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# The 12 Components of the Best 360-Degree Assessments

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by Jack Zenger and Joe Folkman

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360-degree assessments are the backbone of most corporations' leadership development programs. But not all surveys are in the same class as far as quality, the effectiveness of the implementation process, and the added services that they offer.

360-degree assessments are a central component in many leadership-development programs. But not all assessments provide the same value to individual leaders or to the organization.

The best assessments offer participants powerful insights into how others perceive their leadership strengths and weaknesses. These become

a solid impetus for personal change. Organizations that offer multi-rater feedback at the start of their leadership development programs benefit from participants who are much more receptive and engaged in their learning opportunities.

There are many avenues from which to obtain 360-degree assessments. Talent management systems often provide clients with



the ability to create and process their own. Data processing firms provide lists of survey items from which a client may choose. Given so many choices, how can organizations determine what qualifies as a highly effective instrument?

The following elements are the ones we believe to be the most important to consider.

### **1. SELECTS DIFFERENTIATING COMPETENCIES EMPIRICALLY**

As 360-degree assessments grew in popularity, many organizations began creating their own competency models. These were created based on what individual executives believed were critical behaviors. However, these were not behaviors that have been statistically shown to differentiate high performers from low performers. What are assumed to be critical differentiating behaviors, may not be leadership differentiators at all. For example, being on time to meetings might be assumed to be an important leadership behavior. But, in fact, there is no difference between the best and the worst leaders, when it comes to

punctuality. We recommend that organizations clearly define what extraordinary leadership looks like in their organization, using empirical methods to determine differentiating competencies.

Zenger Folkman has gathered statistical data from over 1.5 million 360-degree assessments on over 122 thousand global leaders. We have determined, based on research, not assumptions, the competencies that differentiate the world's best leaders from all others. We can share our research-based models, validate your existing competency model, or assist in creating a model based on what's most important to your business.

### **2. MAKES EACH QUESTION COUNT**

There is no denying it—a 360-degree feedback process takes time. The cumulative effort of the participant and their many colleagues during the assessment process will take some time away from day-to-day operations. Zenger Folkman has identified and carefully selected statistically validated survey items (questions) to measure each differentiating competency. The result is a highly focused, yet relatively brief assessment.

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Our instrument takes most raters about 20 minutes to complete, in contrast to others that require double that time. We strongly encourage multiple raters in order to achieve the highest validity and to minimize any bias. Every question is ideally weighed and proven to be important.

**3. AVOIDS “FALSE-POSITIVES”**

False-positive results occur when answers create a different conclusion than was intended. Assume the question is asked: “Does this individual listen carefully and attentively?” and the response scale gives the options, “Strongly Agree, Agree, Neutral, Disagree, or Strongly Disagree.” If the rater feels like this person is “adequate” at listening carefully, they might select “agree,” resulting in a score of “4.” The participant receiving a 4 out of 5 on this item might get the impression that they are quite effective at listening. That is not accurate and is a false-positive result.

Zenger Folkman uses a “Strength” scale that provides raters the following scoring options: “Outstanding Strength, Strength, Competent, Needs Some Improvement, or Needs

Significant Improvement.” If the person is merely adequate, they will typically receive a score of 3, meaning they are competent in this behavior. Compared to the “agree-disagree” scale, this scoring approach reduces scores by three-fourths of a point on the 5-point scale. The “Strength” scale minimizes false-positive scores and generates more accurate feedback results.

**4. IS EASILY UNDERSTOOD BY AN INTELLIGENT LAYMAN**

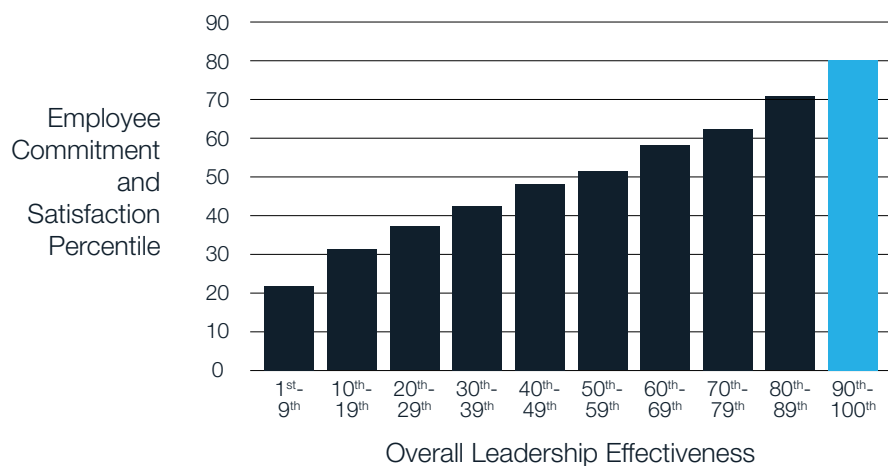
The 360-degree feedback report should be understandable by any participant. It should not require someone to be a psychologist to be able to interpret its meaning. The language used should be understandable by every reader and not require special

education. Charts and graphs should be clear to the layman reading it for the first time. A fifty-page report is not necessary or useful in communicating the important conclusions of the 360-degree feedback process.

