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CANADIAN FORCES COLLEGE / COLLÈGE DES FORCES CANADIENNES
CSC 31 / CCEM 31

EXERCISE/EXERCICE NEW HORIZONS

The 360 Degree Performance Evaluation Report :

A Means Towards The Development and Selection of Transformational Leaders

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Abstract

Transformational leadership appears to be generally accepted by the academic and private sectors as superior to transactional leadership. The Canadian Forces (CF), as part of its ongoing review of leadership, has stated its desire to move to transformational leadership. A tool that the majority of corporations has found useful in making such a transition is the 360 degree evaluation. Acknowledging corporate success in this regard, this paper proposes that a CF Personnel Appraisal System (CFPAS) using 360-degree feedback will provide a superior measure of performance leading to superior leadership, greater organizational fairness, improved individual performance and administrative efficiencies. This thesis will be illustrated by examining the importance of evaluation to the CF, the shortcomings of the current methodology, why 360 degree evaluation is a superior measure, and how it can be used in the CF.

“We have, in my view, too much careerism creeping into our officer corps... Officers who worry more about themselves and how they are going to get ahead than they do about the people they are privileged to lead.” General A.M. Gray 29th Commandant of the Marine Corps¹

Further to General Gray’s opinion, a study on US Army leadership concluded that “present leader development and promotion systems are not up to the task of consistently identifying and advancing highly competent leaders.”² Likewise, the Canadian Forces (CF) has a similar problem in leader development and selection.

In response to a lack of leadership displayed during the Somalia deployment, *The Somalia Inquiry Report* recommended that the CF take steps to move from transactional to transformational leadership.³ The benefit of having leaders with transformational leadership skills is that they will generate more procedural justice and trust and hence more effectiveness in both the long and short term.⁴ “Transformational leadership, as its name indicates, stresses transforming subordinates by challenging them to see beyond their own self-interest and look to the interest of the organization.”⁵ In *Leadership and Management of the Canadian Forces*, shortcomings with the appraisal and selection of

¹ Owen West, “You Can’t Fool the Troops,” *United States Naval Institute Proceedings* vol. 124 iss. 9 (Sep 1998): 52-54; <http://proquest.umi.com>; Internet; accessed 25 October 2004.

² LCol Timothy R. Reese, “Transforming the Officer Evaluation System: Using a 360 Degree Feedback Model” (Carlisle Barracks: US Army War College Paper, 2002), 3.

³ The Somalia Inquiry, *The Somalia Inquiry Report Volume 2, Chapter 15*, Report Prepared for Department of National Defence (Ottawa, Department of National Defence, March 1997), available from http://www.forces.gc.ca/site/reports/somalia/vol2/V2C15_e.asp15-20; Internet; accessed 11 March 2004.

⁴ HRZone, “Going Beyond,” http://hrzone.com/articles/justice_leadership_OCB.html; Internet; accessed 23 August 2004.

⁵ Reese, *Transforming the Officer Evaluation System...*, 11.

officers were identified.⁶ These shortcomings impair the CF's ability to advance transformational leaders.

Transformational leadership is far from a new concept in the private sector. Civilian organizations supporting better leadership are using a new tool to develop and assess their leaders, the 360 degree performance evaluation. This tool utilizes performance feedback from the individual, subordinates, peers and superiors to create a complete picture of an individual's performance and potential. It has "been almost universally adopted among *Fortune* 500 firms and in many other companies,"⁷ yet it is considered a new concept to most, if not all, militaries.⁸

⁶ Doug Young, *Report to the Prime Minister on the Leadership and Management of the Canadian Forces*, Report Prepared for Department of National Defence (Ottawa, Department of National Defence, March 1997), 15-20.

⁷ Charles R. Greer, *Strategic Human Resource Management: A General Managerial Approach* (Upper Saddle River: Prentice-Hall, 2001), 229.

⁸ An informal survey of Command and Staff Course 31 foreign students found no indication that any military is using 360 degree feedback for evaluation purposes. However, the following are examples of its use in the CF and the US forces for developmental and training purposes: 1) Royal Military College, the Basic Officer Training Course and the CF College use either peer feedback or 360 degree; 2) The Unit Morale Profile (UMP) administered to CF personnel on peace support operations and provided to the unit CO is consistent with the 360 process. The UMP is upward anonymous feedback which includes measures of transformational and transactional leadership abilities;^{8A} 3) Rand Corporation introduced 360 feedback to two operational brigades and has reported a high degree of acceptance and behavior change;^{8B} 4) The Reserve Officer Training Program and the US Marine Academy both use peer feedback;^{8C} and 5) The Ranger, Marine Security Guard, Marine Drill Instructor, Army Officer Candidate, Army Basic schools all use peer ratings.^{8D}

^{8A} Major M.A. Riley. *Measuring the Human Dimension of Unit Effectiveness – The Unit Morale Profile*, Report Prepared for Director Human Resources Research and Evaluation and presented to the 38th International Military Psychology Symposium (Ottawa, Department of National Defence, May 2002), 3.

