

360 Degree Feedback (New Paradigm) in a Wired Economy
The Surround Sound Phenomenon at Satyam (www.satyam.com)

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Abstract

As Globalization is the fact of life and with the plethora of organizations going Global, new trends are resulting in changing our priorities, with emphasis on the advent of new work place practices (24/7 working, working from home), Diverse workforce (gender/culture, etc), Time zones (Org. don't sleep anywhere), Mobility (Virtual workforces, Virtual workstations), Workforce Security, Org. Structure which reflect truly matrix reporting (multiple bosses and peers) etc.

Organizations have no choice than to invest more than ever their time, focus, and energies on how to deal and synergize these various dimensions to sustain market leadership. Recent trends in HRM has worked towards developing and institutionalizing new initiatives to identify, assess, quantify, enhance and retain the intellectual capital in this changing scenario. Is 360 degree feedback an exception to this?.. NO!

One of the challenges that HR professionals continue to face is to ensure that the employee motivation levels are high which results in outperformance. This can be enabled by designing effective and proactive career development plan, the step towards career development is the knowledge of oneself (knowledge of any discrepancy between how we see self and how others see us, knowledge of the strengths and areas of improvement, knowledge of actual (what we are performing) vs. knowledge of desired (what is expected) etc).

360 Degree Feedback is the powerful tool which is used to gauge the individuals overall capability (performance, behavior, potential etc) and act as a key to effective performance.

This paper highlights the Changing form of 360 Degree Feedback in view of the above outcomes and complexities of globalization and the Satyam Way of looking at it – “**SURROUND SOUND**”.

Nature of business in 21st century is evolving, gone are the days when either price or quality of the product/service, geographic reach or the scale/volume would result in competitive advantage to the organization. It has been proved more than often that the success of the organization is dependent on the quality of its Human Resource (Employees).

The quality of Human Resources in an accumulation of many aspects ranging from the Leadership, Ability to adapt, to the depth of HR practices and programs in terms of their innovations, reach and effectiveness. In today's scenario, the depth of HR practices and programs are judged by their ability **Transform the human resources to Talent**.

The organization ability to transform depends on the ability to design an evolving and flexible HRM architecture that supports an ever increasing pace of change, which is a common characteristic of IT industry because of its young, energetic and eager to work population, escalating customer demands, ever changing technology, downward pressure on pricing, diverse workforce with multi-dimensional skills, new work place practices (24/7 working, working from home), organization structure which reflect truly matrix reporting (multiple bosses and peers) etc..

Organizations across globe are working towards reinventing and developing new frameworks, processes. 360 degree as process and concept is not immune to these changes and has started the journey of evolving into a new form.

To gain & sustain market leadership organizations introduce development initiatives that will help employees to upgrade their knowledge and perform at the optimum levels. Programs like Job rotation, Leadership development, Succession Planning, and Certification programs to upgrade technical knowledge etc...are on a high. One of the development initiatives which have gained tremendous popularity because of its merit is 360 degree feedback (360 DF). Beauty of 360 DF lies in the feedback received from others which will help increase the self awareness. In Simple words 360 DF facilitates in identifying the strengths and areas of improvement of an individual and provides them with an opportunity to leverage strengths.

SPIRIT of 360 Degree Feedback:

The power of feedback is superbly expressed by Ken Blanchard - "***Feedback is the breakfast of champions***". This phrase beautifully explains the importance/criticality of feedback in an individual's growth (personal & professional). As one goes up the organization ladder, feedback becomes scarce as people shy away from giving right/appropriate feedback. Often the feedback received is either sugar coated or the one which an individual is already aware of or the one which he/she would like to hear, in the process diluting the value of feedback.

Feedback could be a medium for people to stay informed & connected, to enhance capabilities and leverage strength. It has been observed that the lack of sufficient & relevant feedback hinders an individual's growth and does not provide an opportunity to develop oneself, whereas sufficient and relevant feedback to employees:

1. Provides "Clarity" on the current and expected performance.
2. Acts as a "Motivator".
3. Makes employees feel "Wanted/Important" which increase their contribution.
4. Increases Commitment and Productivity – as employee feels that their organization is willing to invest time and other resources for the development of the people.

