

The 11 Components of a Best-In- Class 360-Degree Assessment

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.

The 360-degree assessment is a central component in most leadership development programs. But not all assessments are in the same class when it comes to the value they offer individual leaders and the benefits they offer the organizations using them.

These assessments offer participants powerful insight into how others per-

ceive their leadership strengths and weaknesses; such self-awareness often becomes the impetus for personal change. Often, organizations that offer multi-rater feedback experiences at the start of their leadership development programs have participants who are much more receptive and engaged in the learning opportunities offered by the organization.

There are many avenues open to organizations seeking 360-degree assessments. More companies than ever before offer a variety of different 360-degree assessment options, including many talent management systems that provide organizations the ability to build and process their own. Given so many choices, organizations need to be able to discern what qualifies as a highly effective instrument. The following eleven points derive from Zenger Folkman's research on the components of a superior 360-degree assessment. These are the elements we believe to be the most important.

1. Assesses differentiating competencies

As 360-degree assessments grew in popularity, many organizations began creating and measuring their competency models. These competency models are most often based on what people think are critical behaviors, not on the behaviors that have been statistically shown to differentiate high performers from low performers. This practice has a significant impact on the value of the assessment results because what is assumed to be critical differen-

tiating behaviors for the leader may not be leadership differentiators at all. For example, the behavior of being on time to meetings. One might naturally assume that leaders who are punctual for meetings would be perceived as much more effective than those who are not. 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 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 handful of competencies that differentiate the world's best leaders from all others. We can share our research-based models, validate your existing competency model, or work with you to create a model based on what's most important to your business.

2. Makes each question count

The way employees use their time is vital to an organization's success. 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, non-time intensive assessment.

3. Avoids “false-positive” results

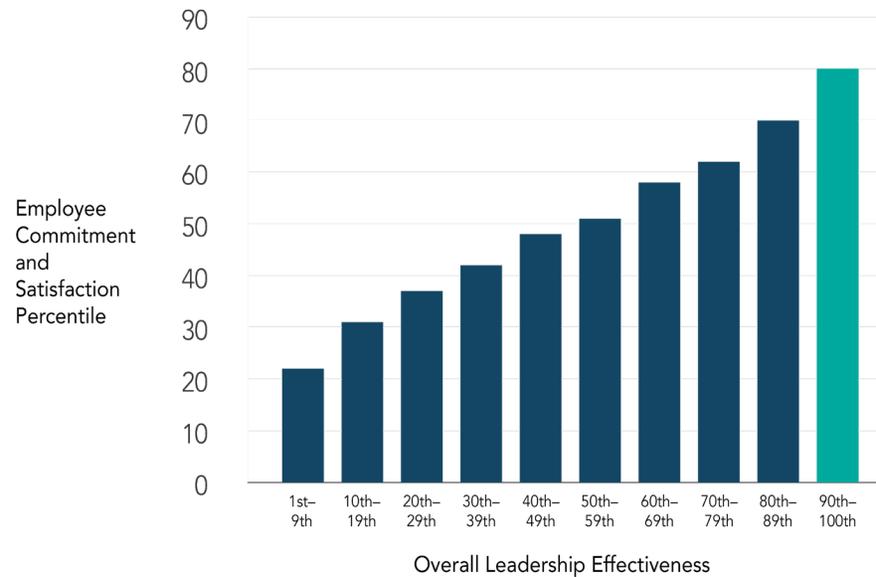
One problem with less effective assessments is the false-positive feedback participants can often receive. A false-positive response happens when a question such as, “Does this individual listen carefully and attentively?” is asked and the response scale invites the rater to mark “Strongly Agree, Agree, Neutral, Disagree, or Strongly Disagree.” If the rater feels like this person is “okay” at listening carefully, they might select “agree,” which would result in a score of “4.” A participant receiving a 4 out of 5 on this item might get the impression that they are effective at listening. Because that is not accurate, this is considered 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 “okay,” they will typically receive a score of “3,” meaning they are competent. When comparing the “Agree/Disagree” scale and the “Strength” scale, the average rating of participants’ competency effectiveness goes down 0.75. In other words, the “Strength” scale eliminates the false positive score and generates more accurate feedback results.

