



Measuring and Improving Leadership Effectiveness

Using the Hogan 360 to Drive
Employee Engagement

Partnered by





As the world becomes increasingly complex and fast-paced, leadership is more necessary than ever. And yet, across industries, one challenge consistently rises to the top: employee disengagement. When individuals feel disconnected from their work, they leave – and the ripple effect is costly.

Why leadership matters more than ever

When disengaged employees exit, they take experience, relationships, and institutional knowledge with them. This loss isn't just inconvenient – it's expensive. The cost to replace an employee is commonly estimated at between 50 and 200 per cent of their annual salary, depending on role complexity and seniority – before accounting for the indirect impact on teams and customers.¹

Employee disengagement is estimated to cost the global economy up to US\$9 trillion annually through a combination of attrition, reduced performance, and lost capability.² The primary driver? Poor leadership. Up to 70 per cent of the variance in employee engagement can be explained by managers' performance.³ When managers lack the skills to engage and inspire, teams suffer: morale declines, productivity stalls, and turnover accelerates.

Research consistently shows that employees often leave organisations because of their relationship with their manager, not the job itself.

Burnout, lack of recognition, and ineffective leadership remain among the top reasons people resign. The message is clear: leadership drives engagement, and engagement drives performance.

In today's challenging operating environment, organisations cannot afford ineffective leadership. Developing confident, capable leaders is critical for retaining key talent and ensuring long-term success.

Leadership as a strategic advantage

Leadership excellence is not merely an HR priority; it is a business imperative. Organisations with strong leadership teams consistently outperform their peers in revenue growth, profitability, and employee retention.

1. **Built In.** *Employee Turnover Statistics.* <https://builtin.com/recruiting/employee-turnover-statistics>

2. **Gallup.** *Low Engagement Costs the World Economy.* <https://www.gallup.com/workplace/231668/democratic-workplace.aspx>

3. **The Leadership Process.** *Managers Account for 70% of Variance in Employee Engagement.* <https://theleadershipprocess.com/blog/managers-account-for-70-of-variance-in-employee-engagement/>

Recent research by the *Harvard Business Review* found a clear correlation between strong executive team effectiveness and company performance.⁴

Likewise, McKinsey's *2024–2025 Growth Leaders* research finds that strong leadership mindsets at the executive level are associated with higher long-term revenue growth and 50 per cent higher total shareholder returns.⁵ Effective leaders drive higher engagement, stronger collaboration, and better overall performance.

Managers' ability to communicate, inspire, and support shapes workplace culture and determines whether employees thrive – or disengage. Yet many managers step into leadership roles without formal training.

Organisations often promote technical experts or high performers assuming they will succeed as leaders – but leadership requires a completely different skill set.

As Sean Coward, head of consulting at Peter Berry Consultancy, says:

“Let's not assume leaders are born ready- made. Moving from individual contributor to manager is a big shift. Without feedback and development, organisations wonder why performance suffers – it's because leaders don't have the skills to get the most out of their people.”

This insight underscores a critical truth: creating great leaders cannot be left to chance. The solution? Feedback and coaching – as the critical tool to fostering leadership excellence and development.

The Hogan 360 – turning feedback into leadership capability

Building leadership capability internally is one of the most powerful strategies for future-proofing an organisation.

To build this capability, organisations need tools that help leaders understand their impact on their team's engagement, performance, and culture. The Hogan 360 does exactly that by comparing a leader's self-perception with candid feedback



4. **Harvard Business Review.** *What the Best Leadership Teams Do Right.* <https://hbr.org/2024/10/what-the-best-leadership-teams-do-right>

5. **McKinsey.** *Achieving growth: Putting leadership mindsets and behaviors into action.* <https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/achieving-growth-putting-leadership-mindsets-and-behaviors-into-action>



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Sean Coward

Head of consulting at Peter Berry Consultancy



from colleagues and creating a roadmap for growth. It converts data into action with clear priorities, benchmarks, and an immediate development plan – so leaders gain a real understanding of how to change their behaviour, not just their score.

