



The Trust Advantage:

How Fostering Workplace Trust Can Supercharge Employee Performance

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Introduction

Trust: It's the foundation of any successful relationship, including those in the workplace. When employees trust their coworkers and their employers, they are more engaged, productive, and happy at work. And in this day and age, where hybrid and remote work is widespread, building and maintaining trust in the workplace has become more important than ever. Yet many organizations still aren't placing enough value on workplace trust. Trust is often perceived as a vague concept that is difficult to measure and therefore disregarded.

This guide exists to dispel the notion that it is not worthwhile to spend time and resources on cultivating trust in the workplace. In it, we will explore the importance of workplace trust and the vital role that HR plays in cultivating and sustaining it. We will provide insights and practical strategies that HR leaders can use to foster trust within their organizations, leading to increased employee engagement, improved performance for both the individual and the organization, and a more positive workplace culture.

The Benefits Of Improving Trust

First, why should you, an HR leader, care about building trust in your organization? After all, you probably have more important things to focus on, like performance reviews, engagement surveys, and more.

What if we told you that trust is actually something that, when cultivated and sustained, can make every other initiative you are implementing immensely more impactful? What if we said that, without trust, your efforts will at best drag along until they eventually fall flat...but with trust, your efforts will take on a life of their own, with great potential to create lasting change and impact?

Sounds great, but where's the evidence?

According to the Harvard Business Review, employees at high-trust companies reported 74% less stress, 106% more energy at work, 50% higher productivity, 13% fewer sick days, 76% more engagement, 29% more satisfaction with their lives, and 40% less burnout than people at low-trust companies.



Let's dive more deeply into the benefits that come from building a high-trust workplace.



Increased engagement.

When employees trust their coworkers and their leaders, they are more likely to feel engaged and motivated to perform at work - 12x more likely, to be exact, according to ADP Research Institute.



Improved collaboration.

High levels of trust, especially amongst team members, create an environment where employees feel not only comfortable, but empowered to collaborate and communicate with one another. This positive attitude toward collaboration leads to better problemsolving and innovation, and helps to break down cross-functional silos.



Heightened psychological safety.

In a similar vein, high levels of trust in the workplace foster an increased sense of psychological safety, which is defined by Amy Edmondson as "a shared belief held by members of a team that the team is safe for interpersonal risk taking." When employees feel comfortable speaking up and sharing their questions or concerns without fear of negative repercussions or judgment, they are much more likely to do so. Removing this fear leads to a greater likelihood of creativity, risk taking, and innovation. It also increases the likelihood that problems or conflicts will be addressed in a constructive, productive manner before they balloon out of control.



Decreased stress.

Distrust, lack of communication, and uncertainty can all greatly contribute to an employee's stress levels. In a study by Workforce Institute, 55% of employees stated that trust directly impacts their mental health. Furthermore, without that baseline level of trust, an employee is much less likely to express their concerns, which only leads to more tension. With higher levels of trust, employees are more likely to communicate openly and honestly with their coworkers and managers about their stress, who can in turn help them manage and/or mitigate it.





Increased organizational alignment.

When there is a high level of trust in the workplace, it is usually accompanied by a deep sense of connection to the organization's mission, vision, and goals. In fact, Harvard Business Review found that employees at high-trust organizations were 70% more aligned with their companies' purposes. High levels of trust make employees more inclined to feel driven to work toward achieving the organization's overall goals, both in the short and long term.



Improved retention.

Low trust hurts retention. According to research by The Workforce Institute, 24% of employees have left a company because they did not feel trusted. Employees who have high levels of trust in their organization —and therefore experience all of the benefits mentioned above — are more likely to want to stay with the organization in the long term, leading to reduced turnover costs. When employees feel trusted by their organization and its leaders, they are more likely to feel valued, and feel that their time with the organization is contributing to their overall long-term growth as a professional and as a person. In turn, they are more likely to want to continue working at the organization.



