

Effects of Leader Engagement:

Understanding Trickle-Down and Ripple Effects



Published Date: 9/27/2025

For StandOut client internal use only. Not for distribution outside client organization.

Introduction and Key Findings

A person's level of engagement at any point in time is founded on the cumulative nature of their experiences and perceptions within an organization, on a specific team within that organization, and with the work they do every day. Engagement tends to be relatively static in nature but does remain malleable and is continually influenced by new experiences at work. Interactions with teammates and leader are a type of experience that has been found to be of particular importance in the shaping of one's level of engagement – Fully Engaged (FE) or Not FE. This research investigates the relationship between team member (TM) and team leader (TL) engagement for the purpose of understanding the effect of a TL's engagement on their direct reports. Key findings from this work include:

- **Trickle-down Effect of Engagement.** Engagement trickles down, and engagement of a person's TL has the most consistent and statistically meaningful impact on their engagement.
 - 47% of TMs whose TL is FE are also FE compared to 36% of TMs whose TL is not FE.
 - With each level up from one's FE TL, each layer of leader who is also FE increases the likelihood that TMs are FE, up to level "Team Leader +4".
 - The only significant effect of TL engagement when the TL is not FE is observed for one's immediate TL. In other words, the positive effects of a leader being FE have a longer "reach" downward (i.e., more than one level) than the negative effects of a leader being Not FE (i.e., the TL's direct reports).
- **Ripple Effect of Engagement.** When a TL moves from being FE to not FE (or vice versa), there is potential for an impact on their direct reports. However, the effects of moving from FE to not FE may take longer to manifest than the effects of moving from not FE to FE.
 - TMs who report to TLs who are consistently FE are nearly 2× more likely to be FE than TMs who report to TLs who are consistently not FE.
 - The longer a TL is either FE or not FE, the stronger the effect of their engagement is on the TMs they lead.

Data Collection and Sample

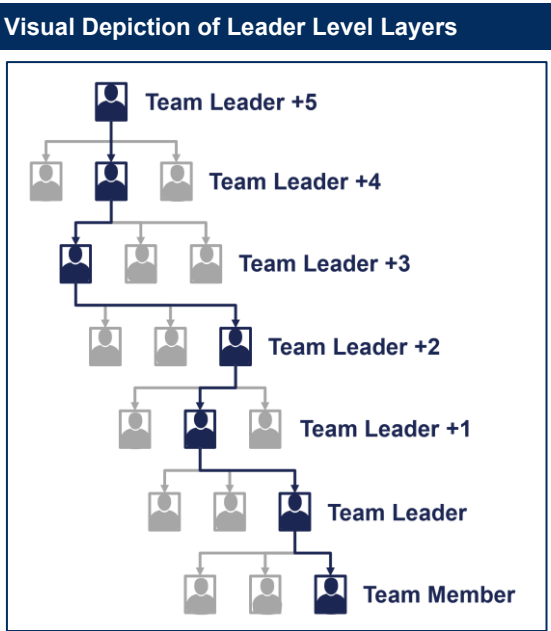
The data for this project were collected from StandOut users between January and December 2024. TLs who had 3 consecutive quarters of Engagement Pulse (EP) data in 2024 (Q1-Q3 or Q2-Q4) and at least 1 direct report with EP data during their leader's third quarter of inclusion were selected into the research sample for this project. The bullet points below describe the StandOut TLs and TMs who were included in this data set, representing 18 StandOut client organizations and 14,207 teams:

- 13,378 TLs who had 3 consecutive quarters of EP data in 2024 (Q1-Q3 or Q2-Q4)
- 118,511 TMs who report to the 13,378 TLs who meet the inclusion criteria, have EP response data during their TL's third quarter, and reported to the same TL for the 3 consecutive quarters during which TL EP data was collected.

Trickle-Down Effects of Leader Engagement

For several years, StandOut clients have shared anecdotal evidence that when the senior leaders of an organization are Fully Engaged (FE), those in the levels below them are more likely to be FE when compared to organizations in which senior leaders are not FE. The phenomenon by which engagement at higher levels of an organization’s matrix influence engagement at lower levels of the organization is referred to as the “trickle-down effect of engagement”. The purpose of examining the trickle-down effect of engagement as part of this research project was to better understand the strength and consistency of the effect across the StandOut client roster.

