

The great manager disconnect: Over \$400 billion lost

RESEARCH BRIEF

Global manager engagement **plummeted** three percentage points in 2024, with female managers dropping 7 points and young managers falling 5 points—the steepest decline since the COVID-19 pandemic.

Why it matters

Manager disengagement threatens global economic productivity especially now when organizations need strong leadership to navigate AI transformation and post-pandemic challenges.

- ▶ Manager engagement directly drives **70%** team engagement making it a cascading risk.
- ▶ The global economy lost **\$438 billion** in productivity in 2024 due to declining engagement.
- ▶ Only **44%** of the world's managers have received any management training, leaving them unprepared for current challenges.

How we know

Analysis of 227,347 employed adults globally through *Gallup's World Poll*, conducted April-December 2024 across **160+** countries using probability-based, nationally representative samples. The study leverages Gallup's proprietary Q12 engagement measurement tool, validated through extensive meta-analyses demonstrating reliable correlations between engagement and performance outcomes.

What Gallup researchers found

- ▶ Global employee engagement **fell from 23% to 21%** in 2024, matching the decline seen during COVID-19 lockdowns.
- ▶ Manager engagement **dropped from 30% to 27%**, while individual contributor engagement remained flat at **18%**.
- ▶ Female managers experienced the **largest decline** (7 percentage points), followed by **managers under 35** (5 percentage points).

What this means

- ▶ **For CHROs:** Manager development is critical for business continuity issue; breakdown will affect team performance and retention.
- ▶ **For organizations:** Manager crisis creates both immediate productivity risks and long-term competitive disadvantages in the age of AI.
- ▶ **For executives:** With traditional management approaches failing, new models are needed urgently to support manager development.

Now what?

To support manager development, we suggest doing these:

- ▶ Implement immediate manager training programs to reduce extreme manager disengagement—focus on basic role responsibilities and coaching techniques.
- ▶ Create AI-enhanced manager support systems that help overwhelmed managers handle competing demands from executives and employees.
- ▶ Establish manager wellbeing monitoring systems to identify and address burnout before it spreads to teams.

LINK TO THE STUDY