While feedback has always been part of the workplace, the importance of giving and receiving feedback has not been communicated enough to gain its full worth. Effective designed Performance management system provides the basis for regular and frequent dialogues between managers and individuals about performance and development needs. (*Effective Performance Management system can be defined as a scientific approach to deliver sustained success to organizations by improving the performance of the people who work with them. It is a framework which is loaded with multiple tools/techniques to identify/evaluate people and their capabilities*) The Flip side of this though being that it is mostly top-down, wherein reporting manager during review discussions will share his/her observations on the performance of the direct reportee, including the strengths and the areas of improvement.

360 Degree Feedback SHINES:

Among all the techniques 360-degree Feedback/assessment is considered to be one of the most able techniques which drive an individual or organization towards desired Objectives/Goals by aligning individual performance with the organization strategy. This system, solicits feedback on individuals performance from number of stakeholders which typically include person to whom they report (Boss), their Peers, their Direct Reports if any and internal and external customers. Data are usually collected in the form of ratings against various performance dimensions. Due to this the technique is also termed as Multi-Source Assessment or Multi-rated Feedback.

360 Degree Feedback has been defined by Ward (3) as: 'The systematic collection and feedback of performance data on an individual or group derived from a number of the stakeholders on their performance.

Multi-rated feedback is typically used as a part of Development initiative or Management development program. It is used as a powerful organizational intervention to increase self awareness. The rationale is to know if there is any discrepancy between how we see ourselves

and how others see us (especially from the eyes of those whose actions impact the individuals work and vice-versa).

Incorporating 360DF into the Performance Appraisal cycle has proved valuable as a tool for providing insights on developmental efforts at the individual and group level, in the present business environment where the success of the company depends on continuous revolution. 360 DF would help:

1. *Provide inputs* on individual strength and areas of improvement. Help in increased self awareness and acts as a catalyst for performance improvement.
2. *Track Development Needs:* Individual Development Plan is created based on the 360 DF outcome for career growth. Improvement on the same can be measured during subsequent feedback evaluations.
3. *Increased focus on customer service:* Since the process includes feedback from both internal & external customers, incorporating customer feedback in the evaluation process emphasizes the importance of customer expectations in determining company focus.
4. *Increased Team Interaction:* 360 DF includes feedback from multiple layers, this is concrete evidence that their opinions, observations and evaluation are valued by the organizations. Multi-rater feedback process promotes team building by creating an atmosphere that accents involvement and foster voluntary collaboration.
5. *Measure Critical Attributes* which have been defined as key to the organization's success, which in turn can be used to sharpen the competitive edge.

SURROUND SOUND (*New Look - 360 Degree Feedback*):

Organizations today are exposed to greater opportunities as well as fierce competition. In order to manage an increasing headcount, fight fierce competition, address business challenges and build employees capabilities etc. Organization need leaders at all levels. Leadership is no more about Positions but a Mindset in employee and 360 degree plays a critical role in evolving employees into leaders.

Following are some of the Business realities which influence the design of any HR framework:

1. *Geographic reach:* Organizations are expanding their Geographical Footprint to increase their customer base and reduce dependency on a particular country.

2. *Increasing Headcount (Assets)*: To achieve the organizations goal, the employee intake is increasing from few hundreds to few thousands.
3. *Time is the essence*: Organizations work 24*7 which means there are no off times or weekends thereby making each minute precious.
4. *Globalization of manpower*: Diverse workforce comes very natural in today's context.
5. *Lack of leadership bandwidth*: Faster growth opportunities have created more opportunities than capable employees to get into them.

At Satyam: *The joy in journey is defined with whom you are traveling with. We are already traveling with our future leaders.* Satyam has always Inculcated, Nurtured and Encouraged “Entrepreneurship” across the organization.

