

# Everything You Ever Wanted to Know about Multisource Feedback

## Does Multisource Feedback Really Work?

Multi-rater or multisource feedback (MSF) assessments have gained popularity during the past decade. Numerous studies point to their effectiveness in improving performance, boosting employee satisfaction, creating engagement at work, and decreasing subordinate turnover. Used appropriately, they can provide individuals with insights about their performance and behavior from the viewpoints of their colleagues, subordinates, and leader.

But used inappropriately they can be ineffective, especially if the wrong assessment is used, if there is a lack of an actionable plan to respond to the feedback, or if there is a lack of accountability or follow-through. And many practitioners debate the best purpose for multi-rater assessments.

Research generally supports the fact that MSF does create positive changes in behavior, even if those changes are small. In fact most change occurs in the first six months between the pre- and post-assessment deployment, but those changes are often sustained for as many as four years, especially if the individual continues to receive assessment feedback.

Studies show that MSF ratings are positively correlated to a variety of performance measures such as retention, profitability, revenue, and customer loyalty, in addition to employee satisfaction and engagement at work.

However, a recent meta-analytic literature review identified that in more than a third of the cases, feedback actually lowered subsequent performance. Given this, it's important for organizations that utilize MSF to understand not only *why* MSF works but *how* it works.<sup>(1)</sup>

Human resource individuals must also understand the context in which they are deploying the assessment, the individual personality traits or values of the raters, the experience individuals go through when processing feedback, and the keys to setting up successful MSF deployments in order to truly maximize their effectiveness.

## Why MSF Works

Goal achievement is central to our positive self-concept and self-esteem. In general, MSF works because when individuals see a gap between their feedback ratings and the desired goal, they generally work to reduce the gap as a way of maintaining a positive sense of self-esteem.



Individuals have a natural tendency to correct a certain behavior when they get feedback that doesn't align with a standard they've held for themselves regarding who they want to be versus how they are perceived. Their attention becomes regulated or directed based on a comparison of reality to perception, or what *is* versus what the person *wants to be*.

The purpose of most MSF assessments is to increase self-awareness and facilitate self-growth in an organization's leadership ranks. Generally when asked to compare their self-ratings with those of others, the process of this comparison causes individuals to reflect on their actions, values, and behaviors. This self-analysis generally results in greater self-awareness about one's perceived behavior and the impact and consequences of those behaviors, which can cause an individual to want to change.

Goals are arranged hierarchically into three basic levels—meta-task or self (e.g., What kind of leader do I want to be?), task (What do I want to do to accomplish this?), and task-learning (How do I want to accomplish this?). Meta-task level goals are related to our self-concept. Task level goals are related to actual task performance. And task-learning level goals are related to the details of the specific task.

Research has shown that the best level to focus on when giving feedback is the middle level or task level because it is at this level that individuals become most concerned about shrinking the gap between actual performance and where they want to be. Once a person has access to feedback, an individual develops a self-perception of a need to change, which leads to a task or an action to be taken.

People set goals that relate to their self-concept. MSF interventions focus an individual's attention at the goal level, and if the rating doesn't substantiate a person's perception about himself or herself or is lower than the individual's self-perception, it is likely that the person will work harder to close the gap.

In general, people tend to work to close the gap between "real" (where they are) and "ideal" (where they want to be). This gap can be shaped by others' perceptions compared to self-perceptions and by the norm that is created by combining the ratings of other managers in the organization. When deploying MSF assessments, it's productive to look at the gap both ways.

