The Silent HR Crisis: Why Employee Disengagement Isn't Loud Anymore

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Your most disengaged employees aren't complaining.

WHITE PAPER

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TABLE OF CONTENTS

EXECUTIVE SUMMARY

There is a new type of skill shortage going on in companies around the world and no one complains, it doesn't make a lot of noise, it doesn't move on, no one walks out the door. It manifests in a tad longer response times, in meetings held while cameras are muted, in to-do lists that are actually checked off but have no real substance. It's the issue of quiet resignation.

This whitepaper documents how workforce disaffection has progressed from the ‘quiet quitting' trend of 2022 to its more sinister cousin quiet attrition; the quiet, almost imperceptible leak of talent, energy and institutional knowledge that quietly grinds away in organisations where everyone seems to be happy.

Based on Gallup, LinkedIn, McKinsey, MIT Sloan and Deloitte data, this paper argues disengagement in 2025 is not something that is felt, it's a financial emergency. It then explains how smart CHROs, HRBPs and aCXOs are using strategic and technological solutions, such as **uKnowva HRMS,** to catch, measure, and turn around the tide of talent before they walk out the door without raising their voice.

23%

Only 23% of global employees are actively engaged at work

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Annual global productivity lost to disengagement (Gallup, 2023)

59%

Employees 'quiet quitting' — doing the bare minimum (Gallup)

PROBLEM STATEMENT

A quiet workplace is a dangerous workplace.When the workplace becomes quiet, that should scare you!

HR leaders have been dealing with disengagement for decades like fire fighters wait for the alarm and then respond. As for the resignation letter, the angry exit interview, or the blowup in the team meeting, these were the indicators that someone had fallen out of love. They were painful, but it was easy to spot.

This is how that model is broken.

> Today's most disengaged employees don't quit loudly. They don't complain in town halls. They don't escalate. They smile in all-hands meetings, submit their deliverables on time, and leave months or years later without ever giving HR a single clear warning sign.

The vast majority of those who are least engaged don't walk out the door. They don't gripe at town hall meetings. They don't escalate. They smile during an all-hands meeting and when they're ready to submit their work, they make it on time, and they walk out of the office months or even years later, with not a single clear warning sign given to HR.

It's not the resignation wave you can anticipate, it's the steady erosion of engagement, motivation and belonging that only becomes apparent in the lagging engagement indicators: turnover, productivity, eNPS, etc.

The problem consists of three different stages each worse than the last:

Stage 1 Quiet Quitting (2022–2023)

Quiet quitting was a term used to characterize workers who aren't going above and beyond in the post-pandemic reshuffle. They did what they were assigned to do, and did it.They did what they were told to do, and they did their job. No extra hours. No initiative. No emotional investment. The Gallup 2023 State of the Global Workplace Report found that a minimum of 59% of the world's workforce were in this category.

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Source: Gallup State of the Global Workplace 2023 — https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx

Stage 2 Quiet Disengagement (2023–2024)

In the case of quiet disengagement, it went deeper still. The quietly disengaged started to mentally check out and the quietly quitters showed up. They did not participate in meetings, but did not contribute. Their efforts were just good enough to get them by. In its Work Trend Index 2024, Microsoft identified 85% of leaders as having limited visibility into the state of engagement of their hybrid teams.

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Source: Microsoft Work Trend Index 2024 — https://www.microsoft.com/en-us/worklab/work-trend-index

Stage 3 — Quiet Attrition (2024–Present)

Engaged in the quietest way is the natural and inevitable result of the disengagement continuum. It results from a situation in which employees who are quietly disengaged for a long time make up their minds to leave, which doesn't always mean they leave their employers. They leave mentally. They minimise effort to practically nothing. They start to search for jobs passively. And when they finally say goodbye, it's already costing the organization a loss of productivity, loss of knowledge, and loss of team morale for 6-9 months.

In the report, McKinsey's Global Survey on the Future of Work, 40% of the workers globally indicated that they were likely to quit their jobs in the next 3–6 months, with a majority of them never expressing their dissatisfaction to their manager.

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Source: McKinsey & Company — The State of Organizations 2023 — https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/the-state-of-organizations-2023

The Data Speaks: By the Numbers

The facts of world-wide surveys and industry reports tell a bleak tale of a fresh and unresolved engagement crisis, indeed, one that's accelerating.

