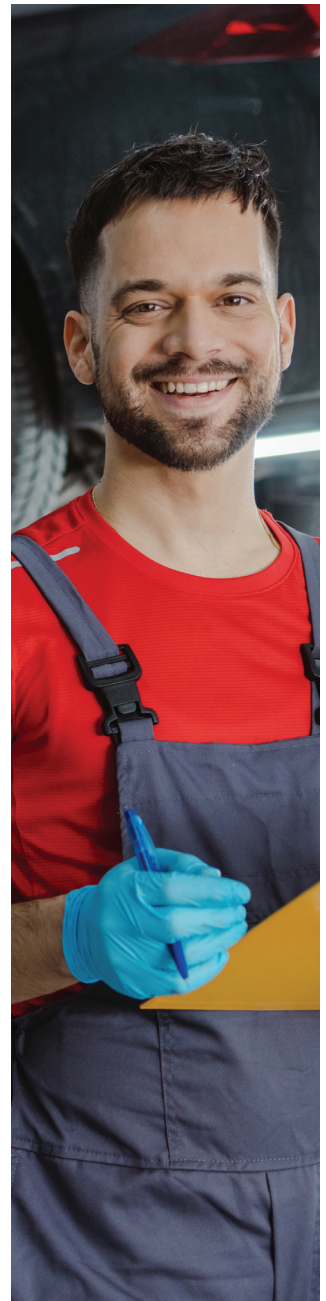


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# Engagement Index Germany 2023



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# Key findings

## **Declining employee loyalty and trust:**

### **Number of actively disengaged rises to highest level since 2012**

Germany and much of the world have been in crisis mode for the past four years. Although the COVID-19 pandemic is behind us, its economic and social consequences are still being felt – particularly in the job market. The problems that have arisen since then – such as inflation and the recession triggered by the Russian war in Ukraine – are causing widespread uncertainty among employees and markets. At the start of fielding the Gallup Engagement Index Germany survey in November 2023, a range of geopolitical, economic, and socio-political crises dominated the headlines. The slump in the German economy continues: After the country's GDP stagnated in the first half of the year, it then declined in the fourth quarter. Consumer spending and foreign trade were impacted considerably by persistent inflation, rising interest rates, and increased energy costs. Employee absences due to sickness rose to a record level for the second year running, pushing Germany into recession, according to a study by the German Association of Research-Based Pharmaceutical Companies. The study concluded that without these excess sick days the German economy would have enjoyed a slight growth of just under 0.5%.

The job market, which remains relatively robust despite deteriorating employment prospects, has managed to hold its own independently of the economic situation: "The job market has been affected, but is still doing better than the economy," says Enzo Weber, Head of Forecasts and Macroeconomic Analyses at the German Institute for Employment Research at the German Federal Employment Agency (BA ).

## **Willingness to change jobs reaches record high, number of actively disengaged increases**

Employees in Germany are responding to this dichotomy of crisis and optimism with a measure of self-confidence. While employee engagement is at a comparatively low level, as in the previous year, employee' willingness to change jobs reached a record high in 2023. At 45% (2022: 42%), more employees than ever are looking for a job or are open to new employment opportunities, their behaviour seemingly guided by a vibrant job market in which they perceive ample opportunity for themselves more clearly than the fraught economic situation. Seven in 10 respondents (71%) have a positive view of the job market, notwithstanding signs of a slowdown. After a sharp decline in the first year of the pandemic, this figure reached a historic high in 2022 since the topic was first included in the survey in 2010, when 81% of employees said they had a positive view of the job market.

Further evidence of the cooling job market is the slight decline in employees being "head-hunted". A quarter of respondents (25%) stated that they had received a job offer from a head-hunter or recruitment consultant in the past 12 months. This figure is lower than in 2021 (31%) and 2022 (27%), but significantly higher than before the pandemic.

A key factor for the increased inclination to change employers is that only 14% of respondents (2022: 13%) experience a thriving working environment characterised by good management, which is a key driver of engagement. Although the share of engaged employees in Germany in 2023 is one percentage point higher than in 2022, it is at its second-lowest level since 2011. At the opposite end of the scale, the share of actively disengaged employees has also increased by one percentage point and, at 19%, is at its highest level since 2012 (2021: 14%, 2022: 18%).

However, actively disengaged employees are not only a problem for German employers, whose performance and competitiveness suffer as a result. They are also an economic problem: The cost to the German economy due to lost productivity amounted to between 132.6 billion and 167.2 billion euros in 2023.

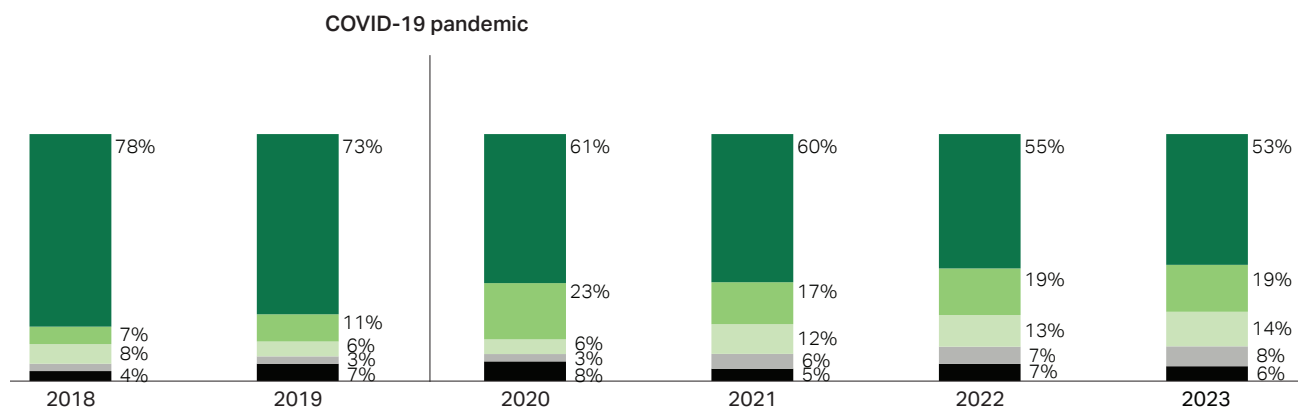
The disruption caused by employees' growing inclination to switch jobs also has a considerable operational impact on companies, since it typically takes several months for new team members to be recruited, onboarded, and trained until they are productive. Annual per-employee staff replacement costs are on average two times salary and related expenditures.

These key findings from the Gallup *Engagement Index Germany 2023* clearly show that challenging times for German companies are far from over.

**Statement:**

"I plan to be with my current company one year from now."

1 "Strongly disagree" 2 3 4 5 "Strongly agree"



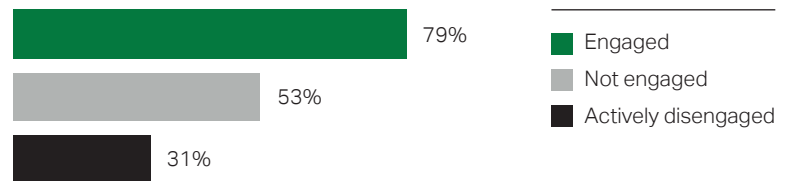
Employee engagement has a positive effect on organisational performance and competitiveness. A high level of engagement fosters employee loyalty, among other things. Overall, just over half of employees (53%; 2022: 55%) strongly agree with the statement "I plan to be with my current company one year from now". This result is a continuation of the consistent downward trend over the last five years: In 2018, 78% of employees strongly agreed with this statement. The proportion of those who say they plan to be with their current employer three years from now has also shrunk dramatically over time, but has stabilised in 2023 compared with the previous year: Only 40% (2022: 39%) plan to be with their current company in three years' time; in 2018, the figure was 65%.

**Statements:**

Top box: "Strongly agree" on a five-point scale

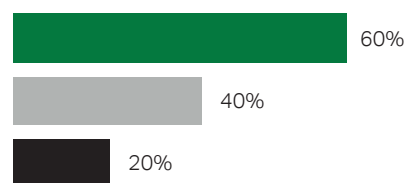
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"I plan to be with my current company one year from now." (2023)



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"I plan to be with my current company three years from now." (2023)

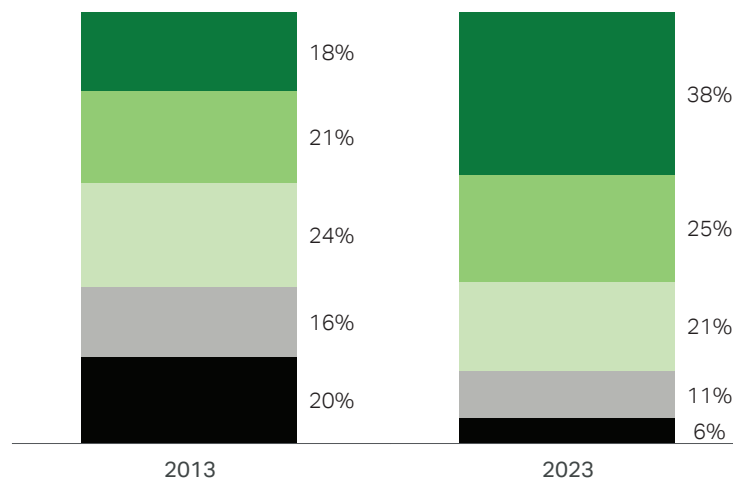


Here's the good news: Among engaged employees, 79% say they plan to be with their current employer one year from now. In contrast, just over half (53%) of employees who are not engaged plan to be with their current company in one year, and less than a third (31%) of actively disengaged employees intend to remain loyal in the coming year.