Coward calls this the “gift of feedback”. He illustrates how the Hogan 360 stands apart from other tools, “... giving [employees] the gift of feedback and optimising their performance as much as possible and helping them to reach their potential in a really tough market – the organisations that are doing that with their people are going to have an incredible advantage”.

Through countless coaching sessions, he has seen the Hogan 360 help leaders who were full of doubt step up confidently and help leaders who were overstepping learn to listen. These changes have a real impact on retaining talent and boosting satisfaction.

Feedback is not just data – it is a catalyst for action and transformation. Research by Gallup demonstrates that employees

who receive daily or weekly feedback are 3.6 times more likely to feel motivated to do outstanding work, demonstrating the importance of feedback as a path for forward momentum.⁶

Likewise, the Society for Human Resource Management's *2025 Performance Review Revolution Study* found real-time feedback led to 31 per cent faster goal completion and 27 per cent lower voluntary turnover within 12 months.⁷ Feedback acts as a transformation signal – it accelerates execution and employee retention simultaneously.

Additionally, feedback is a core engine of change and adaptability, particularly in the ever-changing workplace environment. Evidence demonstrates that 74 per cent of organisations have shifted to ongoing feedback models as annual reviews are not enough to drive engagement and retention in fast-changing environments.⁸

Continuous feedback allows for real-time opportunities for change adaptation,

6. **Peaceful Leaders Academy.** *63 Employee Feedback Statistics to Prove Its Impact in 2025.* <https://peacefulleadersacademy.com/blog/employee-feedback-statistics/>

7. **The HR Source.** *The End of the “Once-a-Year” Performance Review.* <https://thehrsource.com/performance-reviews-2025-trends/>

8. **The HR Source.** *The End of the “Once-a-Year” Performance Review.* <https://thehrsource.com/performance-reviews-2025-trends/>

reducing resistance and increasing successful change adoption.⁹ Feedback operates as a navigation system – not just a report. As a feedback tool, the Hogan 360 is critical in enabling continuous improvement through ongoing feedback cycles, as employee progress can be tracked over time.

The Hogan 360 can also help organisations identify emerging talent and build a pipeline of future leaders aligned with organisational values.

As Eleanor Clifford, senior director at Novo Nordisk Pharmaceuticals, says:

“The journey of self-awareness is critical. Hogan360 gives us measurable data to map talent, fast-track top performers, and support development.”

Future-proofing an organisation depends on leaders who can engage employees and adapt quickly. Consistent feedback provided through the Hogan 360 allows leaders to develop this leadership capability internally, ensuring proactive

employee retention and succession. The capability of leaders is the real driver and most powerful predictor of organisational success.

