



Talent Solutions  
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# THE ENGAGEMENT ILLUSION

Are your employees truly engaged or just going through the motions?



Right Management's 2024 State of Careers Part I

## INTRODUCTION

Leaders across industries believe their employees are engaged and loyal to their organizations. This is an illusion.

Leaders vastly overestimate the level of employee engagement and wildly underestimate the degree to which employees are disengaged. These are the key findings of Right Management's 2024 State of Careers research conducted among more than 400 leaders and 1,000 employees across the United States and Canada.



With visibility into both viewpoints—those of leaders and employees—Right Management concludes that North American employee engagement is in a state of crisis. **The Great Resignation has made way for the Engagement Illusion.** There is a strong disconnect between leader perceptions and employee reality. Given the potential negative impacts of low engagement, organizations must address this disconnect head-on by prioritizing talent and career management, particularly with those employees who are partially engaged and those in the middle of their careers.



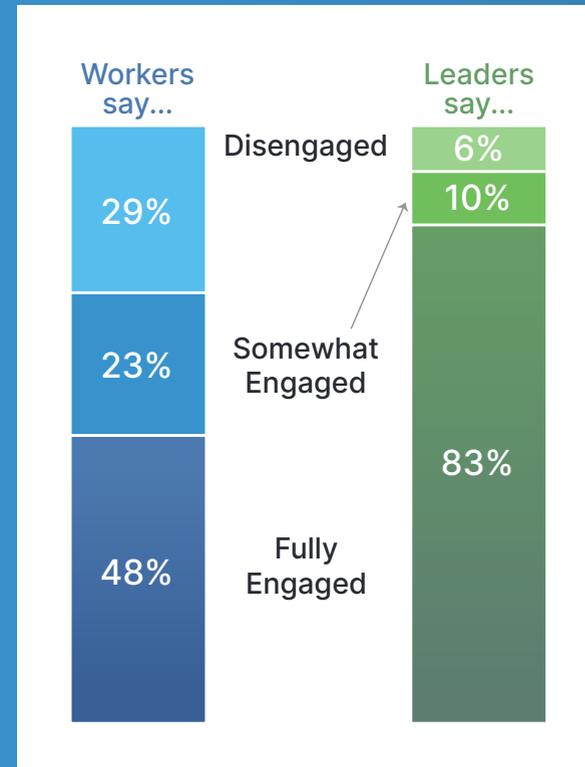
While the role of technology continues to rise in the workplace, so does the importance of being human centric. Employees want employers to see them as individuals within a collective, and their expectations are rising. No longer can HR functions deliver a one-size-fits-all solution for organizations. Employees want to be fully engaged and motivated - but their employer and, mostly importantly, their leader must give them a reason to do so.

- Michelle Nettles, Chief People and Culture Officer, ManpowerGroup

# THE ENGAGEMENT ILLUSION

When asked how engaged their workforce was, 83% of leaders responded that their workforce is fully engaged, while only 6% of leaders believed their employees were disengaged.

In reality, only 48% of employees would categorize themselves as fully engaged, while 29% are actively disengaged. This suggests a large gulf between what leaders think and the actual reality—the majority of leaders grossly overestimate the number of engaged employees and underestimate the number of disengaged employees. While leaders reported on their organization's engagement and employees reported their own engagement, we can still compare relative scores to infer the discrepancy between leader perceptions and employee reality. The proportion of leaders who assumed full engagement was twice as high as the employees who reported being fully engaged. On the other end of the spectrum, five times as many employees were disengaged as leaders reporting a disengaged workforce.



