

Multi-Rater (360-Degree) Feedback as a Tool for Evaluating Managerial Leadership Competencies: The Role of Leadership Practices and Organizational Trust (A Case Study of Department at PT XYZ)

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ABSTRACT

This study aims to analyze managerial leadership practice competencies and to evaluate employees' level of trust in both their leaders and the organization by employing a multi-rater feedback (360-degree) method. Eight dimensions of leadership practices are examined, including vision socialization, change facilitation, human resource development, implementation of corporate values, motivational drive, recognition and trust, professional expertise, and teamwork building. As applied research employing a quantitative approach, this study identifies the strengths and weaknesses of leadership practices demonstrated by the Manager of Department A at PT XYZ. The findings indicate that, while certain dimensions of leadership require improvement, employees as team members display a high level of trust toward both their leader and the organization. The results of this study provide detailed insights into managerial leadership effectiveness and demonstrate the applicability of the multi-rater feedback (360-degree) method as a reliable tool for assessing leadership performance. Furthermore, the outcomes serve as a valuable reference for organizational development strategies and performance appraisal systems aimed at enhancing managerial effectiveness and strengthening employee-leader relationships.

INTRODUCTION

In large corporations, such as Multinational Companies (MNCs), organizational conditions are highly dynamic, making change management increasingly challenging. Various factors contribute to the complexity and magnitude of organizational change, thereby requiring specific capabilities for effective change management. Managers play a pivotal role in influencing and leading organizational change while simultaneously navigating its potential impact on their position within the organization (Iniguez et al., 2023). Many organizations encounter serious challenges at the managerial level. Common issues include insufficient managerial capacity to build productive relationships, failure to manage conflicts, and weak responsiveness to change. These problems not only diminish the performance of managers themselves but also adversely affect overall organizational effectiveness (Gibson, 2002).

To address these challenges, strong and adaptive leadership characteristics are essential at the managerial level. Leadership evaluation serves as a crucial instrument for identifying strengths and weaknesses in leadership practices. Various methods have been developed, ranging from simple surveys to competency-based approaches. One increasingly utilized method is multi-rater feedback, more commonly known as 360-degree feedback. This approach enables a more comprehensive evaluation by incorporating feedback from multiple sources, including supervisors, peers, subordinates, and even external stakeholders. Through this method, organizations can obtain deeper and more objective insights into a manager's leadership effectiveness (Edward & Ewen, 2009).

This study aims to develop a managerial leadership development strategy based on multi-rater feedback by exploring three main dimensions, namely leadership practice and trust in both leaders and organizations. Through this approach, the study is expected to provide significant contributions in establishing a more holistic leadership development framework that is relevant to the challenges of modern organizations.

LITERATURE REVIEW

Types of Leadership Practices

Transformational Leadership: the leader focus on inspiring and motivating employees to reach their fullest potential while fostering innovation within the organization. Transformational leadership encompasses four core components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Momcilovic, 2022).

Transactional Leadership: this leadership practice is particularly effective in work environments that require strict adherence to procedures and measurable outcomes. By ensuring that each individual understands their roles and responsibilities, transactional leaders can minimize conflict and maintain operational efficiency (Kim et al., 2020).

Servant Leadership: servant leaders prioritize the development of individuals within the team, the building of strong communities, and the creation of a supportive work environment that promotes employee well-being. Servant

leaders demonstrate empathy, actively listen, and provide the necessary support for team members to achieve their collaborative goals (Momcilovic, 2022).

Situational Leadership: this approach encompasses four primary styles: directing, coaching, supporting, and delegating. Situational leadership practices are highly relevant in dynamic and diverse work environments (Le, 2020).

Authentic Leadership: authentic leadership involves self-awareness, balanced information processing, relational transparency, and an internalized moral perspective. This practice plays a critical role in fostering trust between leaders and their teams (Momcilovic, 2022).

Multi-Rater Feedback Method (360-Degree)

This evaluation method is often complemented by self-assessment conducted by the individual concerned, thereby providing a more comprehensive perspective. The 360-degree feedback approach not only measures work outcomes but also encompasses behavioral dimensions and interpersonal relationships (Ardyanto in Aimuddin, 2019). According to Edward and Ewen (2009), the 360-degree feedback method also referred to as multisource assessment involves feedback from multiple evaluators, including supervisors, peers, direct reports (subordinates), and, in some cases, both internal and external clients.