Satyam Computers Service is a networked organization –a network of interdependent businesses and its people, enabled by technology. We believe that leadership is a mindset and not position and thereby enable all associates with a unique opportunity to develop their Leadership skills early in their careers. We believe in distributed leadership among a greater number of associates, the unstated philosophy is to be a Business-oriented, Entrepreneurial organization, rather than a Task-oriented, Bureaucratic one.

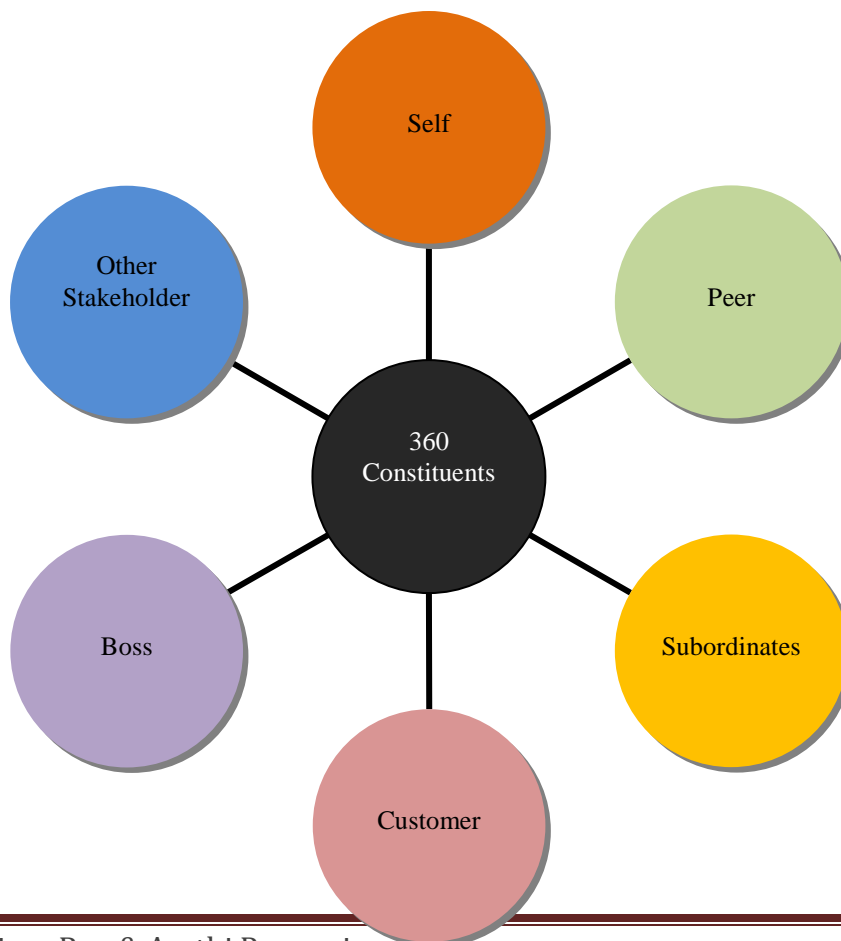
Satyam believes in the concept of empowerment, the organization is divided into many logical parts and allows the leaders of these divisions to operate them much like the CEOs of independent businesses. We call these units “Full Life Cycle Businesses,”(FLCBs), “Full Life Cycle Leader” (FLCL) runs each FLCB. FLCL takes end-to-end responsibility for creation and delivery of value for a predefined set of activities which enables them to achieve their North Star (The Goal). Though every FLCB's North Star will be fine tuned to the specific needs of the business, at the end they all align to the Satyam North Star.

Performance Management System framework facilitates all the FLCBs to function as independent businesses without losing sight of their interdependent orientation. High performing FLCBs are a critical aspect & building blocks of Satyam's overall performance and our robust performance management system helps to effectively track these. Individual (Associate) Performance is reviewed on a continuous basis through the “SMARTer Satyamite” assessment framework and FLCB Performance Management is reviewed through “STARTRAC”.