**Statement:**

My company has great difficulty meeting the demand for suitable skilled workers."

1 "Strongly disagree" 2 3 4 5 "Strongly agree"



Now, here's the bad news: Only 14% of employees in Germany are engaged and thriving at work. In times of labour shortages, declining retention due to growing employee willingness to change jobs poses a serious challenge: Nearly four in 10 employees (38%) in Germany strongly agree with the statement "My company has great difficulty in meeting the demand for suitable skilled workers". This figure has doubled compared with 10 years ago, when just two in 10 strongly agreed. Further, only 16% of employees say they are convinced that their employer is capable of attracting best talent.

For German companies, the implication is that the job market is becoming increasingly competitive. Given that skilled workers have long been in short supply and that around 13 million people – nearly a third of the German workforce – will retire by 2036, companies urgently need to address their management and engagement challenges. After all, even with the economic downturn and transformation-related job cuts taking place at some firms currently making the headlines, the fact remains that there are too few workers in Germany, and they are becoming fewer by the day as the baby boomer generation reaches retirement age. This is an impending crisis. Engagement cannot change this demographic trend, but it can ensure that companies retain their increasingly scarce "human" resources and also keep their employees productive.



## **Companies have their work cut out when it comes to engagement and retention**

In the current tight employment market, recruitment costs and time are increasing. Employee turnover also means that companies generally lose experience, expertise, and important business contacts. High turnover can also cause other employees to leave; employee departures often have a negative impact on the workplace environment due to, among other things, an increased workload for remaining team members. Customer relationships can also suffer because customers generally value consistent service. Each contact change potentially creates disruption and uncertainty for customers.

It follows that business success depends on whether companies can retain their employees over the long term. Although the annual average number of job vacancies in Germany has fallen from approximately 845,000 in 2022 to around 761,000 in 2023, the average vacancy period has increased and now stands at 160 days (2022: 145 days; 2013: 77 days).

Nevertheless, German employers seem to have had only limited success in retaining the new employees they expended so much time and cost to recruit. Four in 10 respondents who have been with their company for less than twelve months say they are already open to new opportunities, with 15% actively seeking a new job and a further 25% looking around. Among new hires, less than half (48%) fully intend to be with their new employer in a year's time, and only 29% say they would unconditionally recommend their employer to friends or family. Inadequate onboarding may also be a contributing factor: Only 22% of new hires rated the onboarding process in their company as "exceptional".

## **Good management: an effective countermeasure**

Apart from offering higher salaries, companies have little influence on some factors of employee uncertainty and dissatisfaction such as inflation and the rising cost of living. Findings from various studies and surveys show that although an increase in salary is often the key deciding factor for changing jobs, more money is not sufficient to make employees stay if other circumstances, such as organisational culture, are inadequate. While everyone can be bought up to a certain point, the price varies greatly and depends on the role. Overall, six in 10 employees feel adequately paid for the work they do (59%; 2022: 58%; average 2013-2019: 58%).

However, to lure away engaged employees from competitors, German employers need to dig deep and offer around 20% more pay than to actively disengaged employees to persuade them to leave their current employer (Gallup Engagement Index 2022 Germany).

This does not mean that companies should abandon all hope of hiring the talent they need, given that employees seem to have the upper hand. In fact, employers have many powerful tools at their disposal, the most effective of which is good management. More than two-thirds (69%) of employees who are engaged due to experiencing a workplace with good management report they are not looking for a job. This figure drops to less than half – 33% – for employees who are actively disengaged because of poor management.



## Frontline managers as motivators

But what characterises good management that drives engagement? Managers who lead by example clarify expectations, ask for opinions, listen, establish clear and achievable goals together with employees, set priorities, define responsibilities, and ensure that everything their teams need to work effectively and efficiently is in place. Good managers support their teams' personal and professional development, recognise strengths, challenge and encourage their employees accordingly, and deploy them where they can make the best use of their talents. Good management is always focused on people. And although all people are different, they have one thing in common: They want to be recognised and treated as individuals, not just labour. Although all people basically have the same emotional needs, they have different preferences as to how best to fulfil them. Therefore, it's important for managers to spend time with each individual employee. This is the only way for managers to gain the insights they need to individualise their behaviour. An open dialogue between manager and employee is crucial.

Manager behaviour also has a strong influence on how employees perceive senior leaders and the company overall. This is because engaged employees have significantly greater trust in their company's leadership and financial future than those who are actively disengaged due to poor management – and therefore have more reason to stay. This must be the goal of every company in today's competitive German employment market.

The data show that not enough managers dedicate sufficient time to reflecting on their management skills. Technical expertise is one thing, but management qualities are quite another. The good news is that great management can be learned.



