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SPECIAL REPORT

"Quiet Cracking": The Employee Who's Quietly Falling Apart and HR's Blind Spot

The employee who looks high-performing on the outside is quietly collapsing on the inside. Global engagement has dropped to 20%. Cost: $10 trillion. Managers are cracking too. The only clue: employees stop volunteering.

20%

Global employee engagement (Gallup 2026)

$10T

Annual cost of lost engagement

47%

of Gen Z admit they're 'coasting'

August 2026 | Sources: Gallup, TalentLMS, Perceptyx, DHR Global, SHRM

OPENING NOTE

The Employee Is Still Working: But Cracking Inside

In 2022, "quiet quitting" was a generation's vocal pushback against work culture. The employee drew a conscious line: enough is enough, nothing more. But by 2025-2026, this concept has been replaced by something quieter, more dangerous, and effectively undetectable: Quiet Cracking.

In Quiet Cracking, the employee doesn't draw a line. They don't even have the energy to draw one. They still show up to meetings, meet deadlines, and hit their KPIs: but motivation, creativity, and organizational commitment are silently eroding underneath. Performance metrics stay green; the employee is cracking on the inside.

This distinction matters. Quiet quitting is visible; quiet cracking is not. And its invisibility is exactly what makes it so much more costly. Gallup's State of the Global Workplace report, published in April 2026, puts numbers to the global scale of this picture: global employee engagement fell to 20%: the lowest level since 2020, and the first time two consecutive years of decline have been recorded. Annual cost: $10 trillion, equal to about 9% of global GDP.

Global Engagement	Unhappy at Work	Burnout
20%	**54%**	**83%**
Gallup, 2026: lowest level on record	Share of employees (TalentLMS, 2025)	Employees reporting at least some level

SECTION 1

Quiet Cracking vs. Quiet Quitting: What's the Difference?

"Quiet cracking," a term coined and defined by TalentLMS in 2025, describes an employee experiencing persistent unhappiness, dissatisfaction, and stress at work. The key difference from quiet quitting is this: quiet quitting is a decision; quiet cracking is an erosion. The employee doesn't actively draw a line: they just slowly wear down and come apart.

Phil Willburn (Workday, Head of People Analytics): "Quiet cracking can disguise itself as sustainable high performance: especially in tech. Managers need to look beyond productivity output for subtle shifts in engagement signals." For example, an employee still meets expectations, but no longer volunteers for new projects or contributes ideas in meetings.

The Evolution of Disengagement: Quiet Quitting, Quiet Cracking, Revenge Quitting

Quiet Quitting A conscious boundary. Do the minimum required, nothing more. Symptoms are visible, easy to measure.	2022
Quiet Cracking Erosion without awareness. Performance looks normal, while motivation, commitment, and career belief erode inside.	2025-26
Revenge Quitting Accumulated frustration turns into a sudden, dramatic resignation. The untreated end-state of quiet cracking.	Next stage

This is why quiet cracking is the most insidious of all the "quiet" trends. You notice quiet quitting because the employee visibly withdraws. You don't notice quiet cracking because the employee is cracking on the inside while still standing on the outside.

KEY FINDING: Quiet quitting is a decision, quiet cracking is an erosion: and a far quieter one.

Performance metrics may look green while the employee is falling apart underneath.