^{8B} David C. Nystrom. "360 Degree Feedback: A Powerful Tool for Leadership Development and Performance Appraisal" (Monterey: Naval Postgraduate School Paper, 2001), 58.

^{8C} Reese, *Transforming the Officer Evaluation System...*, 7.

^{8D} West, *You Can't Fool the Troops*.

Given the problems that the CF has in developing and selecting transformational leaders, it is proposed that a CF Personnel Appraisal System (CFPAS) using 360-degree feedback will provide a superior measure of performance leading to superior leadership, greater organizational fairness, improved individual performance and administrative efficiencies. This thesis will be illustrated by examining the importance of evaluation to the CF, the shortcomings of the current methodology, why 360 degree evaluation is a superior measure, and how it can be used in the CF.

CFPAS and the Importance of the PER

Presently, personnel evaluation in the CF is done via the CFPAS. “The aim of the CFPAS is to develop CF members through constructive feedback and to accurately assess the level of demonstrated performance and potential for career administration purposes.”⁹ The key document to come out of CFPAS is the annual PER.

From the member’s perspective, the PER is perhaps one of the most important documents in the CF. PERs are collected centrally and the rankings that they contain are used to determine promotion, training and postings. Those CF members who desire advancement, further education or desirable postings must tailor their actions such that they will receive a good PER. From the organization’s perspective, the PER is the key input in the selection of its leadership, as “strong and effective leaders are at the heart of

⁹ Department of National Defence, *CFPAS website*, available at http://www.forces.gc.ca/hr/cfpas/engraph/home_e.asp, accessed 12 March 2005.

military professionalism.”¹⁰ It is critically important, therefore, that the performance reported in the PER be an accurate picture of the member’s capabilities and potential.

It is worthwhile to contrast the importance of the CF PER to the equivalent evaluations elsewhere. In the private sector, annual evaluations are the norm but they are not used as the basis for selection for promotion, training or new positions to the same extent as they are in the CF. In most instances, civilian evaluations are used as feedback for developmental purposes. The Public Service’s PER is a good example of this. Once the annual PER has been presented to the employee, it is likely to be filed away, never to be seen again.

The bottom line here is that the CF’s PER is critically important to both the member and the organization. It is therefore very important that the information contained in each PER be as true as possible.

PER Shortcomings

A great deal of study and effort has gone into the design of PERs. Over time, the PER has become a good evaluation tool but there is always room for further improvement. The last significant PER changes included a new scoring system, the creation of goals through a Personnel Development Report and the elimination of high score controls. The end of high score limits has created a problem of score inflation. In this year’s *CFPAS Lessons Learned* message it stated that “since the removal of high score controls from all aspects of the PER, inflation has become problematic” and there is

¹⁰ Department of National Defence, CFP A-PA-005-000 AP-001 2003 *Duty With Honour The Profession of Arms in Canada* (Ottawa: DND Canada, 2003), 55.

a need to “differentiate between right-lined PERs.”¹¹ Table 1 below illustrates the inflationary score trend in existence. The 2003 officers’ average score is indicative of every officer in the CF being rated as either “Exceeded Standard” or “Mastered” in all 16 performance factors!

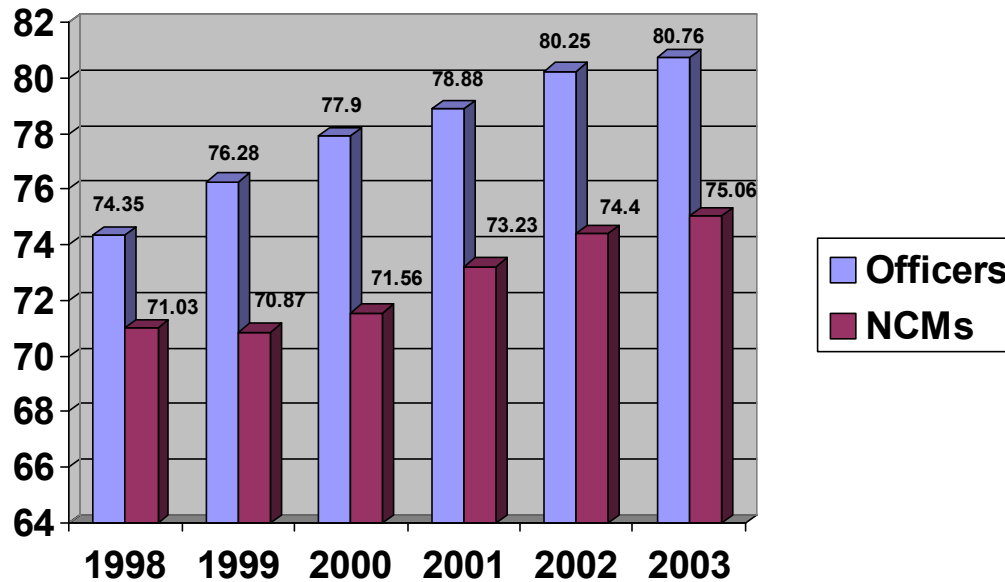


Table 1: Officer Versus NCM Average Scores – Annual PERs¹²

Managers delivering appraisals have considerable discomfort with the process. Basically, they are averse to awarding low or average scores that may result in a negative reaction from the ratee. Hence, they may give across the board high ratings that do not

¹¹ Department of National Defence, DGMC 001 251400Z JAN 05 *CFPAS Lessons Learned and Way Ahead*; available from http://barker.cfc.dnd.ca/Admin/Googgen/2005/dgmc-05-001_e.html; Intranet; accessed 28 January 2005.