**PA  
SINYAN**

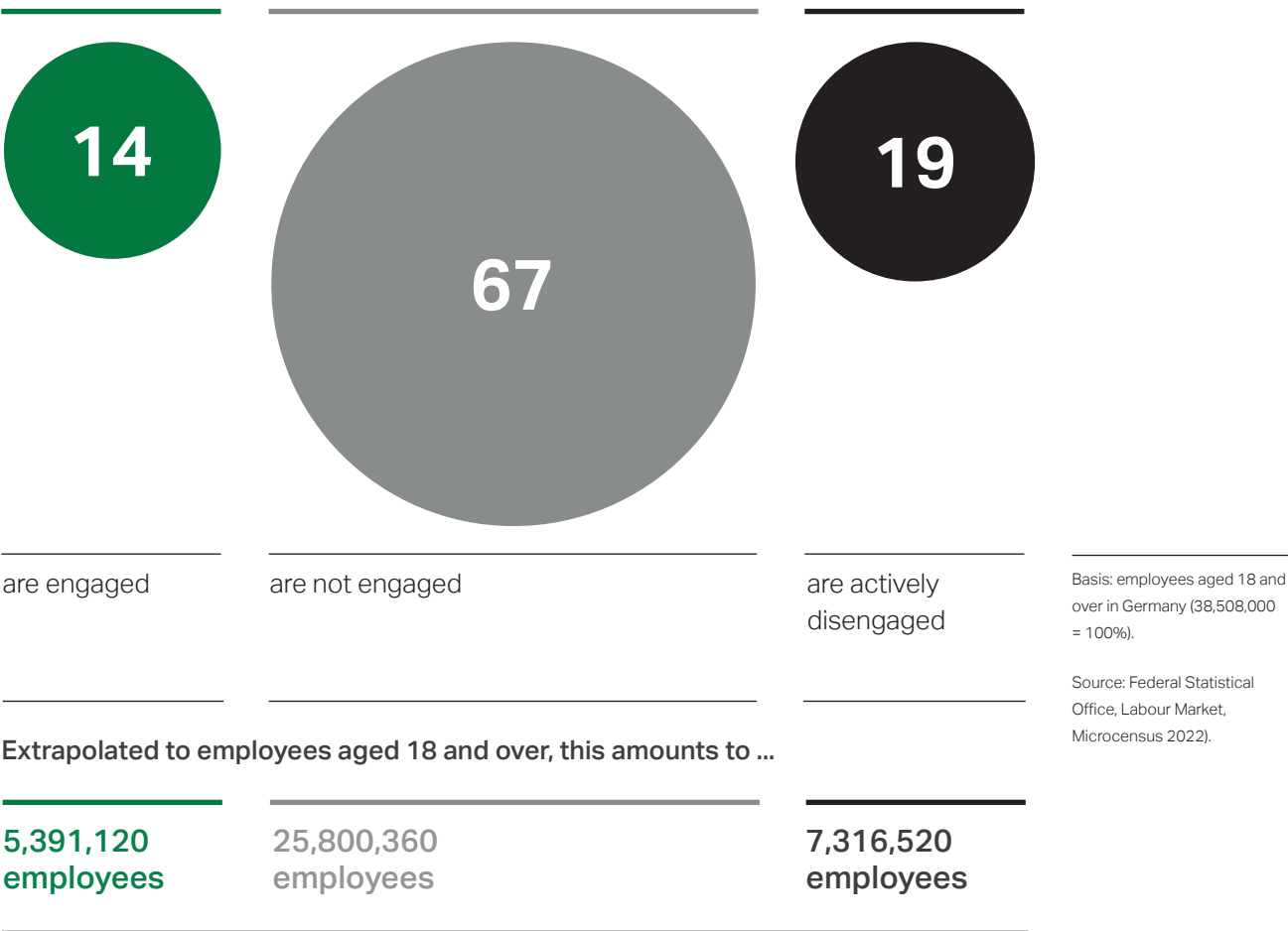


**MARCO  
NINK**


# Engagement Index Germany 2023

## The findings in detail

For every 100 employees in Germany,



While employee engagement in German companies fared somewhat better during the COVID-19 pandemic, scores have since fallen again. At 19%, the number of actively disengaged employees is currently at its highest level since 2012 (2022: 18%, 2021: 14%, 2020: 15%, 2019: 16%). Only 14% of the German workforce experiences a workplace environment characterised by good management that fosters engagement (2022: 13%, 2021 and 2020: 17% each, 2019: 15%). The majority of employees in Germany – 67% – are not engaged and perform the minimum level of work required.

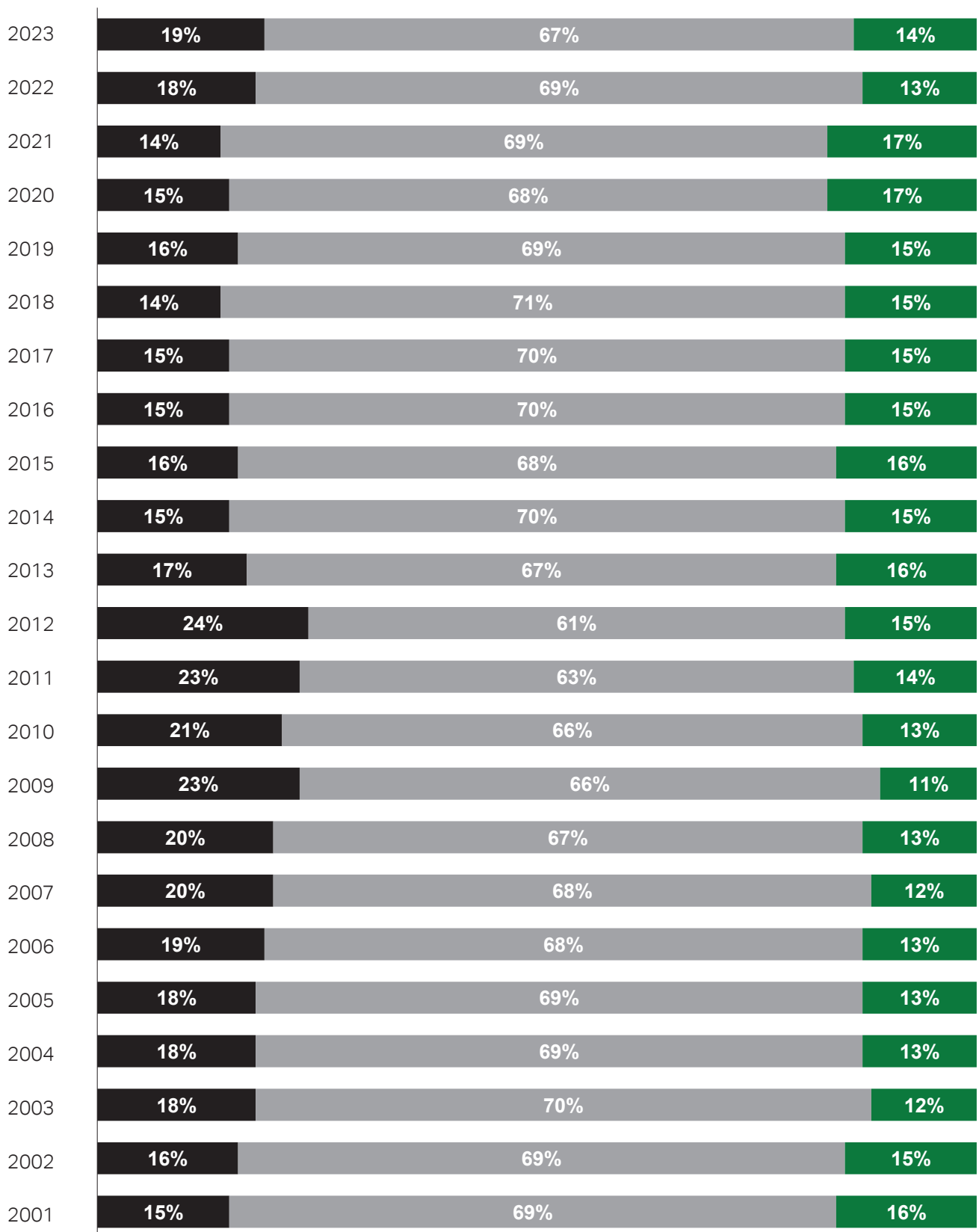


The economic cost due to actively disengaged employees in 2023 amounted to between

**132.6 and 167.2  
billion euros.**

A lack of engagement has tangible economic consequences for companies due to lost productivity. However, it also has an impact on the overall economy. According to calculations based on data from Germany's Federal Statistical Office, in 2023 active disengagement cost the German economy between 132.6 billion and 167.2 billion euros due to lost productivity.

## Employee engagement in Germany since 2001

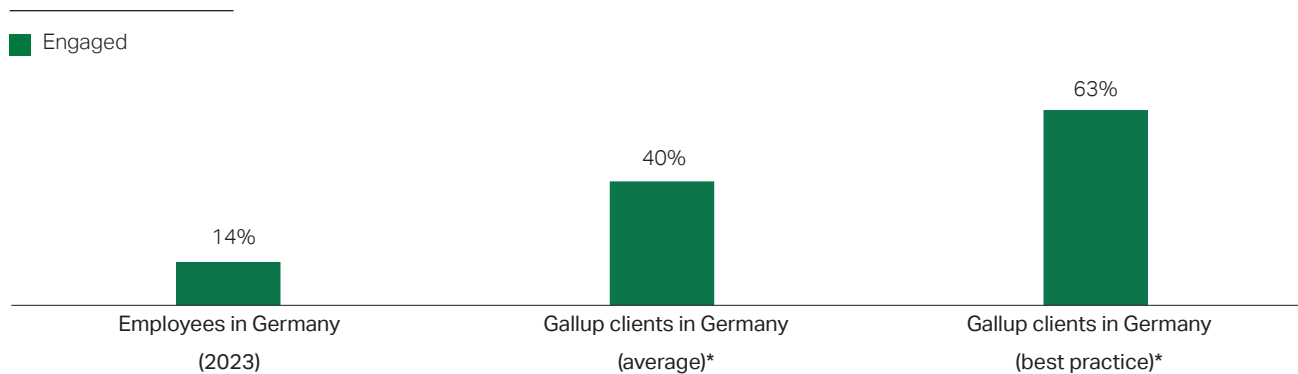


■ Engaged  
■ Not engaged  
■ Actively disengaged

The Gallup Engagement Index Germany has been measuring the engagement of employees with their employer since 2001. This makes this long-term study one of the most important and meaningful indicators of management quality and the workplace environment in Germany.

The results show that positive change is possible. The pandemic has served as a watershed event: Companies and employees were quickly forced to come together, and employees felt to a greater extent than before that their employer's focus was on them. Just one year later, engagement has declined along with the pandemic; today, as a result of constant emerging crises and the economic downturn, managers in German companies seem to be preoccupied more with business rather than interpersonal factors. However, financial success is also an outcome of good management. Due to this shift in focus, engagement has stabilised at a low level for the second year in a row. What is more worrying, however, is the fact that the number of actively disengaged employees has risen further and now stands at 19% of the German workforce. This figure was highest in 2012, reaching 24%, at a time when the Eurozone recession and the international financial crisis led to a significant slump in the global economy. As a result, the needs of employees were forced to take a back seat. Although active disengagement subsided and levelled off in subsequent years, it rose abruptly from 14% to 18% last year – the sharpest increase ever measured in the Gallup Engagement Index Germany.

This trend continues. However, it is reversible. Companies in Germany that work on improving the quality of their management and the workplace environment can increase employee engagement to 40% on average, with best-in-class companies achieving 63%.



\* Gallup database 2023

## Increased engagement leads to better performance

Engagement not only protects companies from the challenges of a tight labour market; a strong emphasis on engagement and measures to strengthen it leads to improved performance outcomes.

