

WHY FRONTLINE WORKERS ARE DISENGAGED

Executives generally overestimate their effectiveness as motivators and leaders.

by Michael Bazigos and Emily Caruso

Only three out of ten American workers feel engaged by their job, according to a Gallup Poll published in 2015.¹ Data from McKinsey's Organizational Health Index, encompassing a decade of survey results from 3 million employees at almost 1,300 organizations, offer insights into why this may be true.

Part of the problem, it seems, is that senior people have a rose-tinted view of realities on the ground. For example, a 2013 study of our OHI database showed that top managers in organizations are more positive than frontline workers about the ability of their organizations to perform over the long term. The biggest discrepancies (exhibit) concern perceptions of whether organizations have the ability to motivate their employees—to engender the enthusiasm that propels extraordinary effort and delivers great results—and assessments of whether their leaders can inspire action by others. Not surprisingly, top managers also overestimate their visibility: for example, separate McKinsey research shows that during transformations, 86 percent of senior executives believe

that they are actively demonstrating the change they want employees to make, but only 53 percent of employees do.²

According to the Gallup research, actively disengaged employees cost the US economy between \$450 billion and \$550 billion in lost productivity every year. Yet McKinsey data³ show that when employees are intrinsically motivated, they are 32 percent more committed to (and 46 percent more satisfied with) their jobs, suffer significantly less burnout than other employees do, and perform 16 percent better. 

¹ Randall Beck and Jim Harter, "Companies are missing opportunities for growth and revenue," Gallup, April 28, 2015, gallup.com.

² McKinsey Transformational Change survey 2014, n=1,713 respondents.

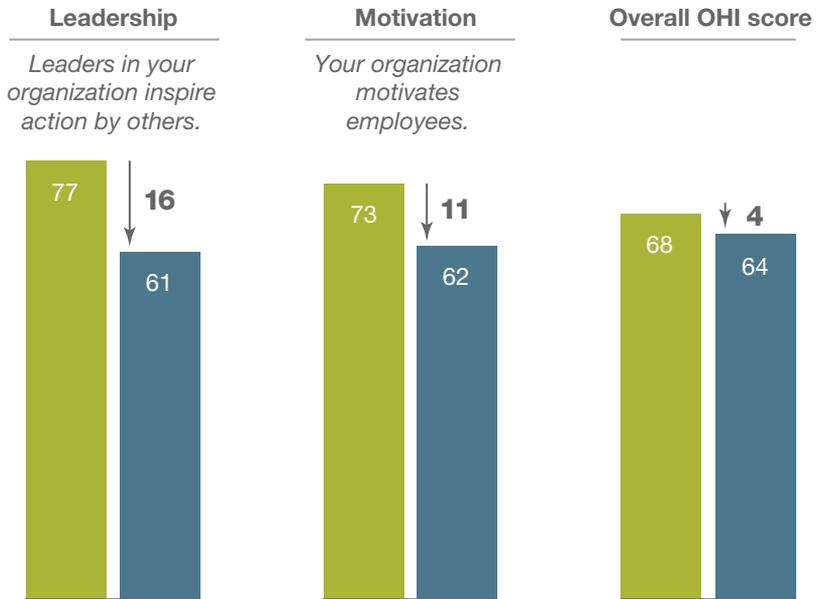
³ *The State of Human Capital 2012: False Summit: Why the Human Capital Function Still Has Far to Go*, a joint report from The Conference Board and McKinsey, October 2012.

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Top managers rated their organizations more highly on leadership and motivation than did frontline employees.

Organizational Health Index (OHI) score (based on % favorable ratings)

■ Top management, n = 3,111 ■ Frontline employees, n = 42,087



Source: Organizational Health Index (a McKinsey Solution): 44 surveys of >52,000 managers and employees, October 2013