4. Measures the leader’s impact on employee engagement

There are two different classifications of surveys that organizations utilize most often: a 360-degree assessment, which measures a leader’s effectiveness, and an employee satisfaction survey, which measures how committed and engaged employees are within the organization. These two assessments are distinct and rarely used together. However, our research indicates a very strong correlation between a leader’s effectiveness and the level of satisfaction and engagement of their employ-

Fig. 1 – Leadership Effectiveness vs. Employee Commitment and Satisfaction



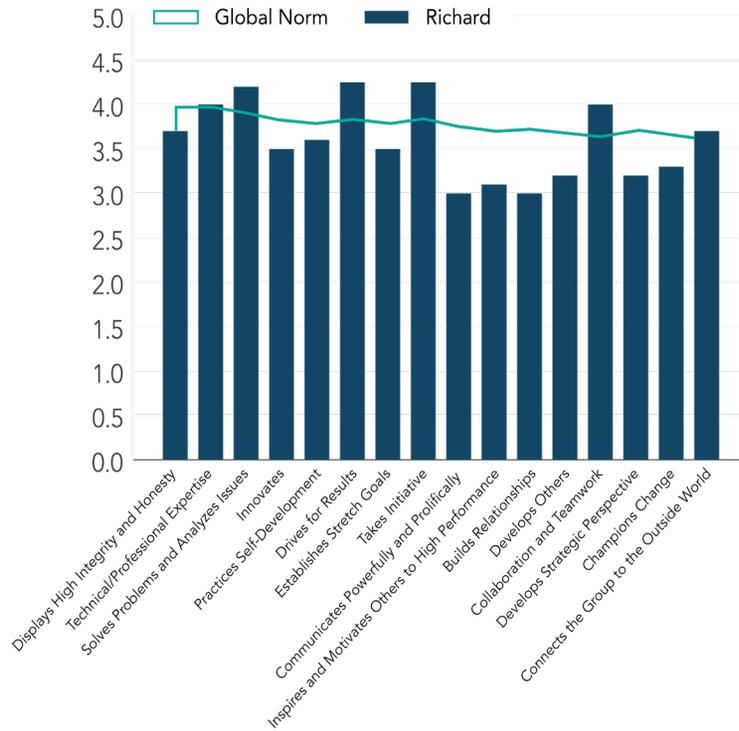
ees (Figure 1). Zenger Folkman’s 360-degree assessments include five questions that measure the level of engagement and satisfaction the rater feels toward the organization. These questions measure an employee’s confidence that goals will be met, their commitment to go the extra mile, willingness to recommend the organization, intention to quit, and overall satisfaction. By including this small measurement in the 360-degree assessment, the leader sees the impact their effectiveness has on the commitment level of their

direct employees. Many factors influence employee commitment, including working conditions, compensation, benefits, and the culture of the organization. However, our research has shown that the single most significant influence on the level of employee commitment is the behavior of their leader.

5. Identifies the competencies most important for the leader

Not all competencies are of equal importance. Depending on the leader’s

Fig. 2 – Richard’s 360-degree Assessment Scores Compared to Global Averages



role, some competencies are considered critical, while others have much less relevance. A highly effective 360-degree assessment provides a way to identify which competencies are of the highest importance for the leader. Zenger Folkman’s 360-degree assessments ask all raters to narrowly identify the competencies they deem to be most important for the leader’s success in their current

role. On receiving their results, the leader can see the competencies chosen by their manager, peers, and direct reports. Because one simply cannot be the best at everything, this feature helps leaders prioritize their areas of development and ultimately select the right development priority. It also opens the door for essential alignment conversations with their manager and others.

6. Focuses written comments on fixing fatal flaws, not minor improvements

The written comments section of any multi-rater feedback process is the first place that most participants go when they receive their results. Written comments can be helpful in a 360-degree assessment if they provide clear guidance.

The questions should encourage highly specific feedback. For example, when a written comment asks, “Is there anything this person could do to improve?” there is a tendency for raters to give a long list of development suggestions about things that could be improved. Zenger Folkman’s 360-degree assessments ask raters, “Is there anything this person does that might be considered a significant weakness or fatal flaw?” While this question may seem bold, such a straightforward approach makes an incredible difference. The participant receives clear, direct feedback, which is helpful as they focus their development on their most pressing issues.

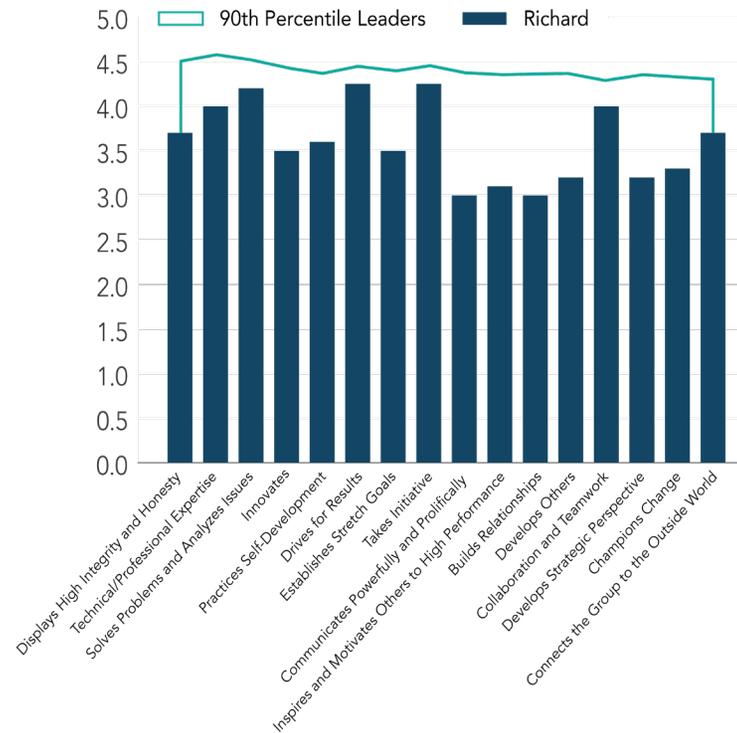
7. Compares scores to a high, meaningful standard

