

Internationalization of multi-source feedback systems: a six-country exploratory analysis of 360-degree feedback

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Abstract In the past few years, few human resource practices have received as much attention as multi-source feedback systems (MSFSs). In the US and Canada, it is estimated that over one-third of organizations are using some form of MSFS and recent surveys show that this practice is still gaining popularity. Concurrently, a substantial amount of literature has focused on the effectiveness of this performance management practice. However, while few would dispute the popularity of MSFS, relatively little has been published on the use of these systems outside North America and thus little is known about their form and effectiveness in international contexts. This paper outlines the results of an international survey of MSFS. Interview data from HR managers and consultants from Argentina, Australia, China, Slovakia, Spain and the UK demonstrate that MSFS are being implemented, in slightly different ways, in each of these six countries. The main challenges in the application of MSFS in these various countries are the communication efforts necessary before and after implementation, and the inherent difficulty in giving and receiving feedback. The results of this study also provide data as to the perceived future of MSFS in each of the countries surveyed.

Keywords 360-degree feedback; international; benchmark; survey; feedback.

Introduction

In the past few years, few human resource practices have received as much attention as multi-source feedback systems¹ (MSFS). In the US, it is estimated that over a quarter of organizations are using some form of MSFS (Antonioni, 1996) and recent surveys show that this practice is still gaining popularity (Rose and Walsh, 2004; Brutus and Derayeh, 2002). Concurrently, a substantial amount of literature has focused on the effectiveness of

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this performance management practice (Seifert *et al.*, 2003; Smither *et al.*, 2005; Van der Heijden and Nijhof, 2004). However, while few would dispute the popularity of MSFS, relatively little has been published on the use of these systems outside North America and thus little is known about their form and effectiveness in international contexts. With the continued globalization of organizations arises the need to better understand how emergent human resource practices operate in different countries (Adler and Jelinek, 1986; Bigoness and Blakely, 1996; Ghorpade *et al.*, 1999; Triandis, 1994). This is especially true for performance appraisal practices that, per their evaluative nature, are particularly sensitive to cultural values as well as economic and political contexts (Bailey and Fletcher, in press; Ramamoorthy and Carroll, 1998). In the present study we seek to shed some light on how MSFS is used in six different countries.

Background

MSFS is best defined as a process comprised of many elements; the most salient of these being the use of multiple evaluation sources, varying along hierarchical levels (e.g. peers and/or subordinates) and organizational positions (e.g. customers) (London and Smither, 1995; Dunnette, 1993; Tornow, 1993). The collection of performance data from more than one source assumes that different evaluation perspectives provide unique information and, thus, add incremental validity to the assessment of individual performance (Borman, 1997). It is probably the intuitive appeal of MSFS that is responsible for its great popularity. MSFS holds a dynamic and multidimensional view of individual performance; one that is presumably best captured by these multiple perspectives (Borman, 1997; London and Smither, 1995). However, research on MSFS has demonstrated that many challenges are inherent to this process. For example, a recent survey of HR managers regarding the implementation of MSFS concluded that employee acceptance, the integration with other processes and instrument design can be challenging (Brutus and Derayeh, 2002). In addition, the few empirical studies that have focused on the impact of MSFS on individual performance yielded relatively weak results (Seifert *et al.*, 2003; Smither *et al.*, 2005). Increasingly, the word on MSFS is that it is useful if carefully implemented and, more specifically, if the process is adapted for the situation at hand. Rose and Walsh (2004) describe MSFS as the result of a series of 16 different decision points, each one representing a strategic choice in its design process. It is in the appropriate combination of its different parts that MSFS finds its effectiveness. In the present study, we seek to uncover the ways in which MSFS has been adapted when implemented in different countries.

Interest in the possible influence of culture on MSFS is not new; early published accounts of MSFS raised the issues concerning the use of non-traditional evaluation sources in various countries (London and Smither, 1995; Dunnette, 1993; Tornow, 1993). The shift in evaluation duties from the supervisor, the traditional bearer of evaluative tasks, to other co-workers runs counter to the power structure of organizations. It has been speculated that cultural dimensions, such as power distance for example, may be related to a resistance to such a re-distribution of evaluative powers (Leslie *et al.*, 1998; Ramamoorthy and Carroll, 1998). Furthermore, objective, individual feedback from others – a central feature of MSFS – is routed in Western, individualistic thinking (Stone-Romero and Stone, 2003). The manner by which individuals give and receive feedback in organizations varies around the world and the extent to which such feedback is received is also likely to be influenced by cultural factors (Fletcher and Perry, 2001).

