



Harvard Business Review

REPRINT H063D8
PUBLISHED ON HBR.ORG
DECEMBER 23, 2020

ARTICLE **ASSESSING PERFORMANCE**

What Makes a 360- Degree Review Successful?

by Jack Zenger and Joseph Folkman

ASSESSING PERFORMANCE

What Makes a 360-Degree Review Successful?

by Jack Zenger and Joseph Folkman
DECEMBER 23, 2020

Too many companies don't take the 360-degree feedback process seriously enough. Often it goes like this: After shopping around and deciding on a 360-degree feedback instrument, talent professionals administer it to the colleagues of each participant. After aggregating the data, those same professionals send a summary report to the leader, who then reads through the report with some interest and puts it away. Sometimes, it's never discussed again.

The outcome? Little, if anything, changes. The mindset of the leaders who received the feedback report isn't altered. They don't change their behavior toward others. In most cases, this process doesn't do any damage (other than wasting time and money), but it's a missed opportunity — for the leader and the company.

[Organizations that take the process more seriously](#), of course, get much better results. The 360-degree feedback instrument itself may be exactly the same, but the way it's administered is completely different. This approach stands in contrast to what we've described above — and is what we strongly recommend. Here are some of the key differences:

- The leader helps choose who among their colleagues should respond to the survey.
- The leader personally communicates with those respondents, asking them to provide their candid observations.
- The report is presented to the leader, either in a group setting (if multiple people are taking the instrument at the same time) or in a one-on-one coaching conversation.
- The leader is provided with context and guidance to understand the data.
- The leader also receives a customized set of developmental recommendations, mapped to the company's leadership competencies, to help them create a personal development plan.
- There is follow-up from the talent professionals to ensure accountability.

There are many reasons to follow a process that looks more like this one. In our 30 combined years of helping organizations and leaders implement 360-degree feedback instruments, we've seen the following benefits of using this process.

Expanded self-awareness.

This is one of the most important outcomes of any feedback process. People with little self-awareness are often puzzled by the behavior of others toward them. They might wonder, "Why do people not include me in their casual conversations?" "Why do I end up in heated arguments?" "Why was I not chosen to lead this project? I know more than the person they selected." When a 360-assessment is carried out as described above, the leader is able to compare their self-ratings to the ratings from others. Having ratings from multiple people (we recommend at least a dozen) provides greater evidence that this is much more than just one person's opinion. Combined with accountability, this evidence serves as a strong impetus to change.

In our experience, leaders are sometimes pleasantly surprised by the differences between their own opinions of themselves and the observations of others. There are usually a few pieces of feedback that are confusing and cause the leader to question, "Why would someone think that?" All of this is part of [the expansion of their self-awareness](#), as they learn more about [their strengths and weaknesses](#). Their world makes more sense.

Reiteration of important messages.

Leaders who go through a serious 360-degree feedback process will often reflect on a comment or piece of feedback and say something to the effect of, "I've heard that before. My (husband/wife/partner/roommate) has told me that, but I didn't think it was that important." But now, when a dozen or more people collectively observe that the leader isn't a good listener, for example, the message is louder and clearer. The 360-degree feedback process underscores the seriousness and credibility of the feedback.

The anonymity of process means that the feedback was given by colleagues with the understanding that they would be confidential. The result is far greater honesty and candor. And, we're happy to say that after decades of conducting and reviewing thousands of 360-degree feedback reports, we almost never see messages that are intentionally barbed or mean-spirited.

Increased likelihood of change.

Improving your leadership effectiveness requires behavior change. A 360-feedback process, when done right, greatly increases the chances that change will occur. When leaders find out that others see them differently than they intend or want to be seen, they have a simple choice. Either they redefine how they see themselves, or they change their behavior. For example, if others tell me that I'm rigid and don't listen to a different viewpoint, the next time I'm in a discussion about a controversial topic, I'm more inclined to catch myself and listen. And if I continue to argue and hold tight to my views, I'll be faced with the realization that the others' perceptions of me were correct.

There's also an increased likelihood of change if several leaders go through this process together. Social reinforcement makes it easier for everyone involved to be more receptive to new ideas and feedback. This is the same reason that [working with a coach can help a leader to change](#); the coach holds leaders accountable for their commitments to change their behavior, and follows up to see if they did.

Our research has shown that there are specific behaviors that are highly correlated with any competency a person is seeking to improve. For example, our data reveals that people who receive high scores on strategic thinking are far more prone to do the following:

- Visit their customers
- Emphasize innovative solutions
- Analyze trends
- Communicate with stories, illustrations, and parables
- Establish stretch goals

[Correlation, we all know, does not prove causation](#); but knowing specific behaviors that go hand-in-hand with a competency you want to improve provides useful clues about non-obvious ways to become a better leader.

Links between business outcomes and leadership behavior.

Another motivation for a leader to change their behavior is seeing the impact on measurable outcomes, such as employee engagement and effort. When they understand that altering the way they lead can result in better performance, they're much more likely to follow through.

