

360NetImpact: Assessing leadership impact

The 360netimpact provides ongoing real time full circle feedback for leaders, so they can respond rapidly and adjust their leadership practice for maximum positive impact.

A VUCA Leadership Landscape

Turbulence and change are the “new normal”. Leaders in every sector across the world are aware that the business turbulence and changes that have been experienced in the last 10 years are not going to end in the near future. The term VUCA (Volatility, Uncertainty, Complexity and Ambiguity) has been developed to capture the four factors that define this business and economic environment¹.

Since the late 1990s we have begun to look at the natural world and living systems² to help us understand how organisations adapt in this new context. Businesses and organisations are placing an emphasis on developing their “adaptive” capabilities. This enables them to respond with agility to changes in the external world and handle this permanent state of turbulence.

Organisations are human systems led by people. An organisation is simply a group of people who are structured and managed to meet collective goals. Their aim is to create value for society through the goods or services they provide and the needs they meet. Organisations are open systems. They affect and are affected by their environment.

Organisations are led by individuals whose job it is to set direction, secure resources, develop relationships, assign activities, roles and responsibilities. They are accountable for achieving the organisation’s results.

To lead in a VUCA world means that leaders need to create sufficient internal stability for the effort of the organisation to be productive. Leaders need to select and use the most effective leadership practices for each situation they face.

¹ Johansen, Bob (2007). *Get There Early: Sensing the Future to Compete in the Present*. San Francisco, CA: Berrett-Koehler Publishers, Inc.. pp. 51–53. [ISBN 978-1-57675-440-5](https://doi.org/10.1002/9781118111111.ch5).

² Snowden, Wheatley ☺

Business and organisational leaders need feedback methods that enable them to anticipate, respond and interact with the external and internal world³. They need the adaptive capability and resilience to effectively lead a sustainable and successful enterprise.

As a business organisation needs to rapidly adapt and flex, so do individual leaders. An individual leader must choose the leadership practices that will be most beneficial. The 360netimpact provides leaders with a dynamic feedback system. It will signal the impact they are having on others so they can instigate change if necessary and adapt their approach

Leadership Performance and Feedback

Classic theory and practice highlights the importance of feedback in the learning and development process.⁴ The 360 concept of “full circle “ has been developing since the 1990’s as a way of developing performance and overcoming the limitations of 1:1 top down supervisory feedback.

Multisource feedback (MSF), also known as 360-degree feedback, is a process in which a leader receives anonymous feedback from subordinates, peers, bosses, and customers. Estimates indicate that as many as 29% of U.S. organizations⁵ (Church,2000) are using this process and that 90% of the Fortune 500⁶ embrace the 360-degree feedback process as part of their overall leadership development programs.

All leadership appointments, assessments and development planning should be supported by reliable data. In a rapid change high risk environment historical metrics may be unhelpful as a predictor of leadership capability. Reliable metrics must be provided in a real time for leaders and managers so that can quickly identify problems and take action.

Traditional 360 assessment tools are based on a list of behavioural leadership competences. There are national standards for leadership and management⁷ as well as many organisation specific leadership competence frameworks. Examples of those in use in the public and

³ Leadership in a (Permanent) Crisis, HBR July 2009, Ronald Heifetz, Alexander Grashow, and Marty Linsky

⁴ Honey and Mumford; Kolb

⁵ Church, 2000

⁶ Edwards & Ewen, 1996

⁷ <http://www.management-standards.org/standards/standards>

private sectors are described in a review of Leadership Theory and Competence Frameworks⁸.

There are recurring common leadership practices underpinning these competence frameworks: vision and strategy, personal efficacy, leading people, performance drive, stakeholder engagement, customer focus, continuous improvement and innovation. The review notes that generally the emphasis of the competency frameworks is on the “leader” and the inputs i.e. behaviours. There is typically less measurement of the outputs and impact of leadership.

Heifetz describes leadership in the VUCA world as “an improvisation and experimental art”. He identifies a) fostering adaptation, b) embracing disequilibrium c) generating leadership, across the organisation and d) self care as key leadership practices for the future. In the VUCA world, organisations need to rely on collective leadership at all levels - not just in the Boardroom.

The focus for the future will be on the impact of leadership rather than assessing the inputs i.e. the leader behaviours of an individual assessed in isolation from the organisational context.

