

What are we solving for?

	Retention & Attrition		Engagement
	Performance and productivity		Equity and Belonging
	Strengths Awareness		Culture, Character and Trust
	Leadership and development		Well-being, Psychological safety & mental health
	High performing teams		Feedback (two-way)

Across every major workforce study published in the last three years, the same pattern keeps surfacing: Australian employees feel under-recognised, under-developed and increasingly ready to walk.

Here we focus on Engagement (see Appendix 3Qetc formula)

Last year, low engagement cost the world economy approximately \$10 trillion in lost productivity, or 9% of GDP. Engagement measures the psychological attachment workers have to their work, their team and their employer. Gallup meta-analyses have consistently shown over the years a strong relationship between employee engagement and business -unit productivity. Gallup shows that Lower engagement among managers accounts for the recent downturn in employee engagement.

Employee disengagement costs the Australian economy between AU\$211 billion and AU\$223 billion annually in lost workplace productivity. According to Gallup's State of the Global Workplace Country-Level Data, only 21% of Australian employees are actively engaged at work, leaving nearly 80% either psychologically checked out or actively working against their company's interests.

The True Cost of Workforce Disengagement

- Individual impact: A single disengaged employee costs their company roughly 18% to 34% of their annual salary in lost productivity.
- Absenteeism: Disengagement drives a massive chunk of Australia's workplace absenteeism, which costs the total economy \$33 billion a year.
- Presenteeism: Employees showing up to work but functioning poorly due to stress or burnout costs businesses \$34.1 billion annually.
- Mental health: Untreated workplace stress and poor psychological safety account for \$10 billion per year in direct business losses.

Engagement shows how motivated employees are to give their best effort, invest discretionary energy, and stay loyal to their employer's goals. It's more than job satisfaction: an employee can be content with their pay and still be disengaged, showing up without enthusiasm or any real intention to stay.

Which, ever survey, methodology we use, Australia is trailing global peers on engagement, and the gaps are widening rather than closing

Gallup's data breaks down engagement into 3 segments

Engaged – defined by: Employees who are highly involved in and enthusiastic about their work and workplace

Not engaged - defined by: Employees who are psychologically unattached to their work and company

Actively disengaged - defined by: Employees who are unhappy at work, resentful, and vocal about it

What the data shows us:

- Only 21% of Australian employees are engaged at work (down from 23%)
- Roughly 79% of Australian workers are either not engaged or actively disengaged.
- 21% of Australian employees reported experiencing sadness a lot of the previous day, while 14% experienced loneliness.
- Around 64% of employees in Australia believe it is a good time to find a job in their local area
- Only 18% of employees feel appreciated at work
- 58% of employees are recognised four times a year or less - nowhere near enough to sustain day-to-day motivation.
- Just 17% feel connected to their company's values.
- 28% of Australian employees say recognition of their skills would increase their desire to stay - a direct, quantifiable link between recognition and retention.
- Only 15% of employees feel supported in their development goals.
- In Australia specifically, just 20% have access to learning and development resources.
- Only 14% of Australian employees see clear opportunities to grow their career - among the lowest scores in the entire dataset.
- 26% of Australian employees feel most engaged when their skills are actively developing, showing the appetite for growth exists even where opportunity doesn't.
- Retention is 34% higher among employees who have access to professional development.
- Role clarity compounds this effect: 75% of employees with clear expectations of their role report greater passion and job satisfaction.
- Only 19% of employees feel their organisation supports their wellbeing - a figure repeated twice in the same report, underscoring how central this gap is.
- 50% of Australian employees experienced a lot of stress the previous day, slightly above the ANZ regional average of 49% and well above the global average of 40%. This figure has shown no improvement over the prior three-year average.

- Daily emotional experience in Australia: anger 15% (vs 14% ANZ, 22% global); sadness 21% (vs 21% ANZ, 23% global); loneliness 14% (vs 14% ANZ, 22% global).
- On a more positive note, 55% of Australian employees report "thriving" in their overall life evaluation - matching the ANZ average and well ahead of the 34% global average, suggesting personal resilience even where workplace-specific wellbeing support is lacking.
- Only 40% of employees strongly agreed they had the tools needed to do their job effectively - and this, not remote work or other commonly blamed factors, was identified as the single biggest predictor of workplace stress. Overall engagement was found to have roughly four times more influence on stress than work location.

Disengagement in Australia isn't a quiet, background problem - it shows up directly in turnover intentions and hard turnover data.

- 37% of APAC employees plan to job hunt in 2026, with a further 28% unsure about staying with their current employer.
- 42% of ANZ employees are watching for or actively seeking a new job.
- In one Australian benchmark, 24% of employees are thinking of or actively seeking jobs elsewhere (points above the overall benchmark), and 12% expect to leave within two years.
- Average 12-month turnover sits at 16%, with 34% of organisations reporting turnover of 20% or more. Excessive workload was the single most cited cause of departure, named by 26% of employers.
- 64% of Australians believe it's currently a good time to find a job in their local area - down 9 points on the prior three-year average, but still comfortably above the ANZ regional average of 60% and global average of 52%. In other words: the confidence to leave is still there, even as broader sentiment cools.

What engagement is worth: the business case

For leaders needing to justify investment in engagement, the ROI data is compelling and remarkably consistent across sources.