All of these benefits are great on their own, but when combined, they form an arrow pointing to a crucial outcome: improved employee performance. When employees are able to experience things like improved collaboration, heightened psychological safety, decreased stress, and increased organizational alignment, their levels of performance skyrocket. We believe that working to develop trust is an investment that will positively impact all of the outcomes that you care about as an HR leader.



The Layers of Workplace Trust

As mentioned, workplace trust is a nebulous concept — many employers know it is important, but don't know exactly how to define it or talk about it in concrete terms.

The first step to breaking it down into something more tangible is understanding that workplace trust actually exists on multiple planes, and is multi-directional. Yes, getting employees to trust the organization as a whole is important; but it goes much deeper than that, and understanding the various layers of workplace trust is a critical step toward building a high-trust workplace.

Here are some of these layers of workplace trust:



Trust Between HR and Managers

The relationship between HR and managers is one that is, unfortunately, often overlooked. Overlooking this relationship and opportunity for trust-building is a shame, because it is a relationship that has the power to truly transform the workplace as a whole.

This is because, while HR leaders can set the direction at the strategic level, managers are the people who are actually taking these initiatives to the ground and implementing them at an employee level. HR leaders can put a ton of work into building robust, thoughtful programs and structures to support employees, but if managers aren't taking that baton and running with it, the HR leader's work is rendered useless.

Unfortunately, research shows that this layer of trust is one that needs some work. <u>In one survey</u>, only 1 in 4 respondents said that their HR leader is widely trusted as one who cares about the needs of employees, and only 9% of respondents believed that their HR leader would proactively advocate on their behalf.



Trust Between Managers and Their Team Members



This layer is probably the layer of trust that receives the most focus — and for good reason! Managers are a major driver of employee engagement and satisfaction, and the level of trust between managers and their direct reports plays a major part in that. But, according to a study by Harvard Business Review, nearly half of employees (47%) don't feel safe sharing their frustrations and confiding in their manager, and are not confident that their manager will advocate for them.

Managers that don't trust their team members are likely micromanaging, which can lead to decreased productivity, diminished morale, and increased employee turnover. Trust is a critical component of any successful team, and when managers fail to trust their team members, it can create a toxic work environment that negatively impacts the entire organization.

Managers that do trust their employees empower them to manage their own workloads, make decisions, and take on new challenges. This makes team members feel valued, which in turn leads them to share more ideas, collaborate more, and be more engaged and productive overall.

Trust Between Individual Contributors

Fostering a strong sense of trust between individual contributors is a key component of building a team that has strong working relationships and can collaborate effectively to get work done. A study in Harvard Business Review found that employees at high-trust organizations felt 66% closer to their colleagues.

Trust between individual contributors also fosters a deep sense of psychological safety, where team members feel safe to share opinions, take risks, and ask for help without the fear of negative repercussions. That same research from HBR found that employees at high-trust organizations had 11% more empathy for their colleagues, and depersonalized them 41% less often.

The State of Workplace Trust

Now that we've gotten a deeper understanding of the different layers of workplace trust, let's zoom out a bit.

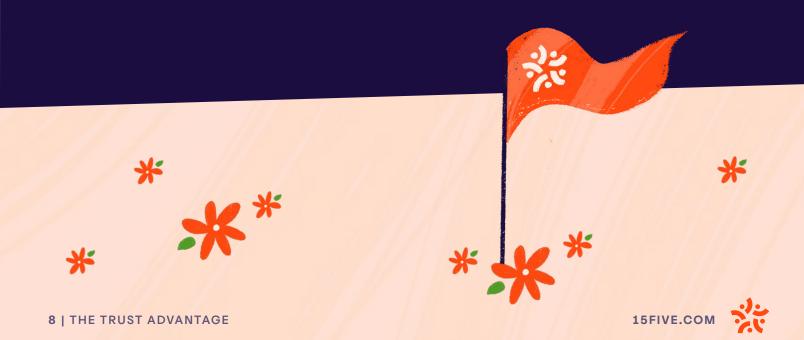
What does trust in the workplace look like today?

