The Trust Gap:

Is Trust In Your Workplace a Bridge Or a Breaking Point?

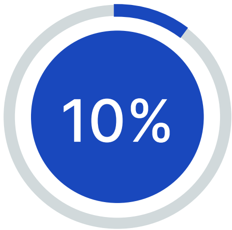
By Kathleen Quinn Votaw, KQV Speaks
and Marc Emmer, Optimize Inc.

The Trust Gap:

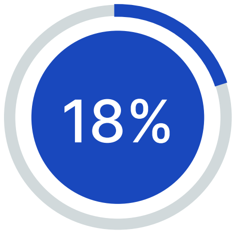
Is Trust In Your Workplace a Bridge Or a Breaking Point?

As the global economy grows more uncertain, business leaders face an inflection point. Amid economic ambiguity, one theme has emerged as a dominant force shaping workplace performance and business outcomes: trust.

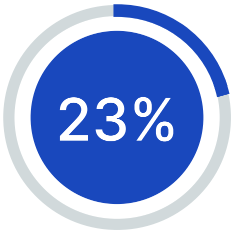
For leaders, fear and uncertainty are the greatest threats to business performance right now. Fear quietly undermines companies by draining creativity and driving disengagement. Gallup's research finds that disengaged employees are 14% less productive; collectively, disengagement across business units leads to:



lower customer loyalty



lower sales productivity



lower profitability

In the end, disengagement pushes your best people out the door – often right into the arms of your competitors.

The good news?
Fear can be fixed.

Trust is the antidote that fuels engagement. When there is trust between leaders and their teams, employees bring their best energy, ideas, and commitment to work – and to your customers – even in uncertain times.

We saw this trend of heightened distrust when employers began to implement Return to Office (RTO) mandates, and it's only grown worse. In our prior studies, we've explored The Hybrid Gap – an exploration of the divide between businesses' and employees' opinions about remote work – and the growing Gap Between Employers' and Employees' Expectations. For this latest study, TalenTrust and Optimize joined forces again to explore the **trust crisis,** in which employee engagement has hit its lowest point post-pandemic.

The Trust Gap: Our Survey Findings

We surveyed employees nationwide across industries, job functions, and generations. Here are the highlights which reveal why leaders must act now:

- The overall **Employee Net Promoter Score (eNPS)** is **-15**, indicating a largely disengaged workforce. This sample reflects engagement scores well below the national average. The results may be influenced by companies that are not surveying their employees and by disproportionate representation of certain job classifications. Nevertheless, these findings underscore the widespread dissatisfaction among U.S. workers.
- **67% of Detractors** (employees unlikely to recommend their workplace to others as a good place to work) say they are likely to leave their organization in the next year.
- Employees that stay trust their direct supervisors more than they trust management.

The dividing line? Employees stay for culture, and leave for comp. In fact, Promoters (employees most likely to recommend their workplace to others) cite culture as the #1 reason they stay. For Detractors, culture ranks near the bottom of the factors keeping them at their current company.

But our data shows culture alone isn't enough. **Trust** is the real game changer. Employees who report the most trust in their direct manager have higher Employee Net Promoter Scores, while low trust ratings accompany lower eNPS.

Factors	Average eNPS
Trust in direct manager	+44
No trust in direct manager	-77
Trust in executive leadership	+66
No trust in executive leadership	-83
Honest leadership communication	+66
Dishonest communication	-84

Without trust, engagement crumbles - even if compensation and benefits are competitive. With trust, employees will give discretionary effort and loyalty, even among uncertainty. They will follow you because you've earned it.

Flexibility as a Trust Signal

Flexibility isn't a perk - it's a declaration of trust. Our data shows:

- Flexible hybrid workers (occasional office visits) have an eNPS of +42.
- Mandatory hybrid (1–2 days/week) drops to +4.
- Employees with the least rigid schedules are the least likely (only 25%) to leave their company in the next 12 months.

In parallel:

- 77% of employees who feel fulfilled in life say their employer offers flexibility.
- 72% of employees who feel successful at work report a flexible environment.
- These same employees are far more likely to trust leadership and stay with the organization.

The lesson:

Flexibility isn't about convenience, it's about psychological safety and autonomy, which are core to trust. Employees interpret flexibility as proof their leaders believe in them.