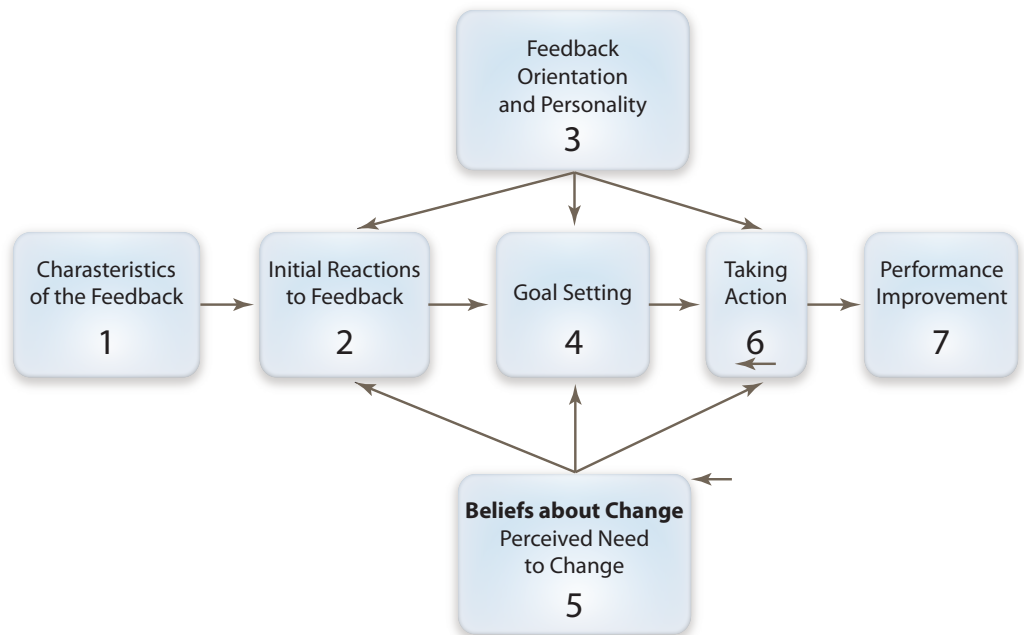
### **How MSF Assessments Work**

It's important to consider under what circumstances MSF does work and how to make an MSF deployment as effective as possible. Not all individuals will improve their performance simply because they have received feedback, and not all feedback is effective in improving performance. But generally speaking, when an individual is faced with a gap between the goal and the current reality they will seek to narrow the gap by working harder or trying to renegotiate the goal. The truth is that some employees are more predisposed to performance improvement than others. Improvements in performance are most likely to occur when

- The feedback given clearly indicates that change is necessary
- The person receiving the feedback has a positive feedback orientation
- Individuals perceive the need to change the behavior
- Individuals believe the change is doable
- Individuals set appropriate goals to change the behavior
- The individual takes actions that lead to performance improvement

## Seven Sequential Factors That Play a Role in Determining Behavior Change

Research has shown that there are seven key steps or factors that influence the usefulness of MSF. These seven steps are primarily a progressive and sequential process, although steps 3 and 5 are considered antecedents and therefore influence 2, 4, and 6.<sup>(2)</sup>



The following is an explanation of the variables in the model above.

### 1. Characteristics of the Feedback

There are several characteristics that can influence the degree to which individuals listen to and act upon the feedback they receive. These include

- Relevancy—the data is tied to factors that are important to the individual’s and their role
- Accuracy—the data is presented without apparent mistakes
- Timeliness—the data is provided within a reasonable time frame after it was collected
- Clarity—the data is presented in plain and clear terms
- Specificity—the data is specific enough to be acted upon

Feedback must be relevant to the individual and the goal, accurate in order to build trust and support behavior improvement, timely in order to influence behavior change in a meaningful way, specific enough to guide behavior change, and easy to understand so that it can be acted upon.<sup>(3)</sup>

## **2. Initial Reactions to Feedback**

Initial reactions to feedback, especially emotional reactions, influence whether individuals will use the feedback to set goals and make performance improvements. Negative feedback can cause the receiver to either reject the feedback and even abandon goals in connection with the feedback, or feel anger or discouragement.

How recipients react to negative feedback can depend on their beliefs about change, their feedback orientation, and their perception about whether the source is reliable.

## **3. Feedback Orientation and Personality**

Discrepancies in self and other ratings are generally linked to an individual's characteristics and motivation to use the feedback. And individuals who are high in feedback orientation are not afraid of being evaluated and not only like feedback, but seek feedback, process it carefully, care about how others view them, and hold the belief that feedback will help them become more effective. These feedback-seeking individuals ultimately feel responsible for using the feedback to create change. When feedback orientation is high, individuals are generally more likely to accept the feedback. Studies have shown that individuals with a propensity toward continuous learning also tend to be feedback seekers and prone to using the information to develop and improve.

Personality also plays a role in how individuals embrace and utilize feedback. The more emotionally stable an individual is, the more likely they are to seek out and appreciate feedback. Extraverts are also more likely to seek and use feedback as are individuals who value being conscientious, as they tend to feel an obligation to use the feedback provided to them. Individuals who have a higher sense of control over their own development are more open to seeking feedback as are those who are more open to experiences in general. Dispositional trust or distrust also influences an individual's attitude toward using feedback.