¹² LCdr Tracey Lonsdale, *PER Inflation*, (NDHQ DMCARM 2), E-mail dated 26 Jan 05, data compiled from CF PeopleSoft and Permon systems.

discriminate between assesseees. This adds to the inflation problem and detracts from organizational goals and erodes trust in the process.¹³

As a result of score inflation, the importance of potential ranking has also been inflated. In an attempt to differentiate their high scorers from those of other high scorers, units have taken to creating larger and larger ranking pools and using the narrative to present these rankings. Rankings such as these are needed when assessors fail to effect tough and accurate performance assessments.¹⁴ Something must be done to stop the score inflation. That said, due to the perception that some high performing CF members did not receive commensurate PER scores due to past high score controls, the re-
imposition of such controls would be an unpopular decision.

Research indicates that supervisor performance appraisals are biased.¹⁵ Traditional top down performance measurement “is akin to measuring an iceberg by looking only at what portion floats above the water.”¹⁶ Research has shown that supervisors are simply not able to gather even a partial picture of their subordinate’s performance.¹⁷ One study revealed supervisors spend less than 1% of their time

¹³ E.K. Kelloway and V.M. Catano. *Contemporary Perspectives on Performance Appraisal: Towards Resolving the Paradox*, Report Prepared for the Director Human Resources Research and Evaluation (Ottawa, Department of National Defence, March 2003), 1.

¹⁴ Steve Bates, “Forced Ranking,” *HR Magazine* vol. 48 iss. 6 (June 2003): 62-68; <http://proquest.umi.com>; Internet; accessed 19 August 2004.

¹⁵ S.F. Cronshaw, T.B. Kondratuk, and G.A. Chung-Yan. *Performance Appraisal Discussion Paper: Prepared for the Canadian Forces*, Report Prepared for the Director Human Resources Research and Evaluation (Ottawa, Department of National Defence, February 2003), 11.

¹⁶ Reese, *Transforming the Officer Evaluation System...*, 8.

¹⁷ G.P. Latham, *et al*, *The Science and Practice of Performance Appraisal: Recommendations for the Canadian Forces*, Report Prepared for the Director Human Resources Research and Evaluation (Ottawa: Department of National Defence, February 2003), iii.

observing subordinates,¹⁸ while another stated that bosses observe less than 25% of a subordinate's work.¹⁹ This often results in senior leaders discovering "only the most egregious cases of poor leadership and its effects on unit performance."²⁰

Further bias is reflected in how supervisors observe and through application of their personal filters and prejudices. Latham et al found that appraisals often reflect the appraiser's bias more than the individual's performance (and they believe that 360 degree feedback is the solution).²¹ Kelloway and Catano noted that "more than 50% of variance in performance ratings may be attributable to idiosyncratic rater characteristics" including whether the supervisor likes the assessee.²² Supervisor prejudice is supported by research which indicates "that leaders who were seen as challenging the status quo and encouraging subordinates' independent decision making usually were rated low by their superiors but high by their subordinates and peers."²³

Considering that the CF encourages leadership and initiative at the lowest levels, the amount that a superior sees of a subordinate's work in the CF is likely much less than some of the civilian researchers discovered. The bottom line is that to get the entire picture of what an individual does requires more than just input from superiors. The current PER includes only assessments by superiors, hence, the resulting scores, rankings and narratives are all less than perfect.

¹⁸ Ibid., 16.

¹⁹ West, *You Can't Fool the Troops*.

²⁰ Reese, *Transforming the Officer Evaluation System...*, 5.

²¹ Latham, *et al*, *The Science and Practice of Performance Appraisal...*, iv.

²² Kelloway and Catano, *Contemporary Perspectives on Performance Appraisal...*, iv.

²³ West, *You Can't Fool the Troops*.

In terms of functionality, too much input turns off the ratee and an overly complex rating process turns off the rater and effects the quality of the rating.²⁴ The present PER suffers from an overly burdensome process that has largely been generated by the need to determine rankings and narratively substantiate numerical scores. These needs have increased due to a lack of honesty by raters and have resulted in score inflation. Almost no one in the CF is rated as average or simply meets the standard anymore. Raters know that they must rate their deserving personnel high and that all other raters are doing the same. Hence, more importance is placed on ranking and narratives as a means to differentiate the true high performers. The result is a great deal more work is required to complete the annual PER. Over the three month PER season, it is estimated that a typical reviewing officer spends the equivalent of 1-2 weeks on PERs. For a resource-constrained force like the CF, this is an onerous demand.