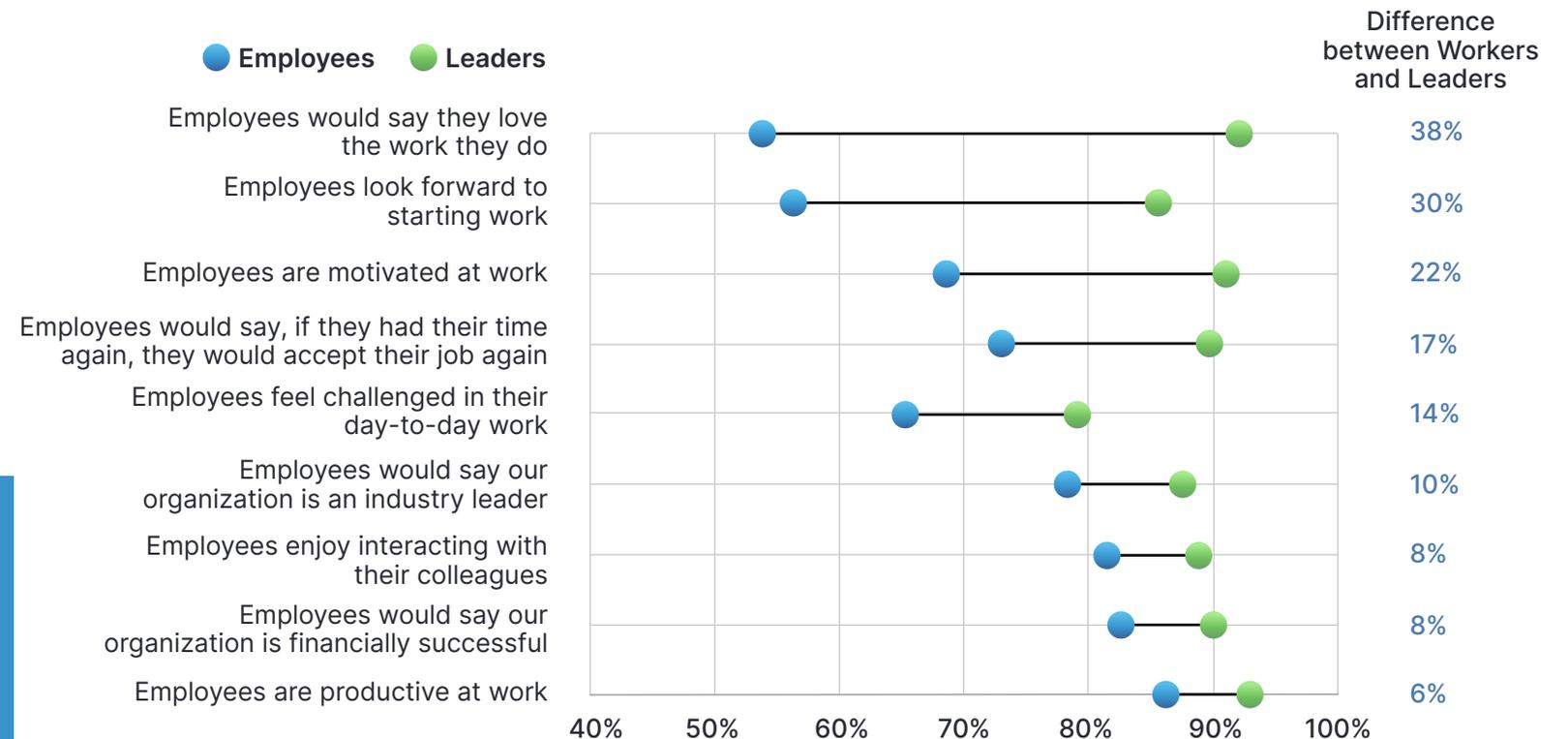
# LEADERS OVERESTIMATE (ALMOST 2X) HOW MUCH EMPLOYEES ENJOY THEIR WORK

This disconnect extends beyond engagement. In fact, leaders overestimate employee morale across the board, assuming employees love their work at twice the rates of reality.

By similar margins, leaders misjudge their employees' motivation level, job and employer satisfaction, and the degree to which workers feel they belong. Sadly, many employees say they would take another job given what they know now.

“The strong disconnect between leadership perceptions and employee reality is deeply concerning,” says Karel van der Mandele, SVP of Right Management North America. “This should be a wake-up call to all leaders. Their efforts to build successful organizations will be doomed if they don’t embrace reality.”

- Karel van der Mandele, SVP, Right Management North America



# EMPLOYEES ARE ALSO LESS LOYAL THAN LEADERS THINK

Leaders overestimate the degree to which employees plan to stay at the organization for the foreseeable future. Employees want to be loyal; their needs just are not being met, leading them to reluctantly look for other opportunities.

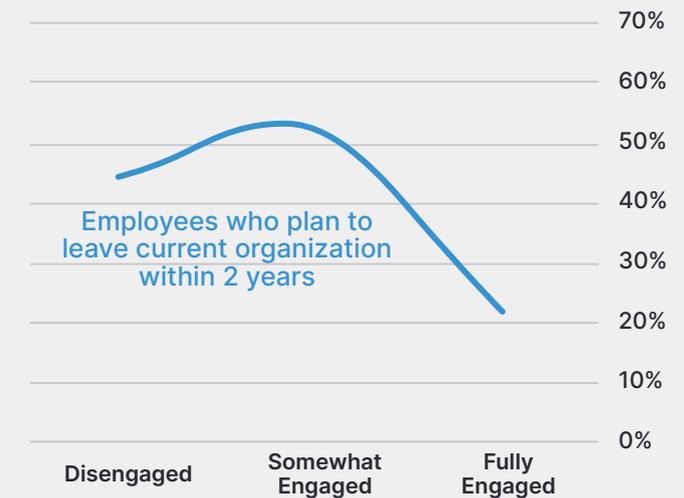
**While three-quarters of employee participants noted that they'd like to stay at their organization for the foreseeable future**, half of employees are open to taking steps toward taking a job elsewhere, be it actively looking or being open if a role was offered.

