

# THE ENGAGEMENT FALLACY



Why Employee  
Engagement Fails to Drive  
Real Business Outcomes  
(and What Does Instead)



# The Integral Index

Since 2021, in partnership with The Harris Poll, we have conducted an annual study of more than 2,000 U.S. employees to better understand the conditions that shape **their mindset, perceptions and experience, and the behaviors that drive success.**



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## FOREWORD

One of the reasons we launched the Integral Index was a growing dissatisfaction with the idea that engagement surveys could fully explain the tension that exists beneath the numbers.

Engagement matters. But this year's findings suggest our concern was warranted. Engagement alone does not tell us enough about the environments employees actually experience or the behaviors those environments produce.

Employees can appear highly engaged while simultaneously describing workplaces characterized by distrust and corrosive behavior. They can care deeply about their work while quietly feeling trapped in it. Organizations can mistake engagement itself as evidence of health while overlooking the conditions shaping how employees actually behave.

At a moment when organizations and employees alike are searching for greater stability, trust and predictability, that distinction matters.

We do not experience our working lives as dashboards or KPIs. The world of work is experienced through relationships with colleagues and managers, communications in every direction and the policies that form community boundaries, both real and imagined. What employees experience at work ultimately shapes the behaviors their employers depend on most: effort, commitment and a willingness to stand behind the organization.

As a CEO, I find it encouraging that these conditions are neither mysterious nor fixed. Leaders can strengthen them intentionally by listening carefully, communicating honestly and building organizations people actively choose, not merely endure.

Six years of the Integral Index and more than 12,000 employee respondents over that time have informed this body of work. Now it's time to put it into practice.



– Ethan McCarty  
CEO and Founder

METHODOLOGY: Conducted February 3-18, 2026



Gathered input from a representative sample from the U.S. workforce.



Data weighted to census by age, gender, race/ethnicity, region, education, marital status, household size, employment status (full/part-time) and household income

2,006

full-time American employees.



Excludes those working at organizations with fewer than 100 employees

95%

Significance testing at 95% confidence level

Base sizes (n) are reported unweighted. Significance was tested on unweighted data, and differences are significant at the 95% confidence level (though many are  $p < .001$ ). Composite measures classify a respondent as HIGH at an average of 3.41 or above. For attitudinal measures the LOW group is everyone below that threshold unless otherwise noted. For the two behavioral measures, Supportive Environment and Corrosive Environment, HIGH is the top-two box and LOW is the bottom-two box, because a predicted behavior is either expected or not. Economic model not produced by The Harris Poll.

What we  
experience at  
work predicts  
the behaviors  
that foster success.



## WHAT THIS REPORT IS ABOUT

Most workplace research measures sentiment. This study examines the conditions shaping workplace behavior.

These findings move beyond how employees score their workplace to examine the dimensions that matter most: trust, culture, candor, commitment and organizational performance itself.

Because what employees experience at work ultimately decides what organizations become.

A blurred photograph of several people walking through a modern office space. The background features a wall with a clock and large glass windows. The overall scene is dimly lit, creating a professional and dynamic atmosphere.

The future of work  
will not be determined  
by engagement scores.

Workplace behavior is far more predictable than many leaders assume. Trust, manager activation, freedom to speak up and job concerns aren't soft signals. They are tied to measurable differences in business performance.

Every employer is navigating constant change, AI disruption, economic pressure and declining trust. The conditions inside the workplace are what determine how they hold up under that pressure.



The organizations best positioned for the future will not necessarily be those with the highest engagement scores.

They will be the ones most intentional about the conditions shaping their own behavior.





# **SECTION 1** Key Findings

## KEY FINDINGS: OVERVIEW

1. Engagement is a lousy predictor of employee behaviors.

2. Five conditions are linked to what employees do.

3. Managers are essential but support for them is being cut.

4. All job concerns coincide with predicted negative workplace behavior.

5. Trust changes the experience of change.

6. Poor conditions carry a price tag, and good ones get a dividend.

# 1.

Engagement is a lousy predictor of employee behaviors.

Three-quarters of employees are engaged. Yet a third of them describe workplaces where they expect destructive behavior from colleagues at triple the rate of their peers.

# 2.

Five conditions are linked to what employees do.

Three lift the workplace up: Manager Activation, Freedom to Speak Up and Trust. Two drag it down: Job Lock and AI Job Concern. Each tracks with predicted workplace behavior by double-digit percentage points.

# 3.

Managers are essential but support for them is being cut.

Manager Activation is associated with a 55-point higher incidence of supportive behavior, more than any other condition in the framework. Yet key forms of manager support in employee communications declined year over year.

# 4.

AI job fear coincides with predicted negative workplace behavior.

Employees who worry AI will replace part or all of their job expect corrosive colleague behavior at 39% versus 10% for employees who don't have that concern.

# 5.

## Trust changes the experience of change.

Where trust in the organization is high, employees feel excited about change at nearly four times the rate of low-trust ones. They are 52 points more likely to say change communication is consistent with the organization's values. Trust magnifies every other condition.

# 6.

Poor conditions carry a price tag,  
and good ones get a dividend.

For a 1,000-person organization, closing the gap between a disengaged workforce and a fully activated one is more than \$11 million/year.

# **SECTION 2**

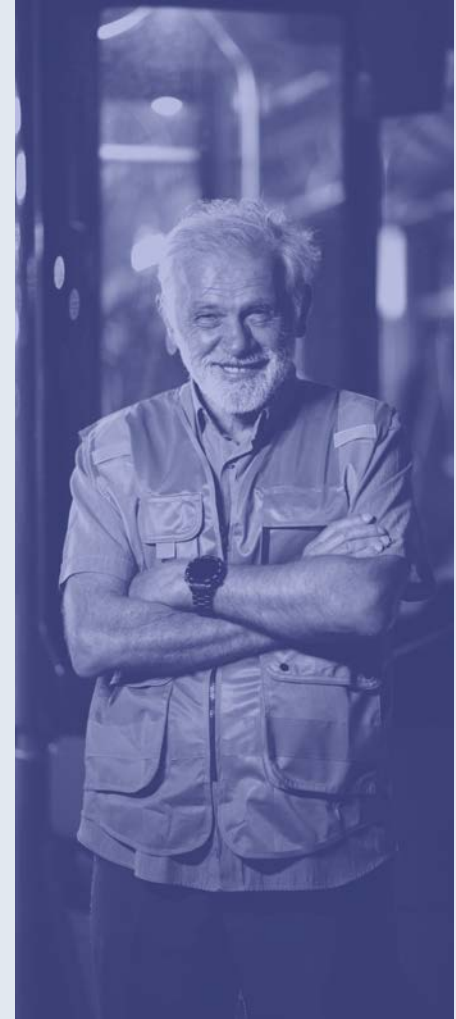
# Definitions

## DEFINITIONS

This study uses terms that refer to a broader concept or a composite of multiple items. This is the vocabulary.

We are defining these up front.

Trust, engagement  
and commitment  
signal a **healthy  
employee experience  
and organization.**



## DEFINITIONS



Respondents rate their organization high across five trust factors:

- › Treats employees fairly and justly
- › Makes important decisions with concern about its employees
- › Can be relied on to keep its promises
- › Takes employee opinions into account in decisions
- › Has the ability to accomplish what it says it will do



Respondents score high across four engagement factors:

- › I am emotionally energized by my work
- › I feel I have a purpose at my work
- › My work is very important to me
- › I'm highly engaged in my organization



When scores like these describe a “high” level (like “high-trust organization”), we use the top-two box level of agreement (i.e., somewhat + strongly agree).



Agrees that people in the organization are likely to stay “even if an equivalent job with equal pay were offered at another organization.”

## DEFINITIONS

Asking about one's own workplace behavior is unreliable because people tend to overstate positive behaviors and understate negative ones (social-desirability bias). We instead assess the workplace environment by asking employees what they expect to see from their colleagues.

### Supportive Environment

Employees expect that their colleagues are likely to:

- Stay with the organization through challenging times
- Go the extra mile for a colleague or client
- Mentor
- Defend the organization if it were faced with a crisis
- Post positive reviews

### Corrosive Environment

Employees expect that their colleagues are likely to:

- Disclose confidential information
- Sabotage the organization
- Not comply with organizational policies
- Warn a candidate that the organization is a bad place to work
- Post negative reviews



Throughout this report, items like bar graphs will use **green to indicate the positive state** (i.e., high trust) and **orange to indicate its opposing negative state** (i.e., low trust).

## DEFINITIONS

Organizational cultures are defined by distinct sets of attributes. We asked employees to choose from lists of terms that, when grouped as they are here, differentiate positive cultures from negative ones.

### Positive Culture

- Always Learning
- Caring
- Collaborative
- Fun
- Innovative
- Purposeful
- Socially Responsible
- Stimulating
- Supportive
- Trusting

### Negative Culture

- Authoritarian
- Bureaucratic
- Disorganized
- Hierarchical
- Micromanaged
- Risk Averse
- Toxic



Notably, we didn't ask about the strength of each cultural quality (like from strongly disagree to strongly agree). We only ask whether one would use it to describe their organization's culture, and respondents could choose as many as they felt applied.

In our analysis, each item is worth one point, and we test the strength of the *correlation* between the number of cultural descriptors (**positive** vs. **negative**) and other constructs, like trust and behaviors.



# **SECTION 3** Engagement

Engagement is the metric most organizations look at. **The trouble is that engagement, on its own, tells you very little about what employees experience or what behaviors surface around them.**

This section argues that activation is the metric that matters. Who looks engaged but isn't? Who's engaged on paper but holding back? The answer should push leaders to rethink what engagement scores are actually telling them.

Most organizations treat engagement as a desired end state.

We treat it as **a precursor** to driving results.



Two lenses on today's employees show engagement is strong, but nearly half feel locked in place by benefits.

Engaged

76%  
of the workforce  
(n=1,586)

Agrees that they are: emotionally energized by their work; feel they have a purpose at their work; their work is very important to them; and are highly engaged in their organization.

Locked in Place by Benefits

47%  
of the workforce  
(n=958)

Agrees that they "would consider leaving [their] current position but [are] afraid to lose benefits like health care coverage."

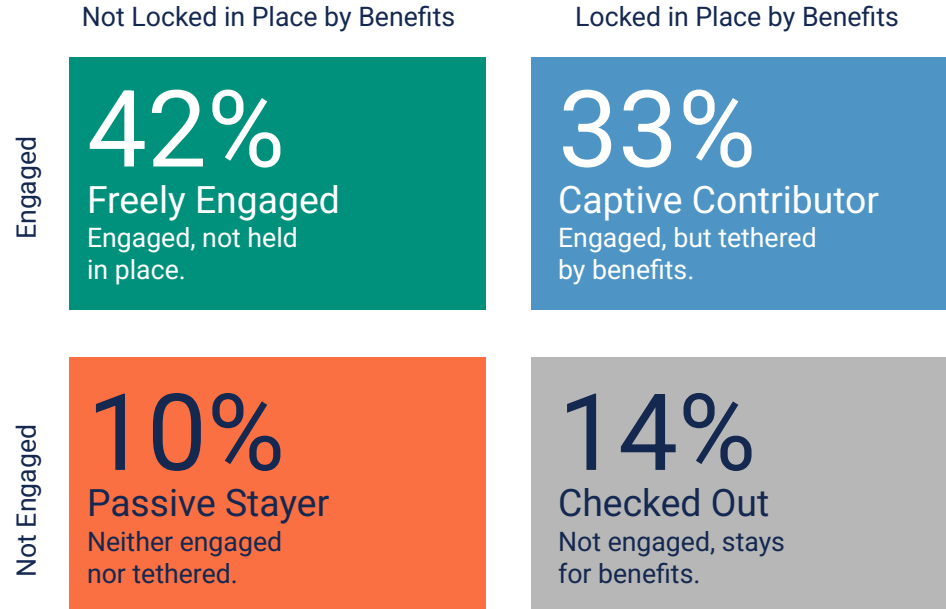
*Engagement is the Q802 R3–R6 composite (emotionally energized; sense of purpose; work is important; highly engaged), five-point agreement scale; high = composite average ≥ 3.41. Locked in Place by Benefits is Q560a R2, top-two box (Strongly/Somewhat agree) on a four-point scale. New in 2026; not trendable.*

## ENGAGEMENT



The overlap between these groups is a warning sign. **One in three employees shows up as engaged but at the same time has one foot out the door.**

This matrix gives us **four archetype cohorts** with distinct characteristics.



Four archetypes: the 2x2 of Engagement (Q802 R3–R6 composite average  $\geq 3.41$ ) by Locked in Place by Benefits (Q560a R2 top-two box). Percentages weighted; counts unweighted. Freely Engaged n=871, Captive Contributor n=715, Checked Out n=243, Passive Stayer n=177.

## ENGAGEMENT

The people in each archetype expect different behaviors in the environment around them. The Freely Engaged intuitively expect a much more Supportive Environment. But the big and important surprise is what staying in the job out of a reluctance to leave does to those expectations.

	n	Supportive Environment	Corrosive Environment
Freely Engaged	871	81%	6%
Captive Contributor	715	73%	38%
Checked Out	243	23%	11%
Passive Stayer	177	18%	14%

# 38%

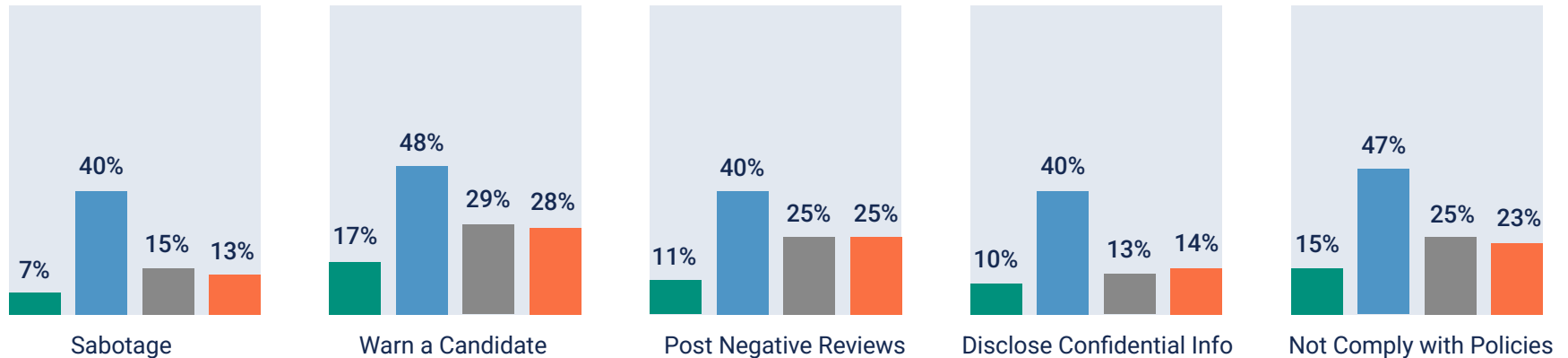
of employees who are Captive Contributors predict a Corrosive Environment, the highest rate of any group and more than **3x higher** than even those who are Checked Out.

*Supportive Environment and Corrosive Environment are Q560 colleague-behavior composites (five-point likelihood scale); high = composite average  $\geq 3.41$ . Supportive: stay through challenges, go the extra mile, mentor, defend in a crisis, post positive reviews. Corrosive: sabotage, warn off candidates, post negative reviews, disclose confidential information, not comply with policies.*

## ENGAGEMENT

Captive Contributors predict negative behaviors at up to 3x the rate of the disengaged. This inverts the conventional assumption. The disengaged don't expect negative behavior. The threat is the environment in which employees care and show up, but would leave if they could. Engagement itself matters less than the conditions around it.

### % WHO PREDICT THIS BEHAVIOR AMONG COLLEAGUES



## ENGAGEMENT

Overall, the sense of purpose and engagement are prevalent while feeling emotionally energized is less so.

### % OF WORKFORCE WHO AGREE

78%

Sense of purpose at my work

76%

My work is very important to me

70%

Highly engaged in my organization

61%

Emotionally energized by my work

*Each item is Q802 R3–R6, top-two box (Strongly/Somewhat agree), five-point agreement scale. Base: all employees, n=2,006.*

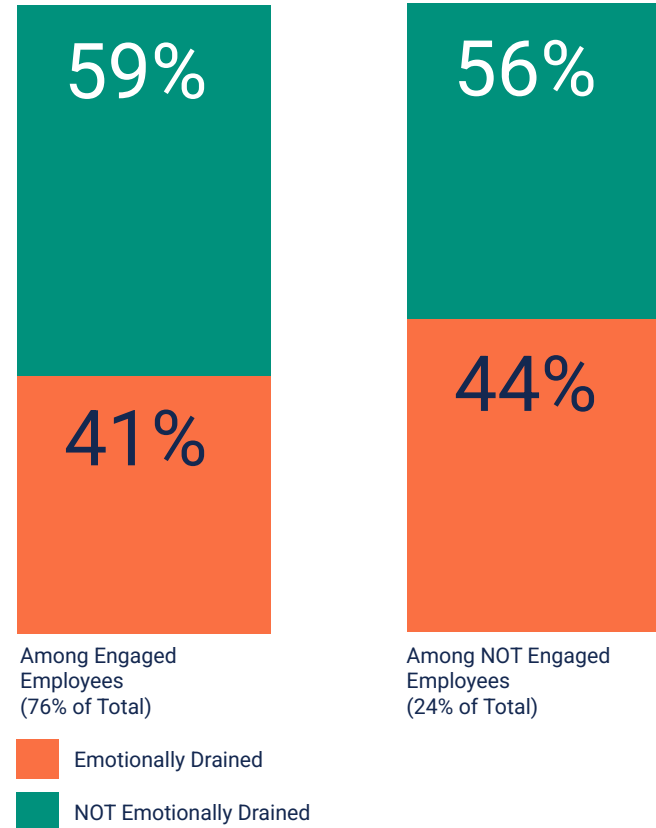


## ENGAGEMENT

While six in 10 are emotionally energized by their work, emotional drain runs about equal regardless of engagement.

Either way, roughly four in 10 employees describe themselves as “emotionally drained” by their work.

*Emotionally Drained is Q802 R7, top-two box (Strongly/Somewhat agree).  
Engagement status by drain status; the difference between engaged (41%)  
and not engaged (44%) is not statistically significant.*



# Engagement is the beginning, not the endpoint.

People can love their work and still feel trapped by it.

The overlap between engagement and feeling locked in place by benefits suggests employee experience is more complicated than most organizational metrics allow. Employees who are engaged but economically tethered describe corrosive workplace behaviors at more than three times the rate of their freely engaged peers. That is not just a cultural warning sign. It is an operational and financial one.

Employees experience organizations as systems, not surveys. When trust and psychological safety erode, those conditions eventually surface in workplace behavior regardless of engagement scores. Organizations mistaking engagement for organizational health risk overlooking the conditions ultimately linked to talent retention, trust, advocacy and performance.

The cost of getting this wrong is real and measurable. So is the opportunity created when employees actively choose to stay, contribute and stand behind the organization itself.



## EMPLOYEES EXPERIENCE ORGANIZATIONS AS SYSTEMS, NOT SURVEYS.

### Questions leaders should ask:

What factors contribute to our best employees' decision to remain with us?

What is the cost of retaining employees through fear or stagnation rather than commitment?

What opportunities might we unlock when employees actively choose to stay?

# SECTION 4

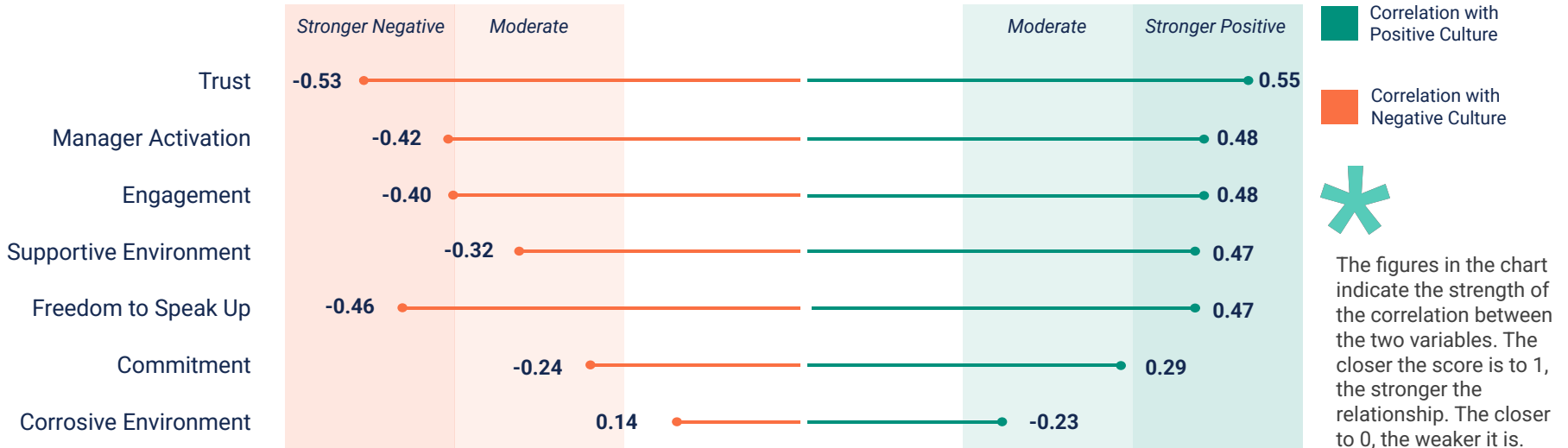
# Culture

**Engagement** tells you how employees feel.  
**Culture** tells you how their workplace actually works.

This section shows how culture drives trust, retention and the everyday behaviors employees expect from their colleagues.

# Every outcome moves with culture. Trust moves the most.

Positive cultures are strongly linked to higher trust and negative cultures have a similarly strong relationship with a lack of trust. When trust goes up, cultures tend to be better.



Pearson correlations between the count of positive and negative culture descriptors (Q540) and each outcome. Composites (five-point scales, average  $\geq 3.41$ ): Trust (Q541 R1–R5), Manager Activation (Q801 R1–R9), Engagement (Q802 R3–R6), Supportive Environment (Q560 R1, R2, R5, R8 + Q556 R1), Corrosive Environment (Q560 R9, R10, R13, R14, R19). Single items (top-two box): Freedom to Speak Up (Q541 R10), Commitment (Q560 R20). Coefficients weighted. Base: all employees,  $n=2,006$ .

# Culture is not a vibe. It's behavior made visible.

Employees describe culture through what they experience around them: whether people collaborate, speak candidly, support one another and trust the organization. This year's findings show strong relationships between culture, trust, manager activation and the freedom to speak up. Those conditions move together because employees experience organizations as systems, not slogans.

That has real implications for leaders. Organizations often talk about culture aspirationally while operational systems reinforce something entirely different. Employees notice the gap quickly. Over time, the behaviors an organization tolerates become the culture employees describe.

The encouraging news is that culture is measurable and highly responsive to leadership behavior. Organizations that reinforce trust, clarity, candor and manager effectiveness are far more likely to create environments employees actively contribute to and defend.




## THE BEHAVIORS AN ORGANIZATION TOLERATES BECOME THE CULTURE EMPLOYEES DESCRIBE.

### Questions leaders should ask:

What behaviors does our culture actively reinforce?

Are our stated values consistently experienced across the organization?

What behaviors do our systems unintentionally reward?