In 1993, Leslie *et al.* authored a chapter on the cultural influence on MSFS that began with: 'Although the use of 360-degree feedback is flourishing in the United States, its

application in not widespread in other parts of the world' (Leslie *et al.*, 1998: 196). A few years later, Brutus *et al.* (2001) called the emergence of MSFS in international contexts as the 'next frontier' in performance management. To date, very little empirical work on the international use of MSFS exists, although it appears that such work is forthcoming. Authors continue to comment on the application of MSFS in various cultures (Fletcher and Perry, 2001; Bailey and Fletcher, 2006) and some indirect evidence of its usefulness in international contexts has begun to appear. Shipper *et al.* (2004) assessed the effectiveness of a MSFS process implemented within a large multinational organization. Their study found varying levels of effectiveness across five different countries; for example, MSFS was related to declines in performance in Malaysia but improvements in Ireland. The authors argued that the application of MSFS in cultures whose values are inconsistent with those inherent to MSFS may be detrimental. In a similar line of research, Pollitt (2004) described the implementation of MSFS in warehouses located in 11 countries. Finally, Atwater *et al.* (2005) found varying multi-source ratings patterns (i.e. self–other agreement) in different cultures. Their study show that links between self–other discrepancies and effectiveness varied greatly; these discrepancies were related to effectiveness in the US but not in Europe.

The current study has several objectives. First, it seeks to identify the characteristics of MSFS practices used in six countries. The aim of this study is not to assess the degree of MSFS adoption in these countries but, rather, to examine how MSFS is adapted when it is applied in different cultural contexts. Second, we seek to depict the perceived challenges associated with the international application of MSFS. Finally, the study will assess the perceived future of MSFS in various countries.

In the following section, we briefly summarize the literature on the performance management practices found in Argentina, Australia, China, Slovakia, Spain and the UK.

Overview of MSFS in the six countries

Argentina

After the collapse of the economy in 2001, most Argentinean organizations stopped investing in HR development programmes. Organizations reduced headcounts, merged positions, and focused instead on reorganizing structures and redefining jobs. However, there are indications that, even if many Argentinean organizations are still struggling financially, most of them are back to recruiting talent and managing performance to improve business results (Diomede, 2005). In general, there exists little research on performance appraisal in South America (Bailey and Fletcher, in press). However, the significant amount of newspaper and magazine articles on MSFS found in Argentina is a clear sign of public interest in this practice (e.g. *Diario La Nación*, 2002, 2005).

Australia

Although its geographical location makes it a central economic partner of Asia, the cultural profile of Australia is mainly Western (Bailey and Fletcher, in press). Australian culture has been described as individualistic, masculine and of low power distance (Milliman *et al.*, 2002). As a result, many of the performance appraisal practices found in Australia resemble those found in North America and Western Europe (Clayton and Ayres, 1996). Anecdotal accounts suggest upward feedback has been employed in Australian organizations since the mid-1990s. Carruthers (2003) states that some 85 per cent of Australia's top 500 companies currently utilize MSFS.

A few empirical studies of MSFS have been conducted with Australian samples (Carless *et al.*, 1998; Fraser and Zarkada-Fraser, 2000). However, most of what is known about the use of MSFS in Australia can only be inferred from studies that have looked at performance appraisal in general. While there are anecdotal accounts of the negative effects of 360-degree feedback with individual managers (e.g. Carruthers, 2003), largely, practitioner publications suggest it is seen as a useful developmental tool (Craig, 1998).

China

Much attention has recently been directed to human resource management in China (see the recent special issue of *The International Journal of Human Resource Management* 15(4–5) June–August 2004). A convergence of economical, political and cultural factors are having a significant impact on the manner by which Chinese organizations are operating (Warner, 2004). Although performance management practices are not well recognized in China (Lu and Shi, 2002), there exists some research on the topic. According to Snape *et al.* (1998) Confucian cultural values coupled with collectivist and hierarchical orientations run counter to Western performance appraisal practices that focus on individual performance, accountability and open communication. Huo and Von Glinow (1995) argue that China's large power distance makes them less likely to conduct appraisal interviews and provide coaching to subordinates. Some have also noted a lack of emphasis on developmental activities in Asia in general (Milliman *et al.*, 1995). There are few reports of the use of MSFS in China. We have found only one study that looked at the rating tendencies of Chinese evaluators participating in a MSFS (Zhang, 2001).