## **4. Goal-Setting Action Orientation**

Feedback alone will not create behavior change. It is the goals people set around specific areas for improvement that create change. Individuals who receive negative feedback are more likely to set goals than are those who participate in leadership development programs. Another key factor that determines whether an individual will act on feedback is whether their outlook is focused on attaining a positive outcome versus doing something because they should or ought to.

Individuals with a learning-goal orientation (those focused on becoming more competent by acquiring new skills, mastering new situations, and learning from experience), are also more likely to use feedback to make changes than those without this trait.

## **5. Beliefs about Change and Perceived Need to Change**

Even individuals who accept feedback and believe they need to change may not be successful if they don't believe that change is possible or that it will create a positive outcome. Factors that

influence beliefs about change include one's view of their own efficacy, abilities, and personality. Optimism and cynicism also play a role in shaping a person's perceived need to change.

Individuals with low self-esteem or self-image are more likely to believe that change is futile and will be less likely to spend time and energy to change. Conversely, individuals with high self-image and self-esteem are not only more likely to change behavior, they are also more likely to improve.<sup>(4)</sup> In addition, individuals with incremental beliefs (believe intelligence is flexible and can be increased through effort) are more likely to recognize improvements or declines in their performance than individuals with entity beliefs (those who view intelligence as unchangeable). Those who are cynical or mistrustful of their organizations can tend to question the need to change behavior because cynics generally do not believe that improved performance will result in a reward.

An individual's perceived need to change also influences the likelihood of whether he or she will change. For some, the perceived need to change may be influenced by receiving low ratings or ratings that are lower than their self-rating. Studies have shown that individuals who receive negative feedback or overrate themselves tend to improve more than others.<sup>(1)(2)</sup> But not everyone who receives MSF will use the information to change behavior, because they may not see the feedback as that unfavorable or it may validate a negative self-perception caused by low self-esteem. Conversely, individuals receiving positive feedback may not see the need for further improvement and, hence, take no action.

Some things that influence an individual's perceived need to change is what they think the system or the organization is going to do with the information, what support is available to assist with change, and what's in it for them to change. If the organization sends the message to the individual that they don't need to change based on the feedback, they won't change.

Research has shown that organizational factors like supervisory style, organizational citizenship, cost of seeking feedback, and cultural support of feedback have a greater impact on the attitudes of those receiving feedback than individual factors like self-esteem, feedback-seeking behavior, and locus of control.

Using feedback to guide development increases the odds that the receiver will use the feedback to change behavior. However, tying the feedback to performance appraisals, pay increases, or promotions in hopes that the individual will use that as a motivator to change must be done cautiously and in combination with coaching, training, and reinforcement to support behavior change. Otherwise, the individual may minimize the negative feedback, which renders the feedback ineffective.

## **6. Taking Action**

Taking action via working with a coach, discussing feedback with others, or participating in some form of development activity is the surest way to create behavior change and ultimately performance improvement. It is critical that the organization provide support and development alternatives after administering MSF so that the individuals can set goals and take action. Studies have found that working with a coach to set goals and monitor progress can be extremely effective. Individuals who work with a coach are more likely to set specific (versus vague) goals,

to solicit ideas for improvement from their leaders, and to receive higher ratings from their subordinates in future MSF deployments.

Managers who meet with direct reports to discuss their feedback improve more than those who don't, and managers who discuss and review previous feedback in addition to the most recent round of feedback improve more than those who focus only on the most recent results.

## **7. Performance Improvement**

The ultimate goal in deploying MSF assessments is to improve performance. And in general, leaders who are rated by followers do improve after receiving feedback. Quite often it's the lack of meaningful accountability that causes MSF deployments to have a less powerful impact than desired. For example, if the ratee is the owner of the feedback and there is little accountability for change, no change should be expected. If the feedback is tied to a performance improvement effort that allows accountability mechanisms to be established, the organization can expect a greater amount of performance improvement from the ratee.

Managers who participate in training programs and other developmental activities are more likely to see progress than those who do not. It's important to note that leaders who work with coaches are more likely to set specific goals, solicit ideas for improvement from their leaders, and have higher post-ratings than uncoached leaders. Leaders with low to moderate ratings will make greater improvements in behavior over a five-year period than leaders with high ratings.