Leaders also overestimate (by 39%) the proportion of employees looking for other roles within the organization. Only half of the employees surveyed are considering career opportunities within their organizations, suggesting organizations could be more effective at providing pathways for internal mobility and making employees aware of internal opportunities.



Employee loyalty is not a given, it's not something that is magically created. Leaders have a responsibility to build empowering and nourishing cultures where people can find meaning and purpose in their work. This allows organizations to unlock the full potential of their talent as it increases motivation and retention of employees.

- Beth Linderbaum, Ph.D., PCC, SVP North America Delivery at Right Management



# AN UNEXPECTED RELATIONSHIP BETWEEN ENGAGEMENT AND RETENTION

While it's common knowledge that engaged employees are more likely to stay at their organizations, our study found an unexpected relationship between engagement and retention.

Specifically, engagement does not always result in higher intentions to stay at the organization. Only highly engaged employees are more likely to remain at their organizations. **Those who are somewhat engaged were just as likely to leave as disengaged employees.**

This means efforts should focus on bringing somewhat engaged employees to being fully engaged. Failing to bring a high number of employees up to the fully engaged level will result in employees “voting with their feet” as they exit the organization.



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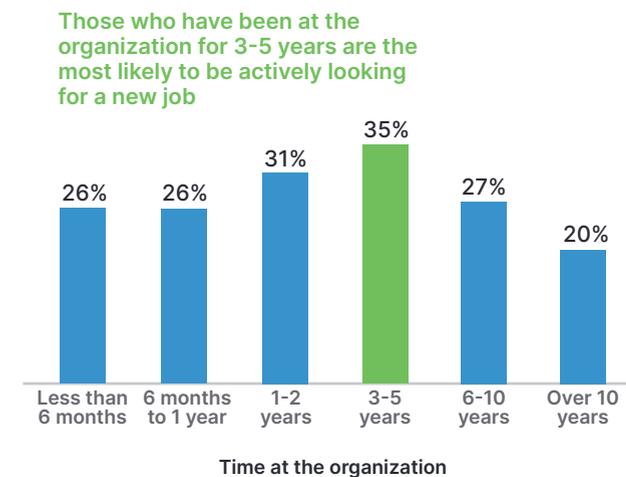
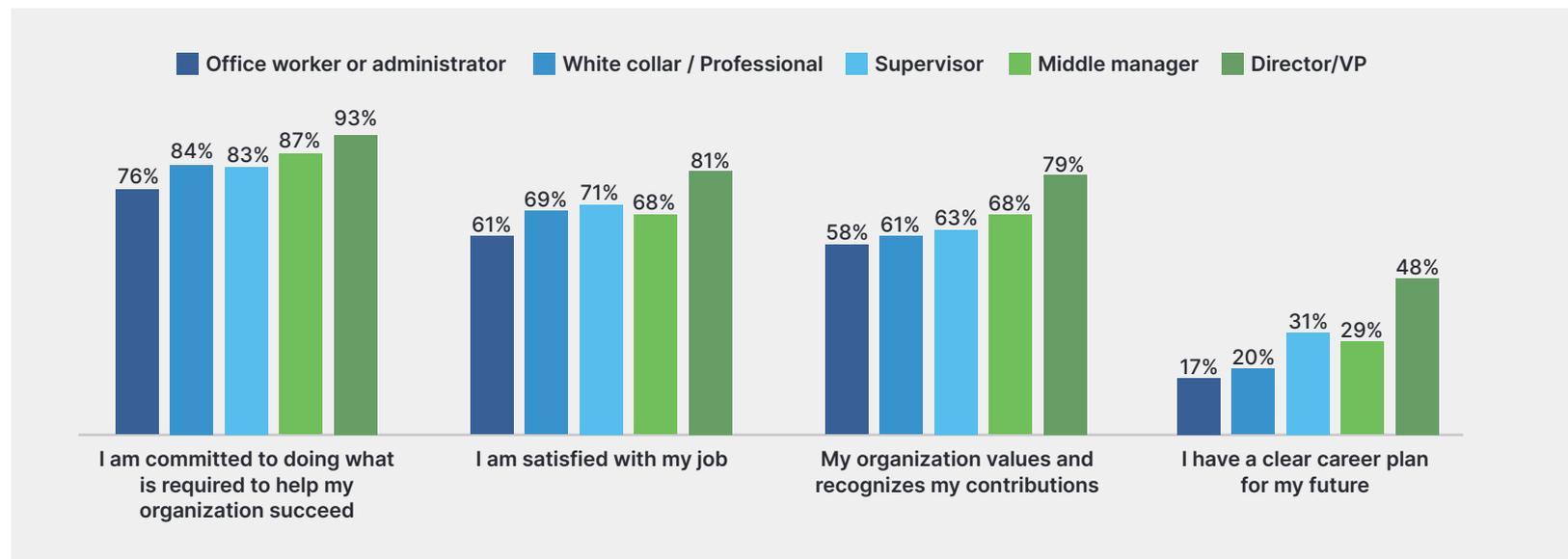
# THE LEAST ENGAGED EMPLOYEE SEGMENT: MIDDLE EMPLOYEES

