

## Seeing What Employees See

What Global Data Reveal About Leadership, Credibility and Culture

*Insights from employees across nearly 150 global organizations on the leadership signals that shape culture and performance*

### What today's leaders are up against

Every leader feels it: the pace is faster, the pressure higher and the expectations are increasingly demanding. Leaders are investing in talent, clarifying purpose, navigating constant change and working hard to create conditions where people can excel. Yet outcomes still fall short of what they intend.

That gap isn't about effort. It's about context. Senior leaders carry the responsibility of translating a fast-changing external environment into clear direction. Leaders often see the full picture, but employees can feel the same pressures without the context to make sense of them. When the "why" behind decisions isn't clear, even sound choices can feel opaque. In this space, leader credibility becomes currency; transparency becomes strategy.

This report helps leaders close that gap. Grounded in global data and empirical insight, we show that leadership credibility and transparency (in how leaders communicate, show up and make decisions) shape employee motivation, contribution and business outcomes. In this research, leadership credibility and transparency are defined as the organization's confidence that leaders make fair decisions and communicate them openly.

Our goal is to give leaders a clearer view of the unseen forces shaping culture and provide practical insights into where leadership signals are landing, and where they are being lost.

## What the data brings into view about senior leader impact

Analysis of our culture database spanning more than 148 organizations and over 400,000 employees reveals a consistent pattern. Leaders may believe they are communicating clearly, staying visible and acting fairly. Employees do not always experience those signals the same way.

# 4X

### Senior leader credibility & transparency

influence on employee  
motivation and  
capacity to contribute,  
compared to direct  
managers' support

In this research, leadership credibility and transparency reflect how employees experience senior leaders — where they communicate clearly, show up visibly and make decisions fairly, including taking employee input seriously.

Our data show that senior leaders' credibility and transparency have an out-sized influence on employee motivation and contribution: four times the impact of direct managers. While direct managers play a vital role in day-to-day support and accountability, employees look to senior leaders for the signals that mostly strongly shape how much energy and effort they bring to their work.

This gap is not about leaders' effort or intent. It reflects a basic reality. Senior leaders often have limited insight into how decisions land across the organization. As a result, employees rely on signals of credibility, transparency and fairness to decide how leadership is experienced.

## When motivation slowly drains, performance follows

Taken together, when employees do not experience credible leadership at the top and supportive management day to day, a slow drain on motivation and contribution begins to take hold.

Our data show that **seven in 10 employees report experiencing a “slow drain,”** making it a widespread pattern across organizations. This erosion is rarely sudden. Instead, it shows up in everyday ways. Employees report feeling:

- » less motivated to go beyond what's formally required
- » less aligned with and motivated by organizational values
- » less valued by coworkers when offering differing perspectives
- » not recognized as a valued member of the organization
- » less committed to staying

As motivation and capacity to contribute erode, organizations become less effective, and this has a direct impact on both employee and business outcomes. We found that the slow drain can undermine mutual respect, collaboration and psychological safety as well as perceptions about business growth and customer focus (see Figure 1).

In practical terms, this slow drain makes employees less likely to speak up, experiment or challenge ideas, collaborate openly, view the organization as responsive to customers or engage fully in work that drives future success.

**FIGURE 1: LEADERSHIP SIGNALS AND THE SLOW DRAIN***Evidence from a random sample across 148 organizations globally<sup>1</sup>*

## How these patterns play out across organizations

To test whether this pattern holds across different organizational contexts, we examine six companies across industries, sizes and regions. Two are multinational companies (manufacturing and solutions; automotive components). The remaining four represent different regions: Asia Pacific (media), Latin America (commercial aviation) and North America (property and casualty insurance; U.S.-based nonprofit healthcare).

Across all of them, we observed the same core dynamic: When employees experienced senior leaders as credible and visible and felt supported by their direct managers, motivation and contribution remained strong. When those signals weakened, the slow drain emerged.