**SECTION 5**  
The Five  
Conditions  
Framework

## THE FIVE CONDITIONS FRAMEWORK

THREE RELATE TO A MORE POSITIVE EMPLOYEE EXPERIENCE

Manager  
Activation

Freedom to  
Speak Up

Trust

These five conditions show a consistent and substantial relationship with relevant outcomes, demonstrating the tremendous power of employee experience.

TWO TRACK WITH A WORSE ONE

Job  
Lock

AI Job  
Concern

This report identifies five conditions that shape how the workplace operates. These first three **are linked to a positive employee experience.**

## Manager Activation

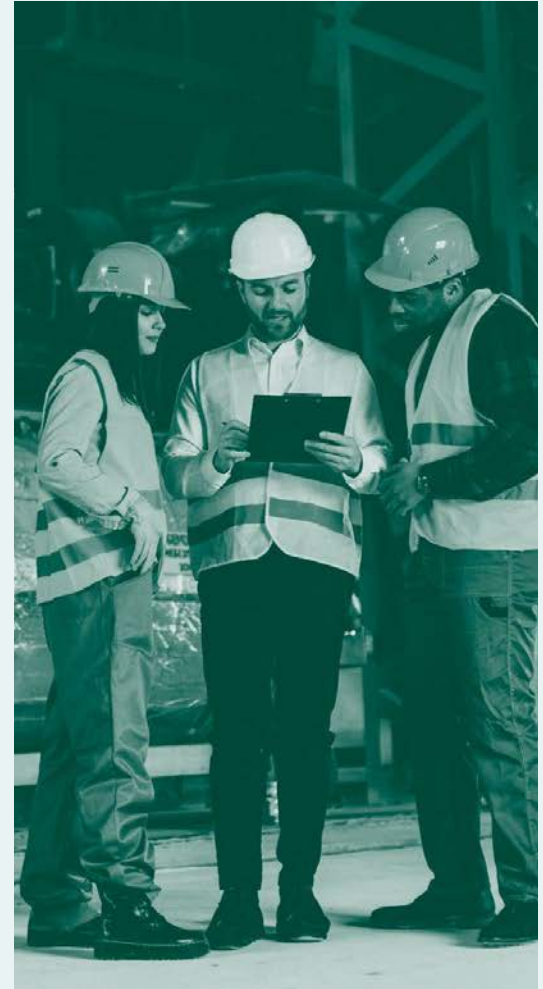
My direct manager clearly explains what work needs to be done; offers details on employee evaluation; encourages work efforts; supports professional development; shows concern for employee welfare; talks about purpose, values and culture; makes me feel my work matters; understands organizational strategy and direction; and explains organizational change and how it affects my role.

## Freedom to Speak Up

Agree that they “feel safe speaking up about problems or mistakes without fear of negative consequences.”

## Trust

Agree that the organization: treats employees fairly and justly; makes important decisions with concern for employees; can be relied on to keep its promises; takes the opinions of employees into account on decisions; and has the ability to accomplish what it says it will do.



## These two **track with a worse one.**

### Job Lock

Agrees that they “would consider leaving my current position but am afraid to lose benefits like health care coverage.”

*The documented notion of “job lock” was introduced in 1994 by health care economist Brigitte Madrian, whose research found that dependence on employer-provided health coverage appears to suppress employees’ willingness to move.*

### AI Job Concern

Agrees that they are “worried AI will replace part or all of my job.”



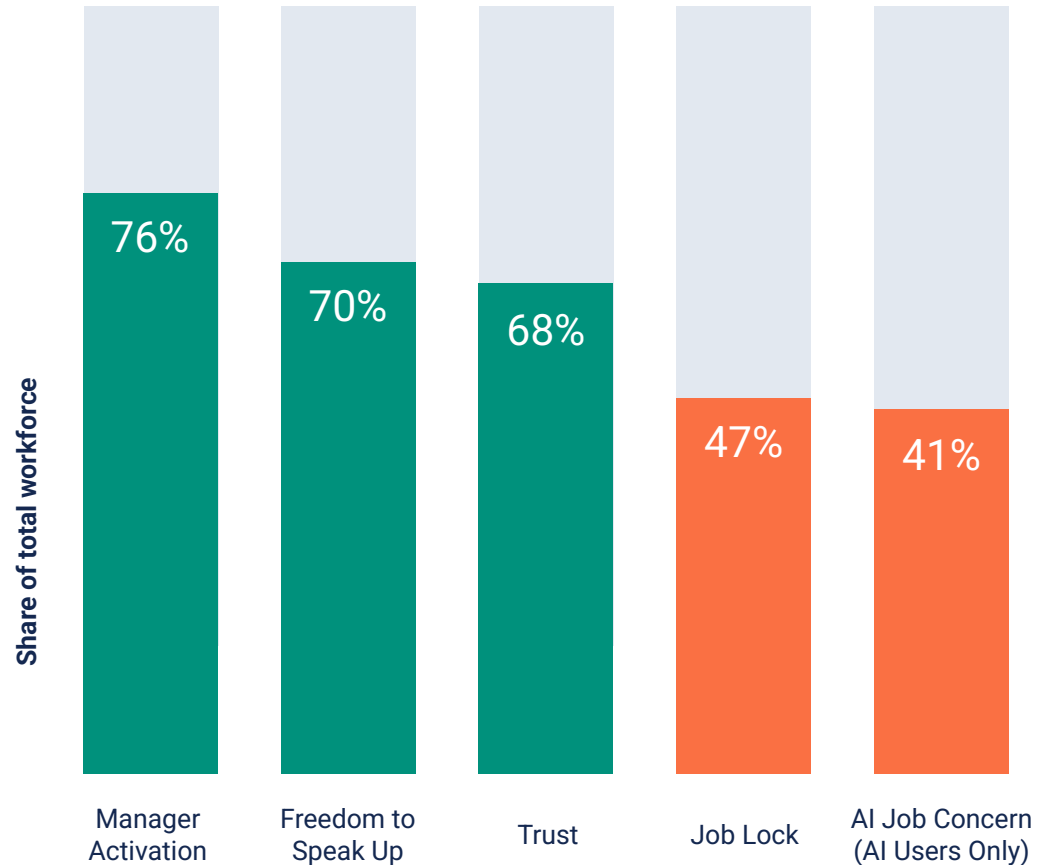
# THE GOOD NEWS

• Every condition we identify as problematic is **addressable**.

## THE FIVE CONDITIONS FRAMEWORK

Each of the five conditions contains a subset of the workforce with real implications.

Most employees receive **strong enablement** from their manager and **feel free speaking up**. Yet a significant portion would **consider leaving** and **fears AI** is coming for their job.

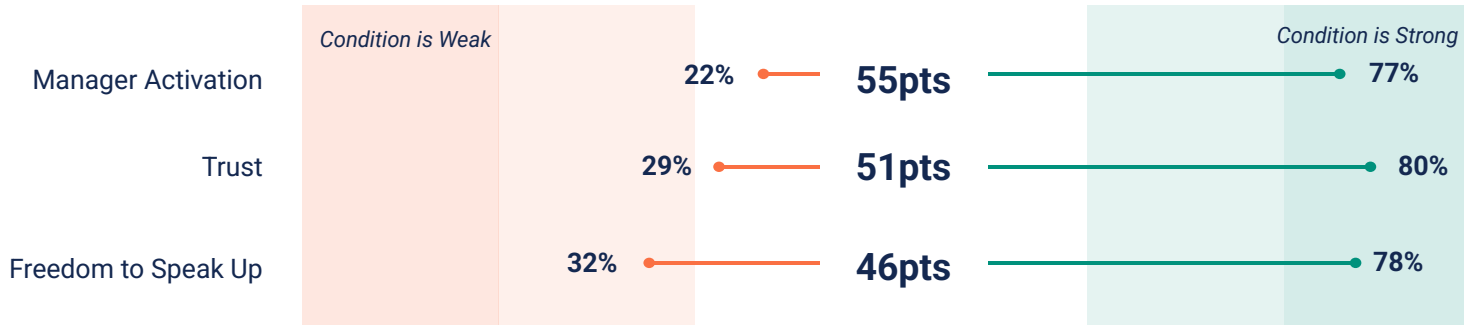


*Workforce prevalence of each driver at the high level: Manager Activation (Q801 R1–R9 composite average  $\geq 3.41$ ), Freedom to Speak Up (Q541 R10 top-two box), Trust (Q541 R1–R5 composite average  $\geq 3.41$ ), Job Lock (Q560a R2 top-two box), AI Job Concern (Q550a R21 top-two box). Base: all employees,  $n=2,006$ , except AI Job Concern, which uses the AI-user subset,  $n=1,456$ .*

Each condition moves with predicted behaviors.

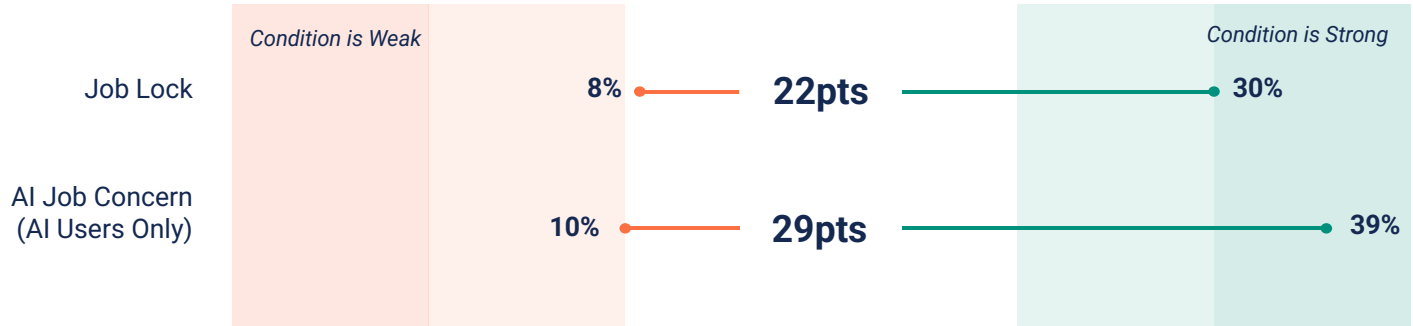
Employees with highly activated managers are 55 points more likely to be in a Supportive Environment.

% OF EMPLOYEES PREDICTING A SUPPORTIVE ENVIRONMENT



# AI Job Concern has the strongest association with prediction of a Corrosive Environment.

SHARE OF EMPLOYEES IN A CORROSIVE ENVIRONMENT



Bars show the share of employees high on the Corrosive Environment composite at the low-driver position (orange) and the high-driver position (green). For the behavioral composites, high = top-two box (average  $\geq 3.41$ ) and low = bottom-two box (average  $\leq 2.59$ ).

## THE FIVE CONDITIONS FRAMEWORK

Our four archetypes show that while the Freely Engaged and Captive Contributor are both “engaged,” the latter consistently experiences lower levels of the positive conditions and by far the highest score on AI Job Concern.

% HIGH ON EACH CONDITION BY ARCHETYPE GROUP	Manager Activation	Trust	Freedom to Speak Up	AI Job Concern (AI Users, n=1,456)
Freely Engaged	92%	86%	85%	26%
Captive Contributor	85%	77%	77%	<b>59%</b>
Checked Out	34%	29%	32%	39%
Passive Stayer	36%	23%	35%	40%



We omitted the fifth condition (Job Lock) as it is duplicative; it already applies to the Captive Contributor and Checked Out.

*Share of each archetype scoring high on each of four conditions (composite average  $\geq 3.41$ , or top-two box for single-item measures). AI Job Concern uses the AI-user base. Job Lock is omitted because it defines one axis of the archetype matrix.*

# Workplace behavior is more predictable than most leaders think.

The most important finding in this framework is not that employee experience matters. Most leaders recognize that.

It's that a small number of workplace conditions consistently predict the behaviors organizations say they want more of and the ones they fear most. Some conditions raise supportive workplace behaviors by more than 50 percentage points. Others sharply increase corrosive behaviors tied to distrust, disengagement and organizational risk.

That changes the leadership question. The challenge is no longer whether culture affects performance. It is whether leaders are intentionally managing the conditions producing the behaviors they see every day.

Among the five conditions we measured, Manager Activation has the strongest positive association with supportive behavior. AI Job Concern has the strongest association with corrosive behavior. Organizations that ignore those realities will continue mistaking symptoms for causes.




## THE STRONGEST POSITIVE ASSOCIATION IN THE FRAMEWORK IS MANAGER ACTIVATION.

### Questions leaders should ask:

Which conditions most influence behavior in our organization today?

Where do fear and uncertainty quietly shape our workplace dynamics?

Have we designed our employee experience intentionally or inherited it accidentally?



# **SECTION 6** Manager Activation

CONDITION 1 OF 5

Manager Activation is the largest single lever in the framework. When direct managers are activated, employees describe **dramatically different workplaces.**

This section breaks down what activation looks like across nine manager behaviors, the relationship it has with commitment, trust and supportive behavior, and where the biggest gaps show up.

It also carries a warning: while this lever is strong, the support managers get to pull it has eroded.

“

My manager recently gave me feedback...that completely changed how I view my leadership style...

It felt like an investment in my future rather than a criticism of my past.

- Millennial male in technology

”



# 76%

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The percentage of the American workforce that reports **strong** Manager Activation



## THE FIVE CONDITIONS: MANAGER ACTIVATION

Three-quarters of employees have managers who perform well across nine measures of activation.

The strongest scores cluster around encouragement and clear explanations.

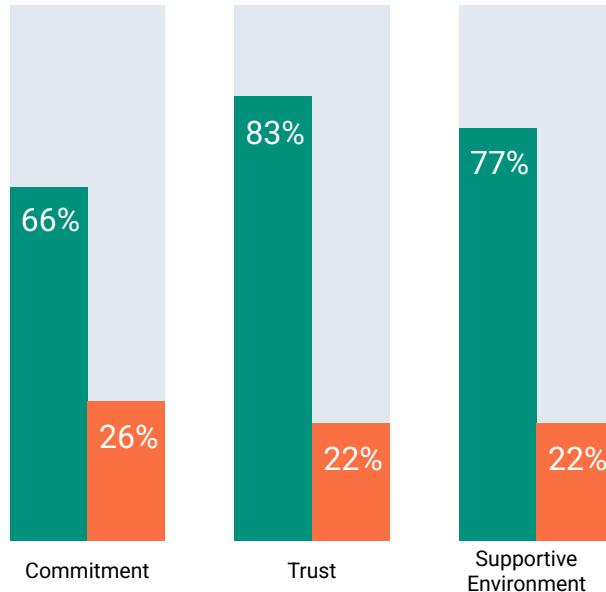
*Manager Activation is the Q801 R1–R9 composite ("My direct manager...", nine items, five-point agreement scale); high = composite average  $\geq 3.41$ . Item-level bars show top-two box (Strongly/Somewhat agree). Base: all employees, n=2,006.*

### % WHO AGREE ABOUT THEIR MANAGER



## THE FIVE CONDITIONS: MANAGER ACTIVATION

Manager Activation tracks with huge lifts to every positive factor, affirming direct managers' essential role.



# +55pts

The percentage point increase in expected supportive colleague behaviors when Manager Activation is high.

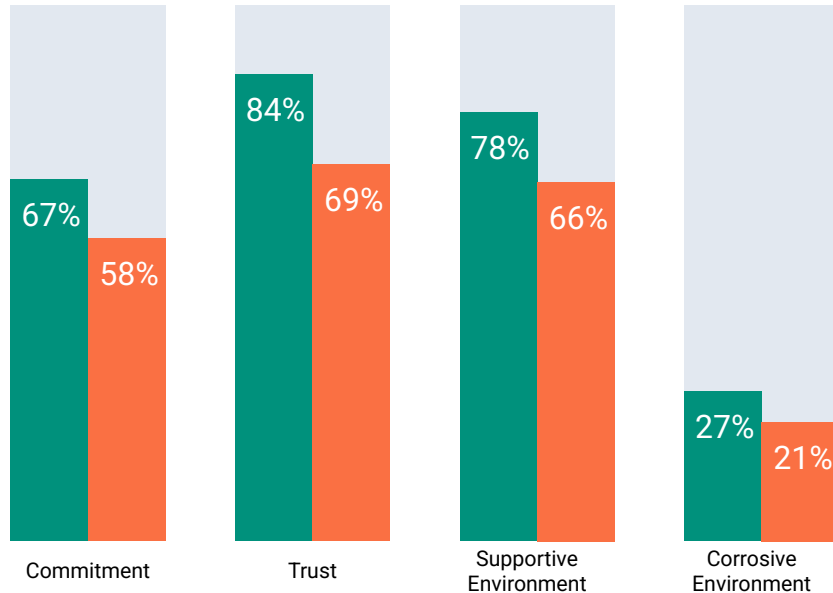
*Gap between Manager Activation high (composite average  $\geq 3.41$ ) and low employees on each outcome. Commitment: Q560 R20 top-two box. Trust: Q541 R1-R5 composite. Supportive Environment: Q560 + Q556 composite.*

■ Manager Activation HIGH (n=1,519)

■ Manager Activation LOW (n=487)

## THE FIVE CONDITIONS: MANAGER ACTIVATION

Managers who received training in employee communications report more positive outcomes.



“

The managers barely explained why the change was happening or what was expected from us. That left everyone confused and frustrated, making the change feel stressful rather than motivating.”

- Millennial male in construction

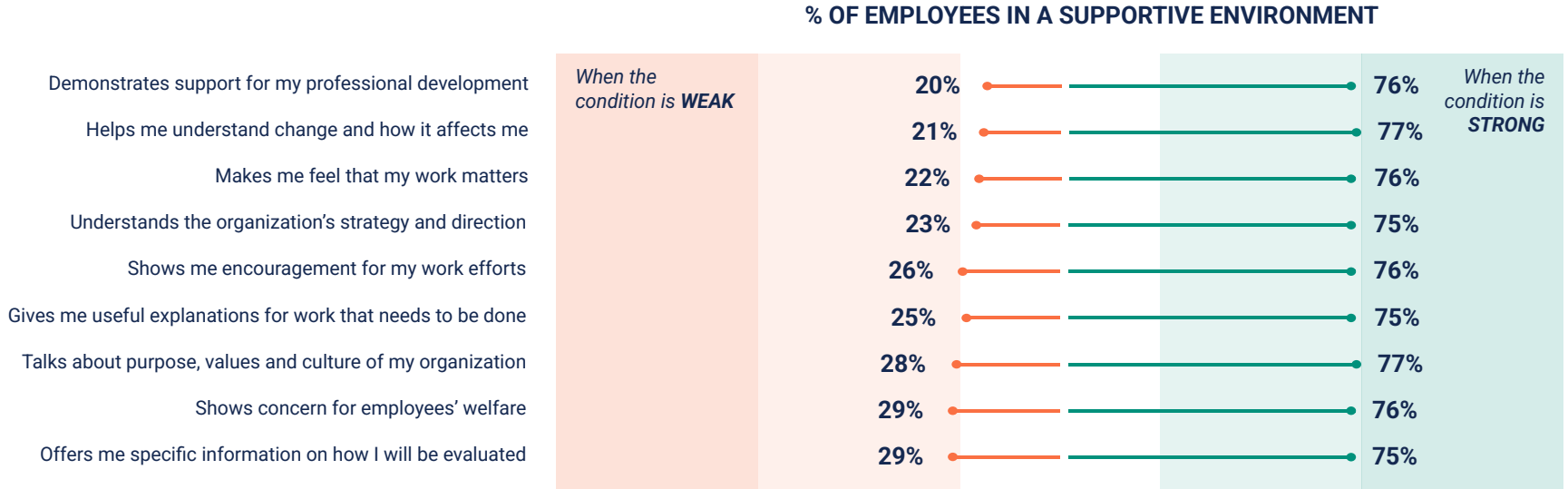
*Managers only (Q456 1-3). Trained = "Yes" on Q900 R1 (received training in employee communications), compared with untrained managers.*

■ Manager Who Received Training (n=724)

■ Manager Who Did Not Receive Training (n=642)

## THE FIVE CONDITIONS: MANAGER ACTIVATION

All nine manager behaviors correspond with a rise in employee perceptions of a Supportive Environment. The two biggest relate to nurturing one's professional future.



For each Q801 manager-behavior item, the percentage-point difference in the Supportive Environment high rate between employees in the top-two box (Strongly/Somewhat agree) and the bottom-two box (Strongly/Somewhat disagree).

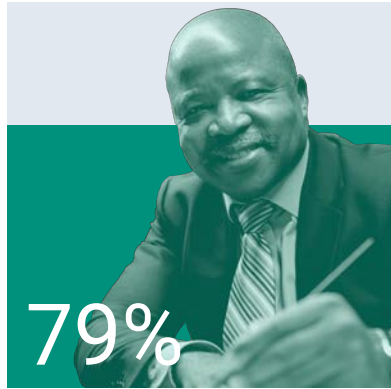
## THE FIVE CONDITIONS: MANAGER ACTIVATION

The more senior you are, the more likely it is that you have an activated manager. The spread from top to bottom is an opportunity (and a liability if left unaddressed).

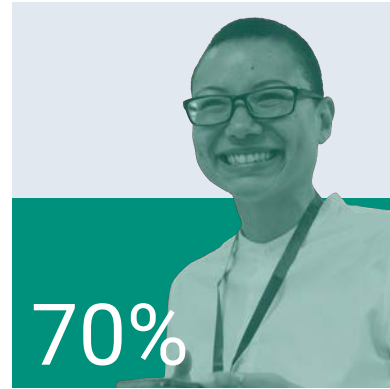
### % WHO REPORT HIGH MANAGER ACTIVATION



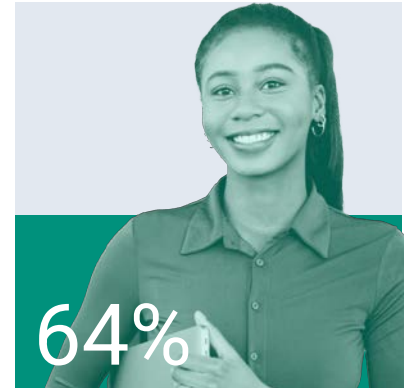
Top/Senior Managers  
(n=496)



Middle Managers  
(n=619)



Frontline Managers  
(n=251)



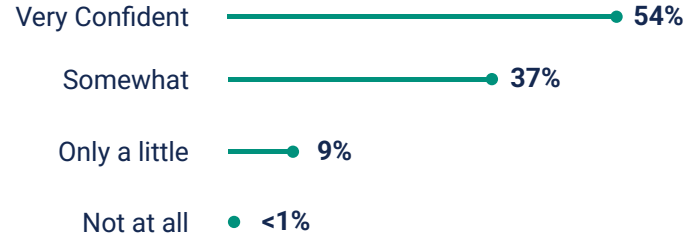
Non-Managers  
(n=640)

## THE FIVE CONDITIONS: MANAGER ACTIVATION

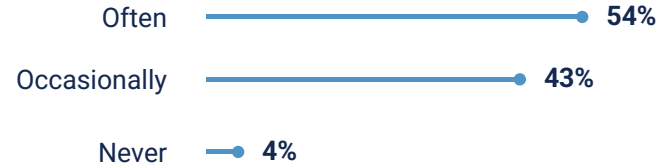
Most managers feel ready to deliver. Only half say they actually have what they need.

On both confidence and information access, only about half of managers operate at the highest level. The other half sits in the middle range with less confidence and are relatively less often armed with the right information.

### MANAGER CONFIDENCE TO DELIVER ORGANIZATIONAL MESSAGES



### MANAGER GIVEN ENOUGH INFORMATION TO DELIVER WELL



## THE FIVE CONDITIONS: MANAGER ACTIVATION

Senior managers often have what they need. The managers closest to employees don't.