A meta-analysis carried out by Gallup based on the results of 276 companies measures how employee engagement pays off. When comparing top-quartile engagement business units with bottom-quartile business units, Gallup found that top-quartile business units experienced median differences of:

- 18% to 43% lower staff turnover (43% for low-turnover organizations, 18% for high-turnover organizations)
- 81% lower absenteeism
- 64% fewer safety incidents
- 41% fewer quality defects
- 10% higher customer loyalty/engagement
- 14% higher productivity

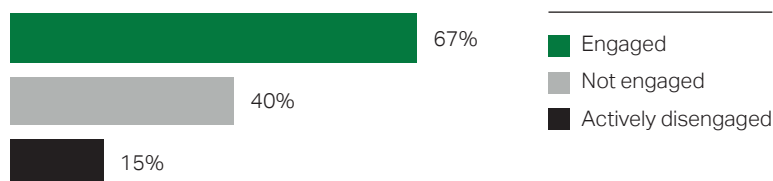
Source:  
Gallup Meta-Analysis of 276 companies, October 2020

## Engagement boosts employee advocacy

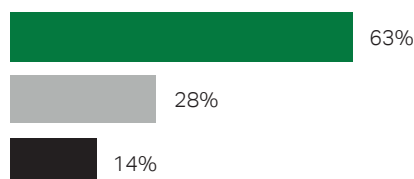
### Statements:

Top box:  
"Strongly agree" on a five-point scale

"I would recommend my company's products and services to friends and family members." (2023)



"I would recommend my company as a place to work to friends and family members." (2023)



Engaged employees act as brand ambassadors for their employer's products and services. Two-thirds of engaged employees (67%) would recommend their company's products and services to friends and family, but only 15% of those who are actively disengaged would do so. Companies would therefore do well to create a workplace environment in which their employees are encouraged to advocate their company's brand in the market.

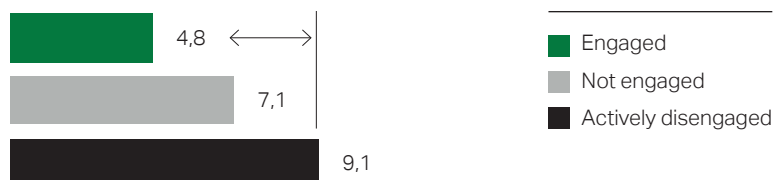
Engagement also affects employees' likelihood to recommend their employer as a great place to work. In times when talent is scarce and recruitment is growing more costly and challenging, engaged employees can help attract new colleagues. Almost two-thirds (63%) of engaged employees say they would recommend their employer to friends or family – but virtually no actively disengaged employees (4%) would do so.

## Engagement reduces absenteeism

### Question:

"About how many days do you estimate you have missed work in the past year because you were sick or not feeling well?" (2023)

in days



It should be equally important for companies to look after the wellbeing of those who are already on board as it is to attract new employees. And here, too, engagement plays a central role, because a tangible consequence of poor management is increased absenteeism, which is fundamentally detrimental to productivity. When asked how many days they had been absent from work for health reasons in the past year, engaged employees stated that they had been absent an average of 4.8 days. In contrast, actively disengaged employees reported almost twice as many absences due to sickness (9.1 days). Employees suffering from long-term health conditions (more than 90 days of absence per year) were not included in this evaluation.

Unscheduled absences have real economic consequences: Every day of absence costs a company an average of €316, according to data from Germany's Federal Statistical Office. If a company of 2,000 employees were to reduce its total annual staff absenteeism to the average of engaged employees (i.e., 4.8 days per employee), the resulting costs would be reduced by nearly 1.5 million euros. For a company with an employee population of 30,000, the total annual cost reduction would be 22.4 million euros.

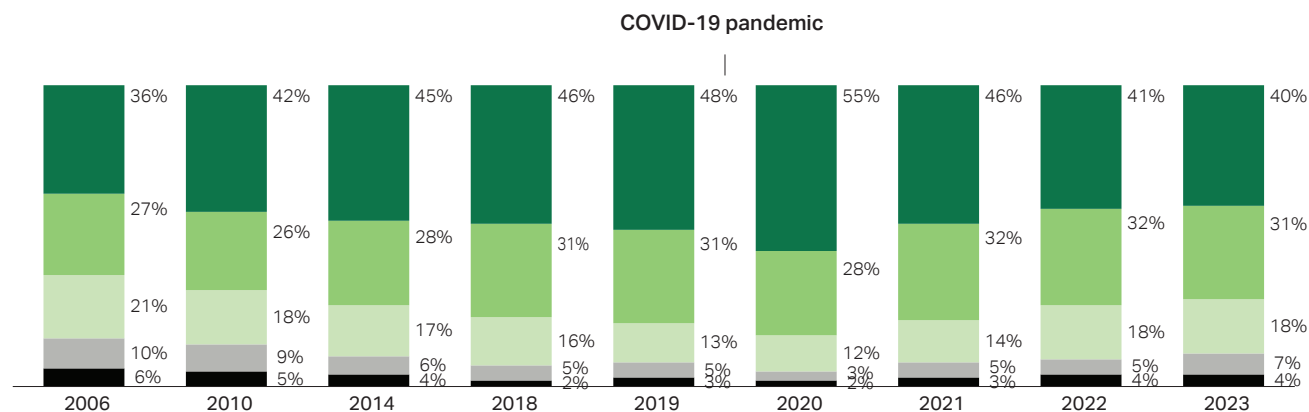


## Confidence in employer's financial future declines

### Statement:

"I am confident in my company's financial future."

1 "Strongly disagree" 2 3 4 5 "Strongly agree"



In addition to engagement, employees' confidence in the future prospects of their employer is also in decline. Well under half (40%) have full confidence in the financial future of their employer. After years of a continuous upward trend, this measure jumped to 55% in 2020 but has fallen rapidly, then steadily, since 2021. It is currently below pre-pandemic levels (2019: 48%, 2018: 46%). This employee uncertainty in the future viability of their employer is one of the factors leading to employees' greater willingness to change jobs.

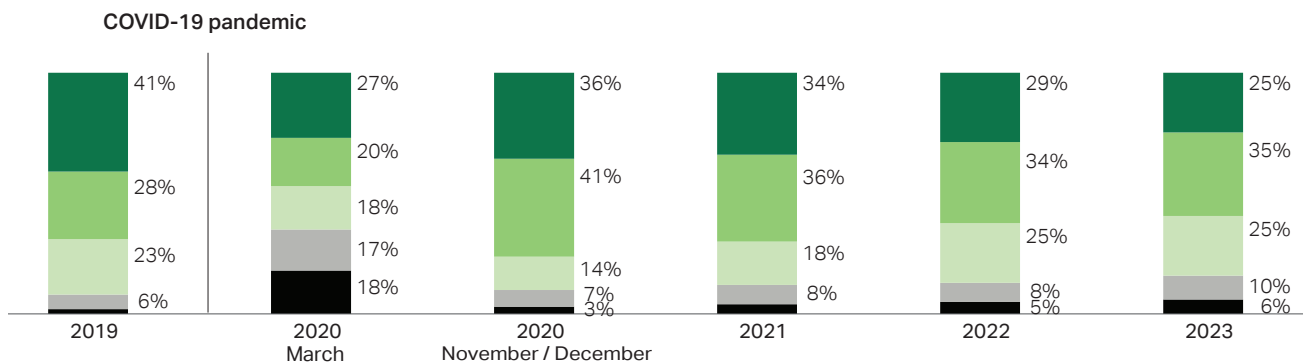
The statement "I have confidence in the financial future of my company" is a significant indicator of a company's financial temperament. It shows the degree to which employees are aware of major contracts that are won or lost, the company's capacity to take on additional projects, or future investments in the business (e.g., acquisition of equipment or building new factories). The number of jobs advertised and of new hires also provides employees with an indication of how their company is faring. Accordingly, it is not surprising that employees who rated the statement "I have confidence in my company's financial future" critically are more likely to leave (22% actively looking) than their co-workers who strongly agree (6% actively looking).

## Confidence in leadership hits rock bottom

### Statement:

"I have confidence in the leadership of my company to successfully manage emerging challenges."

1 "Strongly disagree" 2 3 4 5 "Strongly agree"



As employee confidence in the future prospects of their employer crumbles, so does their confidence in the ability of leadership to lead them through a crisis. Only one-quarter (25%) of employees in Germany strongly believe that the leadership of their company has what it takes to confront future challenges successfully. Since 2019, employee confidence has fallen by 16 percentage points due to multiple crises.