In a Highly Networked organization collaboration is the founding pillar for success and the essence of this can be best captured through a 360 degree assessment. At Satyam we have evolved the 360 DF from the traditional model to address the challenges posed by the business realities and also to ensure that the program is effective and real-time. Some challenges which we need to address can be summarized as below:-

1. *Geographic reach*: How do you reach all the stakeholders who are spread across the globe in a given period of time?
2. *Increasing Headcount (Assets)*: How do we scale the process to cater to huge numbers? For example in an organization which has 60000+ employees and we decide to do 360 DF for a sample of Top 10%, then the population of interest becomes around 6000. For each of these employee we will have around 11 employees sharing their feedback the cumulative number involved makes it a whopping 66000 transactions in a given period of time which would less than a year.
3. *Time is the essence*: As organizations work 24*7 it becomes almost impossible to pause the business flow to cater to these exercises especially the travel time associated to come down to a assessment center / exercise.
4. *Globalization of manpower*: Diverse workforce comes with different cultural context and work experiences and different legal rights. In some parts of the globe assessment are viewed with suspicion as well as considered fair employment practices.
5. *Lack of leadership bandwidth*: Faster growth opportunities have created more opportunities than capable employees to get into them. How many of these leaders are capable of sharing a objective rational feedback without any biases.

Constituents of 360 DF



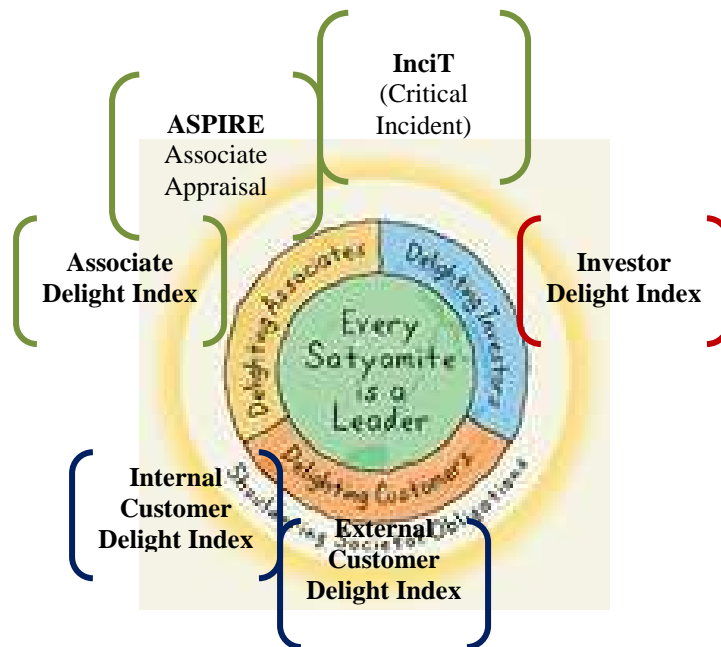
The Satyam Context



At Satyam we believe as true leaders we are accountable to our stakeholders. Our purpose as leaders is to delight our stakeholders (Associates, Investors, and Customers) and Shoulder Societal Obligations; hence it becomes imperative that a true leader performance and potential is influenced by the opinion and feedback from these stakeholders.

Surround Sound at Satyam integrates feedback from all these stakeholders on real-time basis through various mechanisms which include surveys, assessment forms, feedback points etc.