Another area that has become inefficient is the merit board process. As indicated in the *CFPAS Lessons Learned* message there is a need to “differentiate between right-lined PERs.” The fact that a great many of the personnel eligible for promotion have a series of PERs with most scores at the maximum has made it more difficult for merit boards to select those most deserving for promotion. More time and effort is needed to read the fine print and read between the lines and the result may be termed a best guess promotion list. Selection boards need better information than they presently receive. In particular, they need input from “peers and subordinates attesting to the leadership side of the leader’s personality.”²⁵ Such input would constitute a more accurate picture of each

²⁴ Nystrom, *360 Degree Feedback: A Powerful Tool...*, 53.

²⁵ Walter F. Ulmer Jr., “Military Leadership into the 21st Century: Another ‘Bridge Too Far’,” *Parameters, US War College Quarterly*, Vol XXVIII No. 1 (Spring 1998): 23.

candidate's transformational leadership capabilities and result in the selection for promotion of the best leaders.

360 Degree Evaluation is a Superior Measure

If the CF is truly interested in promoting transformational leadership and improving organizational performance, fairness and morale, then adoption of a 360 degree performance evaluation system will go along ways towards achieving these goals. In fact, this path has already been endorsed.

The Treasury Board's *Performance Management Best Practices* includes the use of 360 degree assessments and links this with recognition and rewards.²⁶ This guideline is interesting in that the Public Service has far less to gain than the CF through the use of a superior assessment system. This conclusion, of course, relates back to the fact that annual evaluations in the CF are crucial for the selection of its leaders, while the same is not true for the Public Service.

Benchmark 2.2 of the *CF Human Resources Benchmarks* sets the goal for the CF to play "a leadership role in promoting and ensuring progressive military HR practices within the CF."²⁷ Such a leadership role would have the CF ahead of the private sector in using a superior system such as 360 degree evaluations. As 90% of *Fortune* 1000

²⁶ Kelloway and Catano, *Contemporary Perspectives on Performance Appraisal...*, 18.

²⁷ Department of National Defence, *Canadian Forces Human Resource Benchmarks*; available from http://hr.ottawa-hull.mil.ca/engraph/benchmarks_e.asp; Intranet; accessed 26 January 2005.

companies now collect multi-source feedback, it is clear that the CF is at least a decade behind the private sector in this regard.²⁸

The DND commissioned *Phillips Study* specifically recommended the use of “subordinate appraisal processes.”²⁹ Consider the fact that the CF has always encouraged its young officers to listen to their senior NCOs and learn from them. The advice from senior NCOs is just as frequently on leadership issues as it is on technical ones. This advice is illustrative of the value that is inherent in subordinate input.

360 Degree Evaluation = Transformational Leadership

360 degree evaluation is more than just a developmental tool. If used for evaluation purposes it will both develop personnel and advance those who are transformational. In the private sector, 360 degree performance ratings are being increasingly used for evaluation purposes.³⁰ There is a strongly held belief amongst appraisal researchers that an organization cannot fully embrace concepts such as transformational leadership and a learning culture unless it moves beyond the traditional top down appraisal method.³¹

Some of the characteristics and behaviors of a transformational leader are not readily apparent to a superior but are obvious to subordinates and peers. These include “articulating a motivational vision, providing intellectual challenge, inspiring teamwork,

²⁸ Latham, *et al*, *The Science and Practice of Performance Appraisal...*, 12.

²⁹ The Phillips Group, *Military and Civilian Employee Feedback Survey*, Report Prepared for Department of National Defence (Ottawa, Department of National Defence, June 1995), 15.

³⁰ Kelloway and Catano, *Contemporary Perspectives on Performance Appraisal...*, iv.

³¹ Walter M. Thornow, *Maximizing the Value of 360 Degree Feedback*, (San Francisco: Jossey-Bass Inc., 1998), 120-146.

considering subordinates as individuals, being open to ideas, consideration for others, setting the example of subordinating self to mission and demonstrating morale courage.”³² Surely, these transformational leadership behaviors are ones that the CF must accurately capture before making decisions on advancement.

In most cases, the traditional approach does not measure “how well the leader creates and sustains employee motivation, inspires teamwork, fosters innovation, builds trust between employees and employers, and is open to new ideas.”³³ The Center for Creative Leadership has determined that “there is no way to verify the presence or absence of some crucial leader behaviors other than to query the followers.”³⁴ To measure transformational behaviors, the CF needs to include multi-source feedback in its formal PER.

360 Degree Evaluation = Organizational Fairness

360 degree evaluations lead to a perception of greater organizational fairness and a resulting increase in morale and productivity. Kelloway and Catano recommended that performance evaluations should be from multiple perspectives, not solely from the supervisor, and the performance evaluation system “must emphasize the principles of organizational justice”.³⁵ The use of multiple sources of input results in the cancellation

³² Ulmer, *Military Leadership into the 21st Century*..., 15-16.