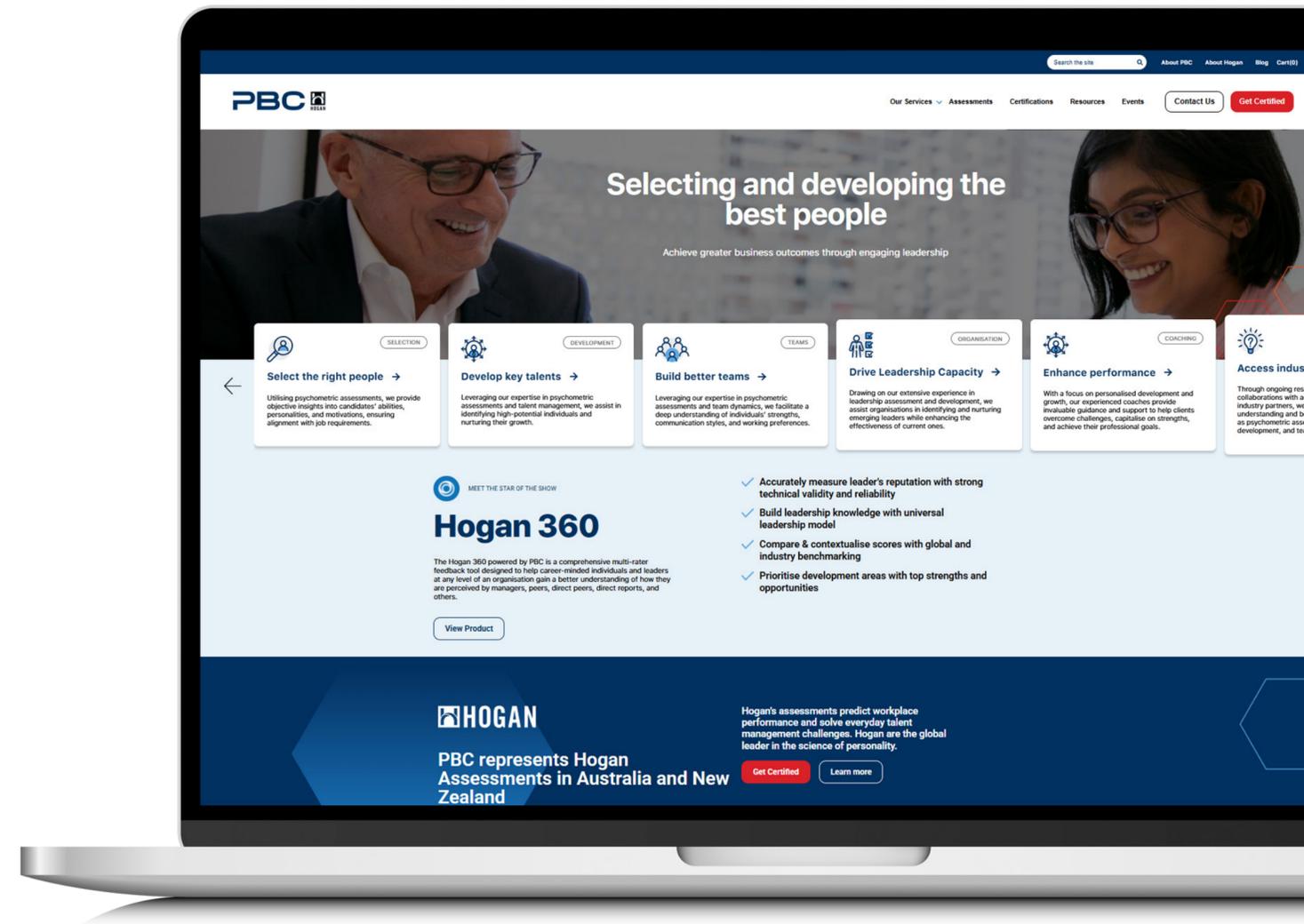
The bottom line

Investing in leadership is investing in the future. Organisations that prioritise leadership development create workplaces where people feel valued, supported, and motivated to grow. By leveraging the Hogan 360, businesses can build resilient, high-performing teams – and gain a competitive edge in a challenging market.

Leadership is not just about managing tasks. It is about inspiring people. And in today’s world, that is the ultimate driver of engagement, retention, and success. ●

Start your leadership transformation today with Hogan 360. Learn more at www.peterberryconsultancy.com

[Learn more](#)



9. **Institute for Change Leadership and Business Transformation.** *Building a Continuous Feedback Loop for Real-Time Change Adaptation: Best Practices and Tools.*

https://www.researchgate.net/profile/Adolfo-Carreno/publication/385621731_Building_a_Continuous_Feedback_Loop_for_Real-Time_Change_Adaptation_Best_Practices_and_Tools/links/672cd61b2326b47637cf80cc/Building-a-Continuous-Feedback-Loop-for-Real-Time-Change-Adaptation-Best-Practices-and-Tools.pdf



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