Confidence holds reasonably steady across the management ranks. Information access doesn't. Middle and frontline managers, who reach the bulk of the workforce, are operating with materially less.

### MANAGER CONFIDENCE TO DELIVER ORGANIZATIONAL MESSAGES

Confident delivering message

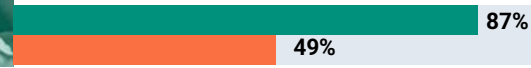
Often given enough information



Top/Senior Managers (n=496)



Middle Managers (n=531)



Frontline Managers (n=194)

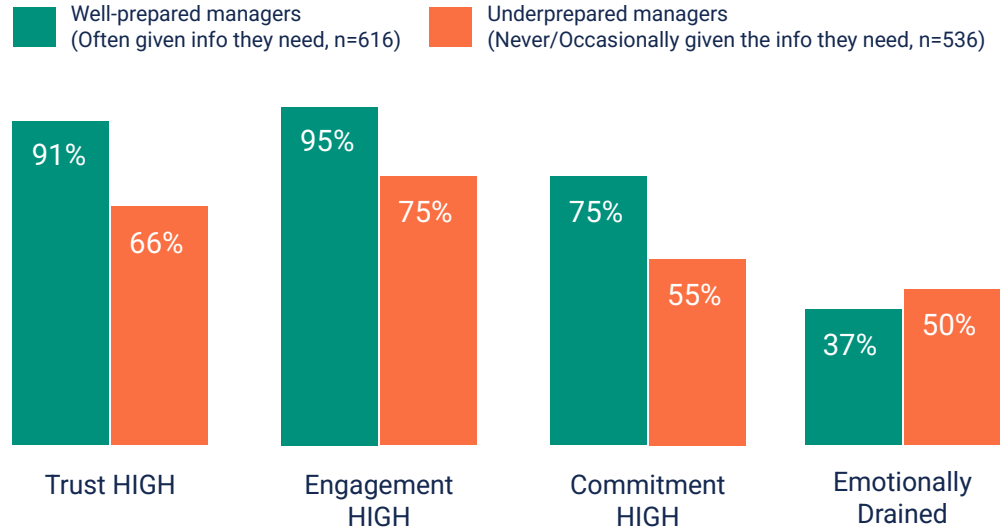


Q918a top-two box (Somewhat/Very confident) and Q915 "Often given enough information," by management level (Q456). Base: managers asked to deliver messages (Q456 1-3 and Q910 2-3).

## THE FIVE CONDITIONS: MANAGER ACTIVATION

When managers get the information they need, every condition tends to be stronger.

Well-prepared managers describe a fundamentally different organization. Higher trust. Higher engagement. Higher commitment. Less drain.

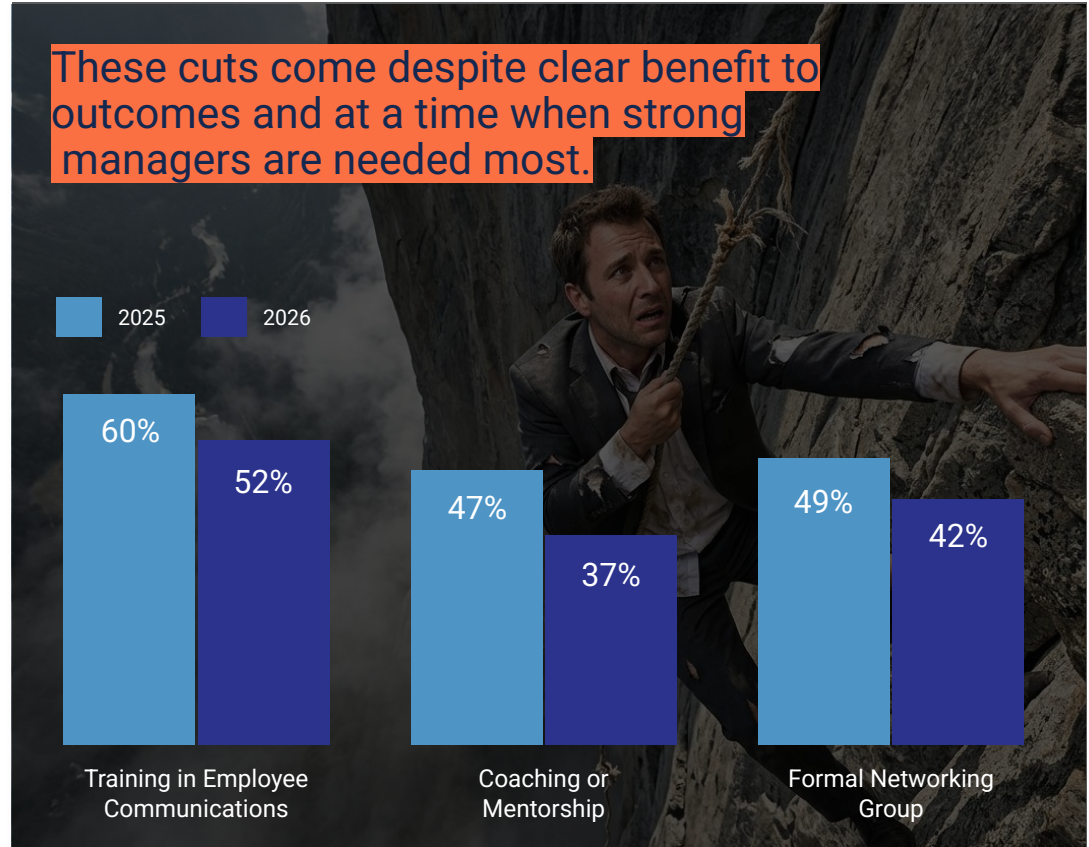


**25pts** gap in Trust between well-prepared and underprepared managers.

## THE FIVE CONDITIONS: MANAGER ACTIVATION

Key forms of support that managers get to improve their employee communications eroded since last year.

*Q900, multi-select among managers (Q456 1–3) on forms of preparation received. 2025 figures from the 2025 wave (managers n=1,281); 2026 figures from the current wave (managers n=1,366). Direct year-over-year comparison; no methodology change on Q900.*



# Selecting and enabling managers can't be a hobby or side hustle.

The oldest failure in management is also the most expensive: promoting the best individual contributor and handing them a team. No preparation. Minimal support. A training budget treated as discretionary, which, per this year's data, is exactly how it's been treated. Every form of manager support declined since last year.

The cost of getting this wrong shows up in commitment. Employees with weak managers report less than half the commitment of those with strong ones: 26% vs. 66%.

The upside is equally concrete. Organizations where managers perform well see 77% of employees predicting supportive colleague behaviors, versus 22% where managers fall short. Retention tends to be stronger, productivity higher and the employer brand less of a liability.

The gap isn't uniform. Senior leaders have enabling managers 91% of the time. Non-managers: 64%. The people closest to your customers and your risk are the least supported by a significant margin.

Manager Support isn't an HR program. It's an infrastructure decision.

## THE OLDEST FAILURE IN MANAGEMENT IS ALSO THE MOST EXPENSIVE.



### Questions leaders should ask:

When you promoted your best managers, what did you give them beyond the title?

Do your managers feel prepared to lead through change? Would you want to know if they didn't?

You've invested in AI to improve productivity. Have you invested equally in the managers who determine whether anyone uses it?



# **SECTION 7** Freedom to Speak Up

CONDITION 2 OF 5

“

I have not spoken up because I watched what happened to others that did.”

- Gen X female in retail



Freedom to Speak Up is a question of whether employees feel safe raising problems and mistakes without fear of consequences. It is psychological safety in concentrated form.

This section shows how widespread it is, who feels it most and least, and the dramatic shifts that happen when it is high.

The pattern is consistent: **where employees can speak up, almost everything else improves.**



# 70%

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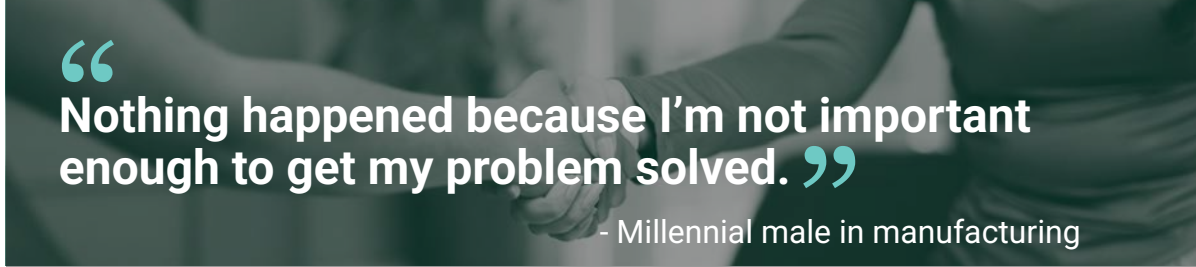
The percentage of the American workforce who agree they feel safe speaking up about problems or mistakes at work without fear of negative consequences

## THE FIVE CONDITIONS: FREEDOM TO SPEAK UP

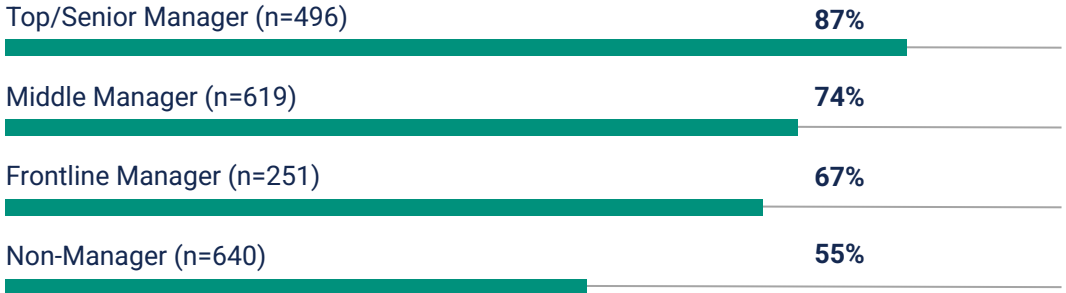
Seven in 10 American employees feel safe speaking up at work.

Seniority correlates with candor; the closer one sits to power, the safer the truth feels.

*Freedom to Speak Up is Q541 R10, top-two box (Strongly/Somewhat agree to "I feel safe speaking up about problems or mistakes without fear of negative consequences"), five-point agreement scale.*

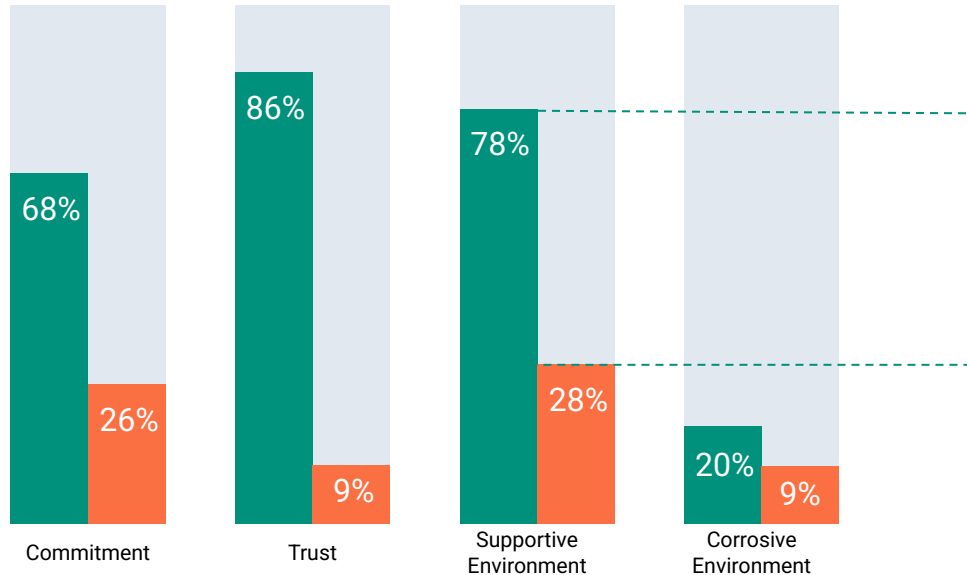


### % WITH FREEDOM TO SPEAK



## THE FIVE CONDITIONS: FREEDOM TO SPEAK UP

Freedom to Speak Up has a strong relationship with positive conditions. Trust is the biggest beneficiary while the share of employees predicting a Supportive Environment moves significantly, as well.



# +50pts

The percentage point gap in expected supportive colleague behaviors when Freedom to Speak Up is high vs. low.

*Freedom to Speak Up high (Q541 R10 top-two box) versus low (bottom-two box).*

Freedom to Speak Up  
HIGH (n=1,396)

Freedom to Speak Up  
LOW (n=233)

## THE FIVE CONDITIONS: FREEDOM TO SPEAK UP

# Freedom to speak up goes hand-in-hand with everything else.

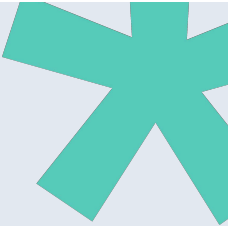
Most organizations say they want candor. Far fewer create conditions where employees believe speaking their mind is actually safe.

The freedom to speak up is one of the clearest predictors of organizational health within our entire framework. Employees who feel safe raising problems, mistakes and concerns report dramatically higher levels of trust, commitment and supportive workplace behavior.

The inverse is costly. When employees believe speaking honestly carries risk, organizations lose visibility long before they lose performance. Problems surface later. Trust deteriorates quietly. Employees learn to manage perception instead of reality. The operational cost of silence is difficult to measure precisely, but leaders experience it every day through preventable turnover, failed change efforts, slow decision-making and unmanaged risk.

The gap is especially visible across levels of seniority. The closer employees are to power, the safer the truth tends to feel. Organizations cannot adapt effectively when the people closest to customers, operations and risk feel least safe speaking freely.

Candor is not cultural decoration. It is operational infrastructure. Organizations that strengthen psychological safety are more likely to identify problems earlier, navigate change more effectively and sustain trust when circumstances become difficult.



## **CANDOR IS NOT CULTURAL DECORATION. IT IS OPERATIONAL INFRASTRUCTURE.**

### **Questions leaders should ask:**

What happens here when employees raise uncomfortable truths?

What risks become invisible when employees decide silence is safer than honesty?

In what systems are we investing leadership time, attention and budget to ensure we're listening safely and at scale?

# SECTION 8

# Trust

CONDITION 3 OF 5

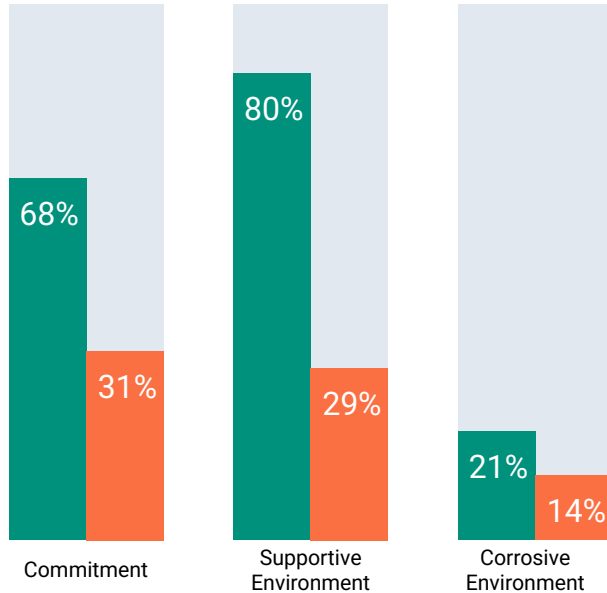
THE  
**INTEGRAL**  
**INDEX**



Trust is the multiplier. **When employees trust their organization, every other condition strengthens.** When they don't, every other condition deteriorates.

This section unpacks the five items that make up the trust composite and what happens to commitment, behavior and engagement at high and low levels. Trust is the condition that magnifies the effect of everything else.

When employees trust their organization, Commitment more than doubles and a Supportive Environment is 2.75x as likely.



# 51 pts

The percentage point increase in expected supportive colleague behaviors when Trust is high.

*Trust is the Q541 R1-R5 composite (treats employees fairly; makes decisions with concern for employees; keeps promises; takes opinions into account; able to deliver on what it says), five-point agreement scale; high = composite average  $\geq$  3.41.*

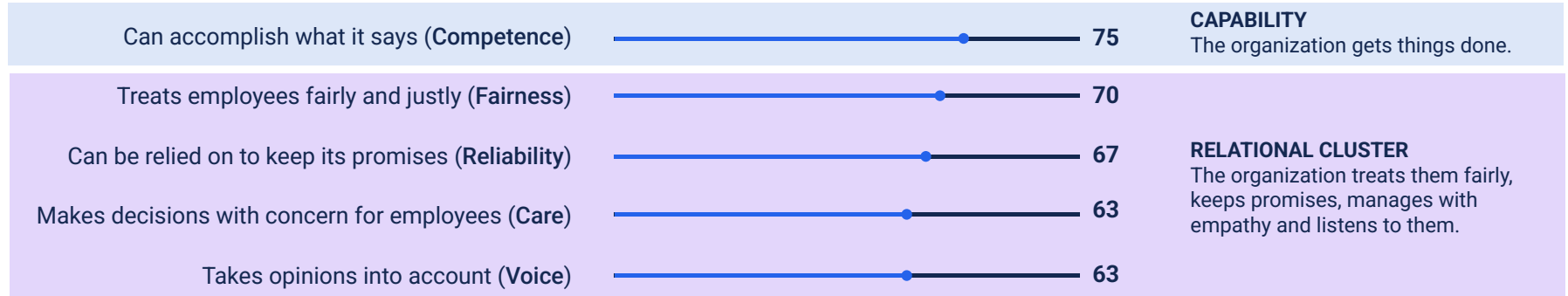
Trust HIGH (n=1,370) Trust LOW (n=636)

# Employees trust their organization's capabilities more than its character.

Trust isn't monolithic. Across the five items that make up the composite, employees are most likely to say their organization can accomplish what it sets out to do. They're less likely to say it listens to them, keeps its promises or makes decisions with them in mind.

**% AGREEMENT ON TRUST COMPOSITE ITEMS**

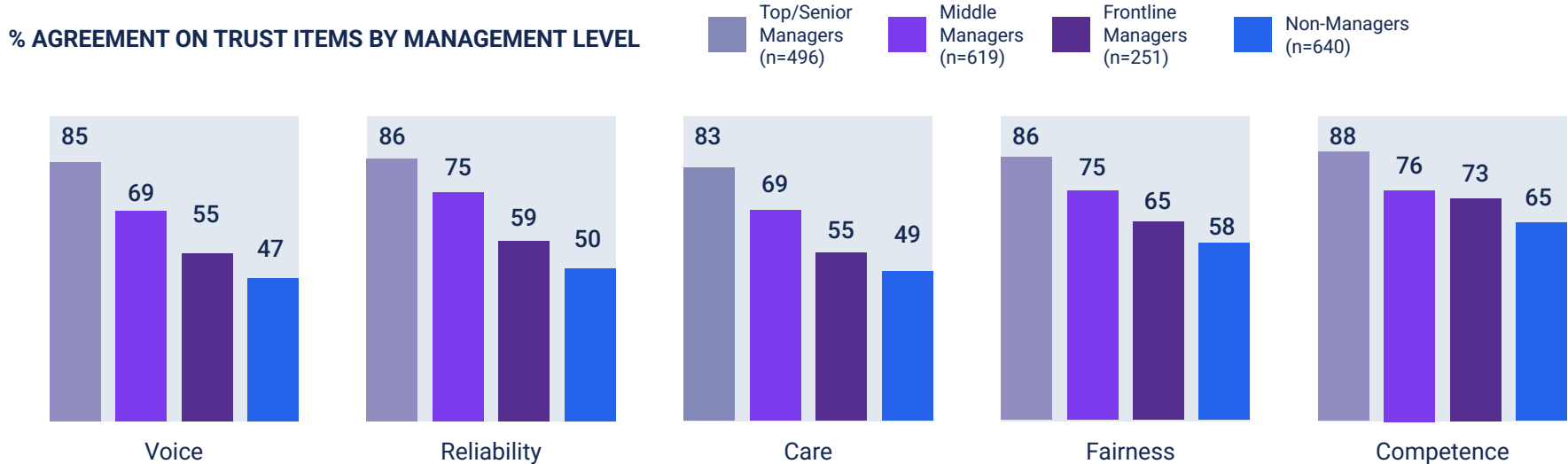
The 12-point gap between competence (75%) and voice (63%) is the shape of trust in 2026: employees trust what the organization does more than how it treats them.



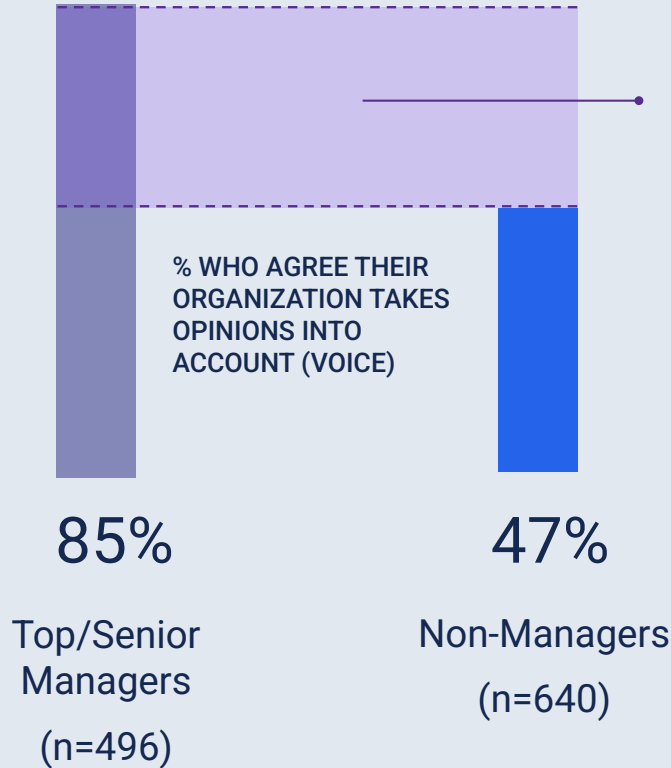
## THE FIVE CONDITIONS: TRUST

# The trust cliff is steep.

Trust drops on every dimension as you move down levels in the organization. But the drop is sharpest on the relational dimensions: Voice, Reliability and Care. Senior managers describe an organization that listens and keeps its word. Non-managers describe one that doesn't.



## THE FIVE CONDITIONS: TRUST



# 38pts

Gap on Voice between Top/Senior Managers (85%) and Non-Managers (47%).

While seniority does relate to the influence one has in the organization, the size of this gap reveals how much Non-Managers feel their voices are not being heard.

## THE FIVE CONDITIONS: TRUST

# Trust multiplies everything else.

Trust is not a cultural accessory. It is the condition that determines whether employees believe the organization means what it says.

Employees in high-trust organizations report dramatically stronger commitment and more supportive workplace behaviors. When trust declines, nearly every other condition in the framework weakens alongside it.

Trust is not monolithic. Employees trust what their organization can do more than how it treats them. Competence scores 12 points higher than voice. Organizations are seen as capable. They are less often seen as fair, reliable or listening.

Importantly, employees evaluate trust behaviorally. Through fairness, consistency and whether the organization's decisions align with stated values.

Trust compounds. So does distrust.



## TRUST COMPOUNDS. SO DOES DISTRUST.

### Questions leaders should ask:

What behaviors in our organization strengthen trust and which erode it?

Do employees experience leadership decisions as consistent with our stated values?