## **Other Considerations**

### **The Value of Self-Perceptions versus Others' Perceptions**

Another consideration when deploying MSF assessments is to understand the differences between self and others' perceptions. Self-perception is contingent on self-awareness and self-esteem. And the accuracy of self-perceptions is dependent on intelligence, self-esteem, ability to self-observe, and the capacity to seek and retain personally relevant information.

Research has shown that self-perceptions can be biased and, therefore, suffer from inaccuracies for several reasons. First, self-ratings tend to be inflated. People are more lenient when appraising themselves and can tend to foster a positive self-image. Second, the reason most self-perceptions are often not accurate is because self-raters give themselves the benefit of the doubt. Others' ratings are based on the leader's past behavior while self-ratings tend to take the future into consideration—where their self-perception and vision of themselves is more positive. Third, when individuals take a self-assessment, they tend to answer the way they think the follower or organization wants them to answer, or based on what they think is a best fit for the organizational culture.<sup>(5)(6)</sup>

To become more self-aware, people must compare their behavior to either an existing standard or some new information about themselves, consider others' perceptions of them, and incorporate those perceptions into their own.

Consequently, more emphasis or consideration should be placed on others' ratings regarding a leader than the boss' rating of that leader or the self-rating of the individual being rated by others because neither the boss nor the individual can experience the person in a leader context.

## **When It Comes to Feedback—What and How Do People Recall?**

The extent to which individuals recall their feedback determines whether they can change their behavior and improve their performance. Beyond this, some studies indicate that individuals remember negative feedback more than positive feedback, but it's important to note that negative feedback is processed differently than positive feedback. For example, people who tend to be defensive often spend less time processing negative feedback than they do positive feedback and, therefore, tend to recall positive feedback better. Most studies conclude that people recall positive information better than negative, since recall is connected to self-image and self-identity. Individual self-orientation impacts what they retain and what they focus on. In general, people tend to recall positive feedback more than negative feedback and strengths more than weaknesses because of an innate tendency toward self-protection and self-enhancement.

While some leaders are good at evaluating certain objective aspects of their performance, such as assigning tasks, scheduling work, and clarifying expectations, other aspects of their roles, such as subjective behavior (being supportive, earning respect, or being sensitive) are better assessed using the feedback of others. The more objective the behavior, the more likely a leader is to effectively self-evaluate.

The more subjective the behavior, the more likely a leader will need to rely on the feedback of others. Research shows, however, that leaders are more likely to remember objective feedback (task-specific behavior) than subjective feedback (self-traits). Feedback on specific behaviors is more helpful for guiding behavior change than feedback on broad traits. Since MSF and its sheer volume of information can be overwhelming, it's important for individuals to look for themes in the data rather than trying to remember every detail. Research shows that individuals are also more likely to remember and listen to feedback from their direct reports and leaders than they are from their peers.

## **When the Feedback Process Goes Awry**

Despite the value of feedback, there are conditions when it is not only ineffective to provide feedback, it can even be detrimental. As stated earlier, feedback must be relevant to the individual and the goal, accurate in order to build trust and support behavior improvement, timely in order to influence behavior change in a meaningful way, specific enough to guide behavior change, and easy to understand so that it can be acted upon. Failing to meet one of these criteria can mean the feedback won't be well received, may be questioned, or worse yet, will not be acted upon. For example,

- When feedback is not connected to a goal, the desired behavior change may be irrelevant to the goal or, even worse, distracting to the individual.
- Inaccurate feedback is not only useless to the individual but can't lead to performance improvement. If the inaccuracy is identified and the "system" later attempts to correct this by providing accurate feedback, the individual may be less likely to trust the information and may not act on it.
- Performance reviews that are given too often (more than once a year) or give too much information can lead the individual to feel overwhelmed by the information.
- Specific feedback keeps people on target. Vague generalized comments like "great job" can make an individual feel good in the moment but can't have a lasting impact on performance because they can confuse the person about what part of the performance was great and specifically what "great behavior" should be repeated.

- Feedback that's confusing or unclear can lead people to believe that their performance is actually improving when in fact they are moving away from the desired performance or behavior as it relates to the overall goal.
- If the source or sources providing the feedback aren't seen as credible it will also affect what the individual does with the feedback.

### **Important Considerations for HR Practitioners**

When embarking on an MSF deployment it's important to weigh the following considerations.