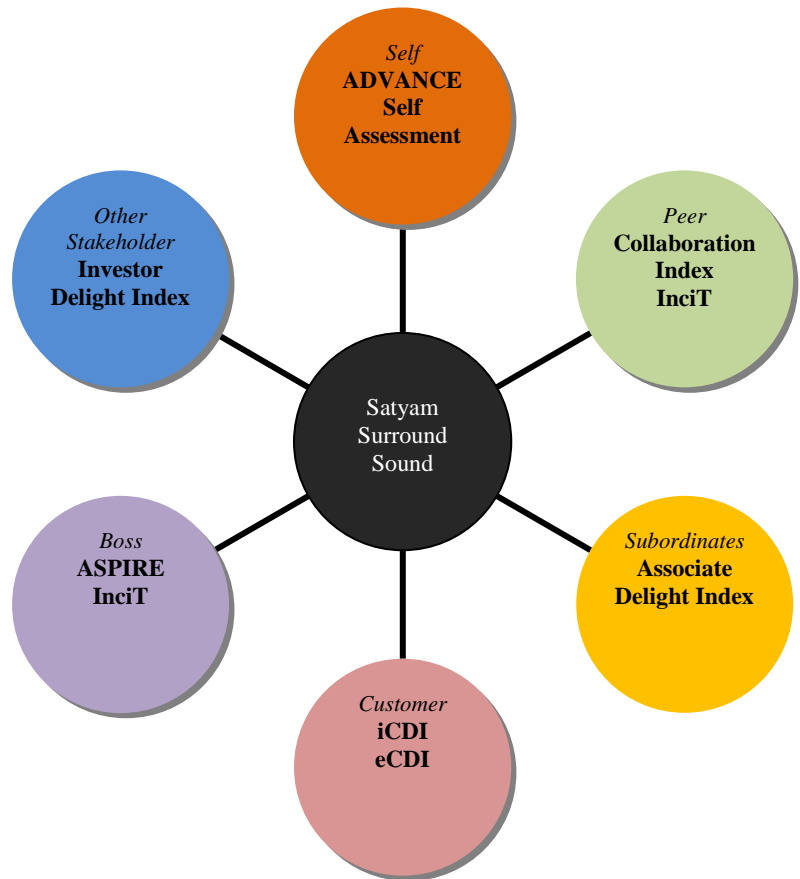
A glimpse of this holistic perspective reflects below



Brief descriptions of the constituents of the Satyam Surround Sound are:-

- **Subordinates:** Associate Delight Index (ADI): ADI is an anonymous survey focuses on addressing communication, performance feedback and leadership skills as experienced by Associates. It is administered on a half yearly basis and results of the same are reflected in multiple data points from ADI Scores, ADI Action Plan and in Appraisals.

- Peer:** Collaboration Index (CI): The ‘Collaboration Index Measurement Survey’, enables us to understand the health/state of collaboration and also highlights the gaps which can be taken up by various circles/Leaders as areas of improvement. Focuses on the level and quality of cooperation extended by the leader and the leadership team of a circle to other circles.



- Customer:** ICDI Survey: iCDI is an anonymous survey focuses on measuring the internal customer delight. It is administered on a half yearly basis. eCDI is the counterpart of the same which measures the delight of external customers.

- Peer, Boss:** InciT (Insight): It is a tool by way of which an Associate can log in noteworthy instances of both positive and negative performances as demonstrated by Direct Reportees, Reporting Managers as well as self.

ASPIRE the annual appraisal system also provides opportunity to a Reporting Manager to share feedback not only the predetermined Goals / KRAs but also provides an opportunity for the RM to share feedback on the Leadership Dimensions (Competencies) of the associate which forms the bedrock for the 360 DF.

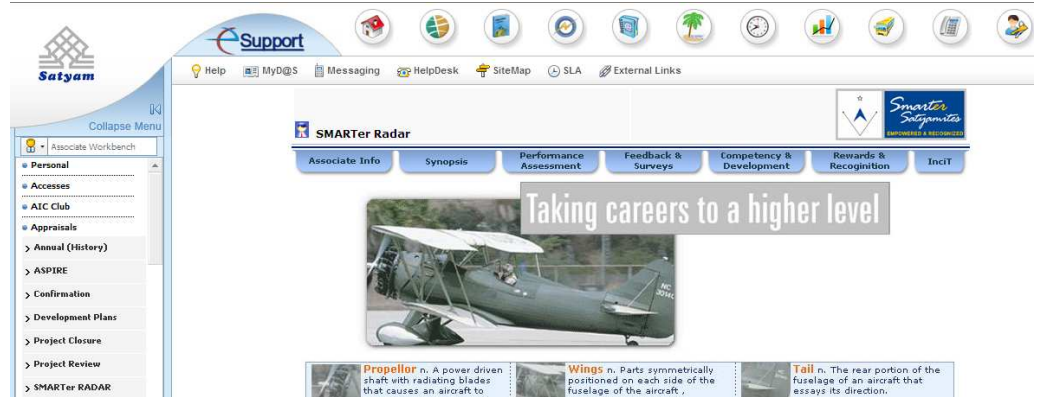
- Self:** ADVANCE: It is a self assessment tool which empowers an employee to do self assessment on the Leadership Dimensions in line with his current role and aspirations.
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- **Other stakeholders : Investor dimension** (the reference is to the internal investor which is the RM who sanctions the budgets) is critical in today's time and this is reflected through the Investor delight index