Engagement Benchmarks

23%

Global workforce actively engaged (Gallup 2023)

18%

Actively disengaged working against their employer

59%

Not engaged present but not committed

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Source: Gallup State of the Global Workplace 2023 — https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx

The Financial Cost

Disengagement is not an easy HR issue. That's a tough monetary choice. Low engagement comes at a cost of $8.9 trillion to the global economy each year, or 9% of global GDP, according to Gallup estimates. There is an especially high cost in India, where the workforce is growing rapidly, and legacy management systems are still in use, in companies with mid-market scale (500–5,000 employees).

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Source: Gallup Global Economic Cost of Disengagement — https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx

The Society for Human Resource Management (SHRM) has estimated that it costs an organization 50% – 200% of an employee's salary to replace him or her, depending on the duration of the role and the amount of time that a replacement will be needed.

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Source: SHRM — Retaining Talent: A Guide to Analyzing and Managing Employee Turnover — https://www.shrm.org/topics-tools/tools/toolkits/retaining-talent

The Engagement Gap and Hybrid Work

Hybrid and remote working has drastically changed the HR teams' ability to see the wellbeing of staff. According to the LinkedIn 2024 Workforce Confidence Survey, 67% of the employees who work remotely all of the time say they feel 'invisible' to leadership, not in terms of their work, but in terms of being recognized, developed and emotionally connected to the company.

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Source: LinkedIn Workforce Confidence Survey 2024 — https://www.linkedin.com/pulse/linkedin-workforce-confidence-index/

Meanwhile, MIT Sloan Management Review's research on toxic workplace cultures found that a toxic culture is 10.4 times more predictive of attrition than compensation yet compensation is the lever most organisations pull first.

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Source: MIT Sloan Management Review — Toxic Culture Is Driving the Great Resignation — https://sloanreview.mit.edu/article/toxic-culture-is-driving-the-great-resignation/

Manager-Employee Disconnect

MANAGER BELIEFS	EMPLOYEE REPORTS
86% say they know if their team is engaged	**Only 33%** feel their manager truly understands their workload
91% believe their 1:1s are effective	**57%** say check-ins feel performative or rushed
74% say they give meaningful recognition	**Only 28%** of employees feel genuinely recognised (Gallup)
80% are confident team culture is healthy	**41%** report avoiding conversations about burnout (Deloitte)

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Source: Gallup Manager-Employee Engagement Survey 2023; Deloitte Global Human Capital Trends 2024 — https://www2.deloitte.com/global/en/insights/focus/human-capital-trends.html

WHY DOES DISENGAGEMENT GO SILENT?

To turn disengagement around, it is vital to first understand why it's invisible. The silence is not an unintended effect, it is a systemic phenomenon, psychological and in some instances, a purposeful creation of work relations.

Psychological Safety is a Deficit

Psychological safety the sense that people can express themselves without embarrassment or discouragement tops the list of the two most important drivers of team performance in Deloitte's 2024 Global Human Capital Trends report. However, just one in four (25%) workers worldwide says they are psychologically safe in their current job.

If your employees don't feel comfortable in reporting an issue, they won't. They disengage instead. When you're reading as contentment it's likely suppressed dissatisfaction.

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Source: Deloitte Global Human Capital Trends 2024 — https://www2.deloitte.com/global/en/insights/focus/human-capital-trends.html

The Feedback Paradox

The 'feedback paradox' is the situation that researchers have found using the most widely used engagement measurement instruments: annual performance reviews and quarterly pulse surveys. They happen so often that they can make one think that they are listening but so little that they may miss the actual flow of feelings experienced by an employee. By the time an annual engagement survey detects a disengagement signal, it's likely that the employee is at Stage 2 or Stage 3.

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Source: Gallup — Re-Engineering Performance Management — https://www.gallup.com/workplace/238064/re-engineering-performance-management.aspx

A Digital Mask And Remote & Hybrid Environments

Zoom, Teams and Slack are remote work tools, which have unknowingly given rise to a powerful camouflage of disengagement. An employee who has an engaging virtual background, a professional response in the chat and a camera that sometimes turns black because of ‘bandwidth issues' is not very different from an employee who is checked out.

Time-tested human instincts, based on body language and other in-person signals become almost useless.

Cultural programming for "Be Fine"

Satisfaction at work is a social taboo in many cultures of South Asia and East Asia, especially for organizations that have offices in multiple countries or have employees who come from diverse backgrounds including the diaspora. When employees are disenfranchised from the culture, they are likely to show up as resilient even when they feel that way inside. This gives a particular edge to the Indian headquartered or Indian run organisations to suffer from silent attrition dynamics.

