### The business case for 360-degree feedback

We’ve consulted leading academics, senior HR professionals and our own business psychologists to outline 5 compelling reasons for introducing 360-degree feedback. We hope this is useful for anyone trying to build a business case.

#### SALES
Positive 360 ratings are linked to strong commercial performance, particularly for success measures directly impacted by manager behaviour.

- Study of 510+ retail store managers found a link between 360 ratings and total revenue, gross margin, and sales of accessories.

#### EMPLOYEE ENGAGEMENT
An individual’s experience of their line manager directly influences their engagement at work.

- Research shows that increases in the 360 ratings subordinate employees gave to managers directly relate to increases in subordinate engagement with work.

#### INDIVIDUAL PERFORMANCE
360-degree feedback scores are proven to be a reliable precursor to an individual’s overall performance.

- Research shows that feedback receivers with more favourable comments from direct reports tend to have more favourable annual reviews.

#### BEHAVIOUR CHANGE
Our client, BT, is using 360-degree feedback to overhaul its style of leadership to a ‘high-challenge’ and supportive model. 360 feedback is helping them to change leaders’ behaviours in line with this strategy in order to help the business to achieve sustainable long-term growth.

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**TIPS FOR BUILDING YOUR BUSINESS CASE**

1. Clearly link the business case to an existing business priority or objective.
2. Outline the expected business impact from introducing 360 feedback (i.e. how it’ll lead to improved engagement or revenue).

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**References**

1. Erickson, A. & Allen, A. Linking 360˚ Feedback to Business Outcome Measures.

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