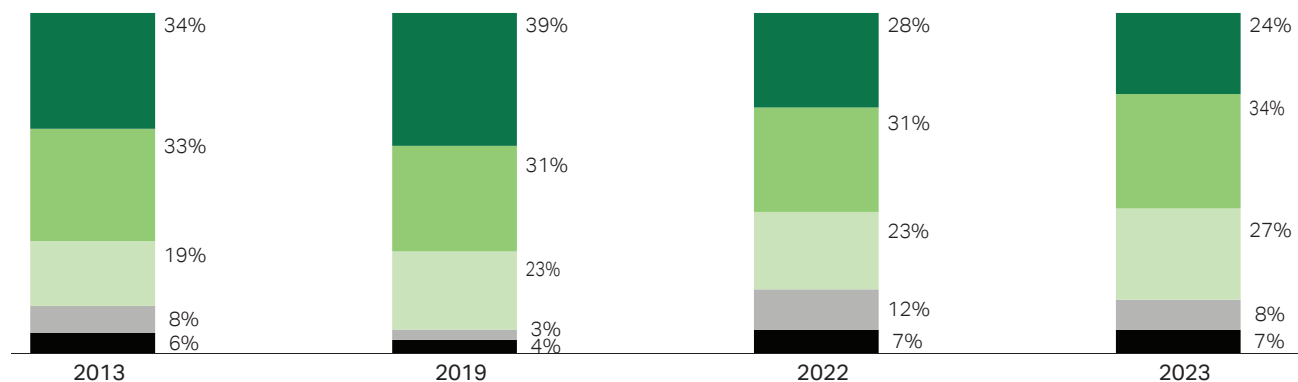
Leadership needs to provide employees with a clear direction and optimism so that their confidence is not diminished. If employees are not brought on board from the beginning, they will not actively contribute to the implementation of necessary changes.

## Trust in leadership declines

### Statement:

"I trust the leadership of my company."

1 "Strongly disagree" 2 3 4 5 "Strongly agree"



The situation is equally worrying regarding employees' trust in leadership – because this trust is in decline. Compared with 2013, this figure has fallen by 10 percentage points and, after peaking briefly in 2019, is currently at a historic low. The security and confidence so urgently needed in difficult times are clearly in short supply.

But how do organisations build confidence and trust? Strong local management and an engaging work environment are decisive levers for achieving this. When all employees were asked about their level of confidence in their company's financial future, 40% expressed full confidence. Among engaged employees, the figure rises to 66%. Further, 58% of engaged employees strongly agree that they have confidence in their company's leadership to manage future challenges successfully. However, this number falls to just 25% for all employees. And at 57%, significantly more than half of engaged employees trust their company's leadership compared with only 24% overall.

In addition to the paying close attention to the quality of local management, German company leaders should focus on four critical dimensions of leadership in light of these results: trust, compassion, stability, hope.

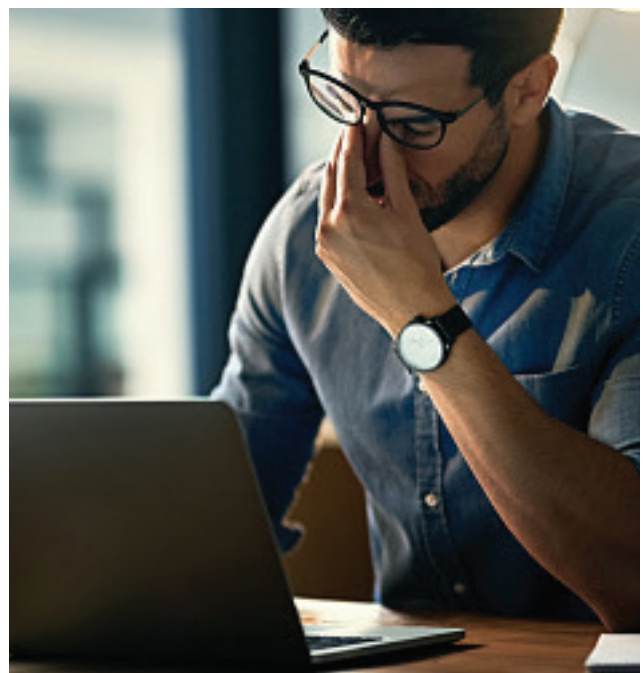
Without **trust**, close collaboration is not possible. Trust is an essential requirement and the basis of good cooperation. Honesty, clarity, and predictability help leaders build this trust.

**Compassion** means seeing employees as people and sharing experiences with them. It doesn't mean being "nice all the time" but putting people and their needs at the centre. This includes taking challenges and doubts seriously, recognising situations without immediately forming an opinion, taking time to reflect, and giving space to share concerns and ideas. It is just as important to be open about your own mistakes, weaknesses, and insecurities.

The basis for **stability** is communication, and with that being available, answering questions, being willing to lend an ear, resolving conflicts fairly, as well as creating an environment in which employees feel safe. The focus is on the present moment so that employees know they can count on their manager. Stability serves as an anchor; the manager leads by example.

While stability is important for the here and now, **hope** is aimed at the future: When leadership exudes a positive attitude, it has a contagious effect – and the shared belief in the future viability of the company unites everyone. Employees must be able to see that leadership has a clear direction for the company. Leaders must inspire employees about what is to come, formulate challenges clearly, and celebrate successes.

This way, employers can not only reinforce employee confidence in their entrepreneurial activities, but also encourage employees to support necessary changes.

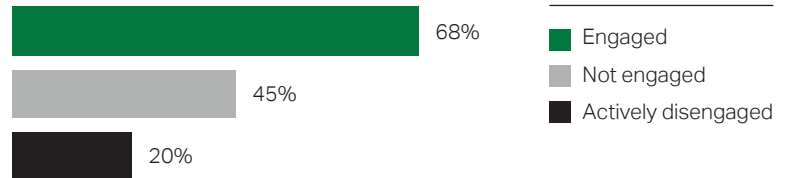


## Time for change: engaging and inspiring employees

### Statements:

Top box:  
"Strongly agree" on a five-point scale

"In general, I support upcoming changes in my company." (2023)



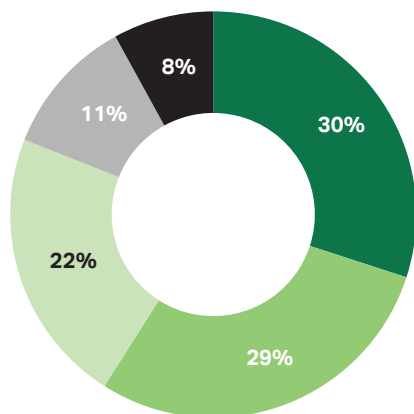
Whether a transformation initiative succeeds or fails depends largely on whether employees are motivated to drive change. For most employees, change initially creates uncertainty about future tasks and structures and even fear of losing their jobs. An open and trusting environment can help employees to overcome these uncertainties. A manager who is unable to fulfil the basic needs and expectations of employees in their day-to-day work will find it even more difficult to do so in times of change. Engagement that is built on good management, on the other hand, helps to ensure that necessary changes are strongly supported. As many companies are currently experiencing change, this is an important finding. Among engaged employees, 68% strongly agree with the statement "In general, I support upcoming changes in my company". However, only 20% of actively disengaged employee strongly agreed with this statement. This shows that companies, having instilled the right quality of management, can rely on more robust employee solidarity when encountering change and disruption. And at a time when disruption seems to be the order of the day, leadership would do well to ensure that employees are on their side.





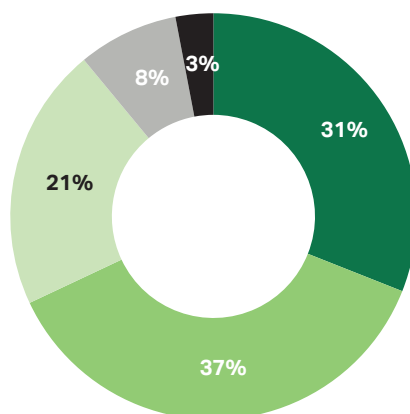
**Statement:**

"I am asked for my input regarding changes that affect my work."