Slovakia

Slovakia is a relatively small country that has been at the centre of much transformation since 1989. In a few years, it not only distanced itself from its socialist past but it also separated its economy from its larger and more dominant neighbour, the Czech Republic. In 2004 Slovakia became a part of the European Union which led to important financial, social and health reforms. As a result of these changes, Slovakia's economy has prospered mostly due to increases in investments from Western European countries and the US, mostly in the automobile industry (e.g. Volkswagen, Kia, Peugeot, Ford). Although some of the human resource management (HRM) literature has focused on the Czech Republic (Koubec and Brewster, 1995; Tung and Havlovic, 1996), very little has been written on HRM practices in Slovakia. Historically, socialist policies put little emphasis on performance management and activities such as performance appraisal and employee development were typically not used (Koubec and Brewster, 1995). Today, emerging HRM practices in Slovakia still lag behind those found in most Western countries although some progress is being made. A recent study by Lucas *et al.* (2004) noted significant advancement in the area of recruitment, staffing and compensation. Labath and Warner (2002) also commented on the recent introduction of MSFS in certain Slovak organizations.

Spain

Although much has been written on HRM in Spain (e.g. Camelo *et al.*, 2004), the published literature on performance management in that country is scarce. Moreover, the scant research that exists on the use of MSFS in that country offers conflicting results. A recent survey of 137 Spanish companies reports a large increase in the use of MSFS in the past few years. It also claims that 80 per cent of the surveyed companies that do not use MSFS expect to do so formally in the next two years (Expert Training Systems,

2003). Two other studies present a rather different picture however. A recent survey of human practices of 83 Spanish companies confirmed that MSFS is actually only used to a limited extent. The survey found that 97 per cent of performance appraisal processes in sample companies use supervisors, 13 per cent use peer raters, 5 per cent use subordinates, and 6 per cent use clients (Club de Benchmarking de RRHH Instituto de Empresa Business School, 2004). This survey reports that the main obstacles to the implementation of MSFS in Spain are the perceived social cost associated with evaluating peers and supervisors in a formal way and the lack of faith in the confidentiality of the data. More recently, a very small percentage (7 per cent) of the submissions for the competition for the Best Practices in HR Award pertained to formal performance evaluation practices (Simón *et al.*, 2004).

United Kingdom

Use of MSFS in the UK goes back to at least 1980, but widespread adoption only occurred from the early 1990s; surveys indicate that these systems are being extended still further at the present time, with a swing from a purely developmental focus to administrative use in some organizations (Fletcher, 2004). Indeed, MSFS have become so common in the UK that the government department responsible for promoting and regulating industry, in collaboration with the relevant HR and psychological professional bodies, set up Best Practice Guidelines on implementing and running such systems.

Given that history, it is not surprising that there is now some research base on the way MSFS operate in the UK. One study provided evidence of improvement of senior managers' competencies as a result of the implementation of a MSFS in a large UK organization. However, these improvements were not found when the MSFS was introduced to middle-level managers (Tyson and Ward; 2004). Another study showed some impact on managers' self- and subordinate-rated competence, and on their development needs (Bailey and Fletcher, 2002). Other issues researched have included the psychometric qualities of MSFS (Fletcher *et al.*, 1998) and self-other congruence or self-awareness (e.g. Fletcher and Baldry, 2000) – the latter being a theme often raised in the context of MSFS in the UK.

The purpose of this study is to extend our understanding of the application of MSFS internationally. The countries selected represent a diverse sample of economies, political systems and cultural characteristics and, although we found occasional references to these applications in the literature, very little is known as to how MSFS conducted in these countries.

Methodology

Sample

The sample is comprised of two types of respondents: human resources managers and external consultants. The different perspectives provided by these two groups were deemed important to fully capture the dynamics of MSFS. More specifically, human resources managers have a closer view on how the process is accepted by the users (i.e. raters and ratees) and its effectiveness while external consultants have a wider range of experience and are better able to comment on cultural tendencies. In order to participate in the study, human resources managers had to be directly responsible for the implementation and/or the administration of MSFS in their respective organizations. External consultants had to be experienced in the delivery and the implementation of MSFS in organizations. This sampling procedure was relied upon to gain a broad perspective on the perception of MSFS. A list of participating organizations is included in Table 1. In total, 47 respondents

Table 1 *Participating organizations*¹

BOE Technology Group Co., Limited
Baike
Flightcentre
Grupo Clarín
GlaxoSmithKline
Human Assets Ltd
IKEA
Jianshe Industry group
Kraft
Nadácia otvorenej spoločnosti – OSF
Management and Research
Marsh
Microsoft
Newspaper office of Chinese consumers
Oracle
QMI Solutions
Robertson Cooper Limited
Všeobecná úverová banka, a.s. (General Credit Bank)
Shell
Siemens
Slovak Telecom
UK Home Office
Wanke

Note: Some participating organizations expressed the desire to remain anonymous.

from six different countries participated in the study. These respondents possessed an average of 5.33 years of experience with MSFS ($SD = 4.09$). The six countries and their respective sample sizes are Argentina (five HR managers; five consultants), Australia (two HR managers; five consultants), China (five HR managers; four consultants), England (four HR managers; three consultants), Slovakia (four HR managers; three consultants), Spain (three HR managers; four consultants). Note that the consultants interviewed belonged to different consultancies except for Spain, where three of the four consultants were employed by the same organization. A description of the organizations surveyed is provided in Table 2. Our sample represents a cross-section of many industries.