What becomes more fragile when trust declines?

# SECTION 9

# Job Lock

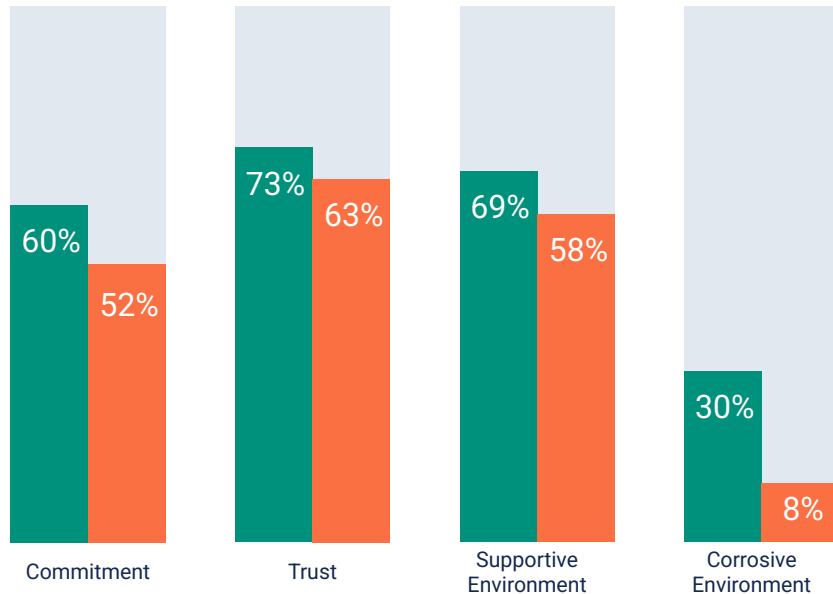
CONDITION 4 OF 5

**Job Lock is the condition at the center of the engagement fallacy.** Nearly half of employees would consider leaving their job but are afraid to lose benefits like health care. They come to work and many look engaged. But the workplace they describe is fundamentally different from that of their freely engaged counterparts.

This is the data behind that claim. It is also the reason organizations should stop treating engagement as the destination.

## THE FIVE CONDITIONS: JOB LOCK

The Job Locked group sees a darker picture than their peers. The greatest difference? They expect to see more corrosive colleague behaviors.



# 22pts

The percentage point increase in expected corrosive colleague behaviors when the employee is Job Locked.

*Job Locked is Q560a R2, top-two box, compared with not job locked across four outcome composites.*

■ Not Job Locked  
(n=1,048)

■ Job Locked  
(n=958)

## THE FIVE CONDITIONS: JOB LOCK

Job Locked employees predict far more corrosive behaviors.

23pts

The average gap in percentage points on expected corrosive behaviors between those who are locked in place by benefits and those who are not.

*Q560 R9, R10, R13, R14, R19 ("How likely are people in your organization to do each of the following?"; five-point likelihood); top-two box = Somewhat/Extremely likely. Job Locked = Q560a R2 top-two box.*

### % OF EMPLOYEES WHO PREDICT COLLEAGUES WOULD TAKE THIS ACTION




## Job Lock is a warning sign.

It changes the workplace in ways engagement scores alone cannot explain.

Employees who stay because they feel unable to leave report dramatically higher prediction of corrosive workplace behavior, including sabotage, policy noncompliance and warning others away from the organization. Employees can look engaged while simultaneously feeling stuck.

That creates real organizational risk. Retention driven by fear, uncertainty or dependency may stabilize headcount temporarily while quietly weakening culture, trust and performance underneath. Leaders who mistake job lock for loyalty risk mistaking endurance for commitment.

The strategic opportunity for leaders is not simply retaining employees longer. It is creating conditions employees actively choose to stay within.



## LEADERS WHO MISTAKE JOB LOCK FOR LOYALTY RISK MISTAKING ENDURANCE FOR COMMITMENT.

### Questions leaders should ask:

Why do our engaged employees really stay here?

What behaviors emerge when our people feel trapped rather than committed?

What is the hidden cost of retaining employees through fear or stagnation rather than trust and opportunity?

# SECTION 10

# AI Job Concern

CONDITION 5 OF 5

AI Job Concern has the **strongest single association with a corrosive environment** in the framework. Employees who worry AI will replace part or all of their job predict very different colleague behavior from those who don't.

This section looks at who is most worried, what their organizations are getting right and wrong on AI, and why that worry surfaces in workplace behavior the way it does.

It is the condition that turns an abstract anxiety into a measurable workplace effect.



41%

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The percentage of the American workforce that uses AI in their work and worries that it will replace part or all of their job.

## THE FIVE CONDITIONS: AI JOB CONCERN

Younger employees are more likely to fear replacement by AI, possibly because they expect to remain in the workforce long enough for it to happen.

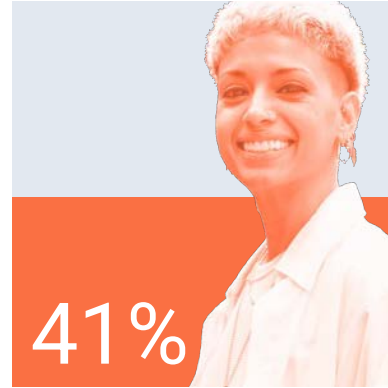
### % OF AI USERS CONCERNED ABOUT AI DISPLACEMENT BY GENERATION



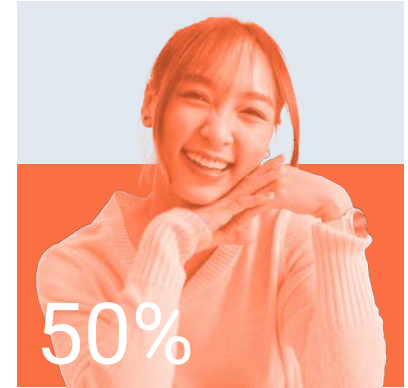
Boomers+  
(n=149)



Gen X  
(n=468)



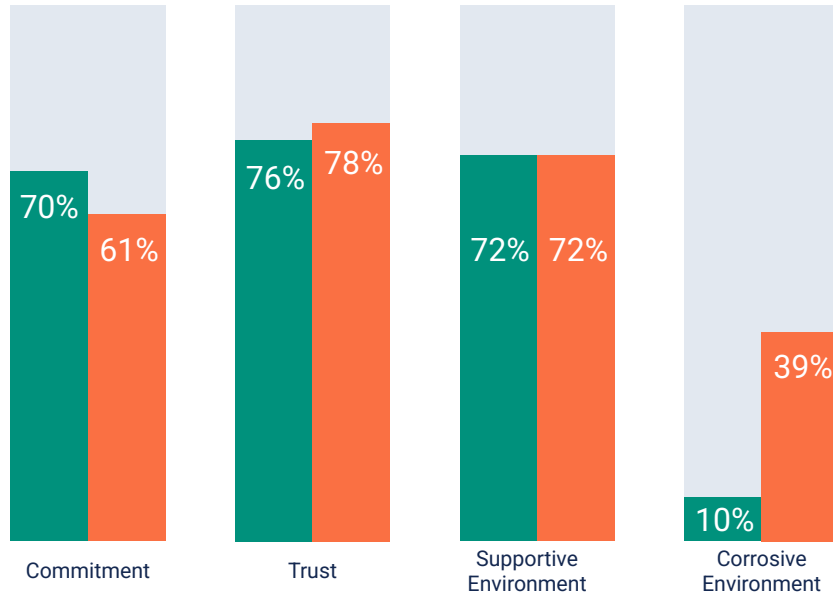
Millennials  
(n=688)



Gen Z  
(n=151)

## THE FIVE CONDITIONS: AI JOB CONCERN

AI Job Concern shows the strongest association with prediction of negative behaviors.



# 29pts

The percentage point increase in expected corrosive colleague behaviors when the employee is concerned about AI job displacement.

*AI Job Concern high (Q550a R21 top-two box) versus low (bottom-two box). Respondents selecting "neither agree nor disagree" were excluded from the High and Low groups. Base: AI users, n=1,456.*

AI Job Concern LOW  
(n=600)

AI Job Concern HIGH  
(n=585)

# AI Job Concern is already affecting workplace behavior.

AI anxiety is not a future workforce issue. Employees already feel its effects inside the workplace.

Counterintuitively, the employees closest to AI are often the most concerned about its long-term implications. The more employees understand what AI can do, the more likely some believe it could eventually replace part or all of their role.

That concern has measurable workplace effects. Employees worried about AI displacement report dramatically higher expectations of corrosive workplace behavior, including distrust, disengagement and policy noncompliance. Fear changes how employees experience the organization around them.

Importantly, this is not an argument against AI adoption. Most employees who use AI remain optimistic about its potential. The tension emerges when organizations move faster on technological transformation than they do on communication, trust and workforce transparency.

Leaders who treat AI only as a productivity strategy risk creating fear-based workplace dynamics that weaken collaboration, commitment and trust. Meanwhile, the leaders who communicate clearly, involve employees honestly and create pathways for adaptation are more likely to realize AI's upside without amplifying its organizational cost.



## AI ANXIETY IS NOT A FUTURE WORKFORCE ISSUE.

### Questions leaders should ask:

How clearly are we communicating the role AI will play in our workforce?

What fears are employees feeling in the absence of transparency?

How might we invest as intentionally in trust and adaptation as we invest in technology itself?



# **SECTION 11** Change Communications

Change is the steady state of American work in 2026. **Two-thirds of employees experience major organizational change at least every year or two.**

When change happens, what makes the difference between employees who adapt and those who don't?

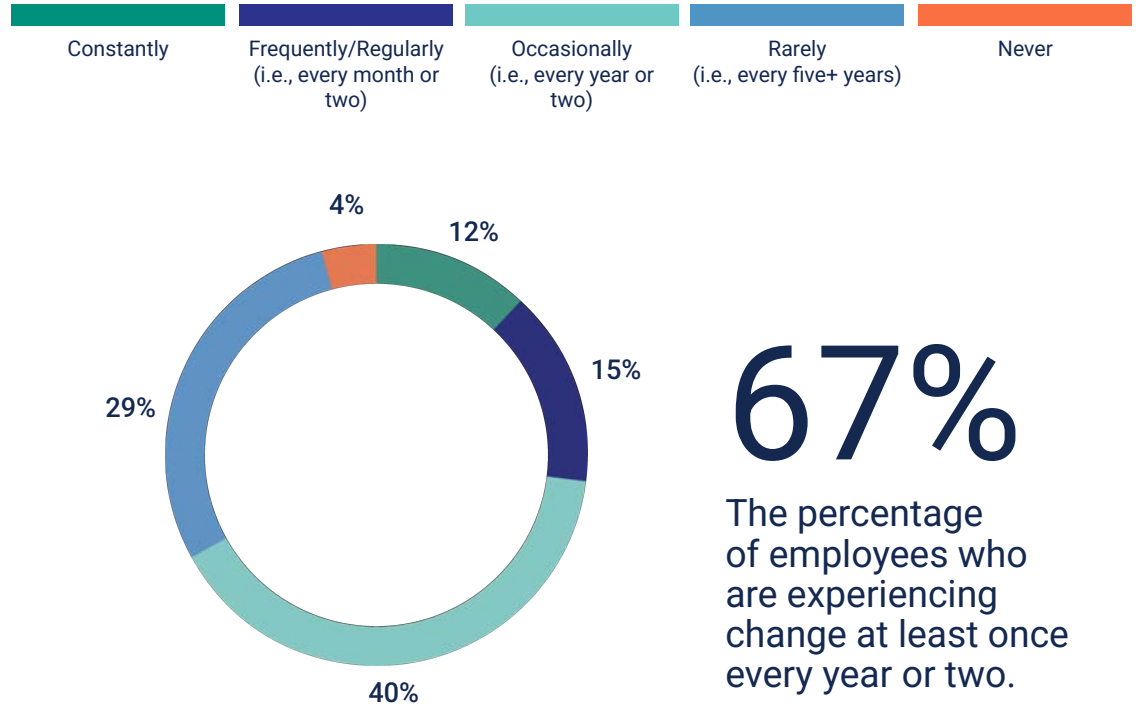
The answer points back to the conditions. High-trust employees feel excited about change at nearly four times the rate of their low-trust counterparts. When change communication is consistent with stated values, employees describe the experience entirely differently.

Change is the test of the conditions. It is also the test of how well leaders communicate them.

Two-thirds of employees are experiencing change regularly, making transformation a veritable steady state.



In our survey, "change" is defined as referring to "things like reorganizations/restructuring, mergers and acquisitions, culture change, leadership changes, layoffs, etc."

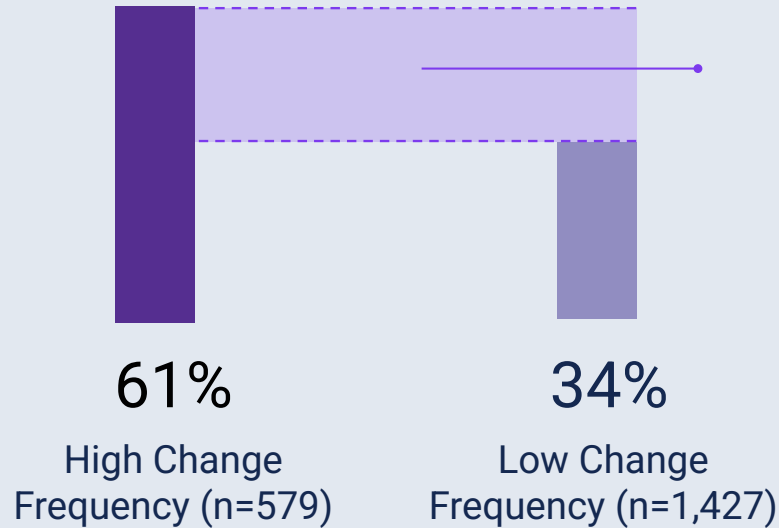


67%

The percentage of employees who are experiencing change at least once every year or two.

Those who experience the most change are more likely to report feeling emotionally drained by their work.

% OF EMPLOYEES WHO AGREE THEY FEEL EMOTIONALLY DRAINED



27pts

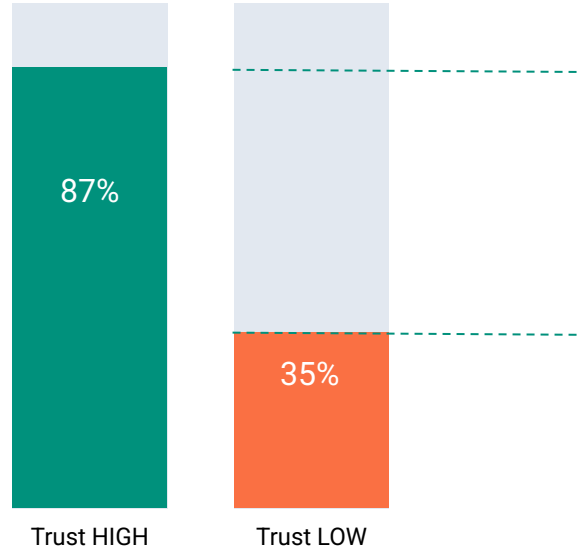
The percentage point gap in emotional drain between those in high versus low frequency change organizations.

*"High Change Frequency" includes respondents who selected "frequently/regularly" or "constantly, on an ongoing basis."*

## CHANGE COMMUNICATIONS

When trust is high, employees are ~2.5x as likely to say change communications are consistent with organizational values.

### % SAYING CHANGE COMMUNICATIONS ARE CONSISTENT WITH ORGANIZATION'S VALUES



# 52pts

The percentage point increase between high and low trust employees who say change communications are consistent with organizational values.

*Change-communications consistency is Q448 R2, top-two box (Strongly/Somewhat agree to "Communications about change at my organization are consistent with the organization's values"). Trust high/low per the Trust composite.*



**Note:** The question on whether change communications are consistent with values was not asked of respondents who reported their organization "never" undergoes change.

# 33pts

The gap between senior managers and non-managers regarding whether change communications are consistent with values.



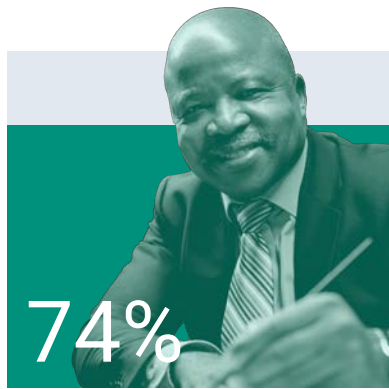
## CHANGE COMMUNICATIONS

Once again, hierarchy matters. The more senior you are, the more likely you are to feel change communications align with organizational values.

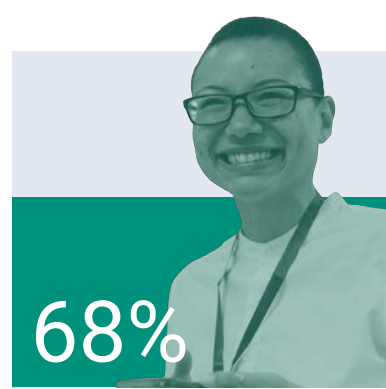
### % SAYING CHANGE COMMUNICATIONS ARE CONSISTENT WITH ORGANIZATION'S VALUES



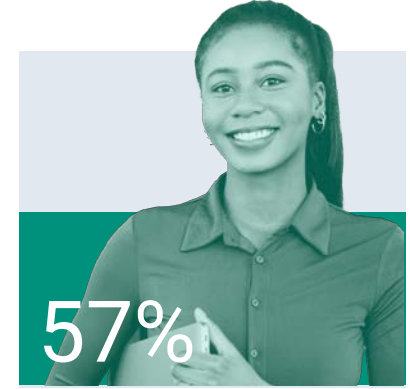
Top/Senior Managers  
(n=488)



Middle Managers  
(n=607)



Frontline Managers  
(n=248)

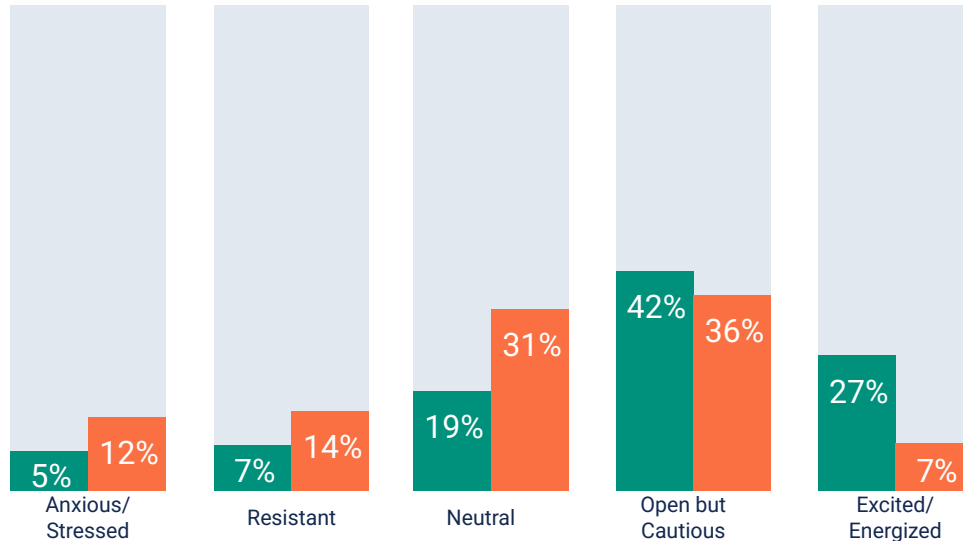


Non-Managers  
(n=604)

Q448 R2, top-two box, by management level (Q456). Base: employees whose organization undergoes change, n=1,947 (never-change excluded).

Trust changes the emotional response to change. High-trust employees feel excited/energized about change at nearly four times the rate of low-trust ones.

% OF EMPLOYEES WHO SAY THEY FEEL THIS WAY ABOUT CHANGE



# 20pts

The gap between high- and low-trust employees on whether they feel excited or energized by change.

Q438b: "How do you typically feel when significant changes happen at your work?" (anxious/stressed, resistant, neutral, open but cautious, excited/energized; mutually exclusive). Trust high (Q541 R1-R5 composite average  $\geq 3.41$ ) versus low.

Trust HIGH  
(n=1,332)

Trust LOW  
(n=593)

## CHANGE COMMUNICATIONS

All three of the top barriers to change cited by employees can be addressed with more effective change communication – especially the second two.

### % SAYING THIS IS A TOP BARRIER TO CHANGE

39%



People are set in their ways and resist change

33%



Employees don't know how change affects their roles

33%



Change feels imposed by leaders, not co-created with leaders



**Note:** The question on top barriers to change was not asked of respondents who reported their organization “never” undergoes change.

*Q438a, multi-select of barriers to change. Three barriers shown: set in their ways, don't know how change affects work, change feels imposed. Not asked of employees whose organization never undergoes change. Base: employees whose organization undergoes change, n=1,947.*


# Change reveals the strength of the organization

Most organizations are no longer managing through isolated moments of change. Employees increasingly experience change as a constant condition of work.

What determines whether change strengthens or destabilizes an organization is not the change itself. It is whether employees trust the organization, understand what is happening and believe communications are consistent with the organization's stated values.

The gap is significant. High-trust employees are far more likely to feel energized by change, while low-trust employees are substantially more likely to experience uncertainty, resistance and emotional drain. Employees can handle change better than many leaders assume. What they struggle with is ambiguity, inconsistency and feeling that change is happening to them rather than with them.

Too many organizations still approach change communication as message distribution. The strategic objective is not simply keeping employees informed. It is sustaining trust, reducing ambiguity and helping employees understand how they contribute to what comes next. Organizations that fail to do that often amplify resistance, fatigue and organizational drag at exactly the moment adaptability matters most.



## EMPLOYEES INCREASINGLY EXPERIENCE CHANGE AS A CONSTANT CONDITION.

### Questions leaders should ask:

How might we communicate change in ways consistent with our values?

Do employees understand how change affects them?

What barriers do we create when change happens *to* employees rather than *with* them?



# **SECTION 12** Work Arrangement

Now several years into the public argument about where work happens, employees have a clearer point of view than the discourse suggests.

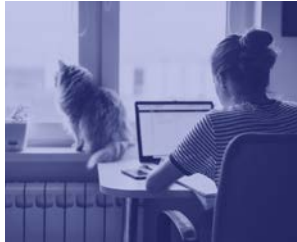
This section looks at what onsite, hybrid and remote arrangements offer, and where employees think each one performs best.

**No single arrangement wins on every dimension.** But a high-trust, well-managed workplace is associated with better outcomes regardless of where the work occurs.

Measuring the effectiveness of work arrangements by gauging job satisfaction shows they're all fairly comparable.

% SAYING THIS ARRANGEMENT IS BEST FOR OVERALL JOB SATISFACTION

28%



Remote

34%



Hybrid

38%



Onsite

*Q425b, forced choice: which work arrangement is best for overall job satisfaction (Onsite / Hybrid / Remote).*

## WORK ARRANGEMENT

All three are comparable on mental health and work-life balance while remote is most preferred for schedule control.



Q425b forced-choice items where Hybrid or Remote lead: work-life balance, mental health and well-being, schedule control.

