

A STUDY ON 360 DEGREE FEEDBACK SYSTEM IN RPG ENTERPRISES

RAJNISH NAYAK, Dr. ARVIND AGRAWAL and Dr. GOPAL P MAHAPATRA

About the Authors



Rajnish Nayak is a Group Management Resource at RPG Enterprises. He did his Masters in Human Resource Management and labour Relations from Tata Institute of Social Sciences, Mumbai. Prior to RPG Group, he has worked in Ericsson Global and Tata Teleservices after completing his engineering in Electronics and Telecommunication.

Dr. Arvind N. Agrawal, serves as the Member of Management Board and President of Corporate Development & Human Resources and of RPG Enterprises. Dr. Agrawal has been working at RPG Enterprises since 1999 and his current responsibilities in RPG comprise of HR and TQM. He served for 2 decades in the HR function in Escorts and Modi Xerox. He was awarded the National HRD Award in 1992. He is a PhD from IIT, Bombay; an IIM Ahmedabad alumnus, specializing in Marketing and Human Resource Development and BE from IIT, Kharagpur. He served as the National President of National HRD Network during the year 2000 - 2002.



Dr Gopal P Mahapatra is Chief Learning Officer at RPG Enterprises. He is a Doctorate (FPM) in Management from IIM Bangalore & Post-Graduate in Personnel Mgt & Industrial Relations from Xavier Institute, Ranchi. He has over 28 years of diverse experience in Organisational transformation, Leadership Development including Assessment and Development Center, 360 degree feedback, Strategic HR and Executive Coaching. He was President of NHRD, Bangalore during 2006-08. Prior to RPG Group, he has worked in Oracle, T V Rao Learning Systems, BPL, Gujarat Gas, INDAL, XIMB and BEL.

Organizations have become more global and building organizational capability with people leadership has become a strategic priority to gain competitive edge. This is considered as a key intangible asset

too. The RPG Enterprises believes in people capability building as a fundamental part of its organization culture. In this journey of building capability and culture for growth, 360 degree feedback has been

a powerful tool to develop leadership strengths. In this article, we will look at how the RPG capability framework based 360-degree feedback instrument has been critical to its culture building and leadership development. RPG group of companies have used this capability driven 360 degree as a strategic tool to develop leadership. They have used this multi-rater feedback system as a competitive tool to systematically collect the opinions from multiple stakeholders. How RPG has used 360-degree feedback system to strengthen the leadership capabilities of more than 1500 managers in general, top talent and critical talent in particular is elucidated in this article.

Introduction

Organizations have become increasingly more competitive in a global, volatile, uncertain, complex and ambiguous (VUCA) world. Given the abundance of technological and financial resources, Human Capital Management with focus on leadership strengthening is now a critical dimension for global and multinational companies. Thus, developing employees for organization growth has become essential. In this paper, the authors share, how , for developing the employees in a more holistic way , RPG group, an Indian Conglomerate , has successfully implemented a capability framework driven 360 degree feedback for managers with multiple advantages.

What and why 360 degree feedback

360 degree feedback is a multi-rater feedback system whereby employees receive anonymous feedback from their multiple and critical stakeholders; e.g. from supervisors, subordinates, peers and other internal and external customers. Through this feedback, managers and leaders within organizations gain a perspective of their strengths and weaknesses. The

major objectives of this feedback are not only leadership development with strengthening the core and improving the areas of focus, but also ultimately leading to enhanced organizational effectiveness (DDI, 2014, Rao, 2014).

Overview of RPG Group

RPG Enterprises, established in 1979, is one of India's fastest growing business groups with a turnover of around US \$3 Billion in fiscal year 2014. The Group comprises of multiple companies with diverse business interests in the areas of: Tyre, Infrastructure, IT, Electricals, Life sciences, Plantations, and the like. Today the Group companies have partnerships with many transnational corporations and have worldwide presence with 49% of the businesses coming from overseas settings. RPG group has developed a capability framework and identified five capabilities; namely, Valuing People, Result Orientation, Process Orientation, Business Focus and Openness, that are needed to accelerate on this global growth journey.