Semi-structured interview

A standard set of questions was presented to all interviewees. The questions were translated in the interviewees' native language by a local collaborator. Individual interviews, in person or by phone, were conducted in all six countries in the participants' native tongue. The interview protocol was composed of two separate sections. The first section pertained to respondents' general experience with MSFS, information about the organization within which the MSFS was implemented, and a description of the specific MSFS intervention. These questions were drawn from previous benchmarking studies of MSFS (see Brutus and Derayeh, 2002; Healy *et al.*, 2003). In order to obtain specific descriptive information about MSFS instead of more general comments, the protocol asked HR managers to focus on the largest scope intervention that they were involved in. For external consultants, the protocol required them to describe the most typical interventions that they participated in. The second section of the protocol was more

Table 2 *Sample description*¹

	<i>Argentina</i>	<i>Australia</i>	<i>China</i>	<i>Slovakia</i>	<i>Spain</i>	<i>United Kingdom</i>
Years experience with MSRS	4.4 (3.0)	7.3 (4.4)	3.1 (1.6)	2.1 (0.8)	6.7 (2.1)	9.4 (6.3)
Size of organization ²	3,050 (3,199)	1,375 (530)	4,401 (4,867)	4,333 (3,590)	8,062 (8,971)	29,700 (33,127)
Primary function (%)						
Manufacturing	40	14	33	0	14	0
Agriculture	10	0	11	0	29	0
Wholesale, retail trade	0	29	0	14	0	0
Finance, insurance	20	0	0	43	14	14
Healthcare, pharmaceutical	10	0	22	0	0	14
Communications	10	29	22	14	29	14
Government	10	0	0 ³	14	0	43
Others	0	29	22	14	14	14

*Notes:*¹ For consultancies, the information found in this table refers to the client organization.² The standard deviation is found within parentheses.³ In the Chinese sample, we distinguish between the primary functions of surveyed organizations even though they are all government owned.

qualitative in nature in that participants were asked about (1) the challenges encountered in the implementation and administration of MSFS and the cultural factors that may underlie these challenges; (2) solutions to these challenges; and (3) their opinion about the future of MSFS in their respective countries. A copy of the interview protocol is available from the first author upon request.

Analysis

A multi-step content analytic procedure was used to analyse the interview responses for each country. Responses collected from the first part of the interview were tabulated using frequency counts (Table 3). For the second part of the interview, one researcher reviewed all the applicable answers and grouped those that were similar in meaning. Once comments were grouped, a label was provided to capture the meaning reflected in the group of answers. The grouping procedure was further validated by a second researcher. Agreement between the researchers as to the meaning of the answers was high as the interview responses were quite specific. When present, disagreements between the two researchers were resolved by consensus. Emergent themes were tabulated according to frequency of occurrence.

Results

The results of the interviews are presented separately for each country. No major differences were observed between the responses from HR managers and consultants, hence their data are presented jointly. We divide these results into four sections. We first describe the MSFS found in each country and highlight the noteworthy characteristics of each. A more detailed description of the MSFS used in each country is presented in Table 3. Second, we outline the main challenges associated with the implementation of MSFS. Third, we present proposed solutions to these challenges. Finally, we report respondents' response as to the future of MSFS in their organizations.

Argentina

Description of the processes

Argentinean respondents use MSFS mostly for development and for middle to top-level managers. In contrast to the other countries, most participation to the process is non-voluntary (80 per cent) and the processes rely on customers as rating source in a greater proportion (50 per cent). Argentines also reported that most processes are used strictly for development (90 per cent) and that the feedback is facilitated either by external consultants (80 per cent) or HR (20 per cent).