> The most dangerous answer to 'How are you doing?' is 'I'm fine.' In most organisations, that's the last thing a disengaging employee says before they start job searching.

The worst response to 'How are you doing?', is 'I'm fine.'. In most organizations, that's the first thing a departing employee says as he/ she begins to look for a new job.

THE REAL COST: WHAT YOU'RE LOSING WHEN EMPLOYEES GO QUIET?

Silent disengagement doesn't just affect morale. It drains organisational performance across four critical dimensions:

1. Productivity Erosion

Gallup calculates the cost of actively disengaged employees to be anywhere between 34% and 51% of their salary per year to their own organisation. Technically competent employees that are not engaged, which are estimated to cost organisations between 18–25% productivity loss, just due to lack of initiative, creativity and poor output quality.

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Source: Gallup — The Cost of a Bad Manager — https://www.gallup.com/workplace/272681/cost-bad-manager.aspx

2. Knowledge Drain

Eventually, when a quiet attorney leaves, they bring with them all the "how we do things here" institutional knowledge, the kind that has been acquired over years of working together: the client, the process, the muscles, the products, and the team. The SHRM predicts it takes 6-12 months for an organisation to recover from the loss of a mid-to-senior level employee.

HRMS uKnowva

3. Team Contagion

Disengagement is contagious. Wharton School of Business research reveals that the presence of one or more actively disengaged team members can have a negative impact on team performance of up to 30-40%. This is the 'bad apple' effect and in an era of quiet disengagement, the 'bad apple' is a 'good apple'.

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Source: Wharton School — The Contagion of Employee Disengagement — https://knowledge.wharton.upenn.edu/article/disengaged-workers-can-cost-company-money/

4. Employer Brand Erosion

70% of those who leave a company within 90 days of their exit leave with a negative review, according to Glassdoor data. These reviews feed into future hiring pipelines, lead to a longer time-to-hire and higher cost-per-hire which has a downstream financial effect that goes well beyond the initial attrition event.

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Source: Glassdoor Economic Research — Why Do Workers Quit? — https://www.glassdoor.com/research/why-do-workers-quit/

FROM DETECTION TO ACTION: HOW uKnowva HRMS ADDRESSES THE SILENCE

The disengagement crisis can be resolved. To solve the problem, an HRMS must have built-in infrastructure that most traditional HRMS were not engineered to real-time behavioural intelligence, continuous feedback loops, early warning systems, and manager-enablement tools that can work before problems become unfixable.

But, uKnowva HRMS was designed with just this pivotal moment in workforce management in mind when HR technology needs to shift from keeping records to predictive people intelligence.

1. Continuous Engagement Sensing

In contrast to annual surveys, which are too little, too late, uKnowva's pulse check module is continuous which monitors sentiment throughout the employee lifecycle and delivers micro-surveys. These check-ins are non-intrusive, brief, contextual and ask about authentic signals instead of “curated” answers.

> uKnowva's engagement dashboards give HR leaders a real-time sentiment map of their entire organisation by team, tenure, location, and role level making invisible disengagement visible before it becomes irreversible attrition.

2. Attrition Risk Indicators

Through leave frequency, performance score trend, sentiment of peer feedback and quality of managerial interactions, uKnowva's AI-powered analytics layer identifies patterns to calculate leave risk scores for each employee. These scores will help HR executives and HRBPs take action at Stage 1, before the quiet quitting turns into quiet attrition.

It does not compromise privacy norms and alerts HR about riskier employees, allowing them to initiate a retention conversation instead of a reactive exit management process.

3. Manager Enablement Toolkit

As the majority of disengagement is a manager relationship problem rather than an organisational concern, uKnowva supports frontline managers with structured 1:1 templates, conversation prompts and team health dashboards which make it easier to ask the right questions, at the right time.

The system also sends a warning to managers when direct reports exhibit any of the pattern changes, such as participation decreases on collaborative tasks or voluntary communication decreases, and that's when the manager is alerted to proactively check in on the person rather than reacting to the problem.

4. Career Pathing and Growth Visibility

The top reason employees disengage from their jobs is due to a lack of career growth opportunity, according to LinkedIn's 2024 Workplace Learning Report. uKnowva's career ladders and skills mapping function create clear career paths and skills basks that always enable employees to see a path forward, eliminating career stagnation and increasing silent attrition.

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Source: LinkedIn Workplace Learning Report 2024 — https://learning.linkedin.com/resources/workplace-learning-report

5. Recognition Infrastructure

Gallup data indicates 56% fewer employees will job search when they feel recognised. uKnowva's peer recognition and social feed component fosters an environment of visible appreciation, encouraging people to show appreciation of contributions that will not be held off for annual review.