The Surround Sound is depicted in form of an Integrated Performance Management dashboard – RADAR (**R**epresentation of **A**ssociate **D**ata for **A**ction and **R**eview). Some features are:-

1. Provides a snapshot to Reporting Managers on the Associates all round performance.

2. Detailed analysis of Associates past and current performance on real time basis.



3. Provides a one window view into feedback received from associates managers, peers and customers

4. Visibility into associates past and current training & development, career plans and mentoring plans

5. Provides a view into associates future training and development needs

The USP of the framework lies in its way of extracting continuous feedback from different sources and the results/scores of the same gets updated in the Appraisal form, which is available throughout the year.

What makes SURROUND SOUND so popular and effective:

Surround Sound has multiple benefits and widely accepted and institutionalized, the popularity can be easily gazed by the participations which exceeds industry benchmarks most of the times and number of hits on the portal.

A summary of feedback from the end users as to what makes it popular than the traditional 360 is summed up below :-

- **Real time basis:** As the surveys and other feedback mechanisms are conducted / accessible round the year, it is not possible to counterfeit the behavior all the time thus reducing the Recency effect during giving feedback. The continuous and honest feedback drives down the point of critical behaviors which an associate (employee) should focus to achieve goal/objective. Real time basis also empowers the stakeholders to share their

feedback as and when they have a good / bad experience and doesn't let the frustration creep in them that they have to wait for a appropriate time which is long away.

- ***No special time outs/calendar freezing required to fill in forms:*** Feedback received is not a onetime activity but a year long continuous process. Few of the initiatives have the flexibility to provide feedback round the year thereby reducing the pressure on the system to accommodate this huge amount of feedback in one go. Associates are not required to block calendars and cancel / modify their travel plans etc to accommodate themselves to share their feedback, which has resulted in greater participation of associates.
- ***Periodic feedback*** enables associates to have a fair idea about their performance at any given point in time & in cases where it is not clear, associates can seek pointed clarifications. This enables in proactively building and altering their developmental initiatives which form their career plans. Also these periodic feedbacks help reduce the load of man-hours on the system.
- ***Global Reach ~ 24*7*** - This simple and real time process is enabled through a web based tool. Virtualization of the initiatives has helped to increase efficiency and also help a/cle the rapid growth in terms of associates sharing the feedback. In a 24*7 Global environment different time zones at times hinder sharing the feedback and the same has been handled to a large extent by virtualization.
- ***Simplicity:*** By moving away from complex forms and integrating the data from various familiar forms and frameworks, the process has brought in lot of simplicity for the end user. Today the end user is far more comfortable because they are required to share their views in as in form and the complexities of integrating these data points are taken care by the system / framework.

Going forward – Surround Sound as a process is still evolving. We believe that we have a long way to go to make into a robust system / framework which is scalable and also empowers Associates to help steer their course of life with their changing aspirations. We are constantly gearing up to the challenge of integrating the current framework to the complete lifecycle of 360 degree.

We believe and are confident that the SURROUND SOUND phenomenon at Satyam will make 360 Degree Feedback more popular and effective in a Wired Economy.

References:

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5. SatyamWay

*****Thank You *****