
Gallup,
Engagement
Index Germany
Press Release



Gallup Germany Engagement Index 2022

German Employee Engagement Plummets, Share of Actively Disengaged Highest Since 2012

- Only 25% of German employees are extremely satisfied with their direct manager
- Nearly one-fifth of the German workforce is actively disengaged
- Low engagement increases employee willingness to switch employers
- Marco Nink: “Managers are primarily concerned with handling crises, and employees have somewhat fallen off the radar.”

Berlin, 22 March 2023: COVID-19, supply chain disruptions, inflation, energy shortages, increased production costs and a dearth of skilled workers: The crisis in which German companies find themselves has left its mark on employees and their workplaces. While the share of engaged employees reached a record high of 17% in Germany during the pandemic years of 2020 and 2021, this figure declined significantly in 2022 to 13% of the German workforce — the lowest level since 2012. At the same time, the share of actively disengaged employees has increased to its highest point since 2012 at 18% — four points higher than in 2021. These findings are from the Gallup Germany Engagement Index 2022, a survey conducted annually since 2001. This longitudinal study assesses employees’ engagement with their workplace and is one of the most important measures of leadership culture and the working environment in Germany.

Companies in Germany apparently placed greater focus on their employees during the COVID-19 pandemic, thereby positively influencing their engagement. In 2022, only 13% of respondents continue to experience an engaging work environment (2021 and 2020: 17%, 2019: 15%). The majority of employees in Germany — 69% — are not engaged: employees who do the minimum required of them and are psychologically detached from their job. Finally, the proportion of employees who are actively disengaged rose four percentage points to 18% in 2022 (2021: 14%, 2020: 15%, 2019: 16%). Active disengagement costs the German economy between 118.1 and 151.1 billion euros* annually due to lost productivity.

“Managers are primarily concerned with handling crises, and employees have somewhat fallen off the radar,” said Marco Nink, Director of Research & Analytics at Gallup EMEA.

Willingness to switch employers at a record level

The low levels of engagement and job market conditions favorable to employees have resulted in an increased willingness to switch jobs. While in 2018, 78% of employees fully intended to remain with their current employer in a year's time, this figure fell considerably in 2022 to 55% and marked a five-year downward trend (2019: 73%, 2020: 61%, 2021: 60%). Employees' three-year outlook is even worse: While in 2018, two out of three employees (65%) were firmly convinced that they would still be working for their current employer in three years, in 2022, this share decreased to only 39% (2019: 58%, 2020: 50%, 2021: 44%). Recruitment consultants are exploiting employees' willingness to switch jobs: In 2022, 27% of employees said a headhunter or recruiter contacted them about a job offer, down slightly compared with 31% in 2021 but still well above the range of 12% to 16% from 2010 to 2019.

"We are seeing a massive upheaval in the German labor market," said Pa Sinyan, Gallup Managing Partner, EMEA. "The willingness to switch jobs is constantly on the rise, and in a challenging environment for German companies, employees are more positive about their prospects than ever before. Companies that do not take targeted measures to counteract this trend will run into trouble, thereby jeopardizing their competitiveness in the long term." Marco Nink added, "Of those employees who no longer wish to be with their current employer in a year, one in five (20%) are already actively job hunting, and another 41% are looking. This is true both for employees with the option to work remotely and for employees with a permanent on-site job: Both groups are open to a change."

Confidence in companies takes a nosedive, low satisfaction with managers

In this period of crisis, only 41% of employees in 2022 said they have faith in the financial future of their company, down five percentage points compared with 2021. Confidence that German company leadership will successfully manage future challenges has also suffered: Only 29% of employees in 2022 said they trust leaders to do so, continuing a steady decline since 2019 (2019: 41%, 2020: 36%, 2021: 34%). The direct manager plays a particularly significant role in times of disruption. However, only one quarter of employees (25%) said they are extremely satisfied with their manager, and almost four in 10 (38%) said there is a need for improvement. At the same time, only 33% of employees said that information on company developments is optimally communicated, and those who said their manager is always available and makes time for them was similarly low at 30%. Only 34% of employees feel adequately supported by their manager, and a mere 14% feel their manager inspires them to do things they would not have dared to do at first. "The data indicate that there is considerable potential among managers to lead employees in such a way that they can do their job better and are motivated to go to work. But they also show that high satisfaction with the manager has a positive effect on employees' engagement with the company. Too many managers, however, still focus on their employees' weaknesses instead of their strengths and positive qualities," said Marco Nink.

Engaged employees are more likely to remain with their employer

Here is the good news: German companies can use a strong workplace culture to improve employee engagement and counteract employees' increasing willingness to switch employers. Among engaged employees, 86% wish to remain with their current employer in a year's time, while only 20% of actively disengaged employees say they will remain loyal in the coming year. Further, a scant 2% of engaged German employees say they are actively looking for a job, compared with 23% of those who are actively disengaged. Nearly two-thirds of engaged employees (64%) say they would recommend their employer to friends or family without reservation, and only 14% of actively disengaged employees report they would recommend their employer — a particularly important factor in active recruiting. The risk of burnout also decreases substantially among engaged employees. Overall, one in three German employees (35%) complain of feeling burned out due to work stress; among those who are engaged, this figure declines to 13%, while among actively disengaged employees, 60% feel burned out.

"In a volatile labor market, companies must do everything they can to retain their employees," commented Marco Nink. "This is their only chance of cushioning the effects of the shortage of skilled workers and the general labor shortage in Germany. When employees remain loyal to their employer, they do so because of the culture created by leadership and the working environment they experience. Against this backdrop, there is no longer any excuse for poor company leadership — especially since there is not a knowledge gap but rather an implementation deficit. Managers need to have an awareness of their own behavior and reevaluate this behavior."

Additional important key figures

The impact of engagement on company performance:

- 18% to 43% lower staff turnover (43% for low-turnover organizations, 18% for high-turnover organizations)
- 81% fewer work absences
- 64% fewer safety incidents
- 41% fewer quality defects
- 10% better customer ratings
- 14% higher productivity

Source: Gallup Meta Analysis of 276 companies, October 2020

German employees consider their opportunities in the job market to be better than ever before: Four out of five employees in Germany think it is a good time to look for a new job (2022: 81%, 2021: 52%, 2020: 37%, previous high in 2019: 72%).

(Source: Gallup World Poll Germany 2022)

Remuneration for work performed is considered fair and appropriate by the majority of employees in Germany. Six out of 10 respondents agreed with the statement: "From my point of view, I am paid appropriately for the work I do."

(Source: Engagement Index Germany 2022)

*Calculation based on figures from the Federal Statistical Office from the year 2022.

Über den Engagement Index Deutschland:

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 Q¹². 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. 14 and Dec. 21, 2022 (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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