- Consider how the organization and the raters will use the data. If the organization is using the ratings for anything other than a developmental discussion, it may not maximize the improvements in leader behaviors that you want to see.
- Leaders who work with coaches are more likely to set specific goals, solicit ideas for improvement from their leaders, and have higher post-ratings than uncoached leaders.
- Leaders with low to moderate ratings may make greater improvements in behavior than leaders with high ratings as shown by longitudinal studies.
- Leaders who meet with and discuss the feedback with direct reports show greater improvement than those who do not. And leaders who revisit the previous year's feedback as well as the current year also make greater improvements.
- Leaders who have high self-monitoring personalities (aware of and monitoring their behavior in the moment) are more likely to perform better.

### **Recommendations/Best Practices for Systemic Change**

- ***Focus on development not decision making***—Avoid using MSF for decision making around pay increases and promotions but rather for development. Most MSF assessments are deployed with the intention of using them for development purposes, but sometimes organizations may later shift the focus and use the data to make decisions during the performance review process or for making decisions about the individual's performance-based promotion. Changing the rules in this way can raise questions from the raters about fairness. Avoid using the data to make decisions unless you are upfront about the intention in the beginning of the process. It's also best not to use MSF to supplement a performance review, pay increases, or promotions. Use the data to guide and inform individual development plans.
- ***Support via coaching and training***—Consider securing coaches for individuals who need to work on certain areas. Research shows that coaches can not only help the individual clarify and prioritize the areas for improvement, they can help the individual set specific improvement goals, keep the individual on track for improvement, and motivate the individual during the development process. Coaches can also help craft improvement strategies, especially in areas where the feedback was negative. Support individuals in their change process by offering training or learning experiences tied to the areas for improvement. It's important to help the individual receiving feedback to understand, interpret, and react to the ratings and feedback. This eliminates the possibility of conflicting messages.
- ***Practice confidentiality***—Keep feedback sharing limited to the individual, his or her leader, and direct reports. Don't compare one individual's feedback to another's or it will create a dynamic that causes the individual to focus on the self rather than focus on tasks and improving performance.



- **Set goals**—Include a formal goal-setting component to increase the effectiveness of the feedback process. Individuals who set incremental goals, especially with a coach, are more likely to make performance improvements.
- **Benchmark regularly**—Implement MSF regularly in order to understand shifts or improvements in performance and to benchmark whether the individual is making progress. To be effective, MSF should be frequent (at least twice a year), factual and linked to evidence, dialog oriented (meaning there will be discussion about the feedback), accurate, clear, and presented with compassion. Research shows that most improvement in performance is made between the first and second administration and that sustained results are achieved over time with periodic reassessment.
- **Prioritize**—Bandwidth for change varies from individual to individual but attention span isn't infinite. Goals must be prioritized and given a hierarchy so that individuals know what is most important and what to address first.
- **View it as a process**—Approach any MSF assessment deployment as a process supported by training and development, coaching, and feedback. Have leaders be involved in coaching other leaders, and ask leaders to have developmental conversations not only with their own leaders but also with their direct reports using the most recent data as well as data from the previous one or two assessment deployments.
- **Treat negative feedback differently than positive**—Negative feedback can be seen as less accurate and less useful by the receiver. Therefore, leaders receiving negative feedback may need a higher level of support than leaders receiving neutral or positive feedback. This may take the form of follow-up activities, coaching, or support from the leader's leader. It may also mean that attention needs to be placed on the positive areas to balance out the negative.
- **Make development a cultural norm**—It's important for organizations to foster a culture that supports individual development so that individuals sense the importance of developing and growing, see it as an organizational norm, and understand that the organization wants to help them develop.

### In Conclusion

While most practitioners would agree that MSF assessments have a purpose and a positive role in creating change, they would also agree that a lack of meaningful accountability, especially in regard to the leader being rated, is one reason MSF assessments can fall short of the desired goal—behavior change. This is because in most organizations the leader is tasked with being the owner of the feedback and therefore responsible for creating improvements or change in his or her behavior. Where there is little accountability on anyone other than the leader to create the desired behavior change, the results cannot be as robust as they would be in an organization that has support systems in place to help the leader change. But by being mindful of the best practices recommended in this paper, practitioners will find they can gain greater rewards and results from their MSF deployments.

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## Endnotes

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