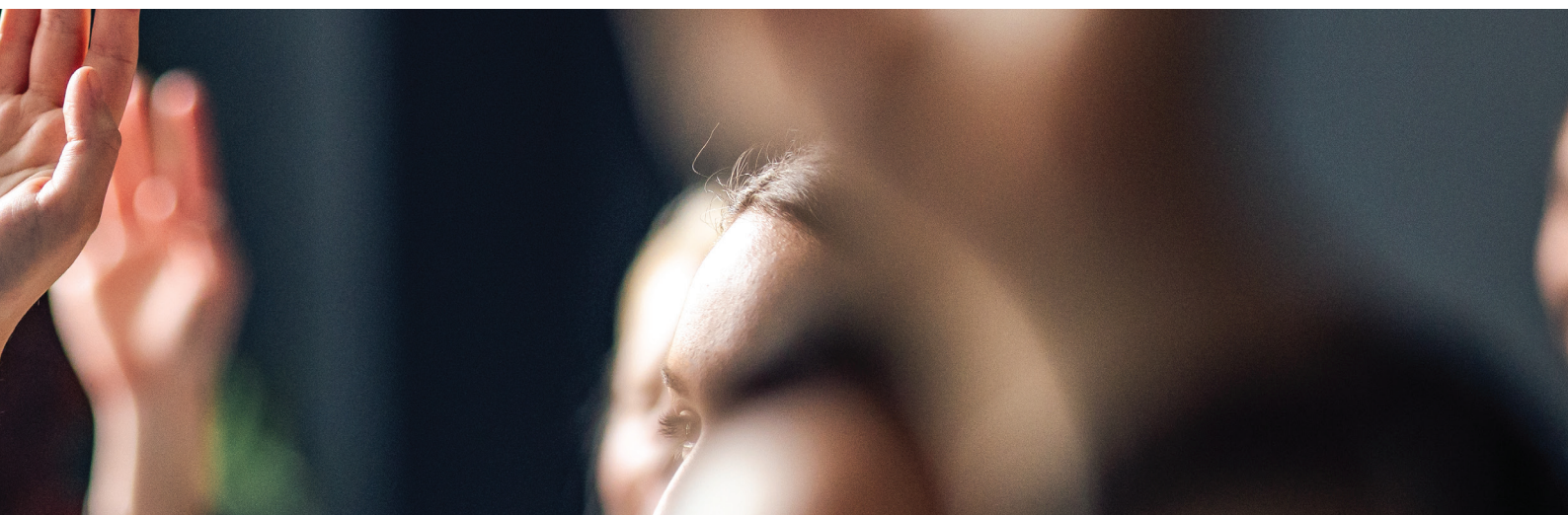
**Statement:**

"My manager is an active supporter of the changes that affect our workgroup."



1 "Strongly disagree" 2 3 4 5 "Strongly agree"

In order to implement organisational change successfully, managers must actively advocate for, support, and seek the opinions of those affected. Employees want to contribute to defining their work, and those who are not involved in the process may end up feeling ignored and disempowered. But only 30% fully agree with the statement "I am asked for my input about changes that affect my work". And only 31% of employees strongly agree that their manager an active supporter of changes that affect their workgroup.



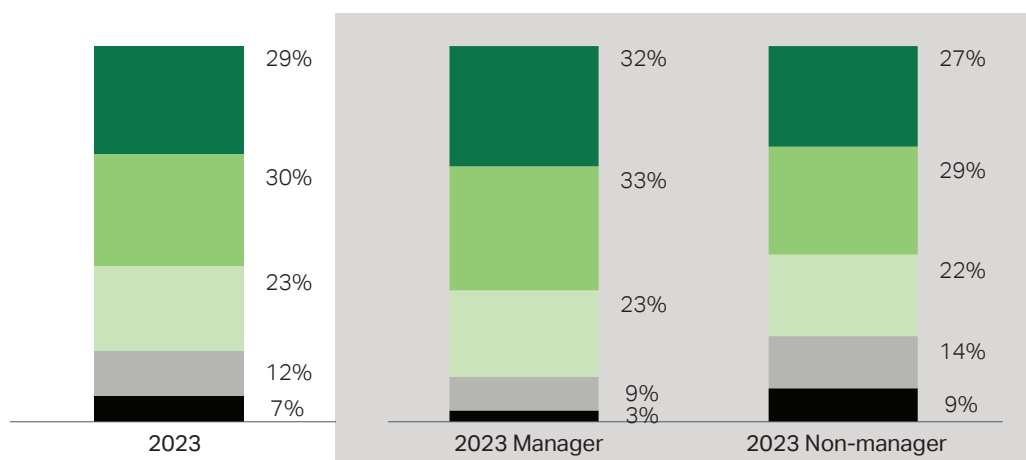
## Strengths focus contributes to a positive working environment

Overall, managers receive poor marks: Only 22% of employees are fully satisfied with their immediate supervisor. Various factors contribute to this.

### Statement:

"My immediate supervisor keeps me informed about what is going on at my company."

1 "Strongly disagree" 2 3 4 5 "Strongly agree"



One is the feeling of not being sufficiently informed about developments in the company. Managers who keep their employees up to date are more highly trusted than those who do not (64% vs. 25%). Especially in times of crisis, it is important for managers to communicate openly and clearly and to share information with their teams. Managers appear to struggle with this: Only three in 10 employees (29%) strongly agree that their manager keeps them informed about developments in the company.

The prerequisite for this is of course ensuring that managers are sufficiently informed. And that seems to be a problem. The data reveal that managers feel only marginally better informed by their own immediate supervisor than the teams they lead (32% vs. 27%).

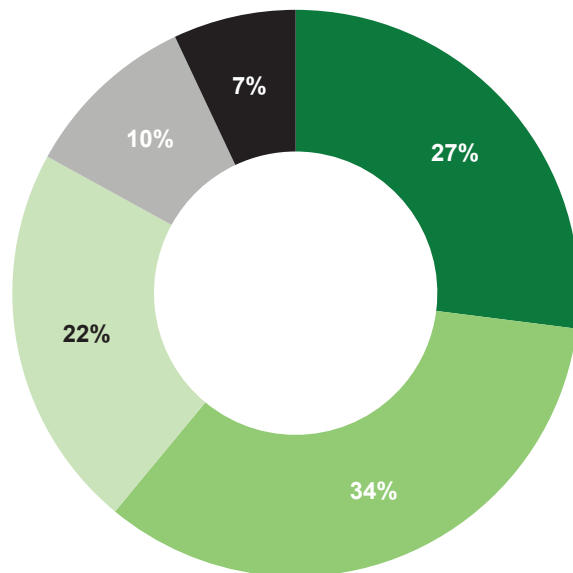
This finding suggests that top-down communication in organisations does not seem to function as well as it should. Companies need to address this issue urgently in order to mitigate the information vacuum that it creates.



**Statement:**

**"My supervisor focuses on my strengths or positive characteristics."**

■ 1 "Strongly disagree" ■ 2 ■ 3 ■ 4 ■ 5 "Strongly agree"



One reason for employees' dissatisfaction with their immediate supervisor may also be that they do not feel that he or she recognises and appreciates their individual strengths. Only 27% strongly agree that their manager focuses on their strengths or positive characteristics.

However, a focus on strengths is based on enabling employees to emphasise the things that they naturally do very well. A strengths focus helps every person to realise their potential. Every person has a unique set of talents: consistent patterns of thoughts, feelings, and behaviours that can only be learned and productively applied. These talents – in combination with skills and knowledge – can be used to develop strengths.

Experience shows that many employees tend to underestimate their own strengths or are unaware of them. This is where managers can help. They should observe how their employees accomplish certain tasks and observe recurring patterns, which they should then discuss with them. This enables managers to identify which tasks correspond to an individual's unique set of talents and which tasks do not. In most cases, however, managers simply do not take the time to get to know their employees: What motivates them? What do they particularly enjoy about their work? What do they find particularly easy? In which tasks do they achieve the best results and for what reasons? What do they find particularly difficult?

When managers ask these questions, they will learn a lot about which tasks their team members do well, enjoy performing, and nurture their growth. However, this does not mean that weaknesses are ignored. Only employees who are aware of their shortcomings can compensate for them, for example by collaborating with colleagues to form complementary partnerships.

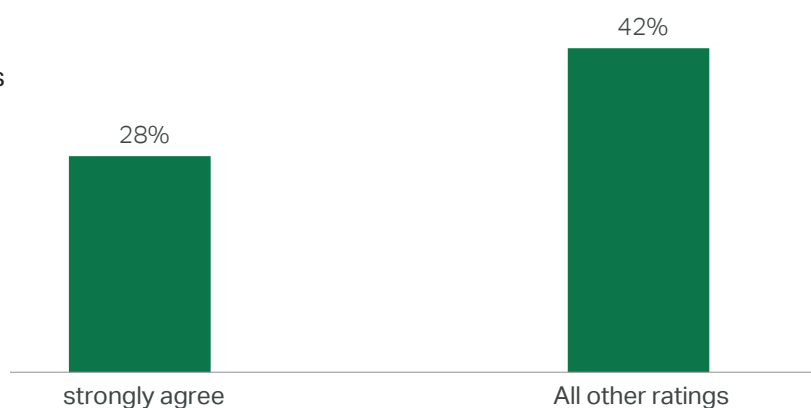
Focusing on strengths also means defining a framework for action in which employees can achieve goals using their own ideas. As a rule, employees want to grow and be recognised as well as supported in doing so. Managers and team members should therefore work together to identify how they can develop their strengths, both individually and within the organisation.

