line managers or a coach.

All participants from the Sunday Times companies were asked if there was a correlation between carrying out a 360 degree feedback process and being voted a Best Company by their employees. Of those companies who responded to this question, all agreed to a lesser or greater extent that there is a degree of correlation. Comments included "360 correlates to our culture. It shows that we are investing in our people – we put in a lot of effort into people issues, though not just 360, and it's part of our development programme"; "the positive things that came out of 360 is a reason why our people voted for us in the Sunday Times poll"; "Yes, definitely. Individuals are given the opportunity to give and receive feedback and see clearly what they need to do to develop"; "Yes, senior management are seen as being open, willing to listen to ideas etc, which contribute to it being a great place to work".

“8 years ago the company was lacklustre and underperforming in the sector. We are now ahead of the sector and are in it for the long term. We carry out a collective 360 process, where we listen to what our employees say and act upon it. We work hard all the time to improve and we all appreciate the open and sometimes anonymous feedback, spending time in how best to respond.

The first time we entered the Sunday Times “competition”, we received a 2 rating. We set about improving with a vengeance and moved to a 3* and eventually came top of the list (2 years running). Also bear in mind that 60% of commercial radio stations in the UK lose money, but revenues are growing in UKRD. We have created an environment where teams are open and honest about what they feel.”*

*CEO of UKRD, voted number one in 2011 and 2012
in the Sunday Times top 100 medium sized companies*

4.6 Analysis from those not currently carrying out 360 degree feedback

Analysis of those firms who don't currently carry out 360 shows that most are considering doing so and would like to do so aspirationally. Law firms in particular are more likely to introduce it with two thirds of those in the top 100 saying it's a distinct possibility and they would use it for setting objectives for business planning, for development purposes and to identify talent. One firm said that it's now widely used amongst law firms, so they don't want to be left behind. More than half the 101-200 law firms are also considering introducing it, also for development and to raise individual's awareness of their strengths and weaknesses – and to let individuals have a say in how their managers are managing them.

Nearly two fifths of accountancy firms state that they hope to introduce it for development and to help managers give hard messages. 30% of the Sunday Times companies who don't currently carry out 360 said it's a possibility in the future to do so, in particular once they've got other systems in place such as performance management. There is a sense that even though they don't carry out a formal 360 process, they ask for and receive feedback in other ways such as global staff surveys and through the Sunday Times process for gathering the information to be on their list.

5. Conclusions and recommendations

The top 100 law firms and accountancy firms are more likely to carry out 360 than law firms 101-200, but the prevalence of 360 is considerably higher in the Sunday Times list of top 100 medium sized companies to work for. The majority of those who were interviewed from the Sunday Times list believe there is a correlation between carrying out 360 and being voted/considered to be a great place to work, although some see it as only partly responsible.

In all sectors who participated, the main people who received 360 at their organisation were in senior positions. Law firms are the least likely to administer a 360 process throughout the organisation, whereas approximately a half of accountancy firms and Sunday Times companies involved all their staff.

To a greater extent, development of staff is the predominant reason given for doing 360 and where performance appraisal is the given reason, the feedback is used to inform what development and training needs to be done.

On the whole, for those who carry out 360, the benefits outweigh any drawbacks. Even those firms who don't do 360 can recognise the value of the process, especially for development and for identifying future leaders.

The majority of those who currently do 360 see it as a positive experience and believe it enhances performance and is a good way of capturing information for developing their people. Where satisfaction is not so high, reasons are around confidentiality, being time and resource heavy and a lack of consistent follow up. Those who used an online system in general rated their experience of 360 higher than those who had either a manual process or a non-automated process.

Most law firms who don't currently carry out 360 are considering doing so and would use it for setting objectives for business planning, development and to identify talent. Nearly two fifths of accountancy firms state that they hope to introduce it for development and to help managers give hard messages. 30% of the Sunday Times companies who don't currently carry out 360 said it's a possibility in the future to do so, in particular once they've got other systems in place such as performance management.

Recommendations

- When implementing a 360 process, keep it simple, in terms of administration and time and make it relevant for the purpose
- Where possible, enable confidentiality, anonymity and honesty from the raters and let them know that any feedback they give will not be attributed to them, unless they wish it to be so
- Communicate to the whole organisation the reasons why 360 is being carried out and enable everyone to see the value in having a robust 360 process
- Ensure the person who delivers the feedback to individuals can work with the individual to set goals and an action or development plan
- Once individuals have received their feedback, it is important to follow up the process - by HR, the line manager or a coach - to ensure the feedback is used constructively
- Assess on an ongoing basis, whether the process is achieving the organisation's objectives
- Just do it – 72% of those companies voted in the top 100 Best Companies carry out 360 and of those, two thirds of their managers are involved
- Focus on development rather than assessment and work on each person having a realistic development plan as an outcome of the feedback
- Aim for at least three categories as well as self - manager/s, peers, direct reports. Where this is not possible – for example if a person has no direct reports - gather feedback from more than one person in a category
- The optimum number of raters for peers and direct reports is 3 (at least two to ensure anonymity)
- Look for an online product that is shown to save time
- Further research to investigate what factors influence the success of 360 degree feedback.

Appendix 5

Law firms, accountancy firms and Sunday Times companies who agreed to have their name cited as participating in the research:

Law firms

Anthony Collins
Baker & Mackenzie
Bird & Bird
Burgess Salmon
Burness
Clifford Chance
Collyer Bristow
Dickinson Dees
Dundas & Wilson
Eversheds
Gordons
Henmans
Higgs & Sons
Hill Dickinson
Mills & Reeve
Morgan Cole
Rickerbys
Stephensons
Taylor Wessing
Thomson Snell & Passmore
Trowers & Hamlin
Wilson Solicitors
Wragge & Co

Accountancy firms

Anderson Anderson & Brown
Baker Tilly
Crowe Clark Whitehill
Ellacotts
KPMG
Mazars
PKF
Reeves & Co
Shipleys
SRLV

Sunday Times companies

Botanic Inns
Huntress Group
Just Retirement
Kiln Group
Leo Burnett
MEC UK
Penna
Red Carnation Hotel
SAS
Starcom Mediavest
UKRD
W L Gore