Breaking down the data uncovers interesting new insights about where the somewhat engaged population exists within the organization. Typically, new hires and senior professionals (e.g., VP and up) are the most engaged, satisfied and loyal employees.

According to Linderbaum, “There are logical reasons for this: new hires tend to be optimistic about their future within the organization, while tenured staff have consciously chosen to stay, are most satisfied with their jobs and, therefore, are content with their trajectories.”

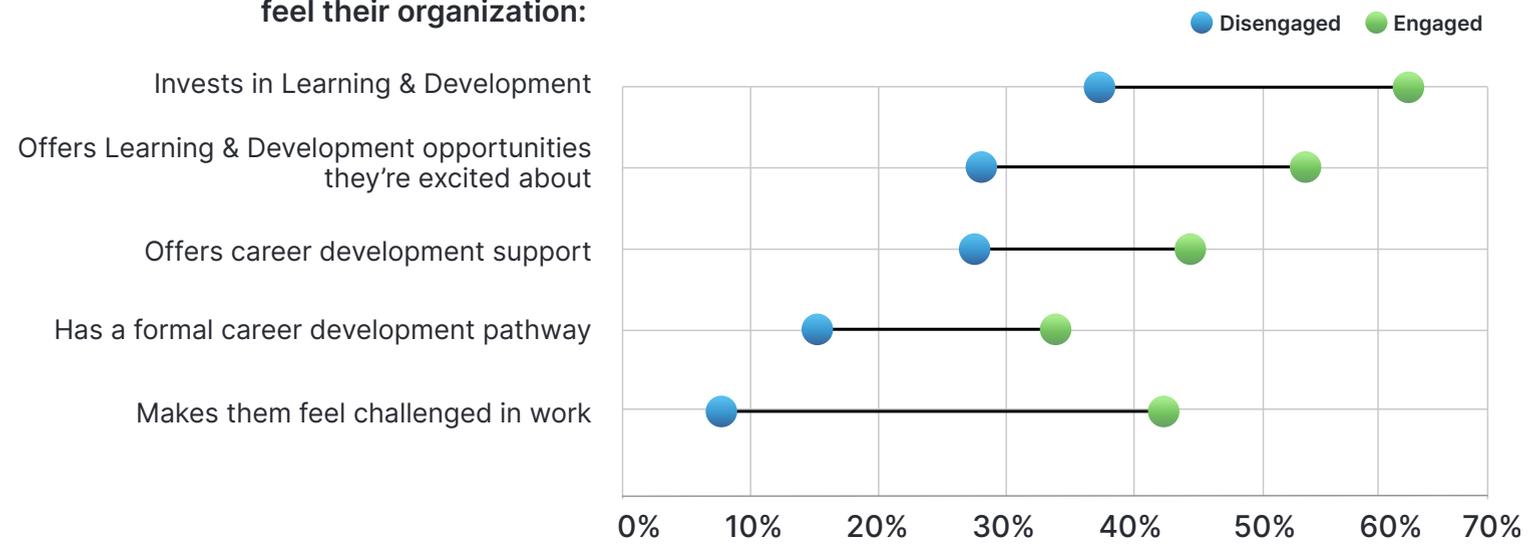
The concern lies with the middle employees—those with three to five years at the organization and fewer than ten years of experience. This group is the least likely to be engaged due to uncertainty over their career paths within the organization. This, in turn, makes them most likely to leave the organization in search of new career and development opportunities.