## Flexibility and engagement help prevent burnout

### Statement:

"My supervisor focuses on my strengths or positive characteristics."

■ Yes



Focusing on strengths can also protect employees from stress, burnout, and resulting health-related absences. Of employees who strongly agree that their supervisor focuses on their strengths or positive characteristics, 28% reported having felt burned out in the last 30 days due to work stress. For all others, the figure is one and a half times higher at 42%.

**Question:**

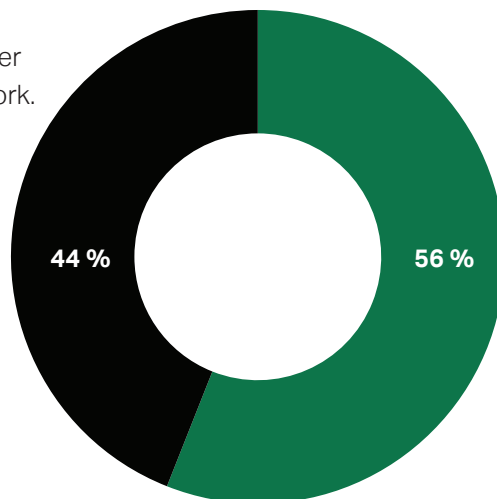
"In your best life imaginable, which of the following work schedules would you prefer for your working week (Monday to Friday), regardless of whether you work from home or on-site at your company?"

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**Preference**

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A job in which you work 9 am - 5 pm and attend to other life activities before or after work.



A job in which you alternate between work and other life activities throughout the day.

**Question:**

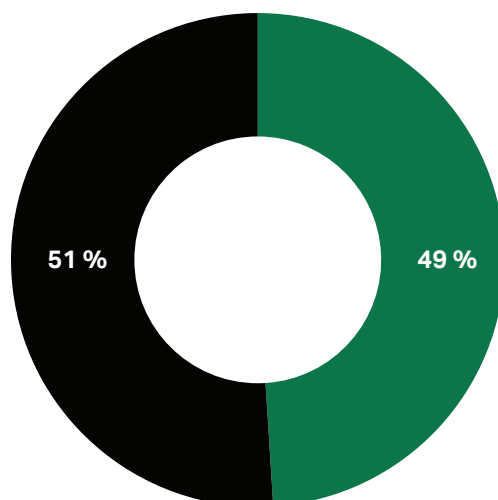
"Which of the following work schedules matches your current job?"

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**Reality**

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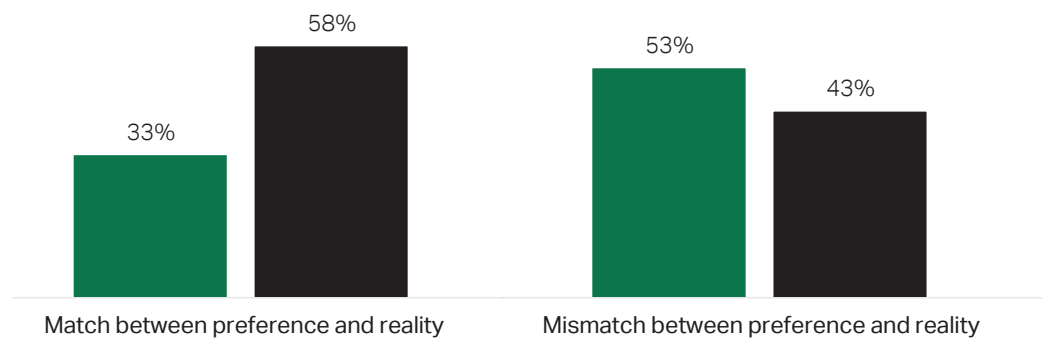
A job in which you work 9 am - 5 pm and attend to other life activities before or after work.



A job in which you alternate between work and other life activities throughout the day

More freedom to organise one's working day also helps to reduce employee stress. More than half of full-time employees surveyed (56%) would like to have flexibility to balance their work and personal life. Less than half (44%) of employees prefer fixed working hours where they begin at 9 am and finish at 5 pm.

- 
- "In the last 30 days, has the stress of work caused you to feel burned out?" (Yes)
  - I plan to be with my current company one year from now." (strongly agree)



**Share of respondents per category:**

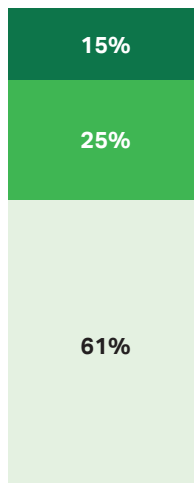
72%

29%

For most employees in Germany (72%), their workday preference matches reality. Many more of those for whom there is a mismatch report having felt burned out in the last 30 days due to work stress than those whose preference matches reality (53% vs. 33%). In addition, employees whose work preference does not match reality are less loyal to their employer than those with a matched work preference. While only four in 10 of the former still plan to be with their current employer in a year's time, nearly six in 10 of the latter group plan to do so (43% to 58%).

## Onboarding: A strong start is half the battle

- 
- "I am actively looking for a new job."
  - "I look around, but I am not actively looking for a new job."
  - "I am not looking for a new job."



---

Question: "To what extent are you currently looking for a new job?"

Good management promotes employee development, motivates employees to perform well in their job, and makes them enthusiastic about the company. It is not something that happens only when everything is running smoothly; rather, good management must be constant and needs to begin with onboarding when people first join the organisation.

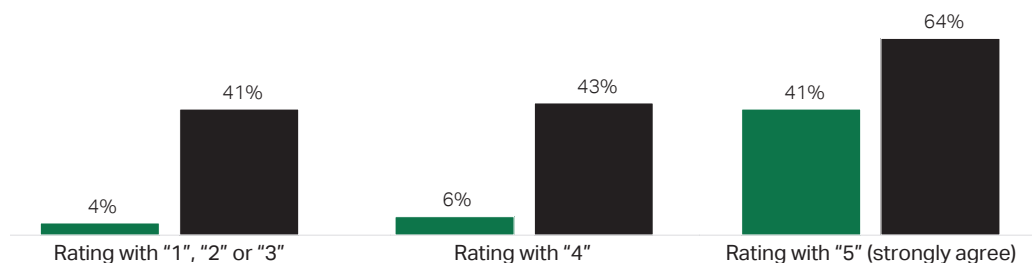
In a tight labour market with over 760,000 vacancies, companies cannot afford to lose the employees they have worked so hard to recruit and hire. And yet a surprisingly high number of new team members quickly become disillusioned. Within the first year, 15% say they are already actively looking for another new job, and 25% of new hires say they are open to new opportunities. In other words, four in 10 new hires have such a poor or frustrating experience at their new place of work that they are looking for the exit within a year.

### Statement:

"The onboarding process for my new job is/was exceptional."

■ Engaged

■ "I plan to be with my current company one year from now."



Percentage of respondents per answer category:

40%

38%

22%

Inadequate onboarding contributes to this sense of new hire frustration. Only 22% of those surveyed rated their onboarding experience as exceptional, and only 30% say they were actively supported by their managers during their onboarding process. Clarity about the right contact person and active manager support during onboarding are the most important factors in employees feeling well-prepared for the new job. The findings also show that an onboarding process perceived as exceptional lays the foundation for engagement and therefore performance.

## Re-skilling and upskilling: Companies must keep the ball rolling

Companies can also set examples when it comes to training and employee development – but increasingly seem to be setting the wrong ones. Only 22% of employees in Germany report that their company offers them good opportunities to prepare for the future (2022: 25%, 2021: 29%). Only a third believe they have received the training they need to do a good job (2023: 30%, 2022: 34%). It is in the interest of every company to future-proof its employees, because this will allow it to remain competitive. In addition, skilled and motivated employees make a company more efficient and sustainable.

