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Global Employee Engagement Drops for Only the Second Time in 12 Years, Costing the World's Economy US\$438 Billion

Washington, D.C. — For only the second time in the past 12 years, the global percentage of engaged employees fell — from 23% in 2023 to 21% in 2024, according to Gallup's latest *State of the Global Workplace* report. The primary cause was a drop in manager engagement: While engagement among individual contributors remained flat at 18%, managers' engagement fell from 30% to 27%.

The drop in global employee engagement cost the world economy US\$438 billion in lost productivity in 2024.

Managers' Engagement

No other worker category experienced as significant a decline in engagement as the world's managers. Two types of managers were particularly affected:

- Young (under 35) manager engagement fell by five percentage points.
- Female manager engagement dropped by seven points.

"Manager engagement affects team engagement, which affects productivity. Business performance — and ultimately GDP growth — is at risk if executive leaders do not address manager breakdown," said Jim Harter, Gallup's chief workplace scientist.

Gallup recommends three actions leaders can take to boost manager engagement:

- Ensure all managers receive training to cut extreme manager disengagement in half. Manager development has declined globally in recent years, and most say they have not received any training. However, active disengagement is cut in half for those who receive training.
- Teach managers effective coaching techniques to boost their performance. Participants in training courses focused on management best practices experienced up to 22% higher engagement than non-participants. Teams led by those participants saw engagement rise by up to 18%.
- **Increase manager thriving through ongoing development.** When employers provide manager training, it improves manager thriving from 28% to 34%. However, if they have training *and* someone at work who actively encourages their development, manager thriving increases to 50%.

Regional Engagement Trends

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Since 2011, **the U.S. and Canada** region has had the highest engagement in the world. 2024 is the first time it has tied with another region — **Latin America and the Caribbean**, which is at a new high.

Despite a three-percentage-point drop in engagement in 2024, **South Asia** is still ahead of the global average. The regional decline in engagement is driven by its most populous country, India, where engagement fell three points in the latest three-year rolling average.

For the fifth year in a row, European workers' engagement is lower than in any other world region. The Middle East and North Africa, East Asia and sub-Saharan Africa also continue to lag the global average.

Post-Soviet Eurasia recorded a new high in engagement (26%); meanwhile, Southeast Asia's latest 26% engagement rate is more than twice as high as what Gallup recorded for the region in 2011. Employee engagement in **Australia and New Zealand** is also on the high end of the trend since 2012.

The Global Job Market

Over half of employees (51%) say it is a "good time" to find a job where they live, but this is down to the lowest point since 2021.

Of all world regions, employees are most optimistic about their local job markets in Australia and New Zealand, where 72% say it is a good time to find a job. New highs in job market optimism were recorded in Latin America and the Caribbean (58%), Europe (57%) and Post-Soviet Eurasia (53%).

Half of global employees (50%) are watching for or actively seeking a new job, slightly lower than figures recorded in 2022 and 2023.

Employee Wellbeing

The percentage of employees **thriving** in their lives (33%) dropped for a consecutive year, falling to the lowest point since 2021.

- A record-low 52% of employees in the U.S. and Canada region are thriving in their lives.
- Over half of employees in Australia and New Zealand are thriving (56%) the highest percentage in the world. However, the latest figure marks a new low for the region, down 13 points from Gallup's measure in 2011.
- Employees in South Asia are the least likely to be thriving in their lives across world regions.
- About one in three employees in Post-Soviet Eurasia (33%) and Southeast Asia (36%) are thriving, marking new highs for both regions.
- Most employees in Latin America and the Caribbean (54%) now rate their lives positively enough to be considered thriving the highest level in a decade.

Global employees' reports of **stress** are slightly lower than in recent years but remain elevated compared to pre-pandemic figures. Reports of experiencing daily **anger** are stable, while

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experiences of **sadness** are on the high end of Gallup's trend since 2009. More than one in five employees report having experienced **loneliness**.

- Sub-Saharan African employees' reports of experiencing stress the previous day (47%) are at a new high.
- European employees' reports of experiencing anger (14%) the previous day are lower than the 15% to 19% range previously recorded.
- Fourteen percent of East Asian employees report having experienced sadness the previous day twice as high as what Gallup recorded in 2011 (7%).

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About Gallup

<u>Gallup</u> delivers analytics and advice to help leaders and organizations solve their most pressing problems. Combining more than 80 years of experience with its global reach, Gallup knows more about the attitudes and behaviors of employees, customers, students and citizens than any other organization in the world.