While the pattern was consistent, its strength varied meaningfully across organizations. Stronger leadership signals were associated with higher psychological safety, stronger collaboration and more positive perceptions of business performance; weaker signals corresponded with declines across these outcomes. Figure 2 provides three illustrative examples from the six.

<sup>1</sup> Employee outcomes: Limited mutual respect & collaboration ( $R^2 = .86$ ); Stalled view business growth ( $R^2 = .81$ ); Lack of psychological safety ( $R^2 = .77$ ); Limited customer focus ( $R^2 = .46$ )

**FIGURE 2: THREE ILLUSTRATIVE EXAMPLES SHOWING HOW LEADERSHIP SIGNALS TRANSLATE INTO MOTIVATION, CONTRIBUTION AND OUTCOMES**

	Multinational manufacturing company	US healthcare nonprofit	Asia-Pac media company
<b>Confidence in leadership</b>			
Top leader credibility	■	■	■
Direct manager support	■	■	■
<b>Employee motivation &amp; contribution</b>			
< 70% indicate a pattern of slow drain	■	■	■
<b>Impact on outcomes</b>			
Mutual respect and collaboration <sup>2</sup>	■	-	-
Business growth	■	■	■
Psychological safety	■	■	■
Customer focus	■	■	■

■ Highly favorable (>80%)   ■ Favorable (70-79%)   ■ Moderately unfavorable (60-69%)   ■ Highly unfavorable (<60%)

## The strategic opportunity for leaders

Most leaders are doing a great deal to lead well. Yet many still question what's happening with their culture, and why it isn't translating into the employee and business outcomes they expect.

As the environment grows more complex, employees are navigating uncertainty without the context leaders have. In that gap, leader credibility and transparency become essential. When leadership signals are hard to read or inconsistent, motivation and capacity to contribute quietly drain — with real consequences for psychological safety, collaboration and confidence in business performance.

The challenge for leaders isn't effort; it is visibility into how that credibility and transparency are being experienced by employees. Leaders may have a limited view of how their actions are being interpreted day to day, or where fairness and transparency are beginning to weaken. Data opens the aperture. It surfaces the signals employees are receiving and shows where leadership intent and employee experience are out of sync.

The opportunity is not to do more, but to act with greater precision. Bringing courage, empathy, curiosity and ownership to close visibility gaps before the slow drain takes hold.

<sup>2</sup> Mutual respect and collaboration is included in the global model (148-company sample; highest Rb2) but is not shown for the U.S.-based and Asia-Pacific examples due to limited company-specific data; where available, the pattern aligns with the global results.

The data points to a small set of high-leverage leadership moves:

- » Surface what isn't reaching you, especially when it may be hard to hear.
- » Use data to test how leadership credibility and transparency are landing.
- » Make decision logic visible, not just outcomes.
- » Watch motivation and contribution as early signals of risk.
- » Focus on the few leadership signals with the greatest influence.

Taken together, these moves help leaders shift from operating on assumptions to acting with clarity which can strengthen confidence in leadership, boost motivation and drive performance over time.