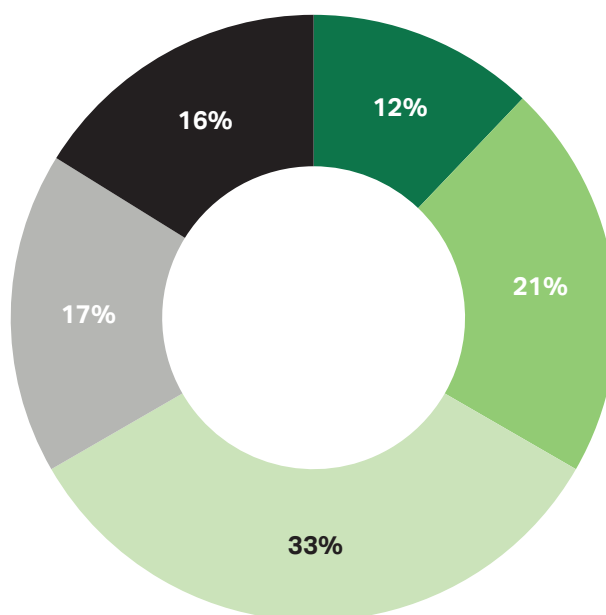
However, only just under one-quarter (24%) of employees are firmly convinced that they have opportunities for future development in their company (2022: 25%, 2021: 30%, 2018: 33%). A lack of development opportunities has a detrimental impact on employees' willingness to stay.

## No fear of artificial intelligence

1 "Not at all prepared" 2 3 4 5 "Very prepared"

### Question:

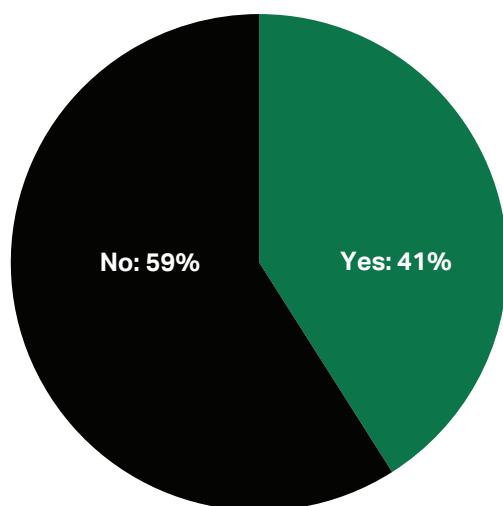
"On a five-point scale, where 5 means 'very prepared' and 1 means 'not at all prepared', with your current level of training and education, how prepared do you feel to work with artificial intelligence, robotics, or other advanced technologies?"





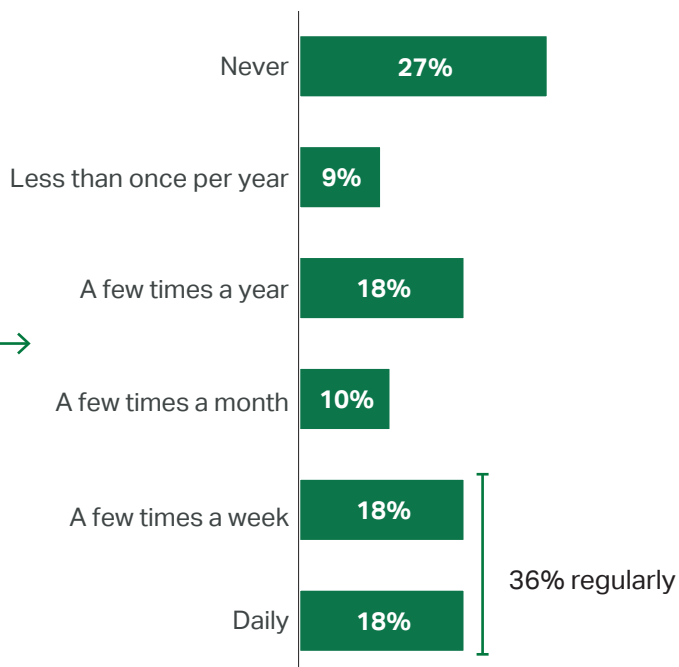
**Question:**

"Could artificial intelligence be used in your current role to improve how work gets done?"



**Question:**

"How often do you use artificial intelligence in your role?"



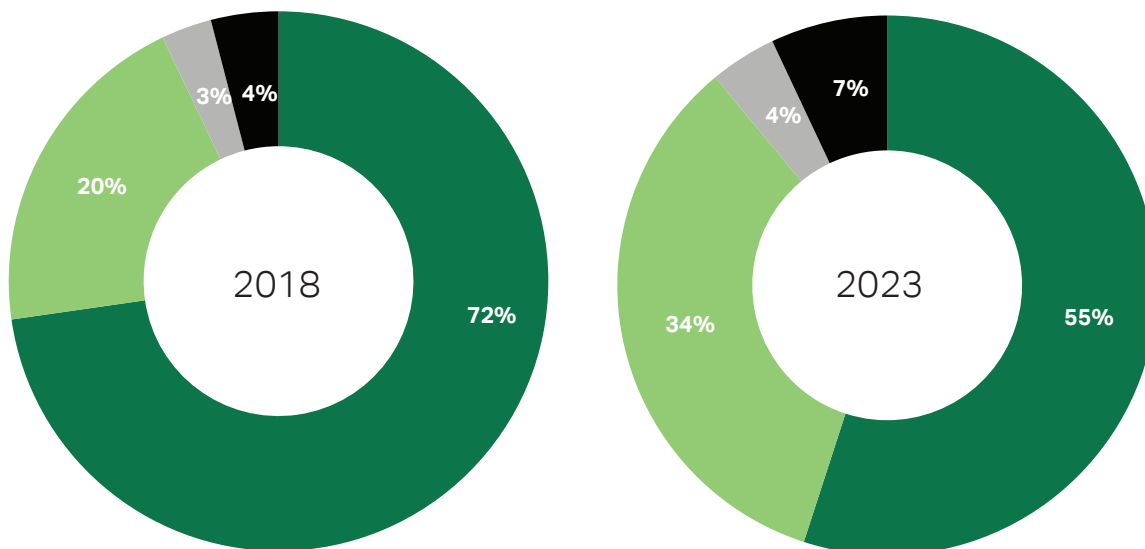
Most employees in Germany report that they are relatively unconcerned about the increasing presence of artificial intelligence in the workplace.

However, only a minority of employees (12%) say they feel prepared to work with AI, robots, or other advanced technologies as a result of education, training, and development they have received – even though four in 10 (41%) state that AI could be used in their job to improve how work gets done. Of this group, 36% confirm that they regularly use AI in their job (daily or a few times a week). However, most employees report only occasional use of AI.

**Question:**

"How likely is it that the job you have now will be eliminated within the next five years as a result of new technology, automation, robots or artificial intelligence?"

- "Not at all likely"
- "Not too likely"
- "Somewhat likely"
- "Very likely"



However, the majority of employees say they are not worried about losing their job in the next five years due new technologies, automation, robots, or AI. Nearly nine in ten employees (89%) believe it is not at all likely or not too likely that their job will be made obsolete due to adoption of AI or other new technologies and automation. Only 7% believe this to be very likely, with a scant 4% saying it is somewhat likely. Compared with results from 2018, the proportion of those expressing concerned about their job being eliminated by AI and other new technologies has risen slightly (2023: 11%, 2018: 7%). On the other hand, the proportion of employees who think their job being eliminated is not at all likely has fallen from 72% in 2018 to 55% in 2023 – a decline of 17 percentage points.

At a time when disruption in society, politics, and the global economy is having such a massive impact on the employment market, companies have a vested interest not to abandon their employees to face their concerns, fears, and needs alone if they wish to retain them. Especially in times of crisis, the focus must be on people – because they are and remain the most valuable asset of any company.

### Conclusion: Intentional management to tackle the crisis

The results of the Gallup Engagement Index Germany 2023 show that too few managers think intentionally about how to lead their teams more effectively.

Employees who quit do not usually leave their company – they leave their manager. On the one hand, the findings reveal a lack of quality in the management currently experienced by employees – but they also offer leaders and managers of German companies an opportunity for self-reflection and improvement.



## About the Gallup Engagement Index Germany

### The most important long-term study of Germany's workplace and management culture

Each year since 2001, Gallup has compiled the Engagement Index for Germany based on 12 survey items pertaining to the workplace and work environment: the Gallup Q<sup>12</sup>®. The study measures the degree of employees' emotional engagement with their workplace and their level of dedication and motivation at work.

For the most recent study, a total of 1,500 randomly selected employees aged 18 and over were interviewed in German by telephone between Nov. 20 and Dec. 22, 2023 (dual frame: landline and mobile phone sample; random selection of telephone numbers, random selection of the target person in the household using the birthday method for more than one relevant target person per household). The results are representative of the workforce in Germany aged 18 and over.

#### About Gallup

Gallup is a global analytics and advice firm that helps leaders and organizations solve their most pressing problems. Combining more than 85 years of experience with its global reach, Gallup knows more about the will of employees, customers, students and citizens than anyone in the world. Gallup believes that every organization has enormous — but largely untapped — potential for breakthrough improvements in employee productivity, customer retention and profitability. Gallup professionals — including noted scientists, renowned subject matter experts and bestselling authors — help business leaders understand and leverage human nature to drive sustainable growth.

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