### % SAYING THIS ARRANGEMENT IS BEST FOR EACH

#### Mental Health and Well-Being



#### Work-Life Balance



#### Ability to Control My Schedule

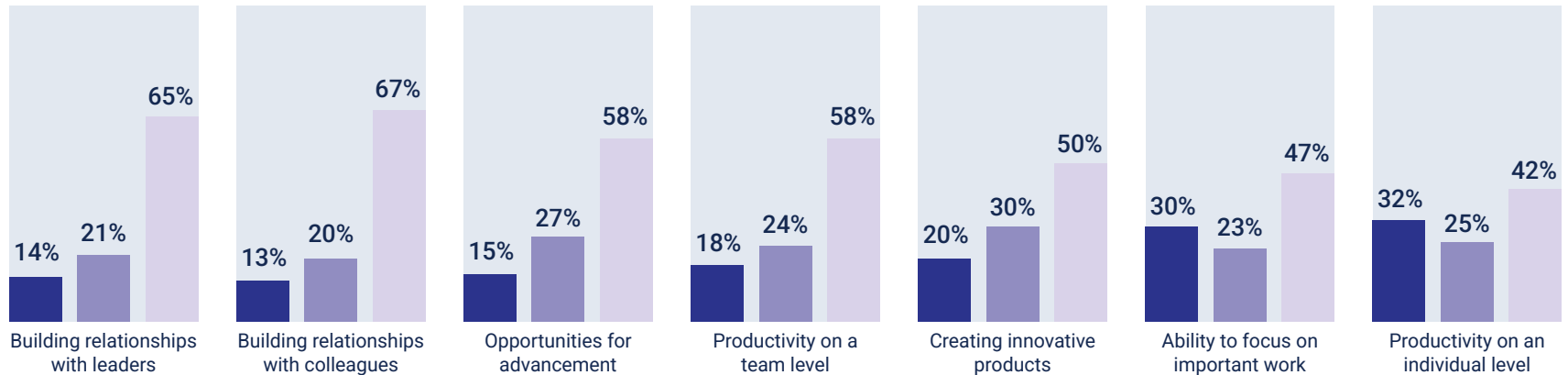


## WORK ARRANGEMENT

When looking at specific ways they compare, onsite is the preferred arrangement on most factors, especially relationship-building, career prospects and team productivity.

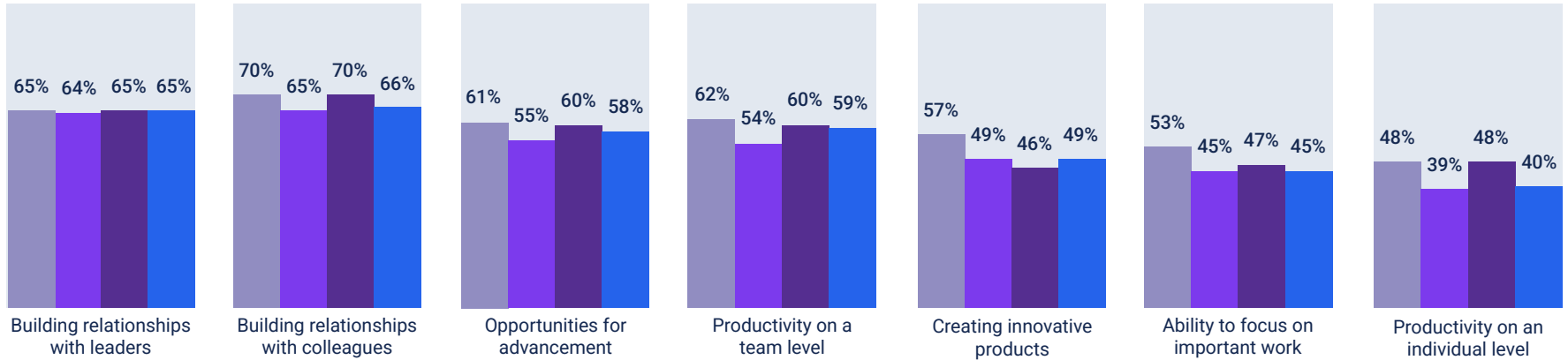
% SAYING THIS ARRANGEMENT IS BEST FOR EACH

Remote Hybrid Onsite



# Onsite preference barely moves across the org chart.

% SAYING ONSITE IS BEST FOR EACH ITEM



Q425b forced-choice items where onsite is the most-selected arrangement. Each bar is the share of that subgroup choosing onsite as best for the item. Bases: Top/Senior n=496, Middle n=619, Frontline n=251, Non-Manager n=640.

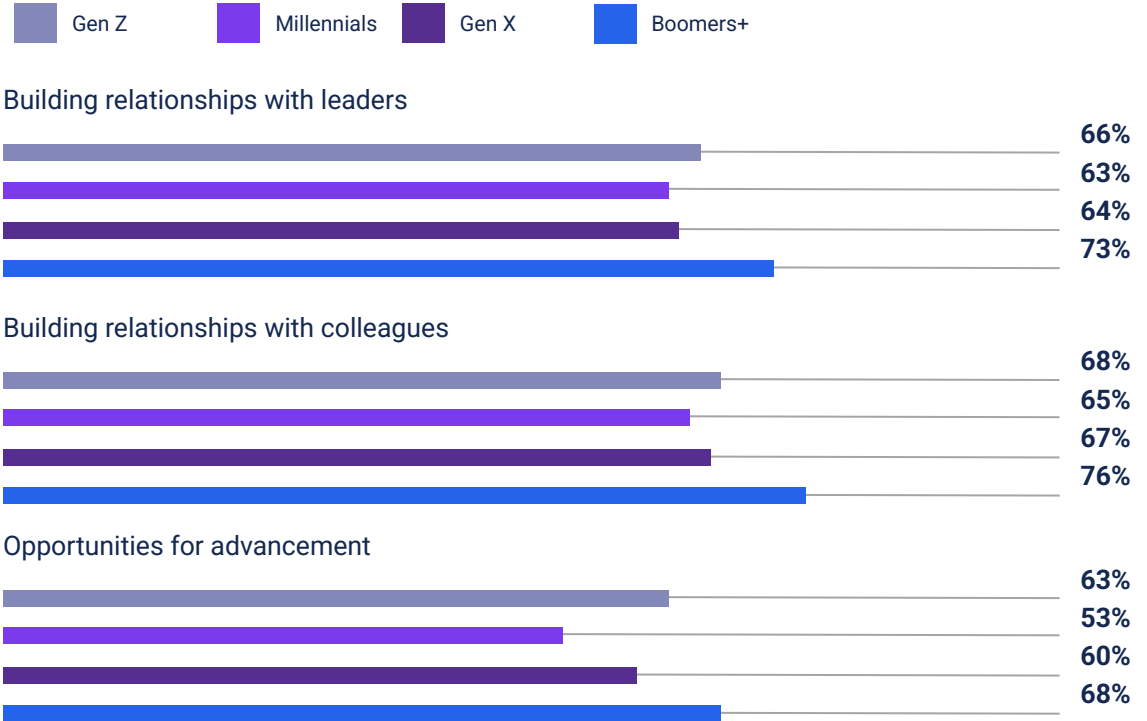
## WORK ARRANGEMENT

Boomers+ consistently prefer onsite. Gen Z favors it more than Millennials.

On every item, Gen Z prefers onsite more than their Millennial counterparts, sometimes by 10+ points.

The generation that grew up online is the second most onsite-preferring cohort in the workforce.

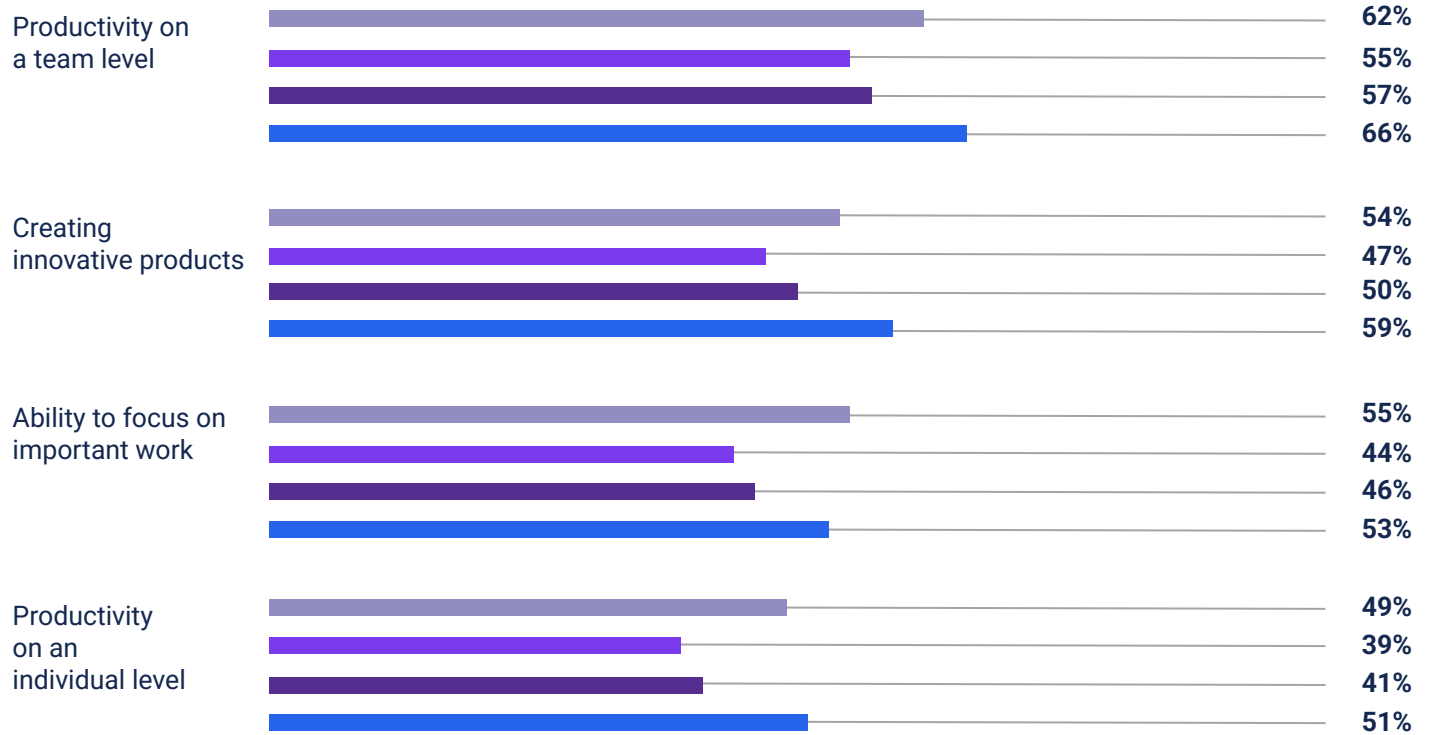
### % SAYING ONSITE IS BEST FOR EACH ITEM



Q425b forced-choice items where onsite is the most-selected arrangement. Each bar is the share of that subgroup choosing onsite as best for the item. Bases: Gen Z n=186, Millennials n=847, Gen X n=697, Boomers+ n=276.

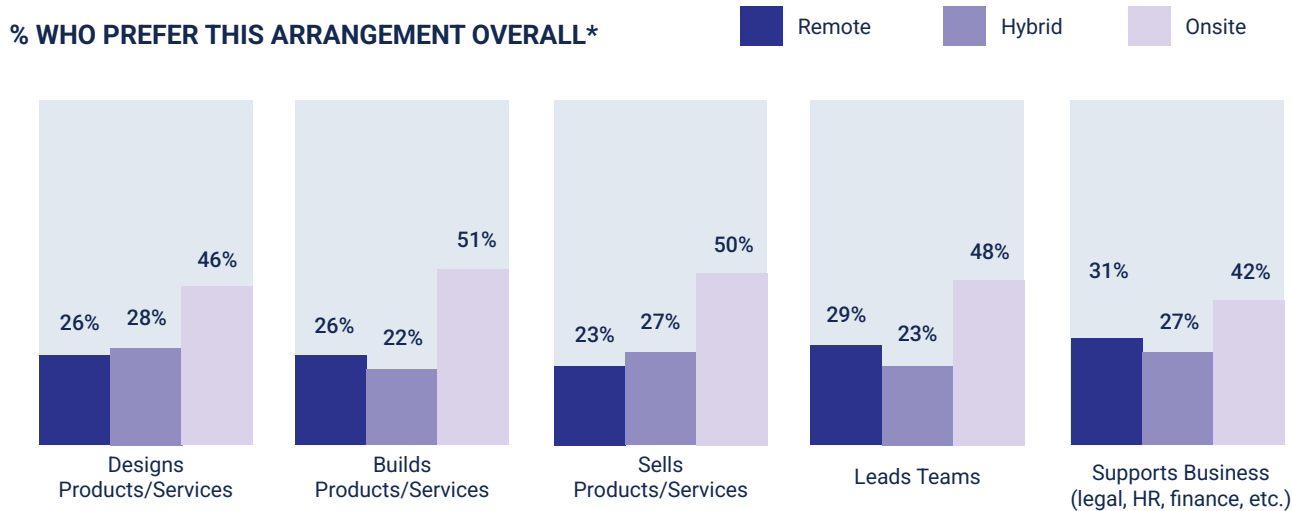
## WORK ARRANGEMENT

### % SAYING ONSITE IS BEST FOR EACH ITEM



Q425b forced-choice items where onsite is the most-selected arrangement. Each bar is the share of that subgroup choosing onsite as best for the item. Bases: Gen Z n=186, Millennials n=847, Gen X n=697, Boomers+ n=273.

What you do barely changes where you'd rather do it. Onsite leads for every kind of work.



\* The survey asked for a preferred arrangement across the 11 factors shown on the preceding pages. The percentages on this page are an average across that set of 11 items.


Q425b forced-choice items, averaged across all 11. For each item respondents chose whether onsite, remote, or hybrid is best for that outcome. With no single overall-preference question, each bar is the mean share preferring that setting across the 11 items. Bases (type of work): Design n=170, Build n=172, Sell n=193, Lead teams n=617, Support the business n=434. Transport (n=80) and Other (n=340) excluded.

# Work arrangement is not the strategy.

More than five years into the remote work revolution instigated by COVID-19, this year's Index findings suggest most employees see tradeoffs more clearly than their employers.

Employees have a more nuanced view of work arrangement than most organizations do. They are not ideologically attached to any model. They see onsite work as better for relationships, career advancement and team productivity. They see hybrid and remote as better for flexibility, well-being and the ability to focus. No single arrangement wins across every dimension, and employees understand the tradeoffs more clearly than the public debate suggests.

The strategic mistake is treating arrangement as a culture or values decision. The question is not which model to choose. It is whether the organization is managing its chosen model with enough clarity, accountability and connection to make it work.



**MOST EMPLOYEES  
SEE TRADEOFFS MORE  
CLEARLY THAN THEIR  
EMPLOYERS.**

### Questions leaders should ask:

How might we design work arrangements around outcomes rather than managerial comfort?

What workplace conditions matter more than location in our organization?

Are employees experiencing our work model as intentional, fair and sustainable?

# SECTION 13

## AI Use

AI is no longer emerging. **It is the default.** Most employees use AI in their work and most are largely positive about what it does for them.

This section shows what employees think about AI, what they want it to handle and what they want it to keep its digital hands off. It is the counterweight to the AI Job Concern section.

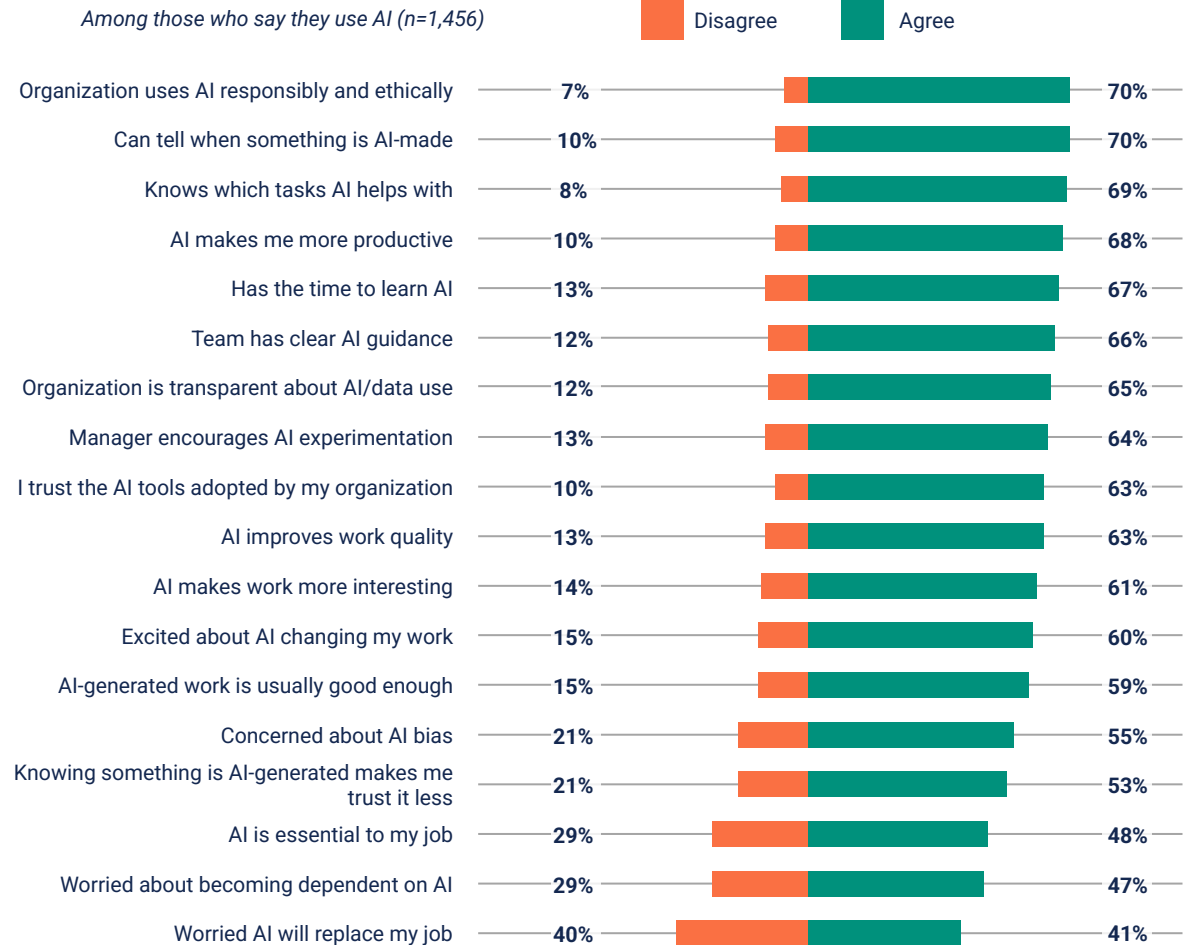
Most employees are open to AI (notwithstanding their concerns about it taking their job and the resulting influence this concern has on colleague behavior). They are far less open to organizations using it carelessly.

## AI USE

Employees express positive feelings about AI.

AI users are mostly enthusiastic. They know what to use it for and doing so makes them more productive. Opinion is split on worries about AI replacing their job.

*Q550a R4–R21 (18 items), five-point agreement scale; top-two box (Strongly/Somewhat agree).  
Base: AI users, n=1,456.*



We grouped the 18 statements into four themes, each capturing a different dimension of AI sentiment.

### Organizational Trust & Responsibility

3 items

*Does the org use AI responsibly, and do I trust it?*

- Organization uses AI responsibly/ethically
- Organization is transparent about AI/data use
- Trust the AI tools adopted by the organization

### AI Productivity & Value

6 items

*Is AI actually making my work better?*

- AI tools make me more productive
- AI improves work quality
- AI makes work more interesting
- Excited about how AI will change my work
- AI-generated work is good enough for most purposes
- AI is essential to how I do my job

### Organizational Support & Enablement

4 items

*Has the org set me up to use AI well?*

- Know which tasks AI helps with and which it can't
- Has the time to learn how to use AI effectively
- Team has clear AI guidance on when and how to use AI
- Manager encourages experimentation with AI

### AI Concerns

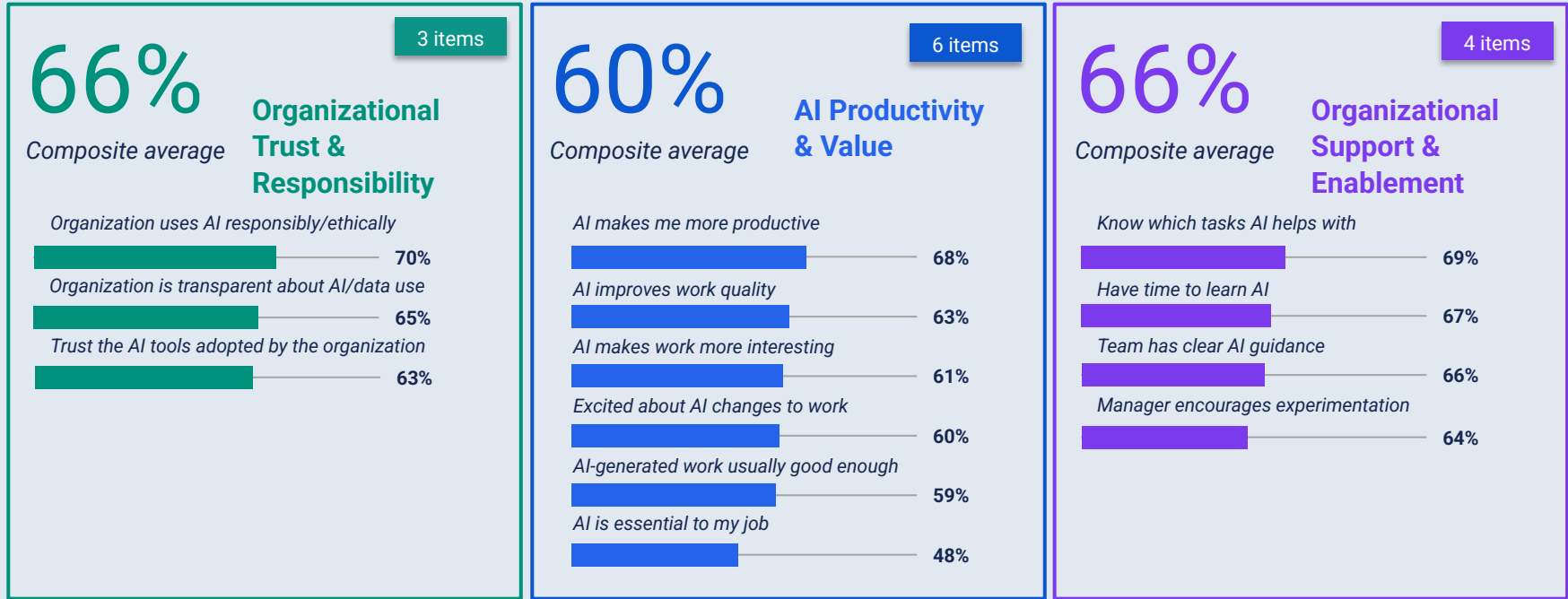
4 items

*What worries me about AI?*

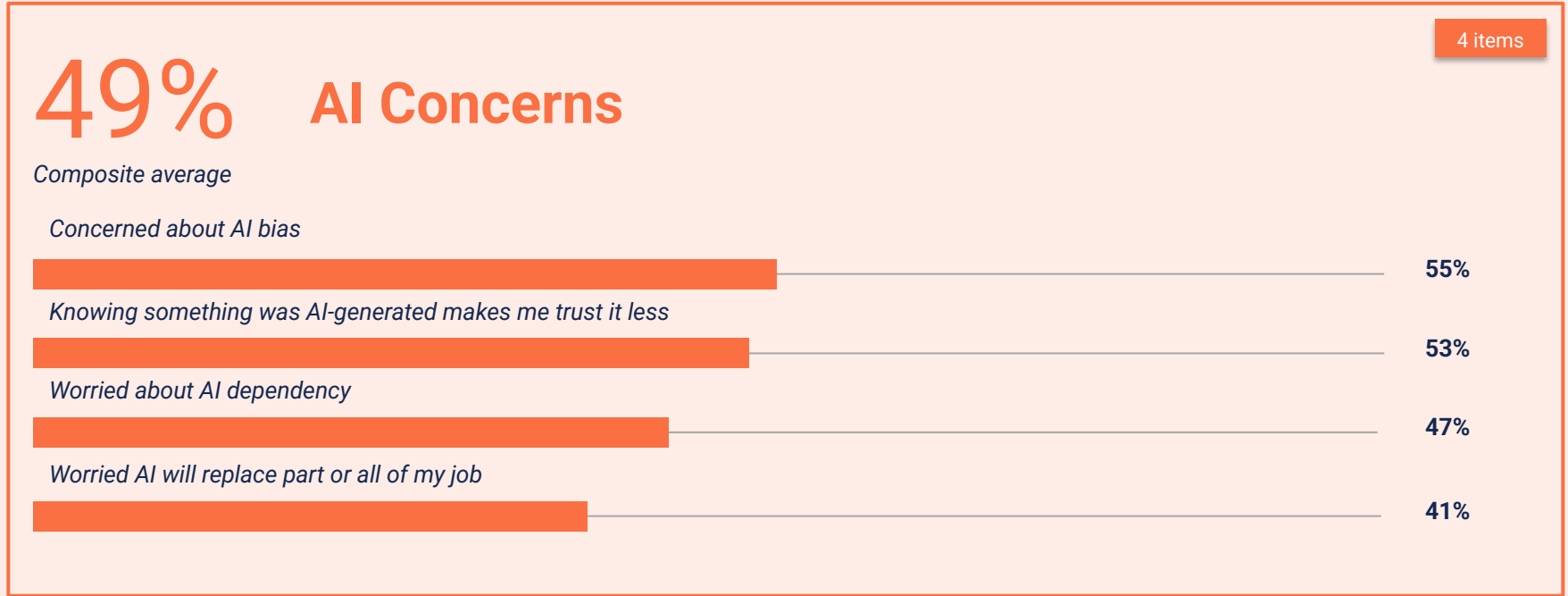
- Concerned about bias in AI tools
- Knowing something was AI-generated makes me trust it less
- Worried about becoming too dependent on AI
- Worried AI will replace part or all of my job

Q550a R4-R21 (18 items), five-point agreement scale. Composite groupings are analyst-defined for narrative purposes. The 18th item ("I can usually tell when something was created by AI") is a capability statement, reported separately. Base: AI users, n=1,456.