Early Initiatives

Since the last decade, the global business environment is experiencing unprecedented change. As the companies are growing globally, the workforce characteristics are also changing significantly, with more diversity and influx of Generation "Y". With the changing workforce in RPG, it was imperative to transform the business growth, with relevant HR strategies and develop suitable leadership capabilities. To cultivate the leadership capacity, formal 360 degree process was introduced. For successful implementation and to get the entire company to buy into the capability development process, a strong buy in as well as commitment from leadership about the tool was necessary. Hence, to achieve this, the CEO and her direct

reports were to be the first participants to experience the tool personally in each of the companies. To help them understand the interpretation of 360 degree scores and feedback, an external coach was engaged. The coach held one-on-one meetings with each of the participants and helped them to set Development Action Plans (DAP). Subsequently, the coach facilitated a management meeting where each of the participants shared on how they identified their development needs, their action plans to bridge the gaps identified in their DAPs and how it is going to make them more effective in their current position. Once the buy in from the top management was accomplished, the same was cascaded to subsequent levels of management.

Behavioural Change through 360 degree Feedback

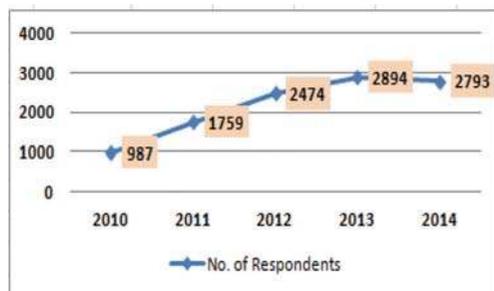
The 360 degree feedback tool is an exclusive tool, in sync with RPG Capabilities Framework and used by RPG group to provide feedback to managers on their leadership behaviours. To create ownership and assimilate the tool in sync with the culture of each of the companies, they were asked to brand this tool locally. The relevance of the tool was also enhanced by adding more questions related to specific company's own culture. However, the RPG core capability questionnaires were kept constant for each of the companies. The managers receive feedbacks based on five capabilities; namely, Valuing People, Result Orientation, Process Orientation, Business Focus and Openness. As well-understood, low score in a particular capability or sub-capability (from the tool) indicates higher expectation from the leader or gap in leadership behaviour which is imperative for the leader and organization to correct or strengthen by various Developmental Action Plans (DAPs).

The data represented below has been collected over the years and it speaks about the successful acceptance of the tool for leadership and organizational development.

Figure 1. Year wise managers covered



Figure 2. Year wise number of respondents



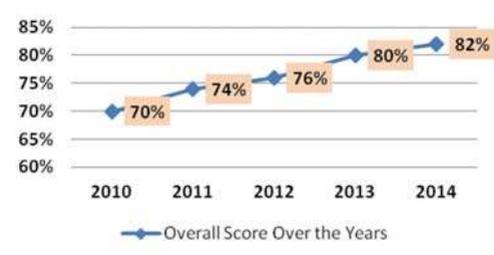
Approximately, 1500 Managers and 2800 raters participated in the 360 Degree Feedback process in 2014. The coverage of managers over the years has grown more than 5.5 times since 2010; with more and more companies and their managers availing this opportunity (Ref **Figure 1**).

The response rate for 360 degree feedback has been very encouraging since its inception. Despite a 5.5 times increase in the number of responses expected, the response rate has always been on higher side i.e. 90% and above, which is again very stimulating for the Top management and HR (Ref **Figure 2**).