Challenges

Many challenges arose from the ten Argentinean interviews. The main one pertained to the resistance of the Argentinean employee to formally evaluate others and the desire not to get involved by committing one's opinion in writing (mentioned by five interviewees). As commented by one respondent, performance management efforts are relatively new in Argentina and people are still suspicious of evaluation processes. Second in importance were technical measurement challenges. Six interviewees mentioned difficulties with the design of competency models, scaling and feedback report format. Next were difficulties in accepting feedback from non-supervisory sources. A few respondents (three) mentioned that Argentina is a paternalistic culture that is centred on

Table 3 *Description of the MSFS used in the different countries*

	<i>Argentina</i>	<i>Australia</i>	<i>China</i>	<i>Slovakia</i>	<i>Spain</i>	<i>UK</i>	<i>Overall</i>
What is the purpose of the process?	n = 10	n = 7	n = 9	n = 7	n = 7	n = 7	n = 46
Developmental	9 (90)	6 (86)	2 (22)	5 (72)	5 (72)	6 (86)	32 (70)
Administrative	0 (0)	1 (14)	2 (22)	0 (0)	0 (0)	1 (14)	3 (7)
Both	1 (10)	0 (0)	5 (56)	2 (29)	2 (29)	0 (0)	22 (48)
Who is targeted by the process?	n = 10	n = 7	n = 9	n = 7	n = 7	n = 7	n = 47
Top management	9 (90)	6 (86)	4 (44)	3 (43)	3 (43)	6 (86)	31 (66)
Middle management	5 (50)	6 (86)	6 (67)	2 (29)	2 (29)	2 (29)	23 (49)
All employees	1 (10)	1 (14)	1 (11)	2 (29)	3 (43)	0 (0)	8 (17)
Is participation voluntary?	n = 10	n = 7	n = 9	n = 6	n = 7	n = 7	n = 46
Yes	2 (20)	3 (43)	1 (11)	6 (100)	4 (57)	3 (43)	20 (44)
No	8 (80)	4 (57)	8 (89)	0 (0)	3 (43)	4 (57)	26 (57)
Who selects the raters?	n = 10	n = 7	n = 9	n = 7	n = 6	n = 7	n = 46
Ratee (and not supervisor)	4 (40)	4 (57)	1 (11)	3 (43)	2 (33)	6 (86)	20 (44)
Supervisor (and not ratee)	0 (0)	0 (0)	3 (33)	2 (29)	4 (67)	0 (0)	9 (20)
Both	3 (30)	2 (29)	0 (0)	2 (29)	0 (0)	1 (14)	8 (17)
Other	5 (50)	1 (14)	7 (78)	2 (29)	3 (50)	0 (0)	18 (39)
Are ratings anonymous?	n = 10	n = 7	n = 9	n = 7	n = 7	n = 7	n = 47
Yes	8 (80)	7 (100)	9 (100)	6 (86)	7 (100)	7 (100)	44 (94)
Who evaluates?	n = 10	n = 7	n = 9	n = 7	n = 7	n = 7	n = 47
Subordinates	10 (100)	7 (100)	9 (100)	7 (100)	6 (86)	7 (100)	47 (100)
Peers	10 (100)	7 (100)	9 (100)	7 (100)	7 (100)	7 (100)	47 (100)
Supervisors	10 (100)	7 (100)	8 (89)	7 (100)	7 (100)	7 (100)	46 (100)
Customers	5 (50)	3 (29)	3 (33)	3 (43)	1 (14)	1 (14)	16 (34)
Others	0 (0)	2 (43)	0 (0)	3 (43)	1 (14)	4 (57)	10 (21)
Who has access to the evaluations?	n = 10	n = 7	n = 9	n = 7	n = 7	n = 7	n = 46
Ratee	10 (100)	7 (100)	8 (89)	6 (86)	7 (100)	7 (100)	44 (96)
Supervisors	1 (10)	5 (71)	9 (100)	3 (43)	2 (29)	3 (43)	22 (48)
Others	1 (10)	3 (43)	0 (0)	2 (29)	2 (29)	3 (43)	10 (22)
If ratees have access to the information, who facilitates the feedback?	n = 10	n = 7	n = 9	n = 6	n = 7	n = 7	n = 45
HR	2 (20)	3 (43)	7 (78)	1 (17)	1 (14)	1 (14)	15 (33)

Table 3 (Continued)

	<i>Argentina</i>	<i>Australia</i>	<i>China</i>	<i>Slovakia</i>	<i>Spain</i>	<i>UK</i>	<i>Overall</i>
External consultants	8 (80)	3 (43)	0 (0)	5 (83)	6 (86)	5 (72)	28 (62)
Supervisor	0 (0)	3 (43)	2 (22)	2 (33)	3 (43)	2 (29)	12 (27)
Not facilitated	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
Others	0 (0)	0 (0)	0 (0)	1 (17)	0 (0)	0 (0)	1 (2)
How frequently is it administered?	n = 10	n = 6	n = 9	n = 6	n = 7	n = 7	n = 45
Once a year	0 (0)	3 (43)	5 (56)	3 (50)	0 (0)	0 (0)	12 (27)
Twice a year	0 (0)	1 (17)	1 (11)	0 (0)	0 (0)	0 (0)	1 (2)
Case-by-case	5 (50)	1 (17)	1 (11)	1 (17)	4 (57)	2 (29)	14 (31)
Other	5 (50)	1 (17)	2 (22)	2 (33)	3 (43)	5 (72)	19 (42)
Are there developmental linkages?	n = 10	n = 6	n = 9	n = 6	n = 7	n = 7	n = 43
Yes	9 (90)	4 (67)	8 (89)	6 (100)	6 (86)	7 (100)	39 (91)
No	1 (10)	2 (33)	1 (11)	0 (0)	1 (14)	1 (0)	4 (9)