The difference between traditional and 360 degree feedback (Ward, 2007), shown as below:

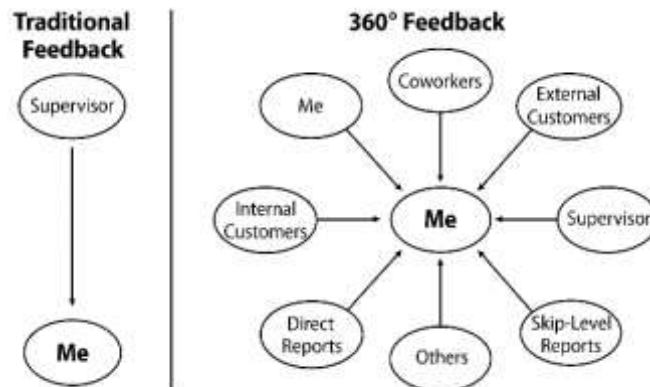


Figure 1. The difference between traditional and 360 degree feedback

The outputs generated from this method can essentially be utilized for various purposes, including development-only initiatives, performance appraisal, or both of development and appraisal processes (Fleenor, 1997).

Research Conceptual Model (Theoretical Framework)

This study aims to provide both theoretical and practical contributions to leadership development at the managerial level through the multi-rater feedback approach. This method enables the identification of similarities or differences in perceptions among senior management, middle management, and technical level regarding managerial leadership practices within the organization. In addition,

it highlights the level of employees trust in both the manager and the organization.

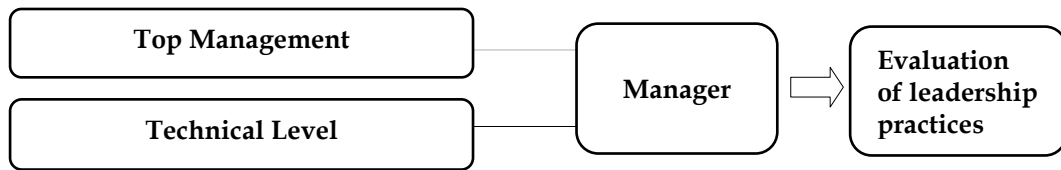


Figure 2. Theoretical Framework

METHODOLOGY

This study adopts an applied research design with a quantitative approach. The primary objective is to identify dimensions of leadership practices and employee trust in leaders and the organization, while also exploring perceptual differences across organizational levels. The study employs the multi-rater feedback (360-degree feedback) method, which enables a systematic and data-driven comparison of perspectives among senior management, middle management, and technical-level employees within Department A at PT XYZ.

Table 1. Details of the indicators studied

Indicators	Assessment aspects
Leadership practices	<ul style="list-style-type: none"> • Vision socialization • Driving change • Human resource development • Implementation of company values • Driving force • Recognition/trust • professional expertise • Building teamwork
Employee trust level	<ul style="list-style-type: none"> • Trust in the leader • Trust in the organization

Participants

The respondents in this study consist of three distinct groups: senior management, middle management, and technical-level employees. This stratification allows for a comprehensive analysis of leadership perceptions across hierarchical levels. The inclusion of multiple organizational tiers is intended to capture potential divergences or consistencies in evaluating leadership practices and organizational trust.

Table 2. Detail of Research Population and Sample

Levels in the organization	Target respondents	Number of personnel
Senior management	General manager of Department A at PT XYZ	1 person
Middle management	Manager of Department A at PT XYZ	1 person
Technical level	Supervisor, foreman and operator of Department A at PT XYZ	21 people

Instruments

Data were collected through a structured questionnaire developed based on established indicators of leadership practices and employee trust. The questionnaire employed a Likert scale to measure respondents' levels of agreement and satisfaction with each item. Prior to administration, the instrument underwent both validity and reliability testing to ensure measurement accuracy and consistency.