Agreement on trust, productivity and enablement all sit in the low- to mid-60s.



Nearly half of AI users share concerns about AI. The greatest worries are focused on whether it's trustworthy.



# AI looks rosier from the top of the org chart

Senior leaders see AI as transformative. Non-managers see it as marginal.

The positive AI composites all show a **gap of 30+ points** between Top/Senior and Non-Managers.

**Sharpest divide: only 25% of non-managers say AI is essential to their job vs. 71% of senior leaders.**



## 46-point gap

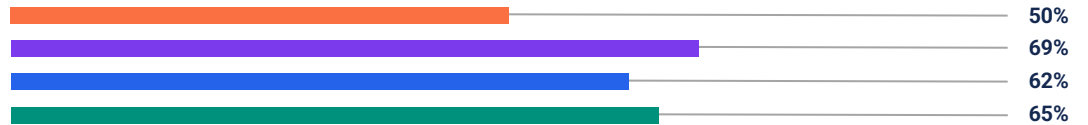
on 'AI is essential to how I do my job'  
(Non-Manager 25% → Top/Senior 71%)



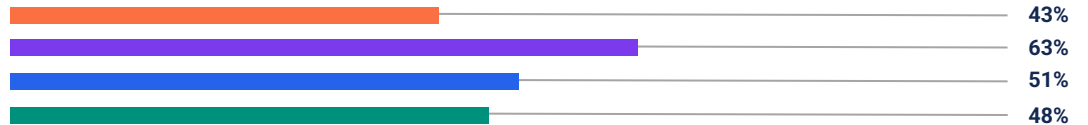
### Top/Senior Managers



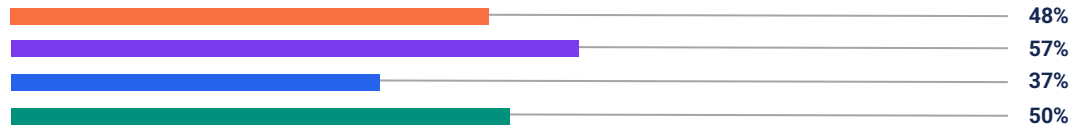
### Middle Managers



### Frontline Managers



### Non-Managers



Composite mean top-two box agreement (%)

Q550a R4–R21 (18 items), five-point agreement scale. Composite average = the mean of the weighted top-two box rates across the items. Base: AI users, n=1,456. Unweighted subgroup n: Top/Senior 458, Middle 501, Frontline 183, Non-Managers 314.

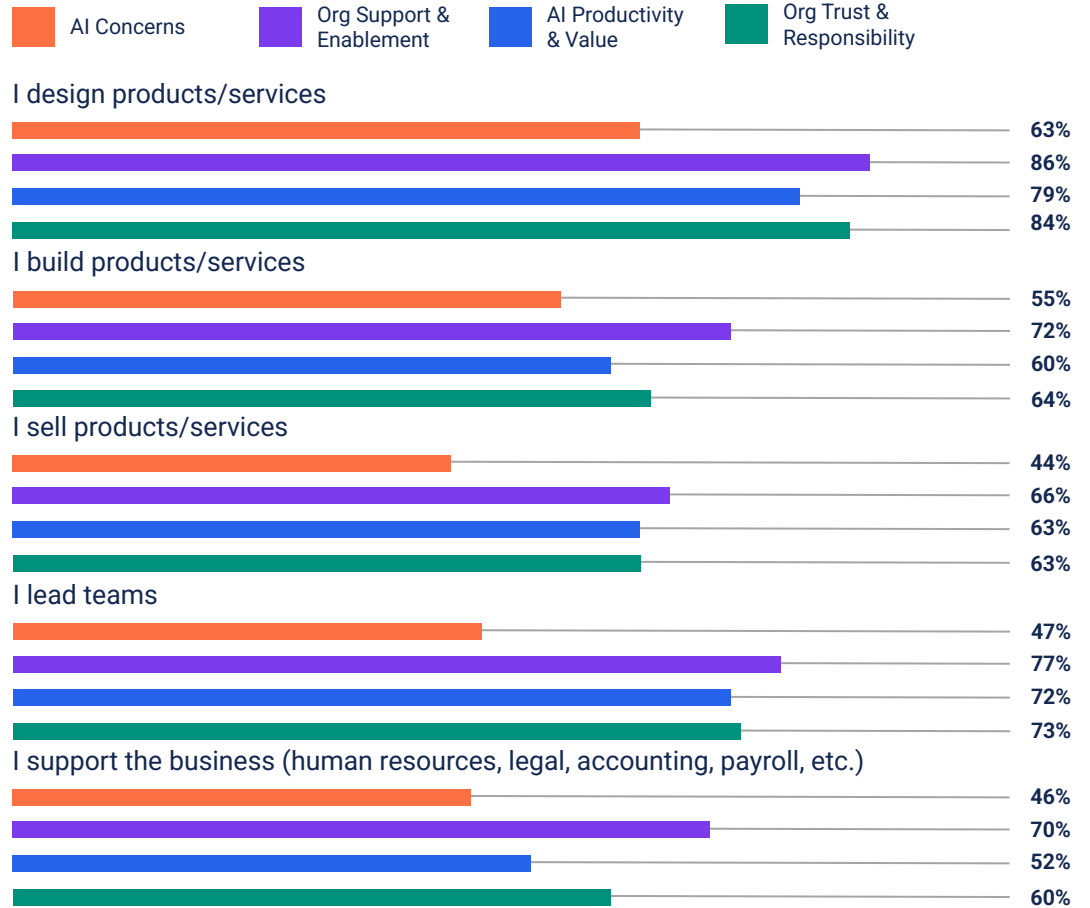
Product designers love AI most. Support functions are the skeptics.

Those who describe their work as “designing products/services” lead every composite, including AI Concerns.

They report the highest trust, productivity and enablement scores. They also carry the highest anxiety.

Support business roles (i.e., HR, legal, accounting, payroll) are the consistent skeptics. Sales sees AI as least concerning.

Composite mean top-two box agreement (%)



## AI USE

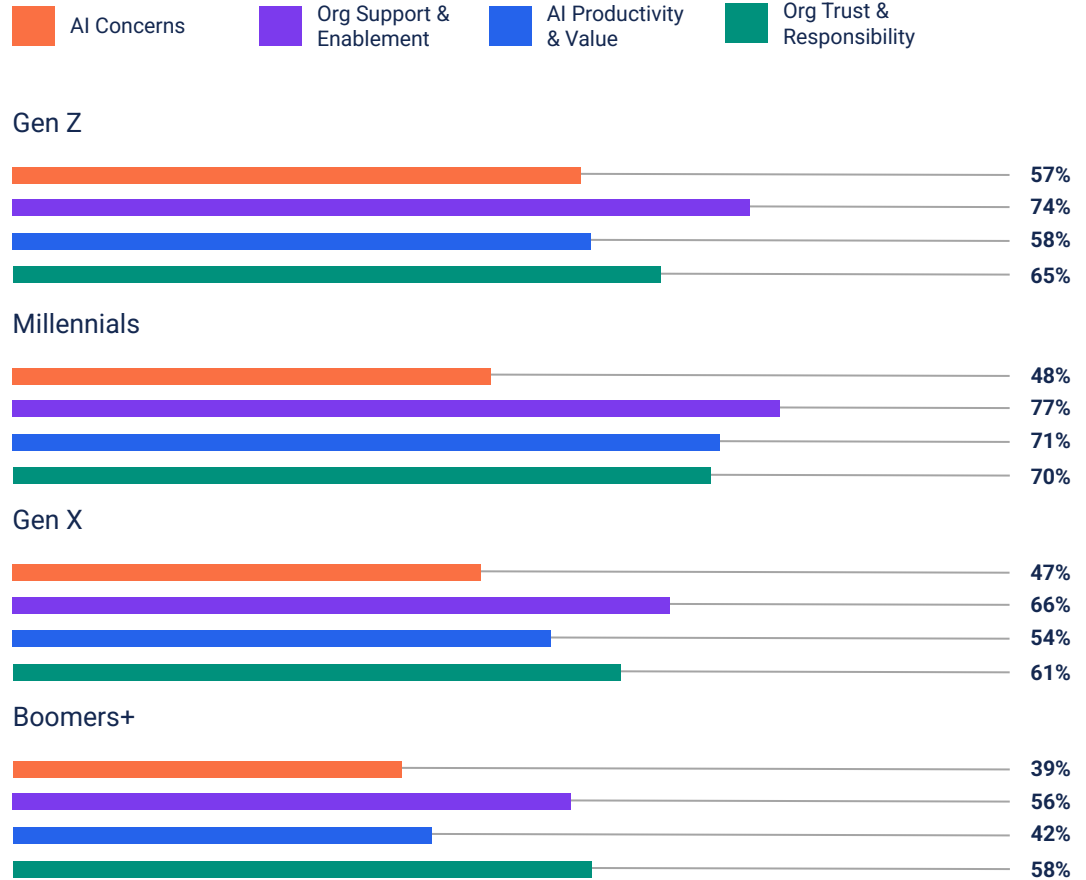
Millennials lead.  
Gen Z worries.  
Boomers sit it out.

The 'AI natives' aren't the AI champions.

Millennials top every positive composite. Gen Z is positive but carries the highest anxiety.

Boomers+ are the most disengaged *and* least concerned; perhaps they're not worried because they're not in the game.

Composite mean top-two box agreement (%)



# People predictably want AI to take over the parts of their work that they dread.

Asked to write about what they hope AI will do five years from now, most gave examples of mundane stuff they'd rather not be bothered with:

- Repetitive routine tasks
- Data analysis, reports and spreadsheets
- Administrative work
- Scheduling and calendars
- Email and inbox management
- Research and information-gathering
- Meeting notes and summaries
- Writing assistance like proofreading

“

I want AI to handle all the boring stuff like managing my crazy calendar or monitoring bugs 24/7.”

- Gen X male in IT

“

I hope AI technology will perform tasks like email and helping with research, like a personal secretary.”

- Millennial female in education

People definitely don't want AI touching anything that makes work feel like theirs.

On what they hope AI will NOT do five years from now, most described work that involves a discernible human element:

- Creative work/original thinking
- Decision-making (especially strategic decisions)
- Human interaction and relationships
- Human judgment and common sense
- Empathy and the emotional side of work
- Hiring, firing and performance reviews
- Leadership and managing people

“

I don't want AI to do anything. It's not magic and it takes away the human element.”

- Gen X male in IT

“

Day to day boring stuff [only]. Anything important, no.”

- Gen X female in technology

## Job concern shows up even when we didn't ask.

Though the question we asked was only about what AI should and shouldn't do in the future, a significant portion of the responses expressed fear about losing their jobs to AI.

“

I hope it will not take over the need for my job.”

- Millennial female in health care

“

I pray it doesn't create a company run by zombies.”

- Gen X male in retail

“

I hope AI doesn't take over the job market or else us human beings are doomed.”

- Gen Z female in health care


# AI adoption is moving faster than organizational readiness.

Employees are not waiting for AI to arrive. For many, it is already part of the daily workflow.

Most AI users report positive experiences with the technology, including improved productivity, efficiency and work quality. But optimism does not eliminate uncertainty. Employees appear far more comfortable with AI itself than with ambiguity surrounding how organizations will use it, govern it and communicate its long-term workforce implications.

The strategic challenge for leaders is not whether employees will adopt AI. They already are. The challenge is building enough trust, transparency and workforce readiness to ensure AI strengthens the organization rather than quietly destabilizing it.

Organizations that communicate clearly, invest in adaptation and establish visible guardrails are more likely to realize both the productivity and cultural upside of AI adoption.



**MOST AI USERS REPORT  
POSITIVE EXPERIENCES...  
BUT OPTIMISM DOESN'T  
ELIMINATE UNCERTAINTY.**

**Questions leaders should ask:**

Do employees understand how AI will and will not be used in our organization?

Are we investing in workforce adaptation as intentionally as we are investing in AI tools?

What trust risks emerge when AI adoption outpaces organizational transparency?



# SECTION 14

# CEO Familiarity

Senior leaders are not living through the same workplace as their employees. The data in this section makes that difference visible.

The pattern is consistent. **When employees know their CEO well, every measure of workplace experience improves.** That holds even when controlling for level.

## CEO FAMILIARITY

The proximity of senior leaders to the CEO corresponds with significantly higher reported positive feelings about that leader's job compared to non-managers.

% SAYING THEIR CEO HAS A POSITIVE EFFECT ON THEIR FEELINGS ABOUT THEIR JOB

89%

Top/Senior  
Managers  
(n=496)

69%

Middle  
Managers  
(n=619)

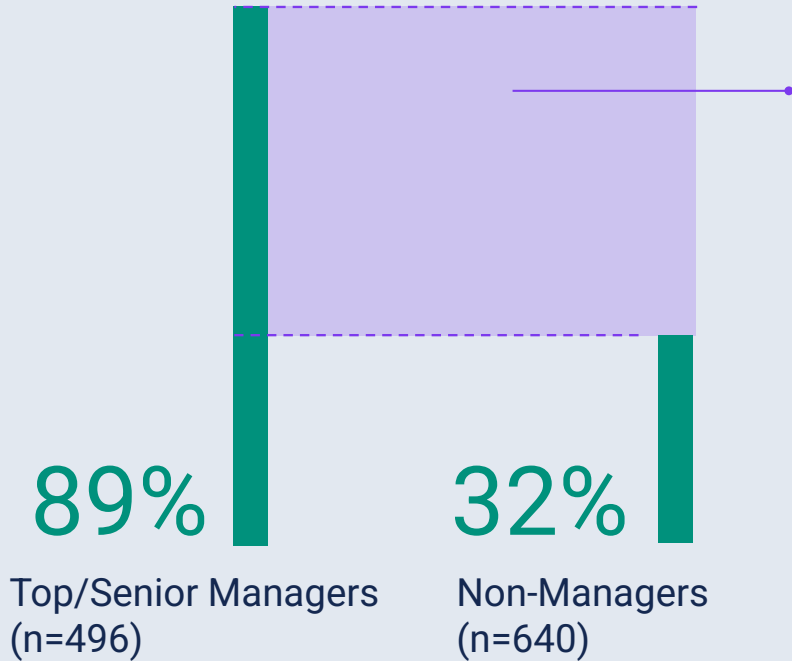
62%

Frontline  
Managers  
(n=251)

32%

Non-Managers  
(n=640)

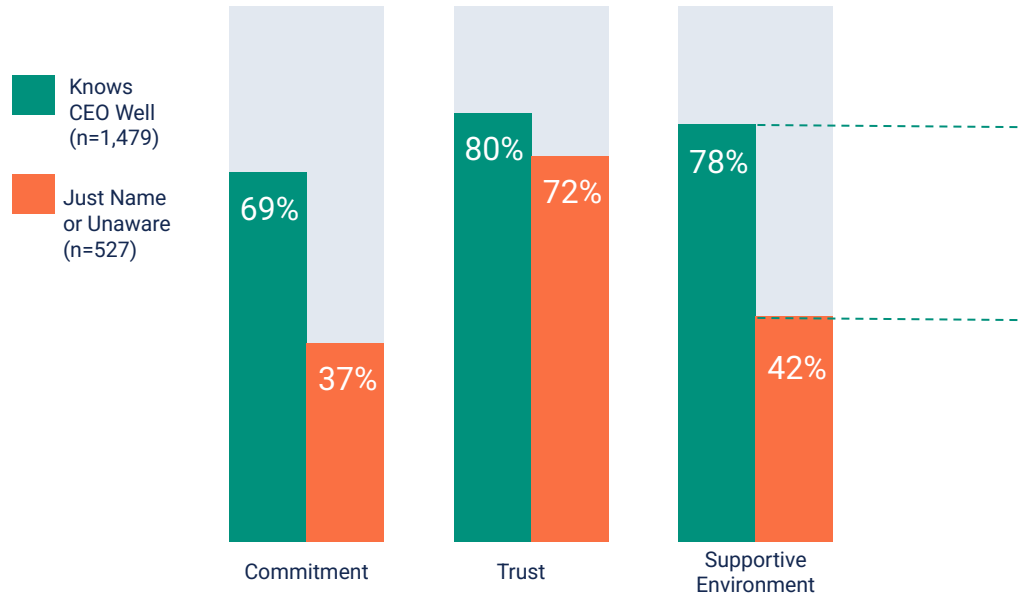




# 57 pts

The gap between top/senior managers and non-managers on whether the CEO has a positive effect on their feelings about their job.

Knowing the CEO well lifts every positive measure, though it may be due in part to senior managers being much more likely to report higher rates of supportive behaviors in general.



+36pts

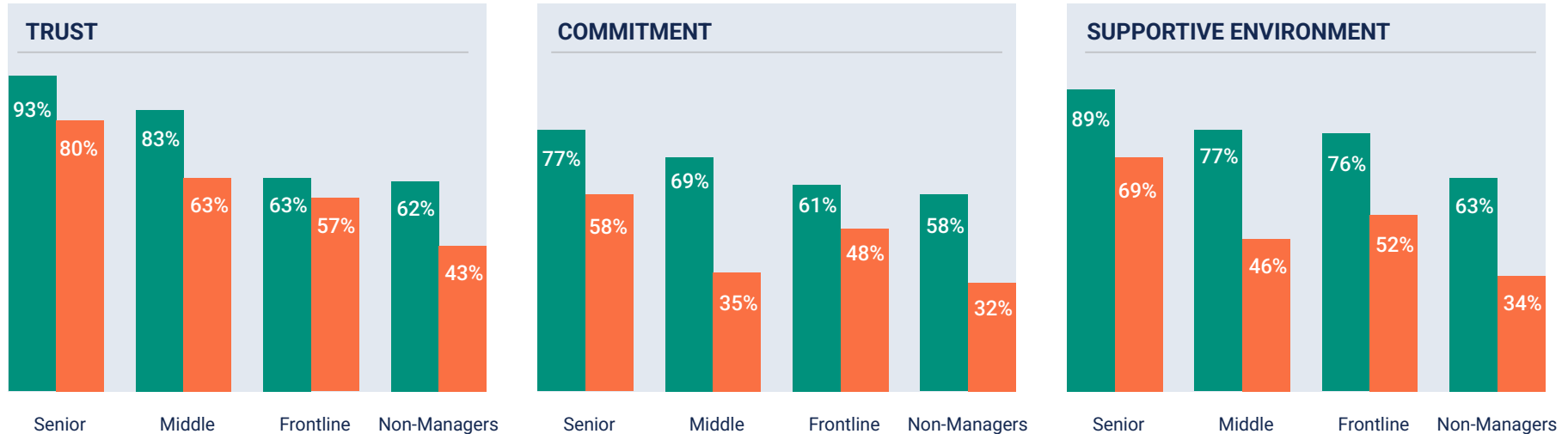
The gap in expected supportive colleague behaviors between those who know the CEO well and those who do not.

*Employees who know the CEO well (Q920a, top categories) versus those who know only the name or are unaware (bottom categories); the middle category is excluded.*

## CEO FAMILIARITY

While seniority does raise the overall rates on each measure, the relative differences hold at any level.

Knows CEO Well (n=1,479)      Just Name or Unaware (n=527)




CEO awareness x outcomes WITHIN each management level. Confirms that the CEO effect is not a confound for level – among non-managers, knowing the CEO well shifts Trust by 19 percentage points, Commitment by 25, Supportive Environment by 29. Effect significant at most levels; small Top/Senior unaware base (n=38) limits some within-level tests.

## CEO FAMILIARITY

Senior managers are far more likely to know their CEO well. While this is expected given their proximity, the 53-point gap is an opportunity.

### % SAYING THEY KNOW THEIR CEO WELL VS ONLY THEIR NAME OR UNAWARE

 Knows CEO Well  
(n=1,158)

 Just Name or Unaware  
(n=527)

*The "Knows CEO Well" group excludes the option "Not very familiar, but know more than just their name."*



Top/Senior Managers (n=496)



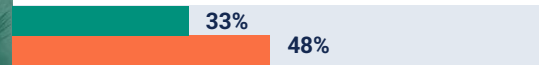
Middle Managers (n=619)



Frontline Managers (n=251)

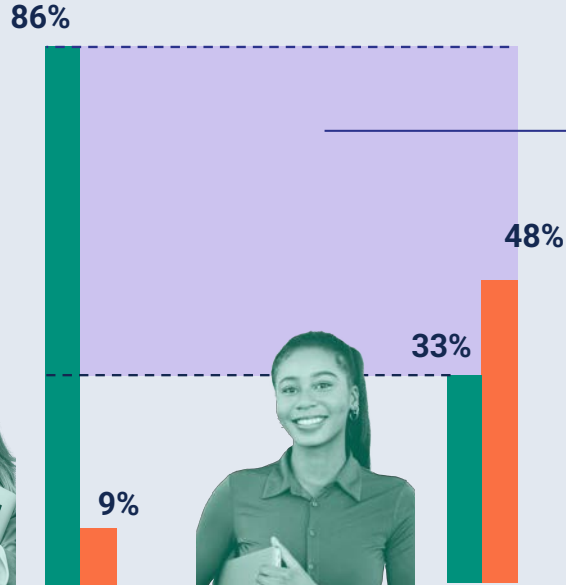


Non-Managers (n=640)



## CEO FAMILIARITY

% who agree they know their CEO well



# 53pts

The percentage point gap between top/senior managers and non-managers on whether they know their CEO well.

