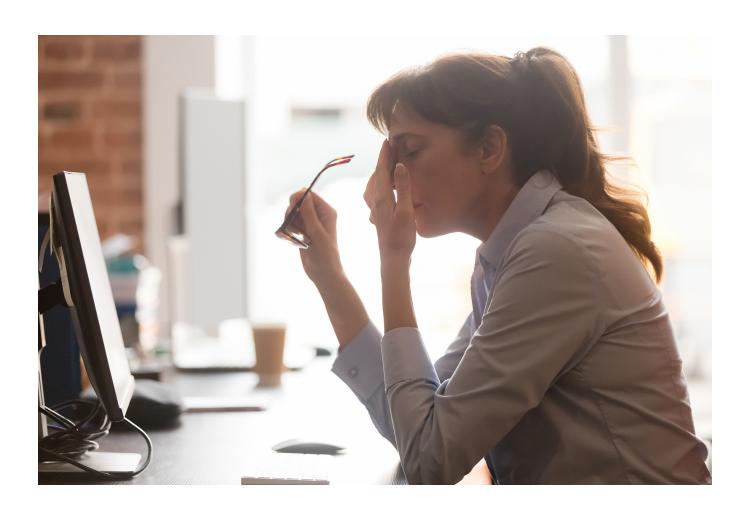JANUARY 2025

Dismantling the Leadership Disconnect

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The leadership disconnect is widening the gap between employers and employees, urging executives to reevaluate their culture and retention strategies.

Many workplace experts initially credited elevated quit rates to the pandemic—but was this blame misplaced? While the Great Resignation has long fizzled out, and once-extraordinary disruptions have become the norm, job hopping and quit rates have been rising once again. Compensation is only a single factor in the story.

At a deeper level, many workplaces are experiencing a leadership disconnect. The expectations and preferences of workers are often misaligned with those of business leaders. Only by addressing this dichotomy can employers successfully overcome attrition.

Where's the Leadership Disconnect?

A Deloitte study looks at the expectations workers have for their careers. Overwhelmingly, employees are seeking professional development opportunities, personal well-being, and a sense of purpose and belonging. Yet as it turns out, less than half of leaders are prioritizing these initiatives. The fact is that they're falling short of meeting the strongest employee motivations.

What employees truly want is to feel valued by their managers, to have a sense of belonging in their workplace, and to have caring and trusting teammates—as well as potential for advancement and a flexible working arrangement. These are all desires that *employers* perceive as less important motivators when "relational" factors are a much higher priority for workers than employers have typically accounted for. Thus, a leadership disconnect.

Research from MIT suggests rising attrition is the result of a long-standing trend, rather than a disruption-triggered shift in workplace dynamics. For example, the leading predictor of turnover in 2021 was actually toxic culture, which was 10.4 times more likely to lead to attrition than compensation and even burnout. It's unlikely that toxic cultures popped up *because* of the pandemic, but it is feasible that existing toxic cultures were made worse as a result.

The root cause of toxic culture is often this leadership disconnect—made worse when business disruptions further rock the boat. But misunderstood priorities also create a subtle erosion of employee trust and engagement, even in the absence of a toxic culture.

The Role of Connection in Worker Satisfaction

The leadership disconnect is about more than mismatched priorities. It's also about literal connection—relationship or feeling of *belonging*—between an employer and their mission, vision, goals, and overall workforce. Tap back into the Psych 101 class you once took to remember that Maslow's Hierarchy of Needs identifies "belonging" as the third tier after physiological needs and safety needs. This neatly explains why a study revealed that 77% of employees want to work for an employer where they feel connected to the purpose and people. In fact, three in five people would consider leaving a job if that connection was missing.

Digital transformation has vastly complicated the concept of connection. With the rise of virtual meetings, leaders have been forced to reinvent and redefine connection within their organizations. Unfortunately, in the remote environment, many employees don't feel seen or appreciated. Only [28%](28%) strongly agree they feel a connection to the company's mission, purpose, and objectives. And, of course, they struggle to socially connect with colleagues, even as many [work *more*](work more) than they would in-person due to work-life balance difficulties. With these challenges stacked up against employers, elevated attrition seems like the inevitable result.

How to Restore the Connection

One of the biggest challenges in addressing this leadership disconnect—both the mismatch of priorities *and* the growing lack of relationships—is that the idea of "connection" is often intangible and immeasurable. We can look at the data from the Great Resignation, as well as recent turnover spikes, but it's harder to pinpoint direct causes.

When companies don't have the data or resources to dig into these more subjective underlying causes, many end up turning to bonuses, pay raises, and other perks. As appreciated as these may be for many employees, these quick fixes often communicate a transactional relationship and fail to address their workers' need for a sense of belonging and well-being. Restoring the employee-employer connection requires more meaningful solutions.

The best starting place is to survey employees for their company feedback, using that data to help assess the current state of company management, work environment, benefits packages, employee development, and team dynamic. Do you have the right managers in place? Is there effective training for those managers, especially as it relates to hybrid or remote management? Are the culture, work environment, and team dynamic supportive of all employees, even in a hybrid or remote work model? Understanding the current state of these elements and how it impacts your unique employee base opens the door to tangible solutions

to the leadership disconnect.

Employee recognition is a good example of a tangible, effective way to foster workplace connection. One study suggests that companies are twice as effective at addressing connection when they implement a recognition program. Furthermore, tying recognition to company values and tailoring it to your employees will cement recognition into the culture, anchoring a stronger sense of belonging for employees.

However, tactics like these must be tied into a cultural mindset—one that fosters resilience, gratitude, optimism, and flexibility. This is the only way to create a work environment—remote, hybrid, or fully in-person—where employees feel connected and safe. It's an extraordinary task to create or shift the cultural mindset. It can be reinforced with tactical solutions like recognition, tech solutions, and benefits, and measured through employee feedback and engagement. But at the end of the day, it comes down to effective and compassionate leadership who work to connect with their employees.