RESEARCH RESULT

Leadership Practice Indicator Survey Results

The following results are the combined average values of top management and technical level values with a certain percentage and do not include the manager's own values.

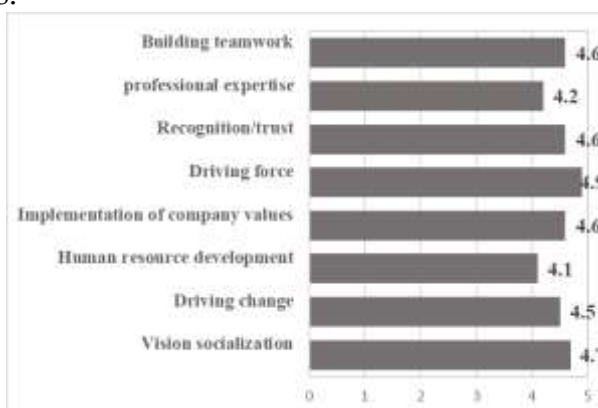


Figure 3. Survey Results for Each Leadership Aspect

Trust Indicators in Leaders and Organizations Survey Results

The result provides information on the effectiveness of leadership demonstrated by a manager in Department A at PT XYZ and the extent to which members perceive the organization and its leader positively. The respondents involved in evaluating this indicator consist of all subordinates (supervisors, foremen, and operators), while the top management (general manager) is not included.

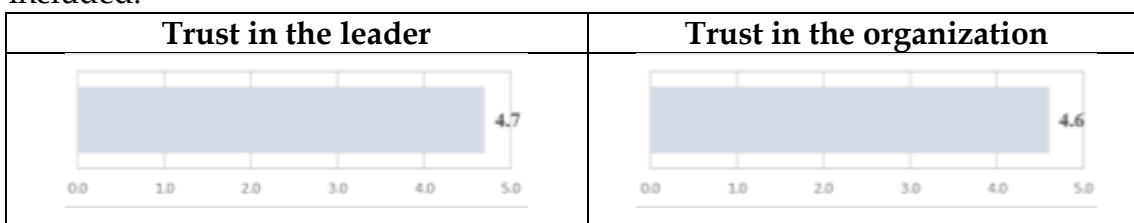


Figure 4. Trust Indicators in Leaders and Organizations Survey Results

DISCUSSION

Evaluation of Managerial Leadership Practices in Department A at PT XYZ

Based on the leadership practice survey results using the 360-degree feedback method, the manager of Department A at PT XYZ demonstrates strong competence and ability in leading the organization. This is evidenced by the positive evaluations from both the top management (general manager) and technical levels (supervisors, foreman, and operators), which exceeded the

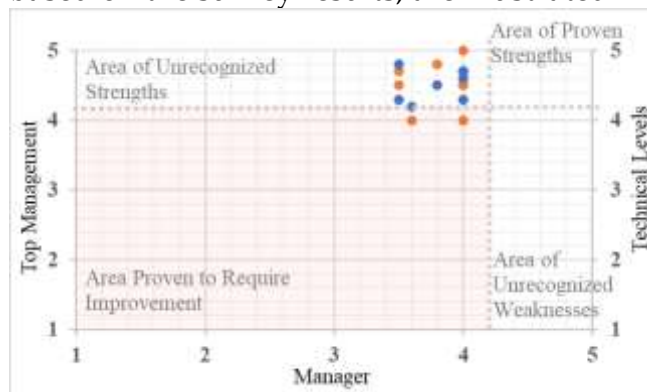
manager’s self-assessment. The overall scores across all aspects (eight items) indicate values above 4.0, suggesting that all members within Department A concur that the leadership practices are well-executed.

However, particular attention should be given to the aspects with the lowest scores, namely human resource development and fostering change. First, human resource development relates to the efforts of defining roles and delegating authority based on accurate assessments of team members, as well as providing continuous evaluation of work outcomes. An effective organization does not solely rely on talented individuals but also on its capacity to manage such talents through training, mentoring, and ongoing performance evaluation. Individual competencies must be aligned with organizational needs, which can only be achieved through systematic development programs (Kiryakova et al., 2023).