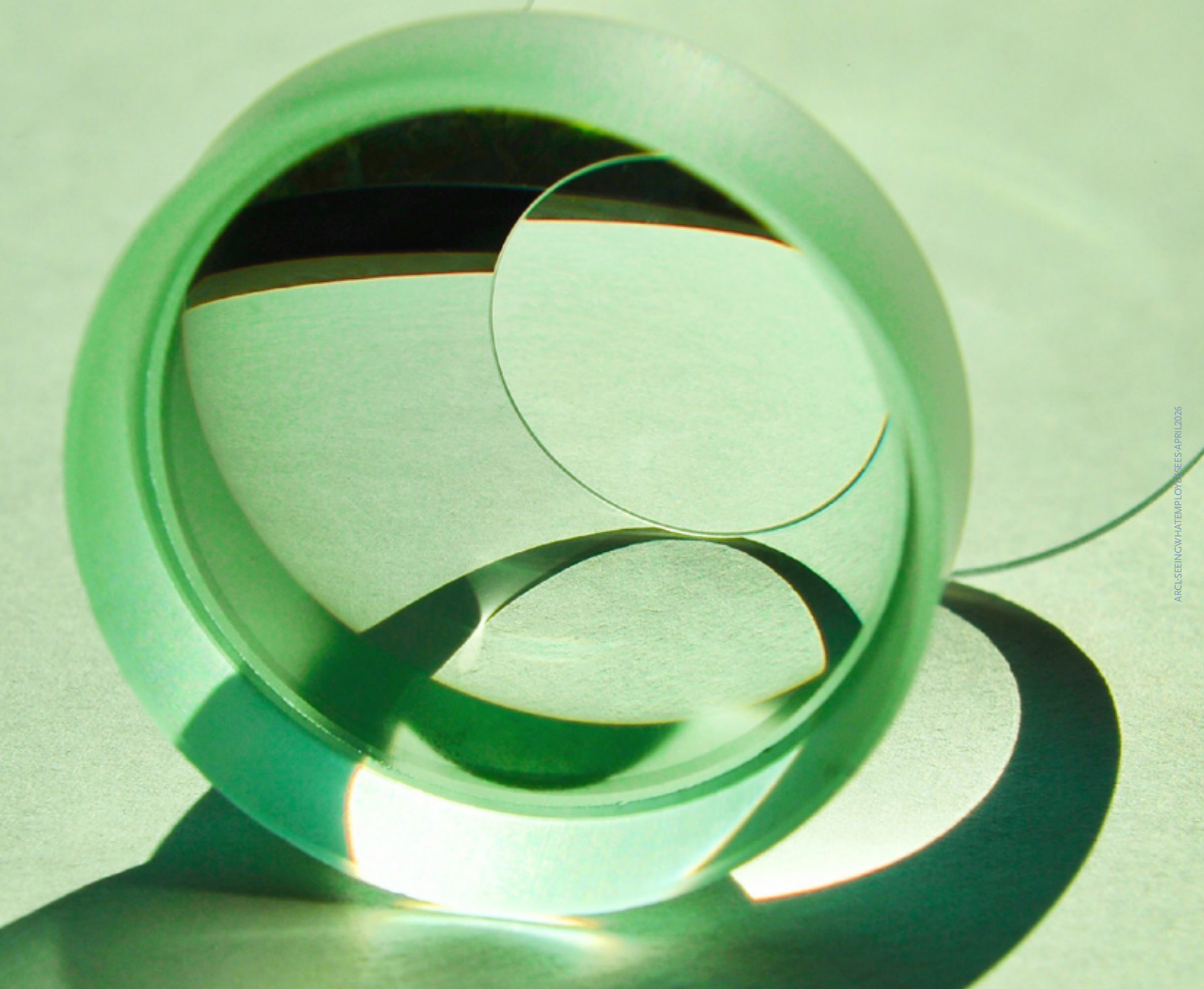
## Methodology

A global model was tested based on data gathered from a random sample of 148 organizations to explore the effects of leader credibility and direct manager support on employee motivation and contribution, and the resulting impact on employee and business performance. The organizations encompassed a wide range of industries and sizes, representing over 400,000 employees between 2022 and 2024.<sup>3</sup> Although the global model fit was only classified as fair, this limitation was due to the very large sample size and missing value analyses. The model was then cross-validated with several organizations outside the sample (six company examples of employee motivation and contribution), which showed primarily good to excellent fit with the same structure. This cross-validation provides evidence of the directionality of the relationship and impact being explored, reinforcing the model's applicability across different contexts.



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<sup>3</sup> The average number of responses per item was 57,246, with responses ranging from a low of 7,295 for item 32 to a high of 115,510 for item 1. To address missing data, Missing Value Analyses were employed to generate a covariance matrix that informed the development of a global model, based on established theoretical frameworks.



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