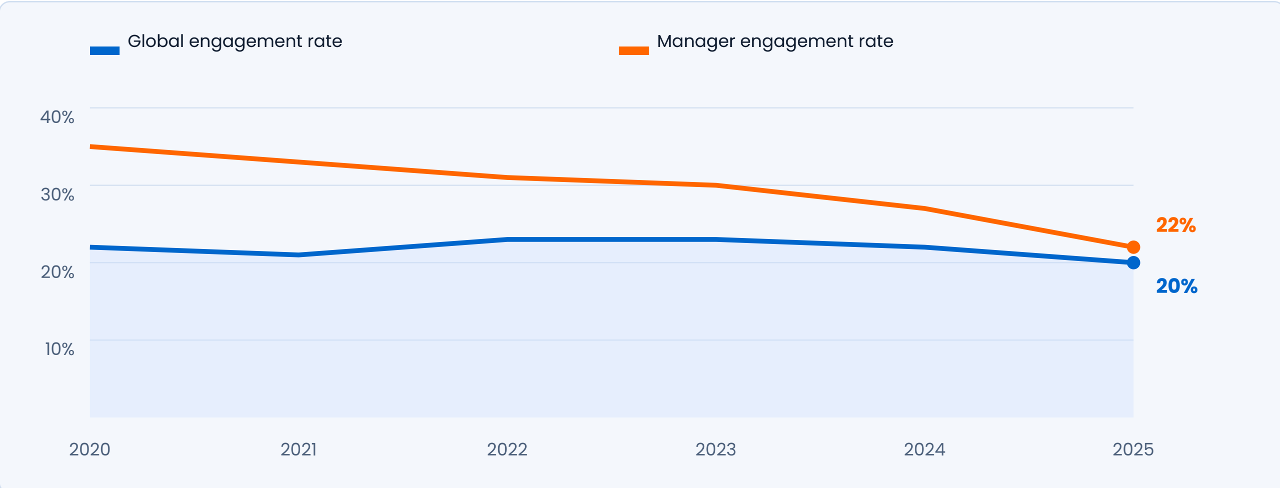
SECTION 2

The Numbers Speak: The Engagement Crisis Deepens

Gallup's State of the Global Workplace report, published in April 2026, opens with a historic finding: global employee engagement fell to 20% in 2025: the lowest level Gallup has recorded since 2009, and the first time two consecutive years of decline have occurred. Each engagement point represents roughly 21 million employees.

But the most striking data point concerns manager engagement: manager engagement, which stood at 31% in 2022, fell to 22% by 2025: a dramatic 9-point erosion in three years. The managers responsible for monitoring their teams' engagement are quietly cracking themselves. Gallup data shows that 70% of the variance in team engagement is directly attributable to manager behavior.

Global Employee and Manager Engagement Rate, 2020-2025 (Gallup)



The picture is similar in the US: in 2025, only 31% of employees were actively engaged, 52% were "not engaged" (the quiet quitting band), and 17% were actively disengaged (Gallup, January 2026). According to DHR Global's 2026 Workforce Trends report, global engagement fell from 88% to 64%, and 83% of employees report experiencing burnout.

KEY FINDING: Managers are cracking too: a 9-point drop in 3 years closes the eyes meant to watch the team.

Gallup: manager engagement fell from 31% to 22% (2022-2025). The largest single-year drop on record.

SECTION 3

The $10 Trillion Silent Cost

$10 trillion. That's the annual productivity cost Gallup's 2026 report attributes to lost global engagement. Equal to 9% of global GDP, this figure represents the invisible damage caused by employees who show up but are collapsing on the inside. Because this marks the first time two consecutive years of decline have occurred, Gallup calls it "one of the most significant workplace findings in history."

This cost isn't abstract. Gallup research shows disengaged employees generate 37% more absenteeism, 18% lower productivity, and 15% lower profitability compared to engaged employees. If even one member of a five-person team is disengaged, the company pays for five salaries while getting the output of fewer than four.

The Financial Scale of Lost Engagement, Key Indicators (Gallup, 2026)

$10 Trillion

Annual cost of lost global engagement (Gallup, 2026)

Equivalent to roughly 9% of global GDP.

$438 Billion

2024's single-year productivity loss (Fortune, 2025)

Cumulative annual damage from consecutive declines.

37% more

Absenteeism rate among disengaged employees

Compared to engaged employees (Gallup meta-analysis).

59% less

Voluntary turnover at highly engaged companies

Compared to low-engagement companies (Gallup).

Replacement cost should be added to the tally too: Gallup estimates that losing a knowledge worker costs between 50% and 200% of their annual salary. Quiet cracking is therefore not an HR problem: it's a balance-sheet problem.

KEY FINDING: $10 trillion is the price of staying silent: invisible on payroll, felt on the balance sheet.

A disengaged employee shows up but doesn't produce. The cost accrues automatically, every month.