A more emergent view of leadership is developing to cope with the VUCA world. In complex dynamic organisations, leaders need to make sense of what is going on and select the most effective leadership practice. Each new and different challenge which arises will require a fresh creative solution.

Evidence based 360

How do we develop leaders for the future? In a recent study of organisational capabilities by the Boston Consulting Group 2012 showed that leadership performance was the most important factors in the top performing companies and organisations across all sectors. The organisations with highly capable, adaptable and farsighted leadership teams are the most likely to succeed.⁹

⁸ Bolden, R., Gosling, J., Marturano, A., and Dennison, P. Centre for Leadership Studies, University of Exeter, 2003

⁹ Boston Consulting Group, 2012, Organization of the Future – Designed to Win: Organisational Capabilities Matter, <http://www.managers.org.uk/sites/default/files/u35639/BCG%20Organizational%20Capabilities%20Matter%20Jan%202012.pdf>

As a diagnostic tool to measure leadership capability, dissatisfaction with traditional 360s has been increasing¹⁰. Problems which have been identified include:

- a) Individuals are “rated” against a list of competences and behaviours which are not placed in a context. As the rating is context free it is not possible to evidence the basis for the rating which has been given. This raises questions about the validity of the rating. The rater is making a subjective assessment based on their view of the leader at that point in time. This may be an average of all their interactions. Or it may be the most recent. Or the most memorable.

Can there be any value in an “averaging” of someone’s leadership capability given the variability of situations that they as a leader may have to deal with? The data is subjective opinion data, which may in fact reveal more about the rater than the leader being rated.

- b) The behaviour rating may not explain the impact of the individual's leadership. A rating of 5 out of 5 i.e. “he/she does this all of the time” may indicate that an individual does not adapt in different situations.

There may be occasions when a rating of 3 out of 5 i.e. “he/she does this sometimes” might be a more skilful and adaptive leadership practice.

- c) Related to b) above, a numerical scoring nevertheless tends to mean that no one wants a score of less than 5 out of a possible 5. This reinforces a deficit model of leadership development in which the aim is to identify “weaknesses” and then action plan how to overcome them. It may be more helpful and impactful to help leaders become really excellent at what they are good at, rather than trying to bring a “2” rating up to a 5. Research shows that focusing on negative can have an adverse reaction with individuals, who may become demotivated¹¹.

A low rating can leave a leader feeling frustrated which will not improve their productivity. Leaders need assistance to interpret and put their feedback into some kind of context and perspective to enable them to take a positive approach to development planning. Few companies invest in training people on how to use and

¹⁰ Dr John Sullivan, <http://www.ere.net/2012/10/22/talent-strategies-for-a-turbulent-vuca-world-shifting-to-an-adaptive-approach/>

¹¹ Atwater and Brett, 2005

integrate 360 feedback and often insufficient resources are provided to help managers with action, tools and support to develop.

- d) Effective managers or leaders may not be popular as they may be driving change. This may mean they are rated negatively by colleagues who are envious. Likewise a leader in a “turnaround” scenario may be negatively rated by direct reports who are resentful of the perceived demands made on to up their performance or change longstanding work practices and roles.
- e) Many 360s are long, complex and time consuming to complete. This can result in “360 fatigue” for raters, which may in turn affect the thought and consideration they invest in completing each one.

“360 fatigue” may be escalated for a line manager who has a number of 360s to complete for direct reports who are undergoing this process. As a result, raters simply repeatedly input mid range scores, or alternate extreme scores with little thought.

Instances of “gaming “are also reported in a review of 360 feedback processes¹² where peers agree in advance to rate each other favourably.

The 360 feedback process is personal and significant for the individual being rated. Therefore the reliability of the data is critical if it is to be used to plan their meaningful development.

The 2007 review shows that for multi source feedback processes to be effective, a number of critical success factors must be in place. The 360 process must

- a) Link to a clear strategic purpose and be sponsored by the executive team
- b) Focus on development
- c) Move away from “good” or “bad” judgments of behaviours to a deeper understanding of leadership impact
- d) Facilitate support and coaching to interpret and plan development goals
- e) Use electronic data capture which is attractive and easy to use in design and layout
- f) Produce attractive graphical reports which provide understandable specific feedback
- g) Ensure confidentiality and anonymity

¹² ATWATER, L., BRETT, J.F. and CHARLES, A.C. (2007) Multisource feedback: lessons learned and implications for practice. *Human Resource Management*. Vol 46, No 2, Summer. pp285-307.

h) Reveal some indication of context and the feedback giver's preferences

The **360netimpact** addresses these issues. It offers a new way to understand the leadership impact of an individual or leadership team and plan their future development.