As depicted below in **Figure 3**, the overall 360 degree score for the managers

has increased by 12% over the years; specifically, it has risen from 70% in 2010 to 82% in 2014. Further, it was heartening to see that the cut off score for being one of the Top 5% Managers was 93% in 2010, but in 2014 this cut off rose to 98% demonstrating an increase of 5%. Also, in 2010 a score of 80% would have placed a manager among the top 25% percentile but in 2014 this would result in a below norm score; from 80% in 2010 to 92% in 2014. In addition, **Figure 3** below indicates the overall 360 degree scores of managers over the years, which is a very positive sign indeed to the top management regarding enhanced Leadership capability impact.

Figure 3 Overall 360 degree Scores of managers over the years



Significantly, the data shows that there have been major improvements in various capabilities and sub-capabilities of RPG managers; e.g. Business Focus, Result Orientation, Process Orientation, Valuing people and Openness of RPG Capability framework.

Business Focus :

To sustain in the VUCA world, business focus through Innovation is a necessity to gain competitive edge over others. To promote innovation, it is important for a leader to play an entrepreneurial role at times so that he can encourage and facilitate people to try new things. It was heartening to see that there has been 10% increase in encouragement by managers to try new (innovative) ways of doing

things. Also, there was a 11% increase in facilitation of performance by removing barriers /constraints.

Valuing People:

RPG believes that one of the most important competitive advantages of an organization is its employees. It is critical that we use the right practices to acquire, develop, engage and retain our people. Therefore, valuing people is one of the key pillar of our capability framework. Since 2009, there has been a 10 % increase in the score of managers who ensure and support their people to develop through their individual Development Action Plans. Also, there is a 12 % increase in understanding of the organization and individual career goals by managers. The managers actively recommend names from their teams for the appropriate career opportunities within the company and across the group. It is important that a leader gets honest and frank opinions from its assessors for self-awareness, performance and overall development. It has been found that ‘giving negative feedbacks in private’ over the years has risen from 43% in 2009 to 56% in 2012. However, on this aspect, there is still scope for substantial improvement.

Openness:

In today’s fast-paced and hyper-competitive market place, building a culture of openness and trust is critical. And to improve openness, it is important that the leaders model the desired behaviour. Since 2009, there is a 10 % increase in sharing of companies information (openly and regularly) with sub-ordinates. It shows the commitment from managers in improving communication and maintaining a culture of openness and transparency. They regularly inform team members about the current successes and future potential of

the company and group. The scores have increased from 61% in 2009 to 71% in 2012.

Way Forward

The process to give and receive feedback at RPG is now well-established. It appears that the RPG managers and their critical stakeholders have become more comfortable over the years in accepting and giving feedbacks (number of responses has grown three times since 2010). The managers have accepted the constructive feedbacks considerably from 360 degree process and the interventions such as coaching have helped them in utilizing the feedbacks for their development plans and actions successfully (overall score has risen from 70% in 2010 to 82% in 2014). More specifically, there have been major improvements in Business Focus, Valuing people and Openness capabilities of managers. Also, while there have been multiple capabilities that have grown, giving negative feedback in private has continued to be a challenge for most of the respondents (continues still at 56% though

all other areas are much above 60%). Therefore, even though 'giving negative feedbacks in private' has increased over the years, it needs improvement and remains a focus area for the group.

The top management and the group companies have demonstrated their commitment to 360 degree process and their linked/related advantages. For sustaining the positive effects of this tool over time, various interventions have been planned. In some of the group companies, the top management has planned to develop Internal Coaches for holding one-on-one coaching dialogues and follow up action plans. This leads to enabling and empowering the coachee managers to strengthen their leadership with enhanced ownership. Further, there is a plan to carry out Group Coaching for the "GenY" employees.

In other words, it is becoming increasingly evident that by involving line managers as coaches, we will be able to sustain efforts towards leadership development and organizational culture.

REFERENCES

- a. Johansen, Bob. (2nd ed.). *Leaders Make the Future*. Berrett-Koehler Press, San Francisco, 2012
- b. Rao TV, Rao Raju, Mahapatra Gopal and Chawla Nandini, *360 Degree Feedback & Performance Management Systems (Vol II)*, Excel Books, 2002
- c. www.ddi.org