SECTION 4

How to Spot It: The Invisible Warning Signs

The feature that makes quiet cracking so hard to diagnose is this: performance metrics don't signal it. According to Perceptyx's 2026 benchmark data, 75% of employees say they have the resources needed to do their job, and 70% say their workload is reasonable. But only 64% see career opportunity, 66% trust leadership, and 68% feel valued. The surface metrics are healthy; the depth is not.

This gap: "the system is working but the employee doesn't believe it": is the core indicator of quiet cracking. Ask the same employee whether they feel secure in their job right now, and 82% say "yes." But ask the same question about their long-term future at the company, and that figure drops to 62%. One in six employees genuinely isn't sure whether they have a future at their company.

The Three Signal Groups of Quiet Cracking: What Managers Should Watch For

Invisible Withdrawal	Energy Erosion	Broken Trust
Retreat from volunteering: Skips new projects and ideas.	**Off-hours complaints:** Regularly vents about work to others.	**Avoiding career talk:** Avoids career conversations.
Silence: Passive in meetings, no input.	**Timing drift:** Arrives late, leaves early.	**Can't see a future:** Can't make long-term plans.
Hidden compliance: KPIs stay green, engagement near zero.	**Slowing pace:** Minimum output, tasks take longer.	**The silent question:** Silently doubts their future here.

Employees experiencing quiet cracking report feeling undervalued at 152% higher rates (DHR Global, 2026). A gap this large suggests that lack of recognition is both the strongest trigger and the most accessible fix.

KEY FINDING: The system looks green, the employee is cracking. Metrics don't reveal the crisis; conversations do.
Employees experiencing quiet cracking say 'I feel undervalued' at a 152% higher rate (DHR Global, 2026).

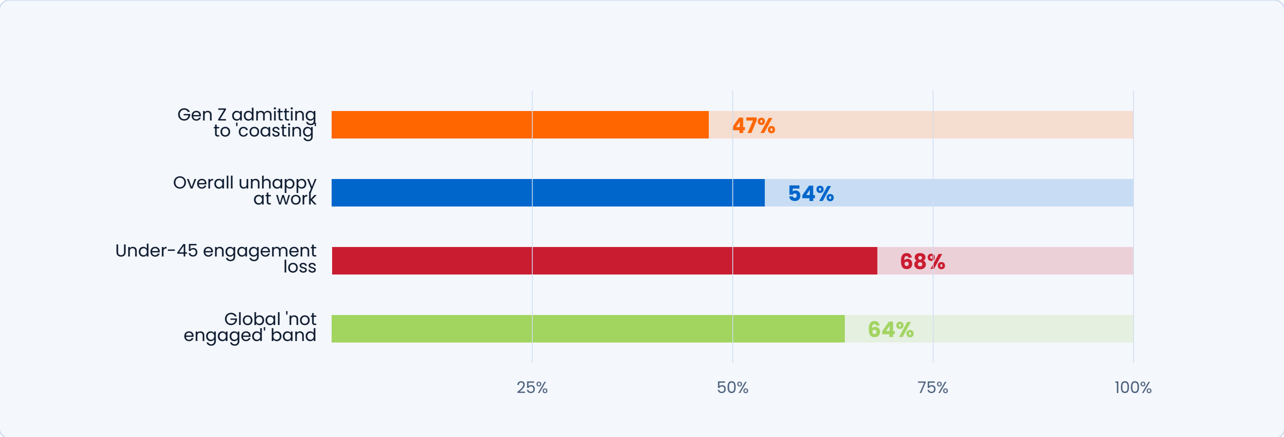
SECTION 5

Gen Z and the Generational Factor: Why It Hits Harder

Gallup's 2026 report reveals a clear generational divide: every cohort under 45 has lost 6 to 9 engagement points since 2020. Baby boomers are the sole exception: they haven't moved at all. Gallup ranks the areas where young employees have been hit hardest: role clarity, recognition, and growth opportunity.

The Gen Z picture is especially striking: 47% of Gen Z openly admit to "coasting": putting in just enough minimum effort to get by. A significant share of this generation entered the workforce during the pandemic and never built a strong bond with a workplace. Deloitte's 2025 survey also shows that 76% of this generation prioritize work-life balance over pay.