**5. MEASURES THE LEADER’S IMPACT ON EMPLOYEE ENGAGEMENT**

Many organizations utilize two surveys: a 360-degree assessment, which measures a leader’s effectiveness and an employee satisfaction survey, which measures the commitment and engagement levels of employees. Our research indicates a very strong correlation between a leader’s effectiveness and the level of satisfaction and engagement of their employees (Figure 1).

**Figure 1. Leadership Effectiveness vs. Employee Commitment and Satisfaction**



Zenger Folkman's 360-degree assessments include five questions that measure the levels of engagement and satisfaction that direct reports feel toward the organization. These questions measure an employee's confidence that goals will be met, commitment to go the extra mile, willingness to recommend the organization, intention to quit, and overall satisfaction. This measurement shows the leader the direct impact their effectiveness has on the commitment level of employees. Many factors influence employee commitment, including working conditions, compensation, benefits, and the

organization's culture. However, our research has shown that the single most significant influence on the level of employee commitment is the behavior of their leaders.

**6. IDENTIFIES THE MOST IMPORTANT COMPETENCIES FOR EACH LEADER**

Depending on the leader's role, some competencies are considered critical, while others have much less relevance. A highly effective, 360-degree assessment identifies which competencies are of the highest importance for the leader. Zenger Folkman's 360-degree assessments ask raters to

identify the competencies they deem to be most important for the leader's success in their current role. Because one simply cannot be the best at everything, this feature helps leaders prioritize their optimum targets for development.

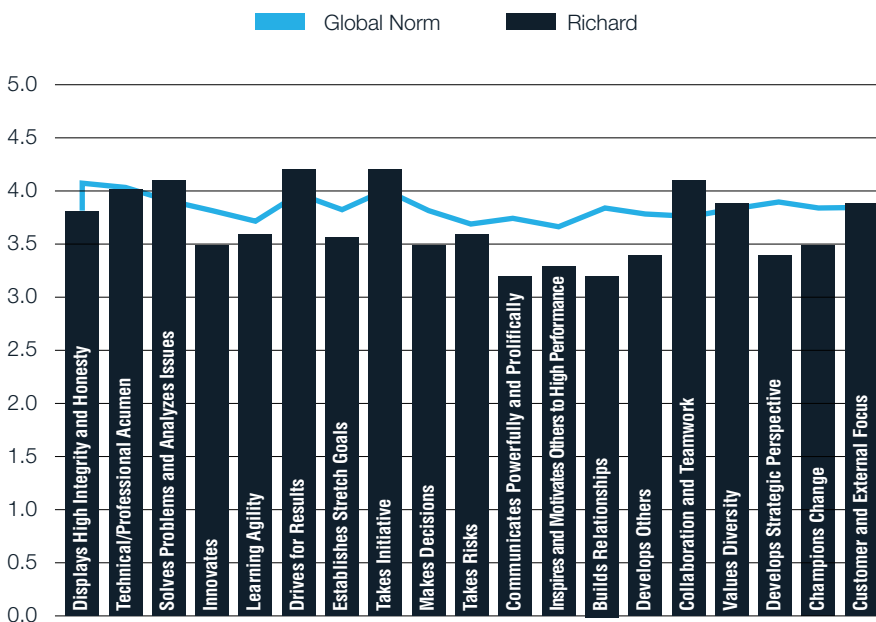
**7. FOCUSES WRITTEN COMMENTS ON CORRECTING SIGNIFICANT FLAWS, NOT MINOR IMPROVEMENTS**

Written comments in a 360-degree assessment should provide clear guidance on important issues. For example, when a written comment asks, "Is there anything this person could do to improve?", raters generate a lengthy list of development suggestions. Zenger Folkman's 360-degree assessments ask raters, "Is there anything this person does that might be considered a significant weakness or fatal flaw?" This question puts attention on the most pressing issues.