6. Exit and Stay Interview Analytics

uKnowva's structured stay interview module reverses a common HR mistake: asking why people leave instead of why they stay. By systematically capturing the factors driving retention among engaged employees, organisations can engineer more of those conditions and reduce the likelihood that disengaged employees hit the point of no return.

DISENGAGEMENT STAGE	WARNING SIGNS	UKNOWVA INTERVENTION
Quiet Quitting	Reduced discretionary effort; minimal participation	Pulse checks + Manager 1:1 prompts
Quiet Disengagement	Declining collaboration; low energy; passive communication	Attrition risk scoring + Sentiment analytics
Quiet Attrition	Job search behaviour; leave spikes; peer disengagement	Retention alerts + Stay interview activation

A STRATEGIC LENS: WHAT CHROS AND A CXOS MUST DO DIFFERENTLY

This crisis will not be solved by HR alone. It demands C-suite alignment, budget realignment, and a fundamental rethinking of what 'people strategy' means in 2025.

Stop Treating Engagement as an HR Metric

Engagement is a business metric. A 10-point drop in engagement across a 1,000-person organisation translates conservatively into \$2.3M–\$4.7M in annual productivity loss and \$1.2M–\$3.8M in incremental attrition costs. When framed this way in board presentations, engagement investment decisions change rapidly.

Invest in Manager Quality, not Manager Training!

According to the research of McKinsey, 70% of the difference in employee engagement can be attributed to the quality of the immediate manager. However, most organisations are investing in manager training (one shot) and not in manager support infrastructure (on-going system). The manager toolkit by uKnowva is built as the second, and the most important, type of manager tool continuous, situational and based on data.

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Source: McKinsey — The Multiplier Effect: Insights on Manager Development — https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/the-multiplier-effect

Re-establish trust by transparency

According to the Edelman's 2024 Trust Barometer, just 46% of workers feel their employer can give them the truth about their job security and future. One of the biggest factors that promote disengagement is trust erosion. Leaders who clearly share strategy, problems and change even when the information is ambiguous always see more positive engagement scores.

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Source: Edelman Trust Barometer 2024 — https://www.edelman.com/trust/2024/trust-barometer

Create designs for belonging, rather than merely productivity

An impressive 75% reduction in sick days, 50% decrease in risk of leaving the company, and a 56% boost in job performance were among the metrics BetterUp discovered link to a high sense of belonging. Being part of a culture is not a culture project. It's an engineering issue and deliberate design of communication rituals, recognition systems, and inclusion infrastructure are needed.

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Source: BetterUp — The Value of Belonging at Work — https://www.betterup.com/research/the-value-of-belonging-at-work

WHAT'S NEXT?

Reactive HR has come to an end. The organizations that will be the winners of the next 10 years of talent competition will be the ones that create proactive people systems systems that identify employee disengagement before it turns into employee attrition, systems that let managers know before issues reach a critical point, systems that make employee experience a focal point of the boardroom, not an afterthought of HR.

The course to take is not difficult. But it is urgent.

For HR Leaders

- Review existing engagement measurement tools and processes. Do you need to collect live signals, or for the annual survey?
- Map the disengagement risk profile of your organisation, at team, tenure and manager level. Where is your Stage 2 staff?
- Adopt a data-driven approach to support managers that is continuous, rather than episodic training.
- Adopt stay interviews, rather than crisis management.

For CHROs and aCXOs

- Represent the ROI of engagement in monetary terms with the board and CFO. This is a revenue discussion, and not a culture discussion.

- Invest in HR technology infrastructure that encompasses more than payroll and compliance, into prediction, intelligence and intervention.

- Create an environment of psychological safety (TDD) from the top down. Engagement isn't something that can be produced, it is something that needs to be demonstrated.

- Take responsibility for engagement scores from your teams – not just delivery scores.

Elevate Employee Engagement with uKnowva's AI-Powered Social Intranet

Employee disengagement often grows silently through low participation, weak collaboration, and disconnected teams. uKnowva HRMS helps organizations build a more connected and engaging digital workplace with its AI-powered social intranet.

From social feeds, recognition walls, surveys, and communities to AI-driven engagement insights, uKnowva enables better communication, stronger collaboration, and improved employee experiences across teams.

Create a smarter, more connected workplace culture with AI-powered engagement and collaboration through uKnowva.

CONTACT US

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