A recent <u>report from Cerby</u> revealed that workplace trust is an issue that deserves more attention — only 14% of employees and managers stated that they have extremely high trust for other people, only 20% trusted their current employer to treat them fairly, and only 23% said that their employer trusts them in return.

Some employers have caught onto this issue, and are reportedly taking steps to combat it. According to a <u>Deloitte poll</u>, **61.3**% of C-suite executives say their organization will work to improve trust levels with key stakeholders (including customers, employees, third parties, and shareholders) in the next year.

But wanting to improve trust levels and actually having the mechanisms to implement and track those improvements are two different things. In the same Deloitte poll, only **19**% of respondents report having a C-suite level leader in place to manage these efforts, and only **13.8**% have a way to actually track stakeholder trust levels.

It's clear that organizations are lagging when it comes to measuring and sustaining workplace trust. But before we get into how and why to track and improve workplace trust, let's take a deeper look at why trust is such an important thing to focus on in today's workplace.



Why is Trust in the Workplace Important Today?

Increase in Remote Work

With the mass shift to remote and hybrid work in the past few years, trust in the workplace has become even more critical. In an office setting, it is a lot easier for managers to feel like they can monitor employees' actions and productivity levels. In a remote or hybrid setting, however, a lot more trust and autonomy is required. Managers have to trust that their employees are actually getting their work done and managing their time effectively. Employees, on the other hand, need to trust that their manager has their best interest in mind and will support them working remotely if they can still meet goals.

Trust is also important between team members, as employees need to be a lot more proactive in building the bonds that enable high levels of trust. Gone are the days when you could chat with your coworker at their desk on the way to get coffee - many employees must now attempt to create those bonds asynchronously, like over Slack or email, or in meetings, where there is usually already a set agenda that doesn't allow much time for connection or trust building.

Changing Expectations

There has also been a massive shift in what employees expect from their employers, compared to generations of the past. Previously, it was not uncommon for employees to work their entire career with one company, and they were typically satisfied if they got a regular paycheck and could put food on the table.

Employees today are often looking for more than a paycheck. They are looking for a job that connects them to a sense of purpose, and want to work in a place where they feel valued, respected, and supported. In fact, according to McKinsey, 70% of employees say their purpose is defined by their work, and when that work feels meaningful, they perform better and are half as likely to go looking for a new job.

Employees also have high expectations that their employers will strive to make the workplace a good place to work, and cultivate an environment that supports their well-being and thriving. If the employer fails to hold up that end of the bargain, the employee can simply go look elsewhere for work. With this dynamic in play, employers that strive to build a high-trust workplace will be more likely to retain employees and keep them engaged and motivated to perform.

Many employees today also place a high value on psychological safety — 89% of employees say it is essential. Trust is a critical element of psychological safety. In a high-trust workplace, employees feel that they can trust their employers to value their opinions and receive their concerns with care. This in turn makes employees feel a greater sense of belonging, and makes them more likely to actually have a vested interest in the success of the company.

Why is Trust in the Workplace Important Today?

The Increased Need for Work Life Balance

The past few years have shined a spotlight on the need to place increased focus on work-life balance and managing burnout. Employers have finally started to see that, while encouraging employees to rest and take breaks may seem counterintuitive, it actually has a major positive impact on employee morale, engagement, and productivity in the long run.

Telling employees that they should take time off to rest, however, is not enough. Without a high level of trust, those words will be meaningless. Employees need to trust that their managers and leaders are being genuine when they encourage them to take time off, and not just saying it to appear supportive. This also means that there

need to be structures in place that make it easy to find coverage or support for the employee while they are out.