Top/Senior Managers  
(n=496)

Non-Managers  
(n=640)

When employees know their CEO well, every measure of workplace experience tends to improve.


The effect holds even when controlling for seniority, which means it is not simply a reflection of senior leaders being closer to the top.

Most employees do not have that proximity. The 53-point gap between senior managers and non-managers on familiarity with the CEO is an opportunity that professional communications teams are well positioned to close. The work is structural: presence in town halls, written messages, visible decisions, consistent voice. Symbolism does not substitute for the cadence.

The most consequential finding is that the CEO effect compounds the other conditions in this framework. Trust, commitment and the prediction of supportive workplace behavior all rise alongside CEO familiarity.

The CEO is not a marketing asset. The CEO is an integral part of an effective employee activation system.

Senior leaders who treat their own familiarity among employees as a discretionary communications activity miss the operational value. Those who treat it as part of how the business is run get the lift.



**THE CEO IS NOT A  
MARKETING ASSET.  
THE CEO IS PART OF AN  
ACTIVATION SYSTEM.**

**Questions leaders should ask:**

How well do employees at every level actually know the senior leadership team?

What moments of presence and decision should our employees be able to name?

What would it take for non-managers to know the CEO's significance as well as the CEO's direct reports?



**SECTION 15**  
Social &  
Business Issues

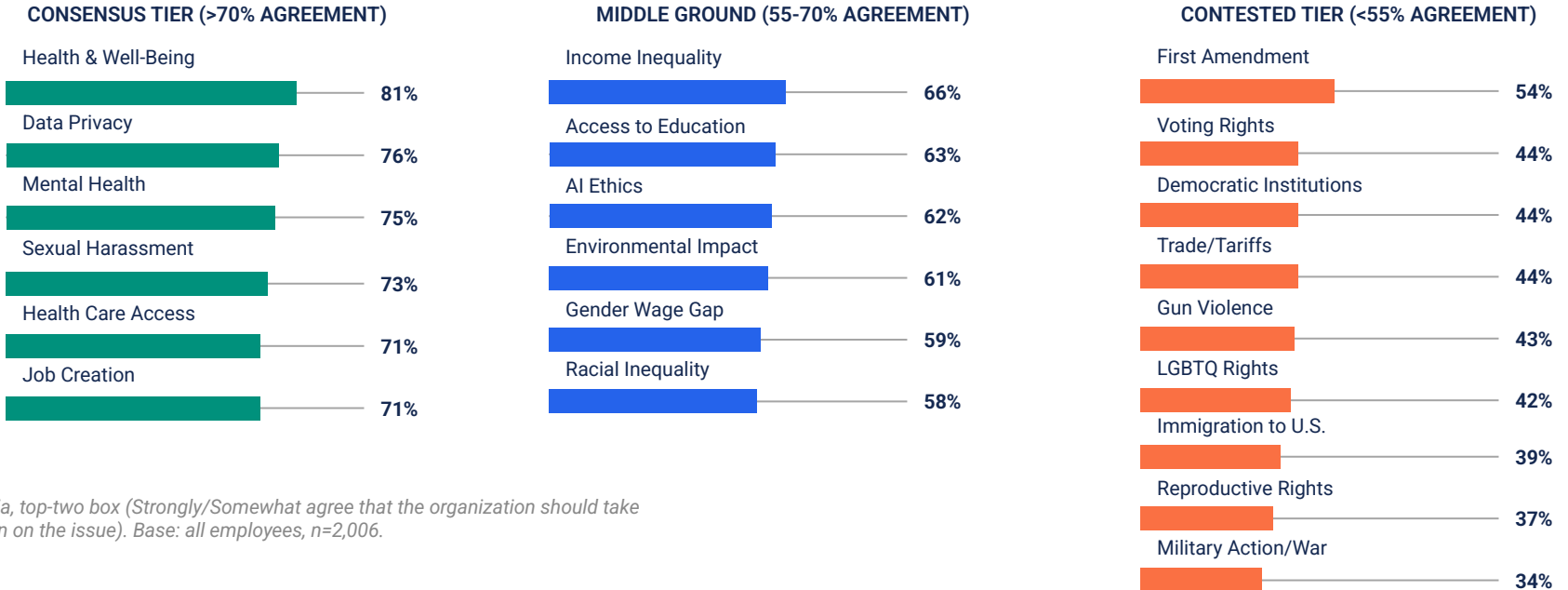
Employees have clear views about what organizations should and shouldn't weigh in on. This section shows the issues that draw the broadest support, the political flashpoints and how the distribution holds up across ideology and party.

It also shows something more practical. When employees are concerned about political tensions in their workplace, every condition in the framework tends to look worse.

**The connection between social issues and organizational health is not theoretical.** It surfaces directly in the climate employees describe.

## SOCIAL & BUSINESS ISSUES

When it comes to the societal issues on which employees want organizations to take action, workplace-adjacent issues draw broad agreement (Consensus). Economic and societal issues show meaningful but moderate disagreement (Middle Ground). Issues tied to identity, politics or current events split the workforce sharply (Contested).

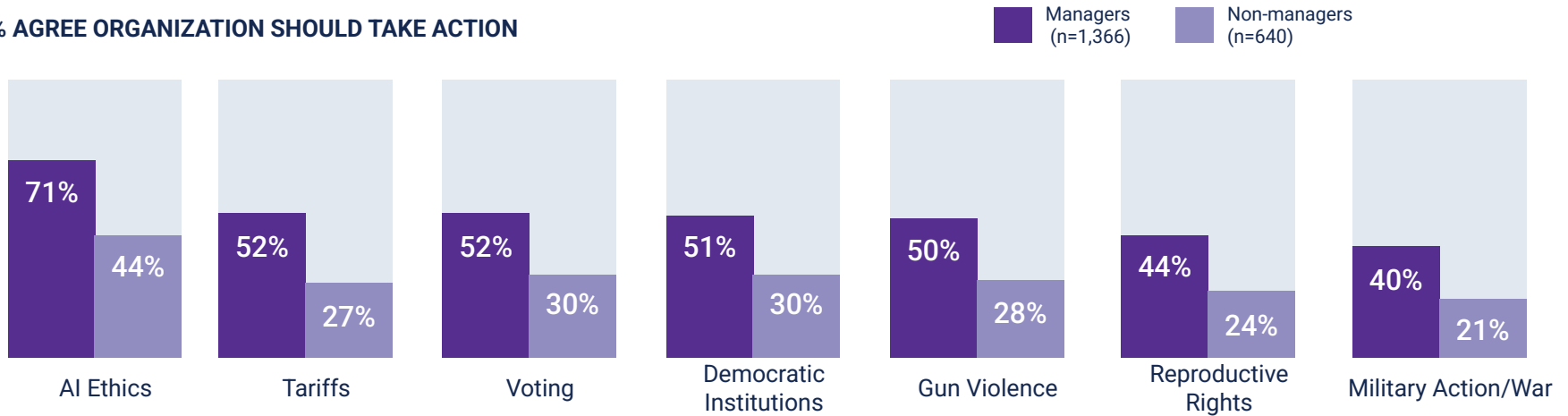


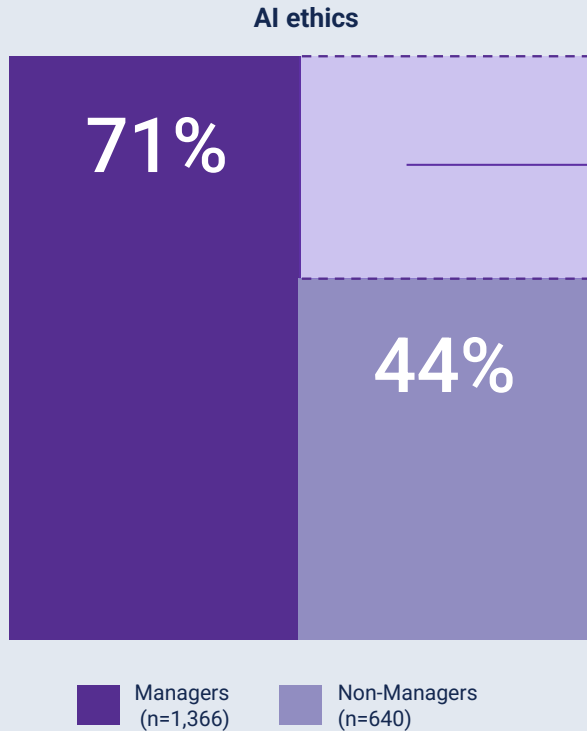
Q525a, top-two box (Strongly/Somewhat agree that the organization should take action on the issue). Base: all employees, n=2,006.

Managers want a more activist employer. Non-managers want a more focused one.

On the Consensus tier, managers and non-managers agree. Where the gap blows out is on Contested political issues and on AI ethics, with managers 19-27 points more likely to want their organization to take action.

**% AGREE ORGANIZATION SHOULD TAKE ACTION**



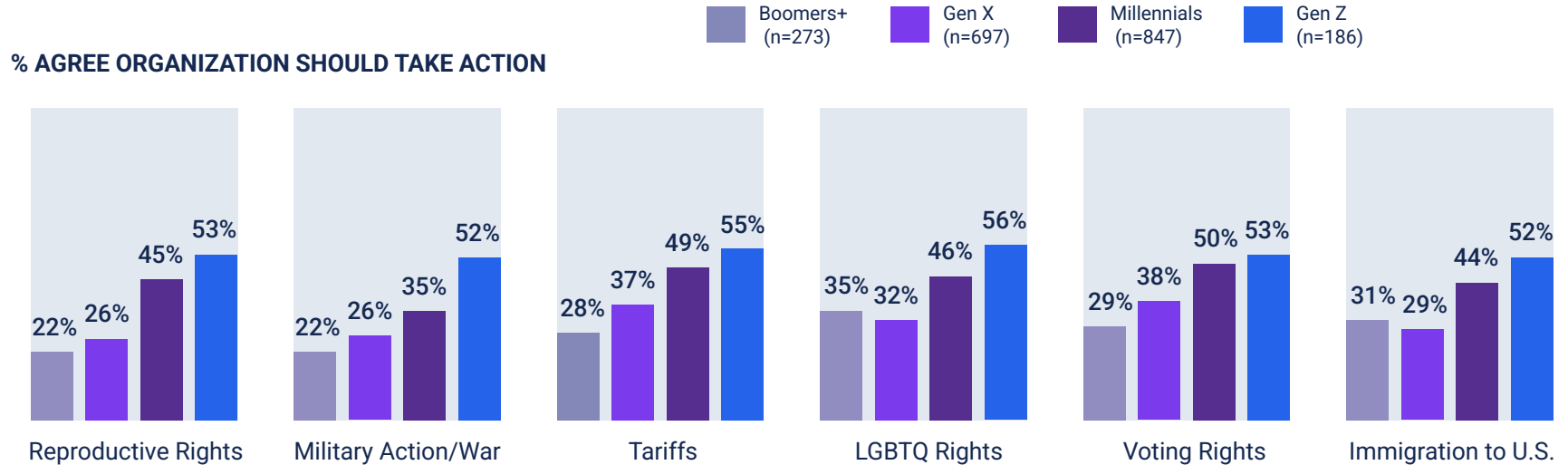


27 pts

Gap between managers and non-managers on whether the organization should take action on AI ethics, the largest single-issue gap.

# Younger employees expect broader corporate citizenship.

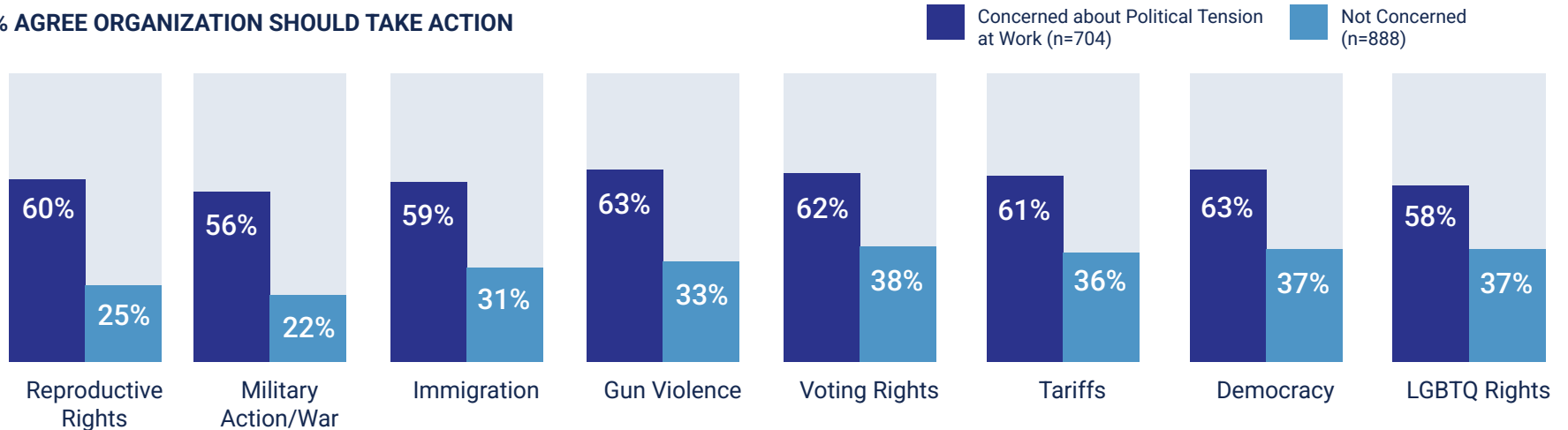
On the Consensus tier, generations agree. On the Contested tier, Gen Z wants organizational action much more than Boomers+. The age divide is about scope, not whether to care.



# Employees who feel political tensions at work want more action, not less.

The most common assumption is that political tensions at work mean leadership should stay quiet. The data says the opposite. The employees experiencing those tensions want their organization to engage with contested issues, not avoid them.

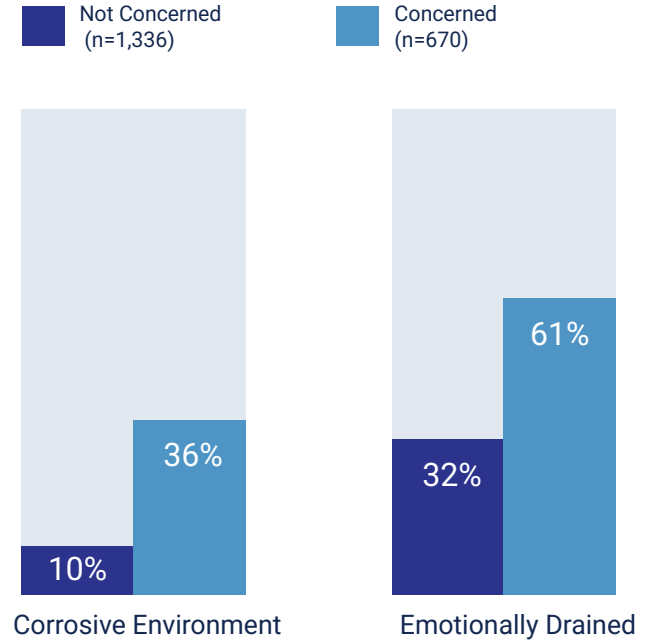
## % AGREE ORGANIZATION SHOULD TAKE ACTION



Q525a top-two box by concern about political tensions at work (Q505 R14). Concerned = top-two box (Strongly/Somewhat agree); not concerned = bottom-two box (Strongly/Somewhat disagree).

Employees concerned about political tensions at work describe sharply worse conditions.

Prediction of corrosive behaviors is 4x higher and emotional drain is double.



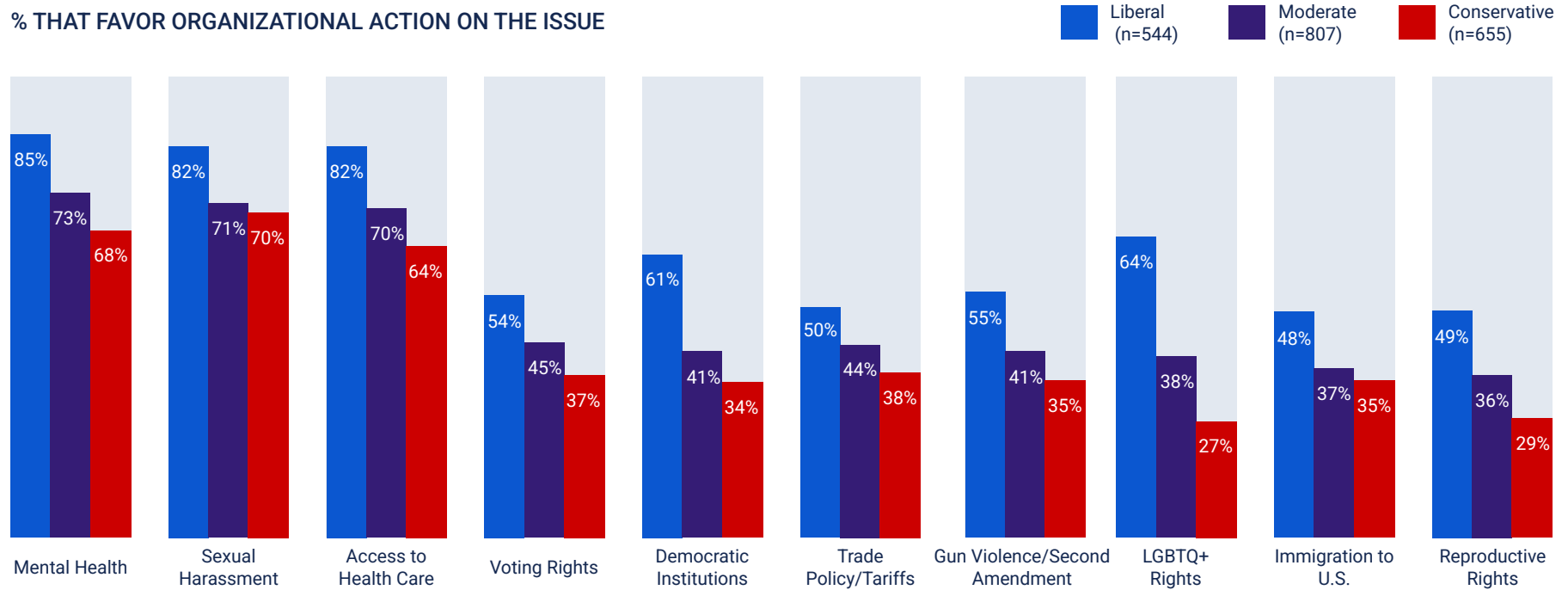
*Concern about political tensions at work is Q505 R14 top-two box.  
Corrosive Environment composite (average  $\geq 3.41$ ); Emotionally Drained is Q802 R7 top-two box.*

Those with liberal political views favor **more action** from their employers.

Liberal employees are more likely to favor organizational action on nearly every issue, indicating a fundamental difference in how they see the broader role of business on societal issues. Moderates consistently fall between these groups.

## SOCIAL & BUSINESS ISSUES

% THAT FAVOR ORGANIZATIONAL ACTION ON THE ISSUE

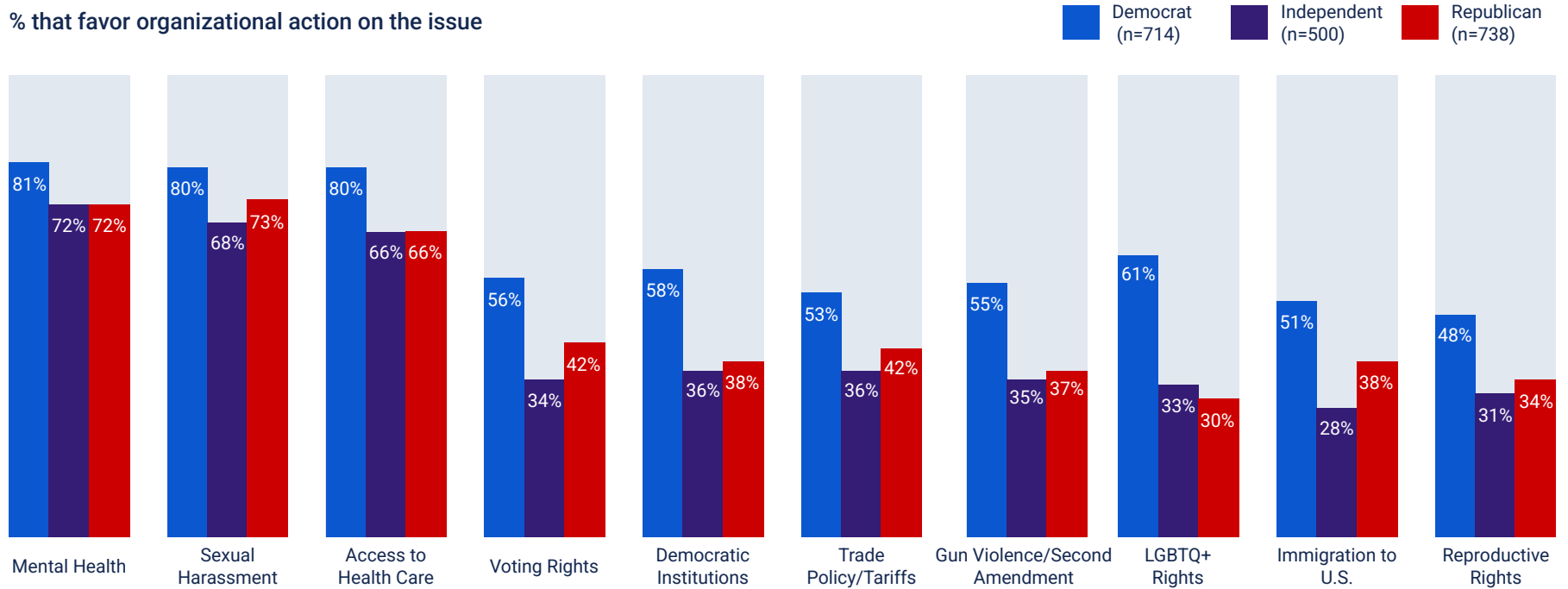


Democrats likewise favor **more action** than Republicans.

Similar to political ideology, party affiliation has the same relationship to organizational action on these issues. Notably, several of the issues (voting rights and immigration primarily) see Republicans favoring action more than Independents.

## SOCIAL & BUSINESS ISSUES

% that favor organizational action on the issue



## Employees know the difference between relevance and noise.

Employees are not asking organizations to weigh in on everything. They are asking them to act where the issue touches work, trust and the conditions of their lives.

That distinction is important. Issues like employee health and well-being, data privacy, mental health, health care, job creation and sexual harassment sit closest to the workplace and draw broad support. More politically charged issues draw less consensus, and views vary meaningfully by ideology and party.

The leadership challenge is not silence versus statement. It is relevance, credibility and consequence.

Organizations that speak or act without understanding employee expectations risk creating more tension than trust. Organizations that listen carefully can make better decisions about where they have standing, where action matters more than messaging and where public posture may carry real cost.

The most practical finding may be this: when employees are concerned about political tensions at work, the workplace itself looks less healthy. Corrosive behavior and emotional drain both run higher.

The external world does not stay external for long.