**8. COMPARES SCORES TO A HIGH, MEANINGFUL STANDARD**

Meet Richard. Figure 2 displays Richard's 360-degree assessment results. The

**Figure 2. Richard's 360-degree Assessment Scores Compared to Global Averages**



horizontal line is the average score of all leaders who have taken the assessment. On receiving these results, Richard might conclude that while he may be below average in some areas, he is at or above average in many other areas.

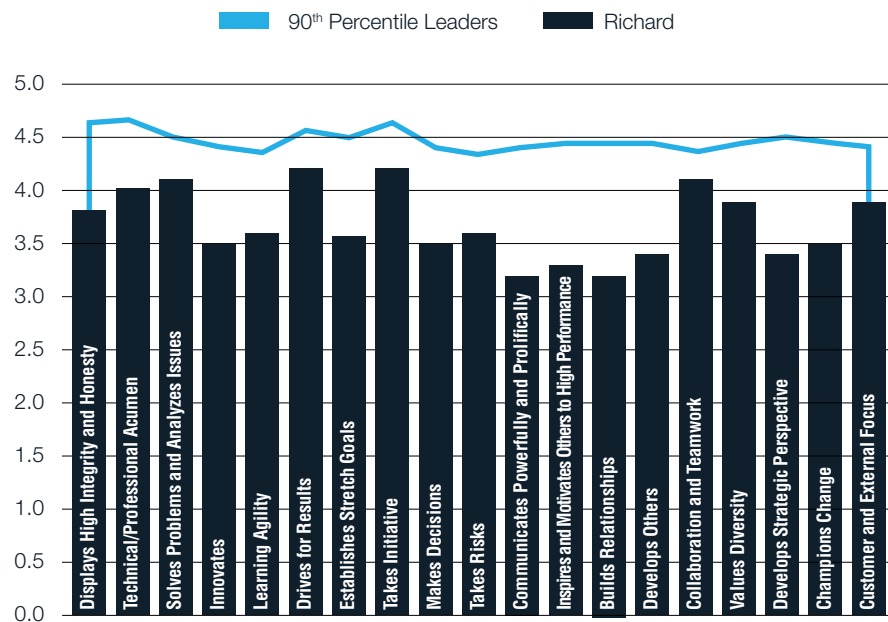
However, if Richard were to receive his results compared to the 90th percentile norm, as seen in Figure 3, he would see a very different picture. Research clearly shows that leaders who perform at or above the 90th percentile are the leaders who make the most significant impact on the organization's overall performance. Comparing participants' results to the 90th or 75th percentiles gives them a different perspective. As leaders learn the importance of being compared to a higher norm, they realize that the expectation of their organization is not for them to be average—but rather, to be extraordinary. Zenger Folkman provides a global 75th and 90th percentile norm for 360-degree assessment participants. We also offer industry norms and help firms create company-specific norms.

### 9. LEADS TO A PERSONALLY RELEVANT, STRENGTHS-BASED DEVELOPMENT PLAN FOR THE LEADER

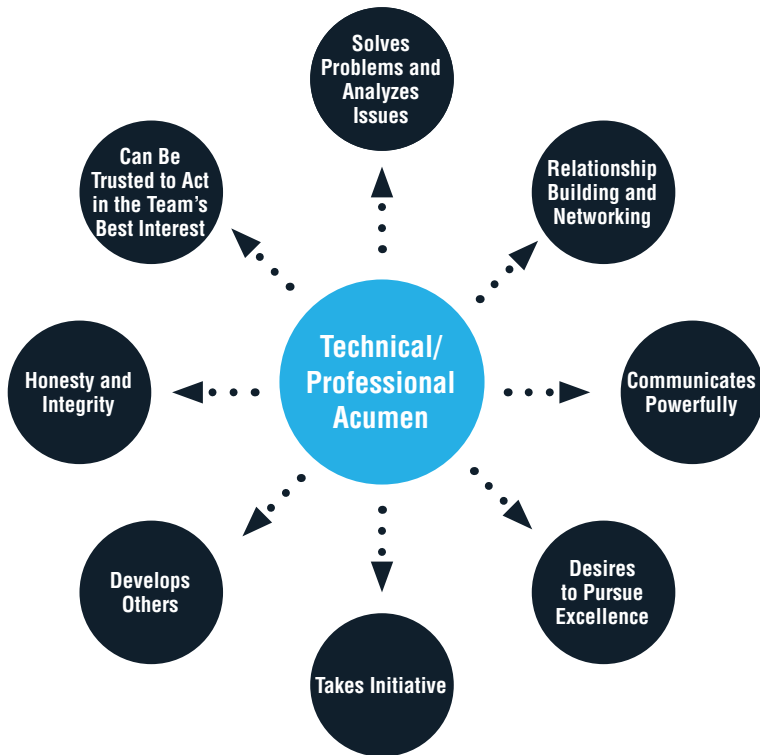
Zenger Folkman encourages organizations to implement 360-degree assessments to help leaders build actionable, strengths-based development plans. Our research shows that it is the presence of a few profound strengths, not the absence of weaknesses, that makes leaders highly effective. Building on strengths, however, requires a different approach than that of fixing weaknesses. For example,