³³ Reese, *Transforming the Officer Evaluation System*..., 10.

³⁴ *Ibid.*, 11.

³⁵ Kelloway and Catano, *Contemporary Perspectives on Performance Appraisal*..., v.

of any biases that a single source may have had, greater acceptance of the resulting appraisal, and increased organizational fairness.³⁶

Individuals who report to autocratic leaders have a positive attitude towards 360 degree feedback.³⁷ Multi-source appraisal allows for greater voice and has “the potential to leverage greater member satisfaction, motivation and performance.”³⁸ At least four studies have indicated that peer reviews are the most accepted. Likely, this is because peers are seen to understand the constraints faced and their level of expertise is respected. Also highly accepted are subordinate reviews; least accepted are superior reviews.³⁹

The benefits of a PER system that is perceived as fair include improved member attitudes and reactions to appraisals, improved member motivation and performance, improved member organizational attitudes (commitment, trust, retention), and improved legal defensibility.⁴⁰ The research conducted to date indicates that the evaluation system most seen as fair is 360 degree feedback.

360 Degree Evaluation = Improved Individual Performance

CF individual performance will be enhanced through the adoption of a 360 degree evaluation system. First, the measure of performance under a 360 degree system will be a better predictor of future performance than with a traditional system. This supported by research conclusions that “peer ratings are the best predictors of performance in future

³⁶ Nystrom, *360 Degree Feedback: A Powerful Tool...*, 61.

³⁷ Latham, *et al, The Science and Practice of Performance Appraisal...*, 16.

³⁸ Cronshaw, Kondratuk, and Chung-Yan, *Performance Appraisal Discussion Paper...*, 21.

³⁹ Nystrom, *360 Degree Feedback: A Powerful Tool...*, 49.

⁴⁰ Cronshaw, Kondratuk, and Chung-Yan, *Performance Appraisal Discussion Paper...*, 9.

jobs”⁴¹ and that US Special Force “peer ratings predicted final training outcomes better than did ratings from the staff.”⁴²

Second, the result of 360 degree evaluation will be improved performance by individuals. Research (Hegarty) as early as 1974 showed performance improvement in supervisors who received upward feedback.⁴³ Atwater, Roush, and Fischthal (1995) found student leaders at the US Naval Academy exhibited improved performance after receiving upward feedback. Those receiving the most negative feedback improved the most.⁴⁴ Bettenhausen and Fedor (1997) conducted a 10 year study that indicated that increased individual accountability, improved performance quality and self-regulation derived from peer assessments.⁴⁵

360 degree feedback, through the elimination of supervisor bias, will give a truer picture of an individual’s performance and potential. Individuals looking to get ahead will use the information received via 360 degree feedback as a personal development tool. With more accurate input, merit boards will be better able to select the best leaders for training and promotion. The bottom line will be that the true transformational leaders in the CF will advance. As well, subordinates and peers given the opportunity to offer

⁴¹ Latham, *et al*, *The Science and Practice of Performance Appraisal...*, 13.

⁴² *Ibid.*, 14.

⁴³ Nystrom, *360 Degree Feedback: A Powerful Tool...*, 44.

⁴⁴ Nystrom, *360 Degree Feedback: A Powerful Tool...*, 45.

⁴⁵ Nystrom, *360 Degree Feedback: A Powerful Tool...*, 48.

performance feedback will develop a greater sense of empowerment towards their team and this will enhance morale and productivity.⁴⁶

360 Degree Evaluation = Administrative Efficiency

The use of 360 degree feedback will also improve administrative efficiencies. With more honesty in the PER process, average scores should decrease to better reflect reality. The reason for this is that PER scores will be comprised of a number of independently derived scores, few of which will be motivated by a desire to get the individual promoted or to avoid having to present a less than stellar PER. The result of this deflation will be that it will again be possible for merit boards to differentiate scores between top performers. The merit board process could be streamlined, as there will be less need for interpretation. Ideally, merit boards could be automated. With merit board files containing the input of perhaps 100 CF members (as opposed to around a dozen today), there would be little value added in additional human input.

The time spent on PER preparation can also be substantially reduced through the use of 360 degree evaluation. This can be effected through increased automation and use of the intranet, plus a decreased requirement for narratives and no need for rankings. The US Army has estimated that it will take no more than 12 minutes to complete the 360 degree assessment forms designed for its trial of the *US Army Leader Assessment and Feedback Program*.⁴⁷ As well, presentation of an average or weak PER will become a

⁴⁶ LCdr Derek Cann, "Applying 360 Degree Feedback to the CF Personnel Appraisal and Development Systems," (Toronto: Canadian Forces College Command and Staff Course Master of Defence Studies Paper, 2004), 26.