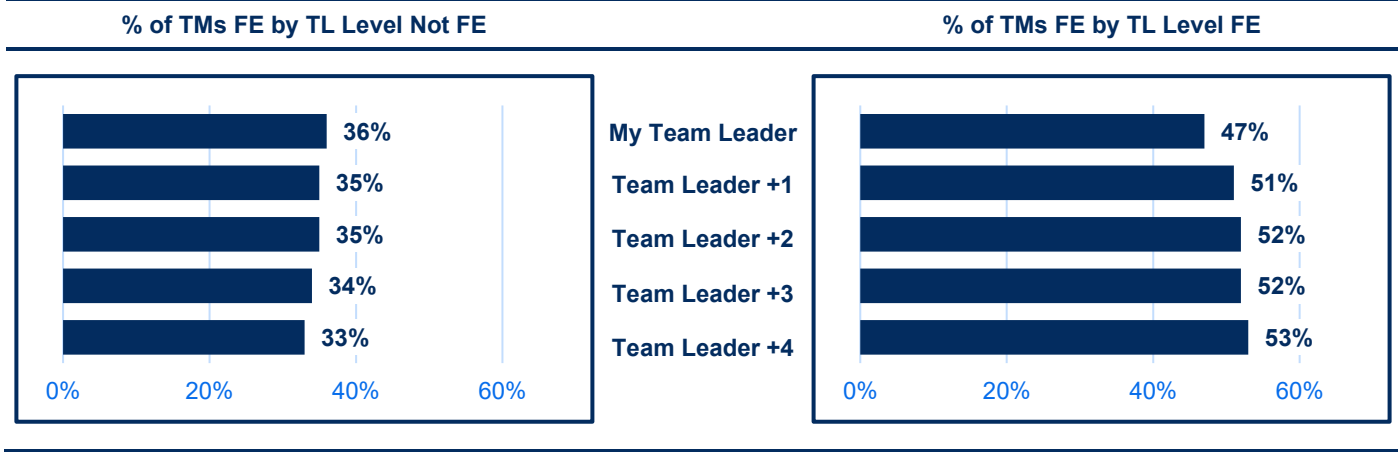
To empirically examine trickle-down effects of leader engagement, the data were structured in a multivariate format with the nested (i.e., hierarchical) teams structure preserved to provide linkages between each leader and the leaders layered above them in their organization’s reporting matrix. The maximum number of leader level layers observed in the data set was Team Leader +7 layers. Because only the engagement of Team Leader +4 was found to be meaningful, results for TL layers Team Leader +5, Team Leader +6, and Team Leader +7 are omitted from this report. The figure below provides a visual depiction of leader level layers and the labels assigned to them for the purposes of this project. The table below provides information about the number of TMs with qualifying EP data for each leader level layer.



Team Member Sample Size by Leader Level Layer	Leaders Not FE		Leaders FE	
My Team Leader	8,401		7,391	
Team Leader +1	3,576		3,790	
Team Leader +2	1,284		2,044	
Team Leader +3	406		1,094	
Team Leader +4	98		556	

As depicted in the figures below, 47% of TMs whose TL is FE are also FE, compared to 36% of TMs whose TL is not FE. With each level up from one’s FE TL, each layer of leader who is also FE increases the likelihood that TMs are FE, up to level “Team Leader +4” where 53% of TMs are FE. Note that the largest effects of FE come from one’s TL and the Team Leader +1 level, as only these effects are statistically and practically significant. With each level up from TL, each layer of leader who is also not FE increases the likelihood that TMs are also not FE (i.e., a smaller % of TMs are FE as additional layers of leaders are not FE), up to level “Team Leader +4” where only 33% of TMs are Fully Engaged. Together, these results indicate that engagement does trickle down, with the engagement of a person’s team leader having the most consistent and statistically meaningful impact on their engagement.