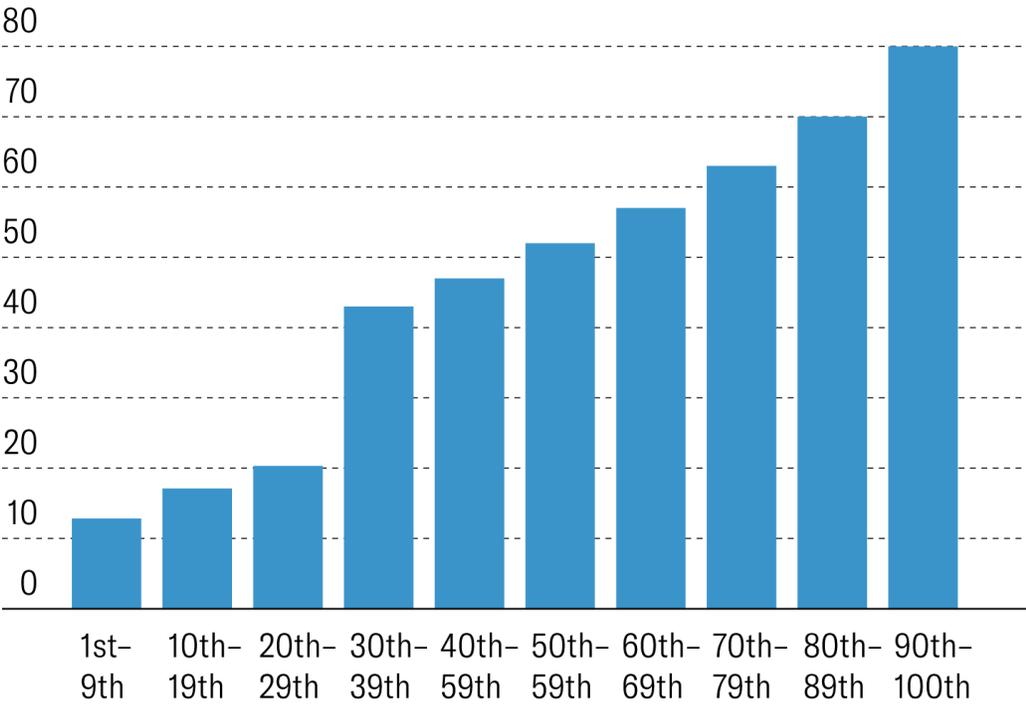
For example, the best 360-degree feedback assessments measure the current level of engagement and commitment of the leader's direct reports. When the connection between the leaders' behavior and an important metric like engagement is made visible, they better comprehend the consequences of their actions.

We know from hundreds of studies that as leadership effectiveness increases, so does the retention of valued employees, customer satisfaction, profitability, productivity, and employee engagement. The graph below shows the assessment results from 97,617 leaders. Each leader was rated by their direct reports on 49 behaviors that differentiate poor leaders from great ones. The horizontal axis is the average score on these behaviors — an overall leadership effectiveness index. The vertical axis shows employee engagement (e.g., satisfaction and commitment) for the leader's direct reports. Note that for every decile of improvement in overall leadership effectiveness, engagement increases by more than five percentile points.

More-Effective Leaders Have More-Engaged Direct Reports

For every decile of improvement in overall effectiveness, engagement increases by more than five percentile points, according to data from 97,000 leadership assessments.

Employee engagement score, by leadership rating



OVERALL LEADERSHIP EFFECTIVENESS PERCENTILE RATING

Source: Zenger Folkman, 2020



Performance improvement beyond a single leader.

When a leader improves their effectiveness, it doesn't just benefit them or their direct reports. Other people throughout the organization benefit, too. We've seen that as one leader improves others are motivated to do the same, creating a ripple effect that lasts over time.

In fact, all levels of leadership in an organization are influenced by the collective capability of the top team. We've seen in [our research](#) that if the top team scores just above average in overall leadership effectiveness, each successive layer below them will have lower scores. In contrast, if the top team has aggregate scores at the 80th percentile, it creates an “updraft” in the organization, and scores are higher at every level. This, of course, means that investing in leadership development at the top can pay big dividends. What better influence can a senior team have on a company than to make clear that the top team is collectively working on becoming more effective in their roles?

Companies have continued to use the 360-degree process throughout the years because it works. But for it to have the outcomes we've outlined above, it has to be implemented in a way that engages leaders in the process so they are compelled and motivated to become better leaders. When leaders learn through feedback whether others' perceptions of them are different than their own, identify a weakness to fix or a strength to build, and understand if their leadership is affecting the productivity and engagement of their direct reports, they can use — and act on — that information, improving themselves and the company in the process.

Jack Zenger is the CEO of Zenger/Folkman, a leadership development consultancy. He is a coauthor of the October 2011 HBR article “[Making Yourself Indispensable](#)” and the book *Speed: How Leaders Accelerate Successful Execution* (McGraw Hill, 2016). Connect with Jack at twitter.com/jhzenger.

Joseph Folkman is the president of Zenger/Folkman, a leadership development consultancy. He is a coauthor of the October 2011 HBR article “[Making Yourself Indispensable](#)” and the book *Speed: How Leaders Accelerate Successful Execution* (McGraw Hill, 2016). Connect with Joe at twitter.com/joefolkman.