⁴⁷ US Army Combat Training Center, "The Army CTC 360 Leader Assessment and Feedback Program," http://alafp360.triplei.com/alafp360_prog_info4.htm; Internet; accessed 24 March 2005.

less painful process, as both the supervisor and the ratee will be very aware that the scores represent a consensus and no one individual is driving the show. Supervisors dread of PER season could be greatly alleviated.

360 Degree Evaluation = A Shift in Attitudes

So if 360 degree evaluation is so great, why has CF resisted adapting it? Cronshaw et al suggest that subordinate feedback “may be contrary to the command structure and culture of the CF.”⁴⁸ Yet this command structure speaks of the need for transformational leadership, decentralized authority, greater teamwork, leading edge HR policies, all of which are greatly facilitated by 360 degree evaluations. Why then does there appear to be resistance? Many naysayers of 360 feedback cite one of the following as a reason against adoption: it creates a popularity contest, retribution will result, those who do little real work will be rewarded, it is too expensive, it takes too much time, people will select friends as assessors, it surrenders responsibility, it will make some people defensive and unwilling to change their behavior and it will be used inappropriately.⁴⁹ All of these criticisms are addressed individually below.

Criticism #1: 360 degree evaluation creates a popularity contest. The traditional top down appraisal methodology represents the true popularity contest. How many people have been heard criticizing a promotion or reward as arising from an individual simply being popular with one or more of his bosses? Edward and Ewen (1996) found a very low correlation between performance and popularity where 360 appraisals were

⁴⁸ Cronshaw, Kondratuk, and Chung-Yan, *Performance Appraisal Discussion Paper...*, iv.

⁴⁹ Nystrom, *360 Degree Feedback: A Powerful Tool...*, 69-74.

used.⁵⁰ That said, popularity, or agreeableness, being sympathetic to the needs of others, trusting and helpful, is actually a trait desired in transformational leaders.⁵¹ This is, of course, providing that being popular is not solely focused upwards.

Criticism #2: Retribution will result from 360 degree evaluation. Anonymity of raters can be easily maintained, if the organization so desires. Where the number of subordinates reporting on a superior is too small, the subordinates need to have the choice of not having their input reported. In some cases, this will lead to attributable comments (only where the subordinate is not afraid of retribution and agrees to be identifiable) and in others it will lead to no subordinate feedback.

Criticism #3: Those who do little real work will be rewarded. Again, research shows that there is a strong relationship between competencies and scores in 360 degree appraisals.⁵²

Criticism #4: 360 degree evaluation is too expensive. 360 degree systems, if automated or web-based, are actually less expensive to administer than traditional systems. An automated 360 degree system takes one-eighth of the manpower to support as a traditional manual system.⁵³ Simple and user-friendly computer programs can make performance appraisal benefits outweigh the time, effort and cost that must be invested in such a system.⁵⁴

⁵⁰ Nystrom, *360 Degree Feedback: A Powerful Tool...*, 69.

⁵¹ Sonya Smithers, Holly Livingstone & Maria Nadjiwon-Fraser, *Personality & Military Leadership*, Prepared for the Canadian Forces Leadership Institute, (Ottawa: Department of National Defence, 2002), available from <http://www.cda-acd.forces.gc.ca>; Internet; accessed 11 March 2004, 26.

⁵² Nystrom, *360 Degree Feedback: A Powerful Tool...*, 70.

⁵³ *Ibid.*, 73.

⁵⁴ Cronshaw, Kondratuk, and Chung-Yan, *Performance Appraisal Discussion Paper...*, iv.

Criticism #5: 360 degree evaluation takes too much time. This really depends on the organization. Westinghouse found that its 360 degree system took less time in total than its traditional system; for supervisors the time savings was in the range of 80%.⁵⁵

Criticism #6: People will select friends as assessors. Disney studied the impact of being able to select assessors and found only 9% of the test subjects profited by selecting friendly assessors.⁵⁶ This insignificant bias would be eliminated if all subordinates/peers were obligated to participate or if supervisors selected participants.

Criticism #7: 360 degree evaluation involves a surrender of responsibility of the senior leadership to effect promotions. Not so, it simply gives them a more complete picture with which to make their promotion decisions.

Criticism #8: It will make some people defensive and unwilling to change their behavior. As previously, stated, 360 degree evaluations have a greater rate of acceptance than traditional evaluations. Therefore, this is really a criticism of traditional evaluations. That said, there will most certainly be those who refuse to change as a result of 360 degree evaluation. Clearly, these individuals lack transformational leadership skills and will not be advanced under a 360 degree CFPAS.

Criticism #9: Subordinates will use 360 degree evaluations as a chance to stick it to the boss or a peer whom they dislike. 360 degree systems can be set up to reject scores that are outside statistical norms, either too high or too low.⁵⁷ A subset of this criticism is that peers will rate those of the same rank and occupation group peers, in other words

⁵⁵ Nystrom, *360 Degree Feedback: A Powerful Tool...*, 73.

⁵⁶ *Ibid.*, 74.

⁵⁷ Reese, *Transforming the Officer Evaluation System...*, 17.

those they are competing against for promotion, low. The previously stated finding that peer reviews are more accepted than those of any other group refutes this criticism.