Note: Percentages are within parentheses.

the boss and employees have difficulties in considering evaluations others than those of the superior. The last challenges to emerge concerned the lack of integration of MSFS with other processes (three) and the prohibitive cost of international/imported MSFS within the current economic context of Argentina (two).

Solution to these challenges

Three respondents mentioned the need for intensive communication efforts prior to and during implementation in order to raise awareness of managers of the importance of feedback. Three respondents also argued for greater integration of MSFS with other developmental activities. Finally, respondents mentioned 'time-related' solutions to improve the process. These solutions were: reduction in the length of the survey, reduction in 'rating-feedback' delays, and more frequent administration of the process.

Future

All but one Argentinean respondent expressed positive views about the future of MSFS in their country, although for some respondents this enthusiasm was contingent upon increased support from management.

Australia

Description of the processes

The MSFS processes described by the Australian respondents were mostly used for development (86 per cent). Compared to the other interviews, these processes were targeted at top-level managers and middle-management to an equal degree (67 per cent). Participation was voluntary in only 43 per cent of cases.

Challenges

There was a split in the views on the challenges of MSFS in Australia. One group of interviewees felt that there were no specific issues related to Australian culture in relation to MSFS (three). Conversely, three respondents raised two main challenges mainly: poor feedback-giving skills of Australians (either too blunt or too lenient) and a general aversion to being rated by others. Some interviewees attributed these challenges to the modest and indirect communication style of Australians.

Solution to these challenges

In contrast with the stated challenges, the solutions provided by Australians to improve MSFS were quite uniform. Six of the seven respondents mentioned the importance of communication and pre-briefing of all users (on activities, expected outputs, links and confidentiality) prior to implementing the process. Many respondents (four) also recommended a careful design of the debrief process. Their recommendations were varied: group meetings, a debrief immediately after reception of feedback and a debrief by an external consultant. Another group of respondents (four) also mentioned the importance of a valid competency model and the use of 'local' language. Finally, four respondents argued for the provision of organizational support in the design and implementation of developmental plans.

Future

All Australian respondents were positive about the future of MSFS in their country; most of them even predicted an increase in its use in the future.

China

Description of the processes

It is in China that we found the greatest use of MSFS for administrative purposes (22 per cent purely administrative and 56 per cent for both administrative and developmental usages). Also, in the majority of the cases participation in the process was mandatory (89 per cent). The selection of raters was often performed by a third party (67 per cent) and supervisors always have access to the feedback report (100 per cent). Interestingly, it is in China that the most systems relied upon HR facilitators (78 per cent).

Challenges

The main challenges of MSFS pertained to managerial support and the politics of evaluations. Four respondents mentioned the culture of state-owned organizations as a major issue for the implementation of MSFS in Chinese organizations. These organizations are characterized by a strict hierarchy and, as commented by one participant, the 'absolute power' of the leader makes his acceptance and support key to the success of the process. Moreover, five respondents mentioned that, in China, the politics of evaluations were intense. Three interviewees mentioned the impact of '*Guanxi*', or the emphasis put on preserving social harmony in Chinese culture, on rating inflation. Along similar lines, two interviewees discussed the 'Golden mean' (*Zhong Rong* in Chinese) which leads to a lack of differentiation between ratees.

Solution to these challenges

The challenges in implementing MSFS in China were met by a commitment to training users and communicating clearly and extensively the purpose of the process (five). Gaining leader support was also very important (four); one interviewee commented that 'pleasing the leader' was the aim of the process.

Future

Despite the challenges encountered, five respondents were positive about the future of MSFS in China; three of them even predicted a 'bright future' for this process. Only one respondent had planned to discontinue using the process, having decided to rely strictly on supervisors' appraisal in the future.

Slovakia

Description of the processes

The majority of the processes found in Slovakia was developmental in nature (73 per cent). Processes were targeted at all levels of the organizations. In every case, participation in MSFS in Slovakia was voluntary.