Van der Mandele notes this dynamic is similar to that of “middle” siblings. “Like firstborn siblings, tenured employees have an established position and are generally reliable performers, while new employees are like the youngest sibling getting all the attention. Meanwhile, the middle siblings frequently end up feeling overlooked.” When it comes to level in the organization, like the longest tenured employees, the most senior seem to be the most content. This suggests a need to focus more on the engagement of employees in middle management or individual contributor roles.



# THE LIGHT AT THE END OF THE TUNNEL: INVESTING IN EMPLOYEE DEVELOPMENT DRIVES ENGAGEMENT

Those who are fully engaged,  
feel their organization:



Fortunately, there is a light at the tunnel for leaders, once they overcome their engagement illusion. There is strong evidence that points to a recipe for leadership to rebuild engagement with their employees and drive long-term loyalty.

Fully engaged people believe that their organization invests in learning, offers exciting educational opportunities, provides career development support, has formal career paths and provides challenging work.

Organizations and their leaders must then meet employees where they are. Specifically, organizations must build, enhance, and reimagine their career development and talent management strategies to mitigate the risks related to medium and low engagement.

# HOW EMPLOYERS CAN MEET TODAY'S EMPLOYEE EXPECTATIONS



Build, enhance, and reimagine career development and talent management strategies to address engagement risk



Hold leadership responsible for driving engagement, productivity and loyalty



Focus attention on the needs of middle employees, 3-5 years tenure, to mitigate risk of disengagement

# CONCLUSIONS AND KEY TAKEAWAYS

The engagement illusion—or the disconnect between leaders’ perceptions and employees’ experiences—has hidden the employee engagement crisis across organizations. Leaders tend to believe employees are engaged, happy, motivated, and loyal, but many often feel the opposite.

Unlike a harmless magic trick, the engagement illusion has real consequences for organizations across North America. With so many leaders unaware of the engagement crisis, believing their current talent and career management strategies are working, organizations today now face a host of risks, including productivity and retention concerns.

**However, the news isn’t all bleak. Employees want to be loyal, engaged and productive; they just need additional support from leadership to meet their needs.** As we have asserted, organizations must prioritize employee engagement with career management and talent development approaches that will drive organizational change, particularly at the middle layer and mid-career levels of the organization.

Leaders need to be held responsible for driving engagement, productivity, and loyalty by meeting workers’ expectations, and critical attention needs to be paid to the “middle” employees (those in the 3-5-year tenure and middle levels of the hierarchy), as they are most at risk of leaving.

We will dive deeper into supporting employees’ careers in forthcoming reports in this series. In the meantime, organizations should keep prioritizing people and the budget to invest in their development. Employees want to keep learning, enjoy their work, feel valued, and know they have a path within their organization. By focusing on these factors, organizations can foster fully engaged employees, thus creating a competitive advantage.



## ABOUT THE REPORT

A global talent development leader for over 40 years, Right Management is pleased to continue our tradition of delivering data-driven insights to clients with our State of Careers reports. We teamed up with Reputation Leaders to deliver insights on the state of careers across North America. Our aim is to help HR executives and industry leaders make actionable and informed business decisions to ensure their employees grow and organizations thrive.

This report, the first installment in our series, is based on an independently commissioned survey conducted in January 2024 of 401 leaders and 1,002 employees across the United States and Canada. Right Management's proprietary State of Careers research provides new insights into critical workforce questions to keep organizations competitive in the long run.

In this report, we determined engagement based on responses to a series of 10 questions including dimensions such as satisfaction, belonging, and commitment to their organization. Fully engaged individuals were those who strongly agreed with at least 3 of the 10 statements. Somewhat engaged individuals strongly agreed with 1-2 statements. Disengaged individuals did not indicate strong agreement with any of the questions.

Leaders estimated engagement by responding to the same questions on behalf of their organization. Those who strongly agreed with at least 3 of the 10 statements were considered to have an organization that is fully engaged, leaders strongly agreeing with 1-2 statements were considered to have somewhat engaged organizations, and organizations were considered disengaged when leaders did not indicate strong agreement with any of the questions.

## ABOUT THE STUDY'S PARTICIPANTS

- 401 leaders; 1,002 employees
- 75% from the United States; 25% from Canada (weighted)
- All from companies with more than 1,000 employees

All from a mix of industries including IT, Financial and Business Services, and Manufacturing

## CONTRIBUTORS

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Watch for our next installment of our State of Careers research in which we will dive deeper into what employees are asking for and how to invest smartly in addressing those needs. [GET OUR LATEST REPORT.](#)



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