Furthermore, in a high-trust workplace, employees are a lot more likely to be honest with their managers about when they are experiencing high levels of stress and/or verging on burnout. In the workplace, stress is not the enemy — the failure to acknowledge it and mitigate it is. That's why it is so important for employees to feel safe expressing their concerns to their managers, so their managers can do what they can to remove barriers to actions that can help alleviate stress, and if needed, help employees re-evaluate and adjust their priorities.



Obstacles to Building Trust in the Workplace

Despite potentially good-faith efforts, many organizations are still failing to cultivate a high-trust workplace culture.

What exactly is getting in the way?





Lack of Transparency

Lack of transparency is proven to hurt employee morale and engagement. According to a survey by Paychex, only 54.4% of employees reported being satisfied with their employer when transparency wasn't present, compared to the 83.3% of employees who reported being satisfied with their employer when transparency was present.

Yet, many employees still find themselves longing for more transparency from their employers. According to research from Slack, 80% of workers want to know more about how decisions are made in their organization and 87% want their future company to be transparent. The same research found that, while 55% of business owners described their organization as "very transparent", only 18% of their employees agreed. It's clear that lack of transparency is something that employees notice and lament, often more so than their employers.

This lack of transparency is a major contributor to distrust in the workplace. When knowledge stays at the top level of the organization and doesn't trickle down, employees begin to feel like they are in the dark, leading to uncertainty and confusion, which can undermine employees' sense of trust and confidence in their leaders. In today's work environment, where major societal forces are causing great changes and shifts, employees are especially likely to assume the worst is happening behind closed doors.

Lack of transparency can also create a perception of unfairness amongst employees. When employees are not aware how their performance is being measured or how decisions are being made, they may begin to suspect that decisions are being made unfairly, which can lead to further distrust and disengagement.



Obstacles to Building Trust in the Workplace



X Low Involvement in Decision Making

Lack of transparency in an organization goes hand in hand with low involvement in decision making. When the power to make decisions is hoarded at the top levels of an organization, employees begin to feel powerless and uncertain about the direction and future of the company. Low involvement in decision making also erodes employees' sense of ownership over their own work, as they are less likely to feel invested in outcomes that they had absolutely no involvement in developing.



X Little to No Opportunities For Feedback

Many companies over-rely on the performance review to give employees the opportunity to give feedback — and even then, the performance review is often heavily focused on providing feedback to the employee, and not the other way around.

When employees don't feel that they have a regular opportunity to air concerns or provide feedback, they begin to feel as though their opinions simply don't matter. Instead of raising concerns that could be solved constructively and contribute to greater understanding and improvement of the work environment for all, they will bite their tongues and keep their thoughts to themselves, which only leads to further disconnect and distrust.



Feedback is a two-way street, and employees also need to have ample opportunities to receive guidance that will help them grow and evolve. Gallup found that when employees strongly agree they received "meaningful feedback" in the past week, they were almost four times more likely than other employees to be engaged. Without consistent touchpoints for giving and receiving feedback, employees are likely to feel as though their managers are not invested in their growth, and may begin to seek growth opportunities elsewhere.

The Role of HR in Building Workplace Trust

By now, we've covered the fact that trust is very important in the workplace, and also the painful reality that many organizations still are not fully realizing just how important it is, or how to build, measure, and improve it.

The good news is that, as an HR leader, focusing on building trust in the workplace is a lever that can have a cascading positive effect on other areas like employee engagement, retention, performance, and more.

Ultimately, trust is something that can only be built through relationships, and as a people leader, relationships are your bread and butter. By identifying opportunities for relationship-building to occur and adding some process and structure, you can cultivate a high-trust work environment that ultimately benefits everyone's growth and success.



Here are some more concrete ways that you, as an HR leader, can foster a high-trust work environment:

- 1 Measure Employee
 Trust
- 4 Create Space for Recognition and Gratitude
- 2 Advocate for Goal Transparency
- Foster Diversity, Inclusion, Equity, and Belonging

- 3 Build Feedback Loops
- 6 Train Managers/ Leaders to Build Trust



Measure Employee Trust

First and foremost, if your organization does not already have a way to measure employee trust, that is a great place to start. While trust seems like an abstract idea, there are proven ways to measure it.