Team Member % Fully Engaged by Leader Level Layer



Ripple Effects of Leader Engagement (a.k.a. Longitudinal Effects)

While the trickle-down effect sheds light on the impact of TL engagement on the engagement of those who report to them, it does not paint a complete picture of the relationship between TL and TM engagement. As a point-in-time analysis, the trickle-down effect helps us to understand what is happening in a given moment but does not result in insights around the relationship between TL and TM engagement over time. Specifically, what (if anything) happens to TM engagement when TL engagement changes, and how long does it take for these effects (i.e., ripples) to be observed? Conversely, what (if anything) happens to TM engagement when TL engagement remains static over time, and how long does it take for these effects (i.e., ripples) to be observed? This perspective is referred to as the “ripple effect of engagement”.

To empirically examine ripple effect of leader engagement, the data were structured in a longitudinal format with TL engagement over time and the relationships between TMs and their TLs preserved. 72% of TLs experienced consistent engagement over the 3 quarters for which they have data – either not FE at any time point (37%) or Fully Engaged at all time points (35%). TMs who report to TLs who are consistently FE are 1.8× more likely to be FE than TMs who report to TLs who are consistently not FE.

Patterns of Team Leader Fully Engaged Status Over Time					
Pattern ID	TL Fully Engaged Status			% of Team Leaders	% of Team Members Fully Engaged
	T1	T2	T3		
1	Not FE	Not FE	Not FE	37%	37%
2	Not FE	FE	Not FE	3%	40%
3	Not FE	Not FE	FE	5%	42%
4	Not FE	FE	FE	6%	44%
5	FE	Not FE	Not FE	5%	45%
6	FE	Not FE	FE	3%	46%
7	FE	FE	Not FE	5%	47%
8	FE	FE	FE	35%	52%

To determine whether the results observed with the data sample for this study are generalizable, data for random samples of StandOut TLs and TMs were drawn from the population of active users 2018-2019 and 2022-2023 (data for 2020-2021 were omitted due to the complexity of the workplace during the height of the COVID-19 pandemic). No meaningful differences were observed between the pattern of results reported here for 2024 and the random samples of users selected for each previous year. Based on these patterns of results and their consistency over time, we can draw a few conclusions. First and foremost, there is a direct, meaningful, and significant impact of TL engagement over time on the engagement of their direct reports. Second, the longer a TL is either FE or not FE, the stronger the effect of their engagement is on the TMs they lead. Third, when a TL moves from being FE to not FE (or vice versa), there is an impact on their direct reports.

Summary of Findings

The research detailed in this brief explores the relationship between TL and TM engagement from two perspectives: the extent to which engagement trickles down through the levels of an organization's leadership, and the effect of TL engagement over time on the engagement of their direct reports.

Trickle-Down Effects of Engagement

This study reveals that while leader engagement is important, the engagement of a TM's direct leader has the most consistent and statistically significant impact on engagement. Thus, it is important to have engagement from the highest levels of an organization, as engagement at each level increases the likelihood of engagement in the level below it. When engagement trickles down from the top of an organization, it can influence the day-to-day experiences and perceptions of even those TMs at the bottom.

- 47% of TMs whose TL is FE are also FE compared to 36% of TMs whose TL is not FE.
- With each level up from one's FE TL, each layer of leader who is also FE increases the likelihood that TMs are FE, up to level "Team Leader +4".
- TL engagement has a significant, consistent, direct, and meaningful effect on the engagement of their direct reports.
- The only significant effect of TL engagement when the TL is not FE is observed for one's immediate TL.

Ripple Effects of Engagement

This study reveals that as TLs experience a change in their own engagement, that change may be experienced immediately by their direct reports, but those same direct reports may also need to experience their leaders' changes over an extended period of time (i.e., two or more quarters) before their engagement level is impacted in a meaningful or statistically significant way. If we imagine a change in TL engagement as a pebble dropping into a pond, the change in direct reports' experiences over an extended period constitutes the corresponding and natural ripple.

- Team leaders who are (and remain) FE over time are most likely to have FE direct reports.
- TMs who report to TLs who are consistently Fully Engaged are nearly 2× more likely to be FE than TMs who report to TLs who are consistently not FE.
- There is a direct, meaningful, and significant impact of TL engagement over time on the engagement of their direct reports.
- The longer a TL is either FE or not FE, the stronger the effect of their engagement is on the TMs they lead.
- When a TL moves from being FE to not FE (or vice versa), there is an immediate impact on their direct reports. However, the effects of moving from FE to not FE may take longer to manifest than the effects of moving from not FE to FE.