Challenges

Three major issues arose from the seven Slovak interviews. The first was the reluctance in receiving negative feedback (three). One respondent commented that 'negative feedback from one's superior is seen as an order or a sentence, feedback from subordinates as lack of loyalty, and feedback from customers as criticism'. The second issue was the inhibitions related to rating colleagues or simply the lack of experience in doing so (four). Many commented on the lack of comfort with openly rating others. Interestingly, this stems from a general suspicion towards management, a remnant of a socialist past. Interviewees commented that many raters did not have much faith in the anonymity offered or in the stated use of the data. Finally, a few respondents commented on the lack of integration with other HR programmes such as coaching, training, or the establishment of a developmental plan (two).

Solution to these challenges

All respondents mentioned the importance of preparation before the implementation as key to success to MSFS in Slovakia. Also, a few respondents mentioned the need to focus exclusively on developmental usage and dissociate the process from formal, decision-related and evaluative procedures.

Future

All of the respondents were positive about the future of MSFS in Slovakia. One respondent noted that HR consulting, as an occupation, is relatively new in this country (in existence only since 1989) and consultants are still perceived as simple service providers with little input in problem solving. However, the fast pace of changes in Slovakia is likely to lead to greater reliance on contemporary HR practices.

Spain

Description of the processes

Most programmes found in Spain are used for development (72 per cent) and MSFS is used at all levels of the hierarchy. Interestingly, rater selection was the sole responsibility of the supervisor in the majority of cases (67 per cent). Spain was also the country where a case-by-case use of MSFS was most frequent (57 per cent).

Challenges

Two major issues arose from the seven Spanish interviews. Many Spanish respondents (three) referred to cultural barriers that they perceived as being specific to Spain in receiving feedback; two of those respondents mentioned an exaggerated focus on the feedback from one's supervisor. Another group of respondents (three) mentioned the lack of expertise in evaluating others in Spain. One commented that: 'there is no feedback culture in Spain'.

Solution to these challenges

The need to convince management of the usefulness of MSFS, especially the direct supervisors who lose some of their evaluative power, was the solution most frequently offered by respondents (four). Establishing links with developmental programmes was also mentioned (two). Finally, a few respondents commented on the need to be careful in

the roll-out phase by piloting the process extensively to avoid any technological or procedural malfunctions that might undermine the process.

Future

All respondents were positive about the future of MSFS in Spain. Two respondents expected the use of MSFS to expand in Spain while five predicted that its use would remain stable.

United Kingdom

Description of the processes

The MSFS processes found in the UK were mostly developmental (65 per cent). These processes were targeted at all levels of the hierarchy. In 57 per cent of the cases, participation in the MSFS was not voluntary. Interestingly, the UK sample saw the highest proportion of respondents indicating that ratees had sole responsibility for selecting their raters (86 per cent).

Challenges

A few respondents mentioned that MSFS has been implemented in the UK for at least 20 years. The relatively long history of this process is reflected in the type of issues that were reported. Of the seven respondents, five did not report any culture-related problems. A higher degree of sophistication was also encountered in this sample. For example, four respondents mentioned validating the performance dimensions or competencies with factor analytical techniques. The most commonly cited issues were rating inflation (two) and motivational problems (e.g. non-distribution of surveys by ratees, getting ratees to act on the feedback received, delays in completing surveys, etc.).

Solution to the challenges

Three respondents mentioned the need to collaborate early with future users to clarify expectations and ensure a proper usage of the process (three). A few respondents stressed the need to verify the quality of the instrument via psychometric means (two). A proper strategic alignment of MSFS (e.g. link with other processes, specific target population) was also deemed important (two).

Future

Four respondents from the UK expected a steady use of MSFS in the future while three predicted an increase in popularity.

Discussion

As stated in the introduction, research clearly shows how performance ratings, legitimacy of co-workers from different hierarchical levels and feedback dynamics differ across cultures (e.g. Stone-Romero and Stone, 2002). The aim of this investigation was to shed some light on how MSFS, a practice that encompasses each of these elements, is used in various countries. Our results show that MSFS is being utilized in each country surveyed but that, in some cases, this utilization is relatively new – respondents reported that MSFS has been in place in Slovakia and in China for an average of only two and three years, respectively. Despite this novelty, important structural variations were found

in how the process was managed across the six countries. This finding is an extension of the work on performance appraisal that shows that specific performance appraisal practices differ widely around the world (Milliman *et al.*, 1998; Von Glinow, 1993). The country that distinguishes itself the most is China where MSFS has been found to be used primarily for administrative purposes, a departure from the emphasis on developmental usage exhibited in the other countries. Consistent with this practice, it is in China where supervisors were most likely to have access to the information collected and where the facilitation of the feedback was conducted by the HR department. In addition, Chinese ratees had no option but to participate in the process. Aside from the Chinese results, other interesting country differences emerged. For one, the non-voluntary aspect of MSFS was also present in Argentina and the UK. In these countries, MSFS was more likely to be part of a standard performance management practice in which all employees were to participate. Second, the manner by which rater selection was conducted greatly varied across countries. Ratees were given the freedom to elect their raters in Australia and the UK, supervisors were generally responsible for rater selection in Spain while third parties (mostly HR) performed this selection in Argentina, China and Spain. In general, there was much variation in almost every aspect of MSFS.