The best way to measure trust is to bake it into your existing processes for gathering employee feedback and measuring employee engagement. If you have your employees filling out a weekly check-in, for example, you could include a question, or multiple questions, related to their level of trust. You can then track changes and improvements in these responses over time.

Learn about 15Five's Check-Ins tool

which creates a consistent opportunity for employees to voice their concerns and for their managers to solicit feedback that can lead to improved trust.

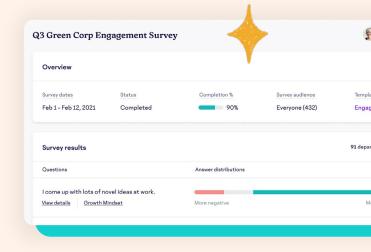


You can also be sure to include questions on trust in your engagement surveys. This can provide invaluable insight into trust in your organization, and you can even break the results down on a team/manager level to see what teams may need additional guidance or support in this area.

Some potential questions to include:

- How much do you trust your immediate supervisor?
- How comfortable do you feel expressing your opinions or concerns to your manager?
- To what extent do you feel that your teammates trust and respect you?
- Do your teammates value your input?
- How would you rate the level of transparency within the organization?
- Do you believe that the organization has a culture of transparency and openness?
- Do you feel free to express your opinions at work?
- Do you feel that your organization listens to and takes into account employee feedback when making decisions?

Learn more about 15Five's Engage, which empowers HR leaders to measure employee engagement, quickly find actionable insights, and take steps to drive change.





2 Advocate for Goal Transparency

As mentioned, lack of transparency is a major contributor to distrust in the workplace. In his research on team conflict at General Electric, Noel Tichy found that unclear or misaligned goals were the cause of more than 90% of team conflict. Thus, prioritizing goal alignment and transparency can be a major driving factor in improving trust in the workplace.

As an HR leader, you have the ability to advocate for structures that make it the norm for everyone in the company to know what they are working toward and how that fits into the overall organizational goals.

At any given time, every single member of the organization should be able to list out what their top priorities are at that moment. This starts at the top with company-wide goals and objectives, then trickles down to departments, teams, and individual employees. Employees should also be able to have visibility into the goals of their teammates, their managers, and other departments. This level of transparency eliminates ambiguity and confusion and ensures that everyone has a clear sense of what they are working toward.

Even so, research has found that only 28% of executives and middle managers responsible for executing strategy could list three of their company's strategic priorities. How can we expect all employees to be motivated to rally around goals when their own managers aren't clear on organizational objectives.



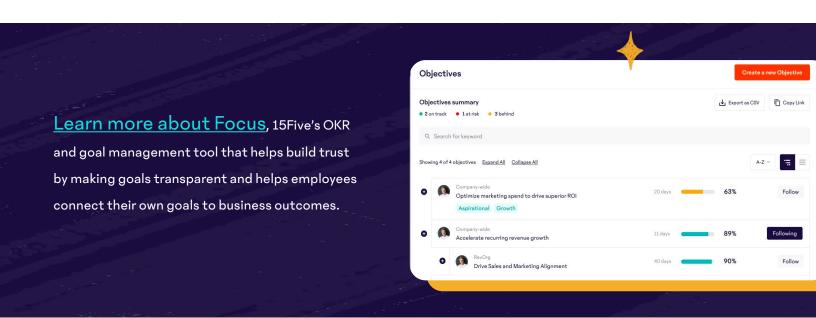
The best way to create goal transparency is to adopt a goal-setting methodology that is adopted organization-wide, and allows managers and individual contributors alike to view objectives at all levels of the organization, and how they are connected. At 15Five, we use the-OKR methodology, which stands for Objectives and Key Results.