Engagement Loss and Quiet Cracking Indicators by Generation and Group



This picture makes it impossible to read quiet cracking as purely an individual motivation problem. The fact that the generation who will make up the workforce for the next 20-30 years is already losing engagement today is a structural problem. Pay alone isn't the fix; job design, purpose, and manager quality are what matter.

KEY FINDING: 47% of Gen Z are coasting; every under-45 group has lost 6-9 points. This isn't personal, it's structural. The workforce of the next 30 years is losing its engagement today.

SECTION 6

RTO Pressure and Quiet Cracking: A Dangerous Mix

Between 2024 and 2026, large companies rolled out mass return-to-office (RTO) mandates. The psychological impact of these policies on employees creates ideal conditions for quiet cracking. ZipRecruiter 2024 data: companies with strict RTO policies see 13% higher employee turnover. And the employees who leave aren't average performers: they're the best ones.

The mechanism by which RTO pressure triggers quiet cracking is fairly straightforward: the employee has to come into the office, but there's no clear reason why. They feel watched but not trusted. The seat is warm: but the mind has already left. Baylor University's 2024 research found that after RTO mandates, women's resignation rate was three times that of men's.

RTO Mandate + Unmet Engagement Needs = Quiet Cracking Risk

RTO Pressure

- Mandatory return to office
- Less flexible work
- Long commute burden
- Perceived monitoring / control
- Erosion of trust

Quiet Cracking Trigger

- Not the employee's choice: imposed
- Loss of motivation and productivity
- Hidden but growing over time
- Best performers leave first
- Seat is warm, mind is elsewhere

Balance can be struck through intentional design between RTO and flexibility: when office days are built around a specific purpose: onboarding, mentoring, strategic planning: the answer to "why am I here?" becomes clear for the employee. RTO models that prioritize meaning over mandate meaningfully reduce quiet cracking risk.

KEY FINDING: Strict RTO plus unmet engagement needs create the ideal environment for quiet cracking. Design the office day, don't just mandate it. A model that prioritizes meaning lowers the risk.

OVERALL ASSESSMENT

Stopping Quiet Cracking: A Practical Framework

There's no magic fix for quiet cracking. But the research points to a clear roadmap: the problem doesn't start with job design: it starts and ends with management quality and recognition systems.

Manager Quality

70% variance

70% of the variance in team engagement is driven by the manager (Gallup, 2026)

Recognition Gap

152% gap

Employees experiencing QC feel undervalued at 152% higher rates; the cheapest point of intervention.

Training Gap

Only 24%

Share of companies that provide managers with mental health training (Gallagher, 2025)

Career Visibility

64% 82%

Visibility into career opportunity is the fastest-moving engagement driver (Perceptyx, 2026)

Datassist's Perspective: What Can HR and Payroll Leaders Do?

- Cross-reference engagement with performance data. Even if KPIs are green, declining proactive participation, volunteering, and idea generation is a silent alarm. Engagement measurement should be read together with payroll and productivity data.
- Stabilize managers first. Gallup shows that training is the only variable that improves manager engagement: active manager disengagement drops by half with training. A team can't improve if its manager isn't improving.
- Recognition has to be a program. Employees experiencing quiet cracking feel undervalued at 152% higher rates. Specific, timely, and personalized recognition doesn't require budget; but without a system behind it, it has no effect.

How to Read Quiet Cracking

- Watch for signals, not just metrics.
KPIs can be green while an employee is cracking on the inside.

- Listen to managers first.
It's not just individuals who are cracking; managers are eroding too.

- Don't assume recognition requires budget.
Specific, timely recognition is the lowest-cost engagement tool available.

- Create career visibility.
Give a clear answer to 'do I have a future at this company?'

- Use a different lens for Gen Z.
This generation's engagement needs differ: flexible work and purpose come first.

- Don't treat silence as a good sign.
An employee who isn't complaining isn't necessarily satisfied; they may have given up speaking before leaving.

- Pair RTO decisions with engagement data.
An office policy built around meaning, not mandate, lowers quiet cracking risk.

About Datassist

26+	500+	1.5M+	100+
		Annual Payrolls	Experts

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About This Report

This report was prepared by Datassist for HR and payroll professionals.

Content is based on publicly available research and industry sources.

Charts are based on published data ranges.

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