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

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 a little below average in a couple of areas, he is at or above average in most areas. He is doing fine.

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 that make the most significant impact on the performance of their organization. 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. As a standard, Zenger Folkman provides 360-degree assessment participants a global 75th and 90th percentile norm obtained from our leadership database. We also offer industry norms, and we work

Fig. 3 – Richard’s 360-degree Assessment Scores Compared to 90th Percentile



with clients to create company-specific norms.

8. Leads to a personally relevant, strengths-based development plan for the leader

Feedback from a 360-degree assessment becomes valuable only when the leader understands how to use it to be successful. We encourage organizations to

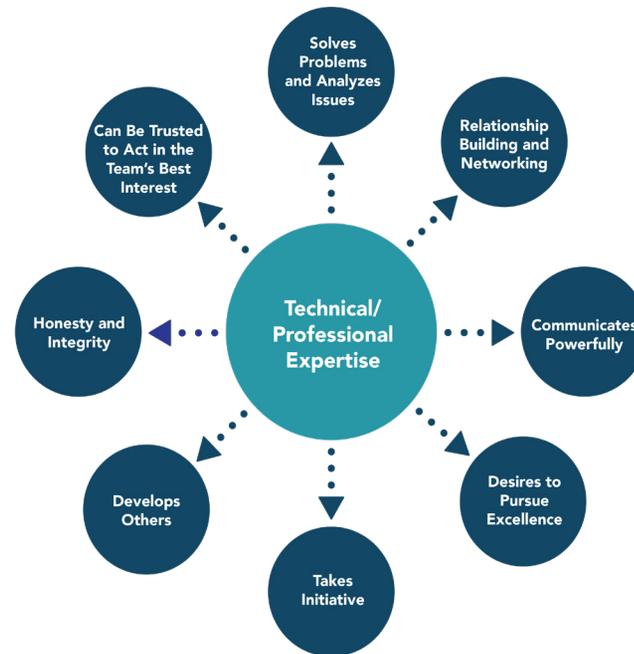
implement the use of 360-degree assessments to help leaders build actionable, strengths-based development plans. Zenger Folkman’s research shows that it is the presence of a few profound strengths, not the absence of weaknesses, that makes leaders highly effective. Building on strengths, however, requires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

expertise 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 in technical expertise. Zenger Folkman research found that developing other 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.” Zenger Folkman’s research-supported development approach helps leaders leverage their assessment feedback and apply the principles of leadership cross-training to create a uniquely personal development plan.

9. Ensures data security

Many reasons that organizations turn to

Fig. 4 – Companion Behaviors for Technical/Professional Expertise



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 is carefully guarded. In addition, the feedback process is more successful when raters are certain their responses are securely guarded. 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.

10. Communicates and adheres to commitments regarding the use of data

Another important component for organizations to consider is how the organization will use individual 360-degree

assessment data. Will it be provided to the participant for development purposes only? Will it be made available to internal coaches? Will it be accessed in the future by the organization to help identify high potentials? The use of individual feedback results must be communicated before the start of the assessment process and throughout the assessment process. Furthermore, the stated use of participant data must not be violated by the organization or the assessment provider. Violating data usage commitments will breed distrust and disengagement in the development process. Zenger Folkman provides organizations the ability to communicate to both the participant and raters about how the organization will use 360-degree assessment data. Furthermore, Zenger Folkman adheres to strict processes pertaining to what assessment data is released to our client organizations.

11. Leverages data collected to gain important organizational insights

When appropriately collected, 360-degree assessment data offers organizations valuable insights into their talent landscape. The data to know how well a lead-

ership pool is managing change, valuing diversity, or any number of other behaviors relevant to the organization, is available at the touch of a button. In addition, our 360-degree assessments have been statistically corrected 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 understand their talent pools better.

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 them be successful. There are many instruments available with some apparent similarities, but there are significant differences. We encourage organizations to seriously consider these 11 elements when selecting 360-degree instruments for their development programs.

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 help individual leaders thrive and organizations succeed.