A good goal setting framework will:

- · Clarify company and individual objectives with ease.
- Allow for goal progress to be tracked in real time.
- · Help teams and individuals stay on target.
- Create space for collaborative goals that engage teams.
- · Help uncover challenges so they can be quickly addressed.
- Motivate everyone to make progress.



By adopting a universal goal-setting methodology, you are empowering everyone in the organization to feel "in-the-know" on what everybody is working toward, leading to increased trust and motivation to actually follow through on those objectives.



3

Build Feedback Loops

In order for trust to be built and sustained, employees need to feel that they have plenty of opportunities to give and receive feedback that is constructive and aimed at facilitating their growth and success. An annual performance review is simply not adequate — there need to be consistent, operationalized touchpoints where the exchange of feedback can occur.

A great way of doing this is by using a tool like the previously mentioned weekly check-in, that is filled out by the employee and reviewed by their manager. This check-in can include questions about progress the employee has made on their priorities, but also include more personal/wellness focused questions, such as,



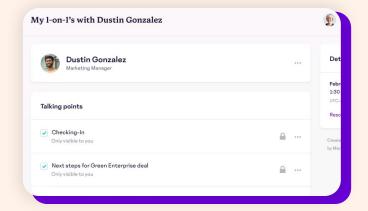
"Is there anything you are worried about, or anything I can help you with?"

To take it even further, ensure that managers are having regular face-to-face conversations with their direct reports, as more real-time conversations create space for greater connection and vulnerability when giving and receiving feedback.

At 15Five, we have a tool for check-ins and a tool for 1-on-1s, because we believe that those two touch points serve different purposes. Nonetheless, having tools for both touchpoints provides support and frameworks for managers to use so that all employees, regardless of manager, can receive the same level of support and opportunities to build trust.

Learn more about 15Five's 1-on-1 tool,

which makes it a breeze for managers to focus on priorities, challenges, and progress so everyone on their team is aligned, motivated, and engaged.







Create Space for Recognition and Gratitude

Ultimately, trust comes down to feeling valued and respected — and what better way to show that than through recognition and gratitude?

Research shows that a little appreciation can go a long way in the workplace — 81% of employees said that they are more motivated to work hard when their boss shows appreciation for them, and 53% of employees said that receiving more appreciation from their manager would make them want to stay longer at the company.

As an HR leader, you play a critical role in cultivating a culture of gratitude in your organization, and creating a workplace where all employees feel valued, respected, and appreciated.

Historically, HR leaders have mainly just hoped that managers in their organization are vocally recognizing their employees' accomplishments or writing them thank you notes — a method that is hard to track.

But with new technology, HR is able to have visibility into the recognition that is occurring throughout the organization. Employee recognition software makes it easy to make employee recognition and gratitude a core part of the company culture in a way that is operationalized, trackable, and scalable. Employee recognition software also helps to hold managers accountable for contributing to building a true culture of recognition and gratitude.



At 15Five, we make operationalizing recognition easy through High Fives. High Fives empower employees at all levels to appreciate teammates by sharing the impact that they've had. Hashtags can be used to align actions to company values, making High Fives a great way to resurface your organization's values and keep them top of mind. Employee recognition works best when it is part of a comprehensive performance management strategy — and our High Fives feature integrates seamlessly with other features and services that give your recognition efforts lasting impact.

Want to dive deeper into how to build a culture of gratitude in your organization? Get The Ultimate Guide to Gratitude in the Workplace.



5 Foster Diversity, Inclusion, Equity, and Belonging

Promoting DEIB in the workplace goes hand-in-hand with maximizing trust in the workplace, as it helps to create an environment where all employees feel seen, supported, valued, and respected.

First, HR must pave the way by putting in place policies and processes that demonstrate that the company values and welcomes diversity. This can be shown by ensuring that people are paid fairly, promoted equitably, and given equitable opportunities to succeed. This will establish a baseline level of trust that the workplace is a safe, welcoming environment for all employees and that all employees will be valued and treated with respect, regardless of their background or identity. Leaders must also take action to address challenges of existing exclusion, inequity, and discrimination within the organization.