Second, fostering change refers to the ability to identify and provide direction whenever necessary adjustments arise, while encouraging consensus and participation among members. In a constantly evolving environment, such as technological advancements, shifts in government policies, or changes in customer preferences, organizations must be able to respond swiftly and appropriately. This capability requires strong leadership, a flexible organizational structure, and a work culture that supports continuous learning

Perception Levels of top management, Managers, and Technical Levels on Leadership Practices

The comparative perception levels regarding the eight aspects of leadership practices are between top management–manager and manager–technical levels, based on the survey results, are illustrated in Figure 2.



Remark: ● (Top Management - Manager), ● (Manager - Technical Levels)

Figure 5. Comparative Perceptions between Top Management-Manager-Technical Levels

The red-colored area was determined by the researchers as the internal target for the leadership level of a manager in Department A at PT XYZ, set at 4.2. This target was established based on a total of 24 respondents, with a tolerance of fewer than one respondent scoring below 4.0. In other words, 99.95% of respondents were required to assign a minimum score of 4.0 (agree) for each assessment aspect.

Differences in Perceptions between Superior and Manager

All aspects of leadership practices fall within the area of unrecognized weaknesses. This indicates that the manager is unaware of weaknesses in these aspects. However, they have been positively evaluated by the top management (general manager). The manager of Department A needs to recognize these aspects and continue training to maintain or enhance the relevant competencies.

Two leadership practice aspects were identified within the area proven to require improvement, namely human resource development and professional expertise. In this case, both the top management and the manager in Department A acknowledge the weaknesses in these areas, which require improvement. The manager of Department A should establish sustainable strategies to enhance these two leadership practice aspects in line with the findings. Overall, from the top management's perspective (general manager), the manager of Department A demonstrates competence in applying leadership practices effectively.

Differences in Perceptions between Subordinates and Manager

All aspects of leadership practices are located within the area of unrecognized strengths, comprising vision socialization, driving change, implementation of company values, driving force, recognition/trust, human resource development, professional expertise, and building teamwork. In this case, the manager is unaware of these strengths, yet they have been positively evaluated by the technical levels (supervisors, foreman, and operators). The manager of Department A needs to acknowledge these aspects and continue training to sustain or further develop the competencies.

Employee Trust in the Leadership of the Department A Manager at PT XYZ

The results of the trust survey on leadership and the organization, conducted using the 360-degree feedback method in Department A at PT XYZ, indicate that the Department A Manager is trusted to be capable of leading the organization effectively. This finding is consistent with the evaluation of leadership practices presented in Section Figure 1, which demonstrated positive perceptions from both the top management and technical levels regarding the current leadership style of the Department A Manager.

Employee trust in the organization also plays a crucial role in the success of change or innovation. During the transformation process, organizations require full support from employees to adopt new ways of working or to address complex challenges. Trust enables employees to feel secure and confident that such changes are undertaken for the collective good. Therefore, management must proactively build and maintain this trust through open communication, fair policies, and a genuine commitment to employee well-being (Jones et al., 2020).

CONCLUSIONS AND RECOMMENDATIONS

An analysis of how the manager is perceived by both the top management and technical levels within the workplace indicates that feedback from multiple sources enables leaders to recognize blind spots, namely areas of weakness that

may not be consciously acknowledged. For example, a manager may perceive themselves as decisive in making decisions, yet from the subordinates' perspective, this may be seen as insufficiently attentive or overly hasty in taking action. The results of the 360-degree feedback survey provide accurate self-reflection and allow for continuous improvement.

By leveraging the results of the 360-degree feedback survey, the organization can foster more competent leaders, enhance interpersonal working relationships, and strengthen overall team effectiveness. This method not only supports individual development but also enables the organization to be more adaptive and innovative in responding to business challenges. Furthermore, the outputs generated from this method can essentially be utilized for various purposes, including development-only initiatives, performance appraisal, or both of development and appraisal processes.

ADVANCED RESEARCH

Future research is suggested to cover a wider scope, particularly external parties such as customers and suppliers. The complexity of respondents provides a broader perspective of the assessment results, supporting leadership development not only internally but also external parties.

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