if a leader selected technical acumen as a development priority, what might they do to become stronger in that area? They may think to read more books, take more courses, or get a mentor. Will taking more classes or getting more information make the desired difference? We are convinced that, in many cases, the answer is no. These activities would likely offer a great benefit if the person had severe deficiencies in their technical abilities, but they would make little impact on the person who was already good at in technical acumen. Our research found that developing other

**Figure 3. Richard's 360-degree Assessment Scores Compared to 90<sup>th</sup> Percentile**



**Figure 4. Companion Behaviors for Technical/Professional Acumen**



specific companion behaviors can increase strengths (Figure 4). Developing Competency Companions is a promising way to change perceptions and to develop the desired attributes via several different courses.

We refer to this approach as “leadership cross-training.” Having multiple pathways to improvement greatly improves successful development.

**10. ENSURES DATA SECURITY**

Many reasons why organizations turn to external suppliers to deliver and process 360-degree

assessments stem from issues of confidentiality. The often-sensitive nature of leader development engagements requires the assurance that leader data are carefully guarded. In addition, the feedback process is more successful when raters are certain their responses are securely protected. Zenger Folkman’s user-friendly assessment platform boasts a comprehensive security management system that addresses all aspects of data privacy and security. Zenger Folkman is GDPR compliant and Privacy Shield certified.

**11. BUILDS PARTICIPANT CONFIDENCE REGARDING THE USE OF PERSONAL DATA**

Participants are often nervous about how their leadership effectiveness data will be used. Will it be for development purposes only? Who will have access to the data? Will it be made available to internal coaches? Will it be used to identify high potentials?

Answers to these questions must be communicated before the start of the assessment process.

Furthermore, the stated use of participant data must not be violated by the organization or the assessment provider. Zenger Folkman provides organizations with assistance in communicating to the participants and raters about how the organization will use the 360-degree assessment data. Furthermore, Zenger Folkman adheres to strict processes pertaining to what assessment data is released to our client organizations.

**12. LEVERAGES DATA COLLECTED TO GAIN IMPORTANT ORGANIZATIONAL INSIGHTS**

When appropriately collected, 360-degree assessment data offer



organizations valuable insights into their talent landscape. The data to know how well a leadership pool is managing change, valuing diversity, or any number of other behaviors relevant to the organization, are available at the touch of a button. In addition, our 360-degree assessments have been statistically correlated to identifying high potentials and measuring team effectiveness. At Zenger Folkman, we work

with our clients to leverage the 360-degree data collected inside their organization to better understand their talent pools.

### **Conclusion**

Leaders want and need the kind of feedback that can only be received through confidential 360-degree assessments. When administered properly, they will accept it and use it to help become more successful.

There are many instruments available with some apparent similarities, but there are significant differences.

We encourage organizations to seriously consider these 12 elements when selecting 360-degree instruments for their development programs.

## **The 12 Components of the Best 360-Degree Assessments**

- 1.** Selects differentiating competencies empirically
- 2.** Makes each question count
- 3.** Avoids “false-positives”
- 4.** Is easily understood by an intelligent layman
- 5.** Measures the leader’s impact on employee engagement
- 6.** Identifies the most important competencies for each leader
- 7.** Focuses written comments on correcting significant flaws, not minor improvements
- 8.** Compares scores to a high, meaningful standard
- 9.** Leads to a personally relevant, strengths-based development plan for the leader
- 10.** Ensures data security
- 11.** Builds participant confidence regarding the use of personal data
- 12.** Leverages data collected to gain important organizational insights

## About Us

Zenger Folkman relentlessly seeks to rise above the inconsistent, and sometimes misleading, nature of popular leadership philosophies and beliefs brought on by opinion. The discipline of leadership and those who pursue it deserve better. Our most valuable asset is the expertise of combining hard data and statistical analysis with logical explanations and actionable application that helps individual leaders thrive and organizations succeed.

