Gallup's State of the Global Workplace 2025: A Consultant's Overview

As someone deeply engaged in the practice of organizational development and leadership coaching, I found the 2025 Gallup State of the Global Workplace report both sobering and galvanizing. Gallup's global data set — the world's largest continuous study of the employee experience — tells a story we can't afford to ignore: employee engagement and wellbeing are declining, particularly among managers, and the stakes for organizational performance and human potential couldn't be higher.

The Big Picture: A Workforce on the Brink

Gallup opens with a stark message: the global workplace is at a breaking point. Engagement dropped to 21% in 2024, down from 23% the year prior — matching the lowest point seen during the COVID-19 lockdowns. The report connects this decline primarily to a steep drop in manager engagement, which fell from 30% to 27%. And in the modern workplace, that matters profoundly: 70% of team engagement is directly tied to the manager.

The economic toll is massive. Gallup estimates that low engagement cost the global economy $438 billion in lost productivity in 2024 alone. Even more striking, they estimate that improving global engagement to just 70% (which best-practice organizations have achieved) could yield $9.6 trillion in economic impact — roughly 9% of global GDP.

Managers: Overloaded and Undersupported

The report paints a clear portrait of a manager class under siege. Managers today are being squeezed between rising executive demands and shifting employee expectations. The cumulative burden of constant organizational change — remote work dynamics, AI tools, budget constraints, restructuring, and more — has left many managers feeling isolated, exhausted, and ineffective.

Particularly vulnerable are young managers and women. Engagement among managers under 35 dropped five percentage points. For female managers, the decline was even sharper: seven points. These are the same people often tasked with making new systems work, mediating conflict, and sustaining team morale. As one manager in South Africa put it, "We should have a team of six. There's only two of us. I think that is very stressful."

The data affirms what many of us in leadership development already observe: when

managers are not supported, entire teams suffer. And the ripple effects extend well beyond productivity. They touch how people feel about their lives.

Engagement and Life Satisfaction Are Intertwined

Gallup's research continues to demonstrate that engagement at work is tightly correlated with overall life satisfaction. Globally, only 33% of workers report that they are "thriving" in their lives — a figure that has declined over the past two years. Among managers, the situation is worse: wellbeing dropped five percentage points for older managers, and seven points for female managers.

This decline in life satisfaction isn't just about the job itself. External factors — inflation, housing affordability, and societal stressors — play a role, especially in regions like the U.S., Canada, Australia, and New Zealand, where life evaluations have dropped markedly. But the workplace remains the most dominant force shaping how people experience their lives, simply because that's where they spend most of their time.

Not surprisingly, those who are engaged at work are significantly more likely to thrive in life and less likely to report stress, sadness, anger, or loneliness. The opposite is also true — disengaged employees are more likely to suffer emotionally, and eventually, to leave.

The Hidden Opportunity: Train and Support Managers

Amid the challenges, Gallup offers a hopeful message: we can reverse this trend. Their findings point to three highly actionable solutions, all centered on the role of the manager.

Ensure All Managers Receive Basic Training
Only 44% of managers globally report ever receiving management training. That's not a typo. And yet Gallup finds that just providing basic training can cut active manager disengagement in half. That alone is a low-hanging fruit with profound impact. It's about equipping managers not only with skills, but with a sense of clarity, support, and capability.

Teach Managers How to Coach
Effective coaching can be taught — and it makes a measurable difference. Managers who go through training programs focused on coaching skills show 20–28% improvements in their own performance, and their teams see up to 18% boosts in engagement. These are not temporary gains: the effects last well over a year. Gallup rightly positions this as a high-ROI investment in long-term organizational health.

Increase Manager Wellbeing Through Development Support
Training alone moves manager wellbeing from 28% to 34%. But when training is paired with ongoing encouragement and development, thriving jumps to 50%. In other words, we don't just need to teach managers — we need to support them. Coaching, mentoring, and developmental conversations must become part of the fabric of how organizations operate.

A Call to Redefine the Role of the Manager

Gallup concludes with a compelling challenge to senior leaders: it's time to rethink what we ask of our managers. Too often, managers are treated as middle-tier execution arms, given impossible mandates without authority, training, or support. Instead, we need to treat managers as the lever for cultural health, team engagement, and business performance.

That means setting clear expectations, offering evidence-based training, recognizing the emotional labor of the role, and creating systems that reduce overload. When we do this well, we enable not just managers, but entire organizations, to thrive.

Where Do We Go From Here?

Gallup's data provides caution and clarity for those of us working to inspire sustainable, strengths-based change. Engagement is faltering, but the solution isn't elusive — it's right in front of us. Focus on managers. Equip them. Support them. And trust that when we do, the ripple effect will restore energy, connection, and performance across the entire workforce.

This report is more than a snapshot. It's a signal — a call to reshape our approach to leadership and engagement before the divide grows wider.

Contact Inspired Engagement today for a free consultation to determine how we could partner to help your managers, and your organization thrive.

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