A strikingly consistent set of challenges for the implementation of MSFS pertained to inherent difficulties in giving and receiving feedback. Such difficulties were said to be due to a variety of factors. In several cases, respondents commented on cultural barriers surrounding this critical communication process. It is not surprising that some elements of MSFS conflict with the cultural reality of certain countries. More research is needed in order to establish the influence of specific cultural dimensions, such as power distance, on formal feedback mechanisms. Other respondents mentioned a lack of trust in the process was responsible for creating resistance from raters. MSFS is a practice that requires a minimal level of faith from raters and ratees in order to be successful. Raters, especially peers and subordinates, need to be convinced of the usefulness of the process and that their anonymity will be protected before committing to rate peers or supervisors honestly. Ratees, on the other hand, need to believe that the evaluations obtained are valid. Research on the legitimacy of human resources practices and the extent by which they engender trust would allow for a better understanding of the use of MSFS in various countries. Finally, a lack of experience, familiarity and expertise with MSFS was also mentioned as contributing to difficulties with MSFS.

Suggested solutions to MSFS challenges were also surprisingly consistent across the countries sampled: pre- and post- communication were seen as key to success. Interviewees commented at length on their communication efforts, prior to implementation, to attain required levels of trust and support from users. They also discussed the need for follow-up efforts in order for MSFS to have an impact. Much research supports the fact that the effectiveness of MSFS for individual development rests on the provision of support (Seifert *et al.*, 2003; Smither *et al.*, 2005). Other challenges, such as the strategic integration of MSFS with other organizational processes and technical issues surrounding instrument design and administration, were reported but with less frequency and less consistently across the sample investigated. As users gain greater experience with MSFS and adapt such systems based on their respective challenges such issues are likely to become less significant.

Despite the numerous challenges encountered in implementing MSFS, respondents were, in general, very positive regarding the future outlook for this practice. Most MSFS users expected the practice to increase or at least remain stable in the future though some respondents made the point that the use of MSFS will be dependent on wider economic circumstances. Also, the precise nature of the MSFS applications is likely to evolve with time; for example, in the UK it was observed that there was increasing interest in specific

feedback exercises designed for particular teams or even individuals, rather than a standard MSFS applied to an entire management level.

Limitations

Our sampling methodology does not allow us to draw a precise picture of the use of MSFS across the various countries that were surveyed. For example, surveyed organizations from the UK were substantially larger and reported more experience with MSFS than in the rest of the sample. Thus, we may only draw tentative conclusions regarding the presence of MSFS in these countries and the causes of the observed variations in the characteristics of MSFS. However, respondents did specifically comment on the challenges they faced with MSFS that they perceived to be due to cultural factors. Such observations were quite informative and support previous statements and reports from researchers that cultural factors impact on HR practices. Another limitation is the fact that the findings uncovered in this study are likely to evolve rapidly given the recent introduction to MSFS in some countries. A follow-up study would be useful to observe how MSFS progresses in countries such as China and Slovakia. Also, some specific elements of MSFS could have been explored in more depth. For example, it would have been interesting to know how the feedback debrief was handled in the different countries. Finally, our study relied on the perspective of the consultants and HR managers, other perspectives on MSFS may yield different results. Future research may benefit from directly tapping the opinions of raters and ratees. Such efforts would allow for a better understanding of the systemic factors that support positive MSFS impact. If, as predicted by the practitioners surveyed in the present study, the practice of MSFS grows, multinational organizations will need guidance on how best to implement MSFS in different geographical initiatives.

Conclusion

It is apparent that MSFS is not a Western tool or that the way that it is applied and experienced is uniform. Despite its novelty, we witnessed multiple applications of MSFS across a variety of countries. While there were many parallels and consistencies observed across them, we also uncovered some intriguing differences. As international use of MSFS becomes more frequent there is also a greater need for research regarding its use in different cultural contexts, not simply as a focus on the method itself, but also as a guide to an understanding of the wider implications of applying this multi-faceted HR process on a global scale. It is hoped that this research effort is a step in this direction and that it will further stimulate such initiatives.

Note

1 Also referred to as: '360-degree feedback', 'multi-rater assessment', 'multi-rater feedback', 'multi-source assessment' and 'full-circle feedback'.

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