CF leadership needs to take a hard and objective look at the pros and cons of 360 degree evaluation. As laid out above, the way ahead is clear. The concerns that remain to be addressed relate to how to make 360 degree evaluation work within CFPAS.

360 Degree Evaluation = Changes to CFPAS

The US Army is implementing a developmental 360 degree system in addition to its traditional performance evaluation system. The CF cannot afford this luxury of multiple appraisal systems. However, as a 360 feedback system can be easily customized to fit within an organization, only modest modifications to CFPAS should be necessary.⁵⁸ To make the annual administration of PERs simpler, investment in an intranet based system is recommended.

Latham et al suggest that the CF can successfully implement 360 degree evaluation if it remains based upon core behaviors, is anonymous, encourages feedback, and appropriate training is conducted.⁵⁹

It is suggested that the core behaviors upon which to base a 360 degree evaluation are already present in the current PER. These need not change but decisions will be required as to which groups assess each of the behaviors. Research is not yet clear as to whether different sources of input should assess a ratee on the same performance

⁵⁸ Nystrom, *360 Degree Feedback: A Powerful Tool...*, 66.

⁵⁹ Latham, *et al, The Science and Practice of Performance Appraisal...*, 17.

dimensions.⁶⁰ Table 2 comprises The Center for Creative Leadership's suggestions for rater/behavior associations. Furthermore, decisions will be required on the weight to be placed on each rating. Placing a higher weighting on the supervisor's input is feasible, if so desired.⁶¹

Considering specifically the military culture, Owen West has suggested that reporting supervisors be given the opportunity to either concur with or add a disclaimer to peer and subordinate reviews.⁶² In a relatively stable organization with high control, such as the CF, a manager centred 360 degree process such as this can provide very reliable results.

Performance Dimensions Likely to be Observed by Different Rating Sources				
Performance Dimensions	Subordinates	Peers	Supervisors	Customers
Administrative			√	
Leadership	√			
Communication	√	√		
Interpersonal	√	√		
Decision making		√	√	
Technical		√	√	√
Personal motivation		√	√	√
Customer orientation				√

Table 2 - The Center for Creative Leadership's Rater/Behavior Associations.⁶³

⁶⁰ Lorne M. Sulsky and Janine L. Keown, "Performance Appraisal in the Changing World of Work: Previous and Current Research Trends, and Suggestions for the Future," (manuscript, University of Calgary, 1997), 13.

⁶¹ Nystrom, *360 Degree Feedback: A Powerful Tool...*, 65.

⁶² West, *You Can't Fool the Troops*.

⁶³ Thornow, *Maximizing the Value of 360 Degree Feedback*, 19.

Subordinate and peer evaluations must be anonymous.⁶⁴ Participation will likely have to be mandatory so as to ensure that enough subordinate input is received to allow anonymity and minimize bias. The US Army has determined that a minimum of three surveys from each of the peer and subordinate groups is required to maintain anonymity.⁶⁵

While it is not an objective of this paper to address the procedural changes which will be required to implement a 360 degree PER, it is quite natural for a CF member to wonder how the process may work and how certain anomalies that they have encountered would be handled. For those individuals, one possible procedural scenario has been included as an annex. It is emphasized that this is only one possible scenario and its inclusion is meant only to show that the diversity of personal situations found in the CF can be efficiently catered for by a 360 degree PER process.

360 degree evaluation is a new concept to most CF members and a sudden transition to a 360 degree CFPAS may be too much of a shock for some personnel to absorb. Resistance may increase as a result of too sudden a change. Parallel use of 360 degree/traditional appraisal methods for one year will permit any serious arisings to be addressed and personnel to see how peers and subordinates rate them and, if necessary, adapt their behavior so as to not be negatively affected once a full transition to 360 degree appraisal is effected. Of course, training will be required prior to both the transition year and full implementation.

⁶⁴ Latham, *et al*, *The Science and Practice of Performance Appraisal...*, 15.

⁶⁵ US Army Combat Training Center, *The Army CTC 360 Leader Assessment and Feedback Program*.

Conclusion

The CF has shortcomings with its leader development and selection processes. The 360 degree performance evaluation, now widely in use in the civilian sector, is a tool that can be used to address this problem. Matching this shortcoming with this tool, this paper proposed that a CFPAS using 360-degree feedback would provide a superior measure of performance leading to superior leadership, greater organizational fairness, improved individual performance and administrative efficiencies.

In supporting this thesis, emphasis was first placed on the importance of the PER for promotion selection and the present shortcoming of the PER. In particular, the ever increasing score inflation and its negative effects were emphasized. As well, the many bias' inherent in traditional supervisor-only evaluation systems were laid out.

360 Degree Evaluation was then proposed as a superior system. The first rationale for this was that it was being used by 90% of *Fortune* 1000 companies and is supported in principle and in writing by both Treasury Board and the CF.