## THE LEADERSHIP CHALLENGE IS RELEVANCE, CREDIBILITY AND CONSEQUENCE.

### Questions leaders should ask:

Which societal issues do our employees see as most connected to work and their lived experience?

Where do we have credibility to act, not merely comment?

What is the organizational cost of misunderstanding the issues employees carry into work every day?



**SECTION 16**  
Economic  
Pressure

“

They never tell us who was let go or why so it always makes me anxious.”

- Boomer+ female in publishing/entertainment/media



Nearly half of American employees are worried about how the broader economy will affect their employment. **Nearly three in 10 worked through layoffs** at their organization in the last 18 months.

This is the backdrop that explains why so many employees are job-locked. It is also why the conditions inside the organization matter more, not less, when the conditions outside it feel uncertain.

## ECONOMIC PRESSURE

Nearly half of employees worry economic conditions will affect their employment. Almost a quarter expect layoffs in the next 18 months and nearly three in 10 experienced them in the last 18.

45%

At least somewhat worried about economic circumstances affecting their employment

28%

Organization had layoffs in the last 18 months

23%

Anticipate layoffs at their organization in the next 18 months (another 20% don't know)

*45% worried = Q444 top-three box ("at least somewhat worried," five-point scale, about economic circumstances affecting employment). 28% laid off in the past 18 months = Q442b "Yes." 23% anticipate layoffs in the next 18 months = Q443 "Yes." 20% "Don't know" on anticipation.*



# Economic pressure changes how employees experience work.

Economic pressure is the underlying condition shaping how American employees experience work in 2026. Nearly half worry how the broader economy will affect their employment.

That climate is one of the reasons the Job Lock group reads the way it does. Employees who would consider leaving but cannot afford to are not a small population. They are nearly half the workforce. The conditions inside the organization matter more when the conditions outside it feel uncertain, not less.

Leaders cannot eliminate economic uncertainty for employees. What they can control is the level of ambiguity employees absorb on top of it. The organizations that reduce that ambiguity through honest communication, manager activation and trustworthy decision-making will be better positioned when the cycle turns.

A workforce that stays out of necessity is not as valuable as a workforce that stays by choice. The data in this report makes the difference visible.



## **INTERNAL CONDITIONS MATTER MORE WHEN EXTERNAL CONDITIONS FEEL UNCERTAIN.**

### **Questions leaders should ask:**

How much of our workforce stays because they're committed versus economically constrained?

How might we address uncertainties the employees carry into work every day?

Are we reducing ambiguity inside the organization or unintentionally amplifying it?

# SECTION 17

# The Cost

## THE COST

Four independent mechanisms convert workforce conditions into cost.



**Pillar 1**

### **Excess Attrition**

Disengaged employees leave more often. Each departure carries replacement costs.



**Pillar 2**

### **Productivity Drag**

Disengaged employees stay but produce less than their peers.



**Pillar 3**

### **Brand Damage**

Negative word-of-mouth by employees raises the salary the organization has to pay new hires.



**Pillar 4**

### **Job Lock Drag**

Employees stuck in toxic workplaces add a further productivity drag.

## THE COST: Pillar 1 - Excess Attrition

Disengaged employees leave at elevated rates, resulting in excess costs incurred for recruiting, hiring and training.

**3.02**

extra departures

Out of every 100 employees, this is how many leave each year because they were disengaged (beyond the departures that would have happened anyway). The Index finds 24 of every 100 employees aren't engaged. They quit at roughly 1.5x the U.S. baseline annual quit rate of 25.2%. The math:  $24 \times (25.2\% \times 1.5 - 25.2\%) = 3.02$ . We use 1.5x rather than Gallup's measured 2x because not-engaged is a broader population than actively disengaged.

**X**

**\$32,110**

cost to replace each

The cost of recruiting, hiring and training a replacement is roughly half a year's salary. We use 50% of the U.S. median annual wage of \$64,220, which is the conservative low end of the SHRM/Allen (2008) range of 50%–60% for direct replacement costs.

**=**

**\$97,101**

per 100 employees  
per year

*Baseline quit rate: BLS Job Openings and Labor Turnover Survey, 2024 annual average – [bls.gov/news.release/jolts.t22.htm](https://bls.gov/news.release/jolts.t22.htm). Wage anchor: BLS Current Population Survey, Q1 2026 (\$1,235 weekly x 52) – [bls.gov/news.release/pdf/wkyeng.pdf](https://bls.gov/news.release/pdf/wkyeng.pdf). Replacement cost: Allen, D.G. (2008), "Retaining Talent," SHRM Foundation. Engagement-turnover relationship: Gallup Q12 Meta-Analysis 11th Edition (2024) – [gallup.com/workplace/321725](https://gallup.com/workplace/321725). Not-engaged share is measured directly in the Integral Index.*

Disengaged employees stay but produce less. Employers are paying for what they are not getting.

24

disengaged employees

Out of every 100 employees, the Index finds 24 aren't engaged. This is broader than Gallup's traditional "actively disengaged" group and includes anyone who scores below the engagement threshold on the Index composite.

X

12%

less output

Disengaged employees produce about 12% less than their fully engaged peers. Gallup measures a 17% gap between top-half and bottom-half engaged business units; we scale this down because our "not engaged" group is broader than Gallup's narrower bottom-half measurement.

X

\$91,360

fully loaded employee cost

What an employee costs the organization, fully loaded. That's the U.S. median annual wage of \$64,220 multiplied by 1.42 to add employer-paid benefits, payroll taxes and other compensation costs (BLS ECEC, September 2025).

= \$263,117  
per 100 employees  
per year

Baseline quit rate: BLS Job Openings and Labor Turnover Survey, 2024 annual average – [bls.gov/news.release/jolts.t22.htm](https://bls.gov/news.release/jolts.t22.htm). Wage anchor: BLS Current Population Survey, Q1 2026 (\$1,235 weekly × 52) – [bls.gov/news.release/pdf/wkyeng.pdf](https://bls.gov/news.release/pdf/wkyeng.pdf). Replacement cost: Allen, D.G. (2008), "Retaining Talent," SHRM Foundation. Engagement-turnover relationship: Gallup Q12 Meta-Analysis 11th Edition (2024) – [gallup.com/workplace/321725](https://gallup.com/workplace/321725). Not-engaged share is measured directly in the Integral Index.

## THE COST: Pillar 3 - Brand Damage

Negative word-of-mouth essentially places a tax on new hires that organizations are paying because of employer brand damage.

**10.08**  
affected hires

About 28% of employees say they'd warn off job candidates or post negative reviews. A typical organization makes 36 new hires per 100 employees each year (BLS JOLTS 2024), so roughly 10 of those new hires are affected by the company's damaged reputation:  $28\% \times 36 = 10.08$ .

**X**

**\$6,422**  
in extra salary each

Companies with poor employer reputations have to pay about 10% more in starting salary to attract candidates. That's \$6,422 per hire against the U.S. median wage of \$64,220. Documented by Harvard Business Review with ICM Unlimited (2016) and confirmed by causal evidence from Ma, Sheng & Xie (2023) and Sockin & Sojourner (2023) using Glassdoor data.

**=**

**\$64,734**  
per 100 employees  
per year

Baseline quit rate: BLS Job Openings and Labor Turnover Survey, 2024 annual average – [bls.gov/news.release/jolts.t22.htm](https://www.bls.gov/news.release/jolts.t22.htm). Wage anchor: BLS Current Population Survey, Q1 2026 (\$1,235 weekly  $\times$  52) – [bls.gov/news.release/pdf/wkyeng.pdf](https://www.bls.gov/news.release/pdf/wkyeng.pdf). Replacement cost: Allen, D.G. (2008), "Retaining Talent," SHRM Foundation. Engagement-turnover relationship: Gallup Q12 Meta-Analysis 11th Edition (2024) – [gallup.com/workplace/321725](https://www.gallup.com/workplace/321725). Not-engaged share is measured directly in the Integral Index.

# Employees stuck in corrosive workplaces add further drag.

**15.04**

employees who are job-locked and expect a corrosive environment

Out of every 100 employees, the Integral Index finds 47 are "job-locked" (would leave but fear losing benefits). Within that group, 32% see their workplace as corrosive compared with 6.9% among everyone else. That gives us about 15 employees per 100 in this situation.

**X**

**10%**

less output

On top of the 12% productivity gap already counted in Pillar 2 for disengaged employees, this combination of stuck-and-corrosive adds about 10% more drag. The next page explains why this isn't double-counting.

**X**

**\$91,360**

fully loaded employee cost

Same fully-loaded employee cost used in Pillar 2: median wage (\$64,220) plus benefits and payroll taxes (BLS ECEC, September 2025). This is what the organization pays for each employee.

**\$137,406**  
= per 100 employees per year

*Baseline quit rate: BLS Job Openings and Labor Turnover Survey, 2024 annual average – [bls.gov/news.release/jolts.t22.htm](https://www.bls.gov/news.release/jolts.t22.htm). Wage anchor: BLS Current Population Survey, Q1 2026 (\$1,235 weekly × 52) – [bls.gov/news.release/pdf/wkyeng.pdf](https://www.bls.gov/news.release/pdf/wkyeng.pdf). Replacement cost: Allen, D.G. (2008), "Retaining Talent," SHRM Foundation. Engagement-turnover relationship: Gallup Q12 Meta-Analysis 11th Edition (2024) – [gallup.com/workplace/321725](https://www.gallup.com/workplace/321725). Not-engaged share is measured directly in the Integral Index.*

Pillars 2 and 4 might seem like they are double-counting productivity drag, but they're not.

**Pillar 2**

**Productivity  
Drag**

Counts productivity drag on the disengaged employees. Applied only to this group.

**Pillar 4**

**Job Lock Drag**

Counts marginal drag from a Corrosive Environment, on top of any disengagement drag in Pillar 2. The 10% rate is set below Pillar 2's 12% for exactly this reason.

The worst-case overlap is an employee who is disengaged *and* job locked *and* seeing a Corrosive Environment.

They receive 12% drag (Pillar 2) + 10% (Pillar 4) = 22% combined drag.

That still sits inside Gallup's published productivity-gap range, so the math has a ceiling we cannot accidentally exceed.

## THE COST

Total costs are more than half a million dollars per 100 employees per year.

Pillar 1		Pillar 2		Pillar 3		Pillar 4
Excess Attrition	+	Productivity Drag	+	Brand Damage	+	Job Lock Drag
\$97,101		\$263,117		\$64,734		\$137,406

TOTAL COSTS ADDED

**\$562,358** /100 employees/year

# Three mechanisms convert workforce conditions into value.



**Pillar 1**

## **Retention Value**

Committed employees don't leave as often, avoiding the cost of replacing them.



**Pillar 2**

## **Productivity Premium**

Engaged employees produce more than the baseline – the largest single-value mechanism.



**Pillar 3**

## **Recruiting Value**

A strong employer brand reduces the cost of hiring new people.

## THE COST: Pillar 1 - Retention Value

Committed employees are more likely to stay with the organization. This is the mirror of excess attrition.

**3.53**

avoided departures

Out of every 100 employees, this is how many don't leave each year because they're committed. The Index finds 56 of every 100 employees are committed (would stay even if offered equal pay elsewhere). Committed employees turn over about 25% less than the U.S. baseline annual quit rate of 25.2%. The math:  $56 \times 25.2\% \times 25\% = 3.53$ .

**X**

**\$32,110**

replacement cost saved on each

Same replacement cost figure used in **Pillar 1**: half a year's salary, which is the conservative low end of the SHRM/Allen (2008) range. Every avoided departure means the organization doesn't have to spend this much to recruit, hire and train someone new.

**=**

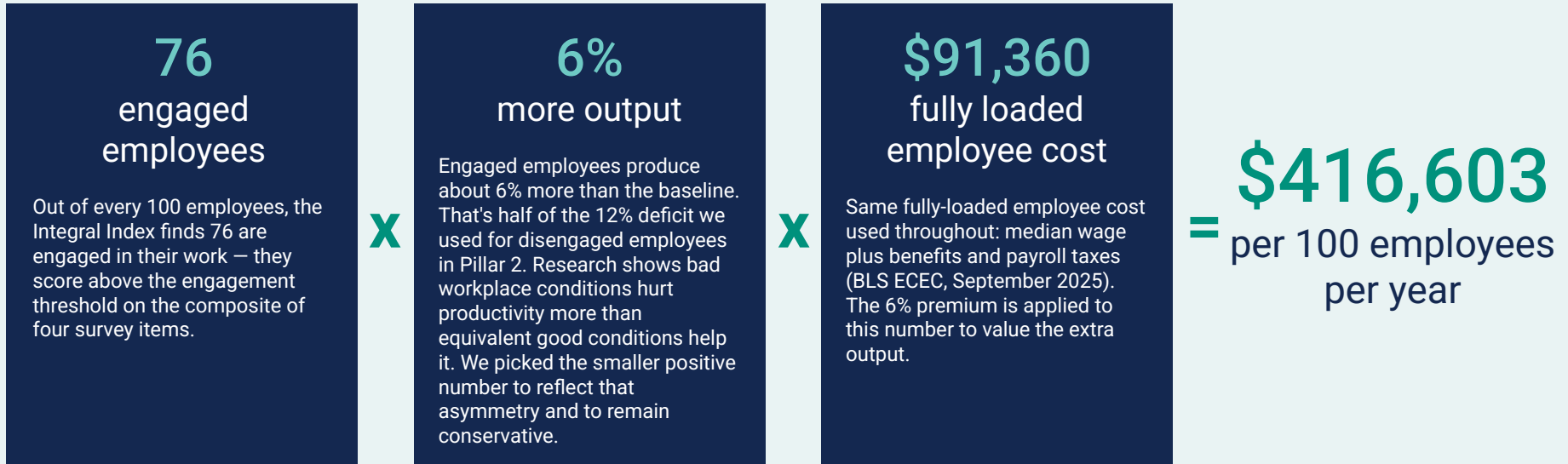
**\$113,284**

per 100 employees  
per year

*Quit-rate reduction for committed employees: We use 25% as the conservative midpoint of Gallup's measured 18%–43% range for high-engagement versus low-engagement teams (Q12 Meta-Analysis 11th Edition, 2024). The 25% choice is also supported by Meyer et al. (2002) meta-analysis of 155 studies on commitment-turnover relationship.*

## THE COST: Pillar 2 - Productivity Premium

Engaged employees produce more than the baseline, producing the largest financial impact (due to the large share of engaged employees).



*Engagement productivity differential: Gallup Q12 Meta-Analysis 11th Edition (2024) reports a 17% productivity gap between top-half and bottom-half engaged business units. The asymmetric 1:2 ratio between the negative case 12% and the positive case 6% is grounded in Baumeister, Bratslavsky, Finkenauer & Vohs (2001), Review of General Psychology 5(4): 323–370, which established the broad pattern that negative effects are larger than positive ones of equivalent magnitude in human behavioral measurement.*

# A strong employer brand lowers the cost of hiring.

36

hires

A typical organization makes 36 new hires per 100 employees each year, based on BLS JOLTS 2024 annual data. This is the pool of hires where employer brand savings can be realized.

X

\$5,475

cost per hire

The average cost of making a single non-executive hire — recruiting, sourcing, interviewing, onboarding. From the SHRM 2025 Benchmarking Report, released October 2025.

X

19.2%

saved

Companies with strong employer brands can reduce cost-per-hire by up to 30% (LinkedIn, Glassdoor). 64% of our workforce qualifies as supportive advocates, so we capture about 64% of that maximum:  $30\% \times 64\% = 19.2\%$ .

=

\$37,843

per 100 employees  
per year

## THE COST

Added value similarly exceeds half a million dollars per year per 100 employees.

Pillar 1		Pillar 2		Pillar 3
Retention Value	+	Productivity Premium	+	Recruiting Value
\$113,284		\$416,603		\$37,843

TOTAL VALUE ADDED

**\$567,730** /100 employees/year

## THE COST

For a 1,000-person organization, the total potential upside between costs saved and value created is more than \$11 million/year.



The two cases describe the same workforce from opposite directions.

An employee who shifts from disengaged-and-reluctantly-retained to engaged-and-committed contributes both to reducing cost and to creating value. The near-equivalence of the totals is incidental, not designed: it shows that the magnitude of value at stake from activation is roughly symmetric whether you read it as cost avoided or value created.

*Salary premium for poor reputation: HBR / ICM Unlimited (March 2016), "A Bad Reputation Costs a Company at Least 10% More Per Hire" — hbr.org. Causal academic support: Ma, K., Sheng, S.Y. & Xie, H. (2023), "Employer Reputation and the Labor Market" — arXiv:2305.02587; Sockin, J. & Sojourner, A. (2023), Journal of Labor Economics 41(4). Hire rate: BLS JOLTS 2024 — bls.gov. Wage: BLS CPS Q1 2026. Premium applied to first-year compensation only.*

Four choices shaped this analysis. Each was made to keep the figures conservative and defensible.

### We use salaries to measure output

Every productivity figure is anchored on what employees are paid, not on the revenue or value they generate. This is the standard approach in human-capital accounting, and it intentionally understates the true cost. A revenue-based anchor would roughly double every productivity figure.

### We pick the conservative number every time

Where research offers a range of possible figures, we use the low end. Where research measures effects on a narrower or more extreme group than the Index population, we scale the effect down. We chose 1.5x turnover instead of Gallup's measured 2x. We chose 12% productivity drag instead of Gallup's measured 17%.

### We measure climate, not specific behaviors

The Supportive Environment and Corrosive Environment composites ask employees to predict colleagues' behavior, not to confirm specific incidents. We treat that perception as a real and consequential measure of the workplace climate, but we acknowledge it is a perception, not a behavioral count.

### Every number traces to a public source

Every input in the model is linked to a primary public source. The baseline quit rate is BLS JOLTS. The wage is BLS CPS. The replacement cost lower bound is from SHRM/Allen (2008). All academic claims are tied to peer-reviewed or working-paper citations a reviewer can verify.



Special thanks to the Internal Communications Research Hub at The University of Florida and the Organizational Communications Research Center of the Institute for Public Relations for reviewing this cost analysis to ensure methodological validity.

## THE COST

Every dollar in the negative case is recoverable. Every dollar in the positive case is at stake.

The figures in this section are not a forecast. They are an accounting of the conditions employees describe today, expressed in the language leaders use to evaluate any other investment.

The business case is straightforward in concept. The conditions that produce employee activation are knowable, measurable and modifiable. The expected return on closing even part of the spread between cost and value is large at almost any organization size.

The strongest finding? The cost concentrates in places engagement surveys do not typically look, which means the highest-leverage investments are also the most often overlooked.



### Download the Methodological Supplement

The full methodology, sources and analysis behind the economic case for employee activation.



**THE HIGHEST- LEVERAGE INVESTMENTS ARE ALSO THE MOST OVERLOOKED.**

#### Questions leaders should ask:

If we knew an investment in these conditions would recover even a fraction of the cost, what would we be willing to spend on it?

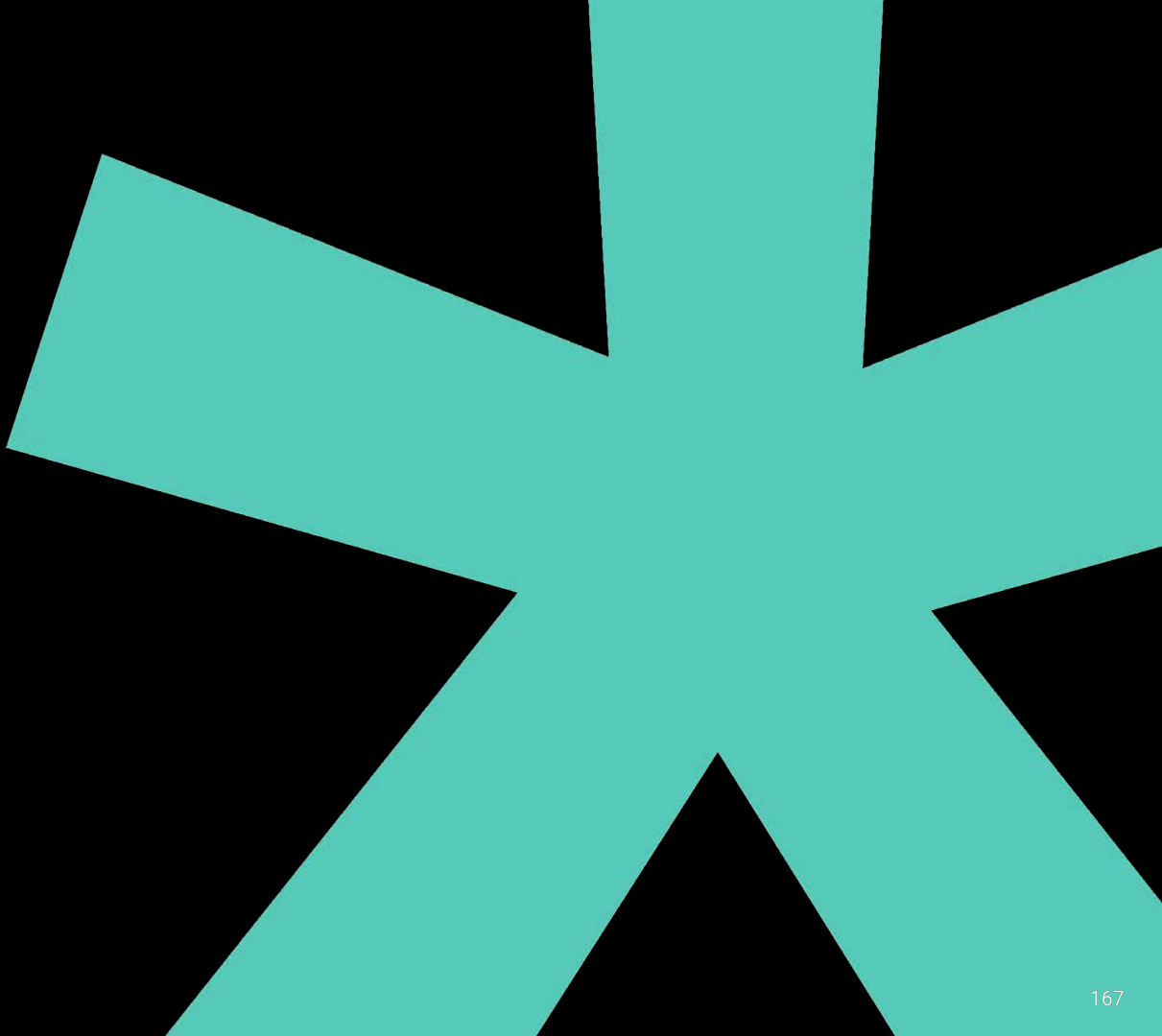
Where in our workforce is the cost concentrated, and how does that change what we prioritize?

Are we looking in the places that matter or just those that are easy to measure?

# Want to know how much money is at stake at your organization?



See our **2026 Integral Index Cost Calculator** and get your own analysis.



**SECTION 18**  
The Final  
Argument

The future of work isn't being written by AI or economic cycles. You're writing it right now, in the conditions your employees experience every day.



For all the attention paid to technology, economic pressure and the mechanics of hybrid work, our research keeps returning to something more fundamental.

**People want to be together.** We want to find common ground, build trust in person and feel connected to something larger than our individual roles. That desire doesn't weaken under pressure. It intensifies.

The organizations that recognize this, and build toward it rather than around it, will be in a stronger position than those still debating where work happens or how to move an engagement number. The question was never where people work. It was whether they feel the work is worth it, whether they trust the people leading them and whether they believe their contribution matters.

**The conditions are knowable.**

**The levers are real.**

**Leaders who act with intention will be rewarded by employees who choose to do the best work of their lives.**

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