360netimpact

The 360Netimpact provides ongoing descriptive and non-judgemental feedback on leadership impact from multiple perspectives. Raters describe an actual experience of the leader which they interpret against an evidence informed range¹³ of leadership practices:

- i. Motivation
- ii. Prioritisation
- iii. Communication
- iv. Leadership Style
- v. Decision Making
- vi. Energy
- vii. Personal integrity
- viii. Messaging
- ix. Stakeholder collaboration
- x. Staff Engagement
- xi. Credibility
- xii. Development

As with other 360 tools, 360netimpact is completed by:

- The individual themselves
- Their internal direct reports, peers, line managers and senior people
- External stakeholders including customers, partners, suppliers and associates

Raters are asked to describe a significant example of the individual's leadership which they have directly experienced. There is no limit to the number of raters or the number of leadership experiences a rater can submit and signify. The rates are also asked to identify the type of leadership they prefer. The raters are then asked to interpret this significant

¹³ Source???

leadership experience against a set of leadership practices. Raters can offer development suggestions.

The multiple narratives and how they are interpreted using the SenseMaker™ software provides an individual leader or leadership team with detailed feedback about their impact in a range of situations. This is way of providing feedback about their leadership impact in their organisational context.

The data provides a picture of their emerging leadership pattern. This feedback enables them to “re-calibrate” and decide how they need to change their leadership patterns and behaviours to increase their leadership effectiveness and impact.

360netimpact provides “real-time” feedback on an ongoing basis. This is more empowering and relevant for the individual leader than relying on a traditional 360 style competence rating as part of an “annual appraisal” or formal development programme every 3 – 5 years.

Leaders can have their 360Netimpact “live” for longer continuous periods of time providing immediate, real-time feedback showing how changes in their leadership patterns are having a positive impact on others. This accelerates leadership development and effective change.

In this way the 360Netimpact provides a “continual leadership development” mechanism.

The 360Netimpact can be used for:

- generating qualitative leadership information for executive coaching
- as part of a leadership development programme
- a part of a peer group contract / action learning / reflective practice
- benchmarking with other leaders as sufficient volumes are created
- succession planning and talent management
- providing an “extended cognitive structure” for the individual leader or senior management teams to mitigate against tendencies towards “blind spots” or “entrenchment” in leadership behaviours patterns.

Johari Window

The 360 Net Impact moves away from 'good' and 'bad' judgements which can produce a negative reaction in the leader being assessed¹⁴.

Instead the 360 Net Impact provides the leader with multi-dimensional feedback about the impact their leadership is having. Multiple source feedback on leadership impact provides very powerful information about an individual providing them with a more complete understanding of the effect of their leadership. 360 Net Impact is a leadership development tools that provides the leader with:

- Feedback on impact based on actual leadership experiences.
- This feedback is information that allows the leader to decide if the impact they are having is positive or negative given the direction they are trying to go.
- This feedback information is the basis for development planning, facilitated by a feedback coach who can help the leader determine the strategies to achieve the leadership impact needed for success.

It provides the leader with multiple 'snapshots' of how their 'leadership in action' is impacting on others. They can then determine if the impact they are having, is the impact that is required for future success and sustainability of the organisation.

The 360netimpact fulfils the classic purpose of feedback as illustrated in the use by the Johari Window, by enabling the individual leader to reduce any 'blind spots' about how they are perceived by others. They can determine the extent to which their "inner leadership self" fits with the "outer leadership" which is required by their wider organisational and business context and the outside world.

Access

360netimpact can be accessed online through licensed 360netimpact leadership development coaches and organisations. Reports are generated automatically. These can be used as a basis for leadership development planning and ongoing impact assessment¹⁵. For further information contact anne@annemcmurray.com

¹⁴ Atwater and Brett 2005

¹⁵ Brett and Atwater 2001