Next the 360 degree evaluation was shown to be the measurement tool for transformational leadership. Use of this tool will promote transformational leadership and improve organizational performance, fairness and morale. In the area of organizational fairness, it was noted that peer and subordinate evaluations were more accepted than superior evaluations. This, plus the fact that the supervisor biases inherent in the traditional system can be eliminated by a 360 degree system, leads to the conclusion that a 360 degree PER result in an increased perception of fairness and hence increased morale.

The 360 degree evaluation was then shown to be superior in improving individual performance. In this regard, it was shown to be both a better predictor of future success and more able to effect desired behavioral changes.

Finally, the 360 degree evaluation was shown to be capable of being more administratively efficient than traditional systems. More accurate evaluations will lead to efficiencies in the merit board process and the use of the intranet will also streamline the evaluation process.

Implementing a 360 degree PER in the CF will require a shift in attitudes, as do all significant organizational changes. There are many criticisms regularly raised as obstacles to 360 degree evaluation but they are all based on misconceptions of how such a system will function.

Based on the evidence, a CFPAS using 360-degree feedback would provide a superior measure of performance leading to superior leadership, greater organizational fairness, improved individual performance and administrative efficiencies. CF leadership needs to take a hard and objective look at the pros and cons of this solution to the problem of leader development and selection.

“The effect will be powerful: behavior will improve, morale and combat effectiveness will rise, and ultimately, there will be a change in the makeup of senior leadership.” - Owen West.⁶⁶

⁶⁶ West, *You Can't Fool the Troops*.

One Possible Scenario For a 360 Degree PER

With CFPAS 360 degree PER software installed on a Protected B intranet and training completed, the annual process would commence with a call to units to identify raters. Commanding Officers would submit a list of subordinates, peers, supervisor and reviewing officer who will provide ratings for each member. The CFPAS program would then notify raters as to who they will rate and by when. If less than three subordinates or peers have been identified, the program would notify both the unit Commanding Officer and the member being assessed that more raters are needed to ensure rater anonymity. It would also ask identified subordinate and/or peer raters if they wish to proceed with their rating knowing that they will not be anonymous.

Situations will occur where no subordinate or peer assessments are submitted. In these cases, the traditional supervisor rating, with all its inherent biases, will have to suffice. It is likely that such an event will only occur a couple of times in a career, hence the impact will be negligible.

The program will hasten raters who have not completed their task by a specific date. Problems will be identified to Commanding Officers for resolution.

Accepting the associations made in Table 2 of this paper, the following existing CFPAS performance and potential factors will be scored by each rater group:

Supervisors: supervising, evaluating and developing subordinates, team building, leading change, working with others, problem solving, decision making, effectiveness, initiative, verbal and written communication, applying job

knowledge and skills, resource management, accountability, reliability, and ethics and values (all factors in Section 4 of existing PER);

Reviewing Officers: leadership, professional development, communication skills, planning and organizational skills, administration and dedication (all factors in Section 5 of existing PER);

Peers: leading change, working with others, problem solving, decision making, effectiveness, verbal communication, applying job knowledge and skills, reliability, ethics and values, professional development, communication skills, planning and organizational skills, and dedication; and

Subordinates: supervising, evaluating and developing subordinates, team building, leading change, effectiveness, verbal communication, accountability, reliability, ethics and values, leadership, communication skills, planning and organizational skills, and dedication.

Scores will be numeric vice the seven and four point non-numeric scales in use now. Numeric scores are necessary for weighting and averaging.

Subordinates, peers, supervisor and reviewing officer will independently submit their ratings. The program will then look for scores that appear to be aberrations (more than a standard deviation distant from an average of other scores from all rater groups). Such scores will be reported back to the appropriate rater who will have an opportunity to

8 respectively, the four subordinate scores would be averaged as 7 and then averaged against the reviewing officer's score for a resulting rating of 7.5. If all three groups (subordinate, peer and supervisor/reviewing officer) were reporting on a factor, as they would be for team building, each group would have a 1/3 weight.

The program would then present a scored PER to the supervisor for inclusion of a narrative. The reviewing officer would then get to add a narrative. Point form statements identifying key accomplishments and high/low scores would be the only format permitted. Essay type narratives that favour members whose superiors are more adept at prose would not be permitted. Supervisors and reviewing officers would also be able to express any reservations they might have with the 360 degree generated rating.

The program will generate the potential ranking and promotion recommendation. Reviewing officers would be able to comment on these numbers in the narrative, if needed.

The completed 360 degree PER will be presented to the member by the supervisor and the reviewing officer. These individuals will be free to identify how they scored the member on any points if such information will help the member determine that it is the combined peer/subordinate group that has identified an area that requires more development.

The PER will then be finalized and sent to NDHQ via the intranet. If the member subsequently grieves his score, the program will forward to all raters the grievor's specific complaint (i.e. leadership should have been scored higher because of x, y and z) and they will be given an opportunity to change their score on the applicable factors. The

program will then recalculate the PER and the Commanding Officer will present the grievor with the results. No further appeal will be allowed.

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