- Engaged employees typically deliver 20–25% higher productivity.
- High-engagement organisations reported 21% higher profitability and 17% higher productivity.
- Top-quartile engagement organisations achieve 81% lower absenteeism and 41% lower turnover than bottom-quartile peers. [5]
- ASX-listed companies with high engagement outperform peers by 3–7% in revenue growth.
- Highly engaged organisations achieved 2.3 times greater three-year revenue growth (20.1% vs 8.9%), with engaged workers 57% more effective and 87% less likely to leave.
- Australian organisations with high engagement report 40–60% lower turnover.
- Organisations with high engagement report 37% lower absenteeism.
- Employee disengagement is estimated to cost the Australian economy AU\$21.1 billion annually, part of a broader global cost of US\$8.8 trillion (9% of global GDP).
- A global decline in engagement cost the world economy US\$438 billion in lost productivity.
- Organisations that actively seek and act on employee feedback are 2.5 times more likely to be market leaders in their sector.

What's actually driving engagement (and disengagement)

Pulling the thematic threads together, the research points to a consistent set of drivers:

- Recognition - infrequent, inconsistent, and the single most commonly cited gap across every report.
- Growth and development - Australians want to develop skills and see a path forward, but access and clarity are both lacking.
- Manager and leadership quality - research attributes 70% of team engagement to the manager's influence, making leadership behaviour the single biggest lever available to organisations.
- Wellbeing support - consistently the lowest-scoring engagement driver across multiple studies, despite Australians reporting comparatively strong personal life satisfaction.
- Enablement and tools - having the basic resources to do the job well is a foundational, and frequently overlooked, engagement driver.
- Flexibility - 64% of employees prefer hybrid work, with 29% saying they'd look elsewhere if forced back to the office full-time. Fully remote employees report the highest global engagement (31%), while hybrid and fully on-site workers sit lower (23%).

Importance of Engagement

Research shows that overall, global corporate engagement could be better, and it is the last bit of capital that we can leverage. If we increase employee engagement, we will increase the company's performance. The formula below shows how interventions to increase engagement translate into company performance and individual well-being, and create High-performing teams

EXP = Executives' performance

EMP = Employees' performance

CP = Company performance

Σ = sum of / all

$$\sum (\text{EXP}) + \sum (\text{EMP}) = \text{CP}$$

(Sum of performance of senior executives + sum of the performance of employees = performance of the company)

Exploring Engagement

"Adding a Variable" such as "corporate engagement". Let's use "e" as engagement.

$$\text{Total Performance is } \sum e(\text{EXP}) + \sum e(\text{EMP}) = \text{CP.}$$

If the lack of engagement is diluting performance, how do we improve engagement?

Leverage:

Imagine how the company's performance would improve – if we turned the “+” to an “X” in the formula!

We can do this by improving:

- Leadership skills
- Well-being
- Attrition
- Team relatedness / Autonomy/development culture
- Develop coaching leaders
- Culture and Trust
- Developing and motivating staff
- Psychological safety
- Improving D&I
- Focusing on the “employees.”
- Hybrid flexible working

When any of the above is less than 100%, the result is a “financial” drag on our organisations, impacting our companies and communities.

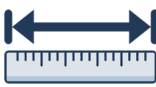
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4. ELMO Software, "Employee Engagement" glossary entry, 9 January 2026.
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7. Association of Consulting Architects Australia, "Measuring Employee Engagement" (partner content, Deltek), citing PwC, Deloitte and McKinsey research.
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9. Joel Anderson Foremind (ceo) Key insights into Australian employee engagement

Resources. This is an inventory of the current available Tools, surveys and frameworks. These are found in the handbooks for the programs (Leadership, coaching, and Mentoring) and online <https://www.3qetc.com/resources>

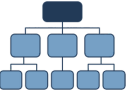
(individual resources email 3Qetc for PW). There are short 3-5-minute videos on all the tools online.

Tools & Surveys

	Strengths*		Burnout (i & ii)
	Stakeholder Map		Time management
	Flourishing wheel - wellbeing		scaling
	Fixed growth mindset		Harvard 3Qeto leadership survey
	Self-motivation		People leader feedback survey
	Self-esteem		Leadership hygiene survey
	Self-compassion		Working and leading remotely survey
	Listening		Fulfilment survey
	Self-regulation		New leaders fears survey
	Emotional intelligence		Psychological Safety Survey
	Values exercise		Career mind map
	RE-grow		WOW Work on Wellbeing*

*External strategic partners: Langley (CAPfinity)

Frameworks

	Goal types		Unconscious bias
	Goal hierarchy		Journaling
	Regrow		Self-regulation worksheet
	Effective language and communication		Reading the room
	Feedback		

Our philosophy is one of partnership. We incorporate a suite of evidence-based positive psychology tools, surveys and frameworks into all our programs, which are consistently updated and continually enhanced. (We digitally share them with the client as resources.)

At a high level, our services are :

- Executive Coaching (Leader growth & Leader intervention & aspiring new leaders)
- Team Coaching
- Leadership development programs
- Structured mentoring solutions (Flagship service)
- Sponsorship programs (D&I)
- Strengths Analysis and Debriefs
- Wellbeing: Individual and organisational assessment – (scalable /Digital)
- Research and data insights