It's not enough, however, for HR to simply set the tone. Managers play a key role in creating and leading welcoming, inclusive teams where psychological safety is high, collaboration is the norm, and innovation can thrive. So much of HR's ability to actually move the needle on trust in the workplace is reliant on the day-to-day interactions that managers have with their teams and the level of priority that managers put on creating trust and safety on their teams. Which leads to...

6 Train Managers/Leaders to Build Trust

If it isn't clear yet, managers play a major role in developing and sustaining workplace trust. And as an HR leader, there's only so much you can do to build trust in the workplace. You really rely on the managers to bring your trust-building strategies to life, making it crucial that you invest in training managers to build trust amongst their own team members. By investing in leadership training and development for managers in your organization, you can ensure that managers are getting the skills and coaching they need to successfully foster trust.



15Five's Transform product offers training and coaching for modern leaders that drives business results. With training on subjects like building strong relationships, bring trust-building strategies to life. There is also trust that is gained from managers going through the experience in a cohort of peers. The experience enables managers to build trust with other managers in the company and allows them to create a shared language of what it means to be an effective manager at their company.

How Aptiv's Investment in Manager Development Improved Trust and Employee Satisfaction.

Amidst the sudden shift to remote work in early 2020, <u>Aptiv Connected Services (ACS)</u> needed to re-engage their people and culture. The majority of their employees had never worked remotely before and lacked the necessary skills to successfully adapt to a virtual work environment. Executive leadership was committed to providing their people with tools and training to help them lead, grow, and reimagine teamwork in a remote world.

With ACS in high-growth mode, many people had recently become first-time managers with little experience navigating the complexities of virtual work environments. 15Five shared their best practices for coaching ACS employees, which included how to grant autonomy as a way to generate better results. Managers also received training on effective communication styles for building trust and developing an authentic rapport with their team members. Finally, 15Five demonstrated how to choose appropriate technology depending on the context — email, phone, or direct message — to improve communication and collaboration.

As a result of this investment, employees and managers established new and more dynamic communication cadences, which boosted trust between managers and employees and helped teams stay focused, motivated, and more aligned with company goals. In addition, ACS's eNPS (employee net promoter score) increased **from -5 to 27 in a single quarter.**



Making Trust Tangible 👉



In conclusion, cultivating and sustaining workplace trust is essential to building a positive workplace culture where employees feel empowered, engaged, and supported. Although trust can feel like an abstract concept, putting concrete processes and structures in place to help support it can lead to tangible improvements in the key areas of focus for you as an HR leader: employee engagement, performance, manager effectiveness, retention, and more.

Need support making trust a reality in your organization? 15Five has the tools that you need to embed trust into the fabric of your organizational culture — from empowering employees to surface concerns in the weekly check-in, to giving managers the structure they need to lead meaningful and constructive 1-on-1 meetings, to easy-to-deploy engagement surveys that help you surface actionable insights on trust in your organization, and more.

Interested in learning more? Contact us to schedule a demo today.



About 15Five

15Five is the holistic performance management company. 15Five equips HR teams with a complete, single-platform solution to improve manager effectiveness, drive high performance and engagement, and increase retention. By combining easy-to-use software with coaching, manager training, and a thriving professional community, 15Five's approach provides HR leaders with everything they need to achieve their strategic people objectives. 15Five offers a full suite of products including 360 performance reviews, in-depth engagement surveys, robust goal & OKR tracking, and weekly manager-employee feedback tools like 1-on-1s and pulse ratings. Together, all of these enable HR leaders to continuously measure engagement and performance within the flow of work and then empower their managers to drive change from the bottom up. HR leaders at over 3,400 companies, including Credit Karma, Spotify and Pendo rely on 15Five's software and services to make their talent a growth driver.

For more information, visit www.15five.com.