Why Fear Hurts Your Bottom Line

Fear doesn't just live in thoughts and feelings - it shows up in financial results:

- Disengaged employees produce less and innovate less.
- They deliver poorer customer experiences.
- They spread negativity that drives away high performers.
- They increase turnover costs and stall momentum.

Engaged employees, by contrast, directly improve productivity, strengthen customer loyalty, and drive growth - even in a softer economy. Plus, highly engaged business units experience 51% less turnover.

The Strategic Playbook for Leaders Right Now

To navigate economic slowdown and emerge stronger, smart leaders are tightening their sails, reinforcing the hull, and plotting the next leg of their voyage – rather than drifting and hoping the winds turn.

1. Protect & Deepen the Talent You Have

Your current workforce is your greatest asset. Keep it strong.

- Double down on engagement: Use regular 1:1s, recognition programs, and career development to keep employees connected and motivated.
- Upskill and cross-train: Give people the tools to grow into new roles as business needs evolve.
- Be transparent: Communicate openly about company health and direction to ease uncertainty. Share not just decisions but the rationale behind them.
- Visible leadership: Employees need to see and feel that executives are listening. Be visible. Be onsite with your teams when possible, and when that's not feasible, use video.
- Two-way feedback: Create mechanisms where employees feel heard and see action.

2. Double Down on Culture

Culture is what sets Promoters apart. It's not about words on a wall; it's how people experience work every day and the sense of community they feel with their colleagues.

- Celebrate the wins: Recognize and celebrate the behaviors you want repeated.
- Reinforce your values: Are they real, relevant, and reflected in everyday decisions? Are you standing behind your non-negotiables?

3. Refine Your Workforce Strategy

Don't just react - plan for multiple scenarios.

- Scenario plan: Prepare hiring, retention, and restructuring strategies for a soft landing, slow drift, or sharper downturn.
- Balance your workforce mix: Blend full-time, part-time, and contract talent to maintain agility without sacrificing capability.
- Automate wisely: Streamline repetitive work so people can focus on high-impact tasks.
- Create a staffing plan: Be proactive in identifying the roles you will need and when you will need them.

4. Design for Flexibility and Autonomy

One-size-fits-all policies are failing. Empower teams to choose the arrangements that support their productivity.

- Metrics vs. minutes: Redesign roles to allow outcome-based performance, not hours-based presence.
- It's not all about the office: Allow flexibility in not just location, but scheduling, team structures, and workflows.
- Tech Talks: Invest in the right tools to support asynchronous and remote collaboration.

5. Upgrade Your Employer Brand

Attract and keep talent by standing out for the right reasons.

- Clarify your value proposition: Articulate why your company is the best place to work in your space.
- Highlight stability: Make sure candidates and employees know you're a safe, growth-oriented place to be.
- Tell authentic culture stories: Use real examples of how you invest in and trust your people. Video is one of the most effective tools to tell your story.

6. Get Sharper with Hiring

In a cooling market, quality beats quantity.

- Improve selection processes: Strengthen job descriptions, interview guides, and assessment tools.
- Target strategic hires: Fill roles that deliver outsized business impact.
- Keep warm pipelines: Maintain relationships with high-potential candidates, even if you're not hiring immediately.

7. Track the Right Data

Metrics are your early warning system.

- Track internal signals: Measure turnover rates, engagement scores, absenteeism, and productivity trends.
- Stay current on external shifts: Monitor wage inflation, immigration policy, and sector-specific hiring trends.
- Be ready to pivot: Make agility a leadership habit.

From Surviving to Leading

Fear thrives in uncertainty. But leaders who replace fear with trust don't just maintain morale - they build resilient companies that thrive through turbulence.

The 2025 labor market slowdown isn't a pause button - it's an opening. The leaders who seize it will strengthen their culture, deepen employee loyalty, and position their companies to accelerate when the economy rebounds.

It's not about waiting for the storm to pass. It's about being the kind of leader people trust to navigate through it - and toward something better.

KQV
KATHLEEN QUINN VOTAW

Kathleen Quinn Votaw is a leading authority on resolving the #1 concern of CEOs across the country: How to find and keep top talent. She is the author of two books: Dare to Care in the Workplace – A Guide to the New Way We Work; and Solve the People Puzzle – How High-Growth Companies Attract & Retain Top Talent. Kathleen is a widely published author and highly regarded speaker on recruitment, retention, culture, leadership, and what it takes to thrive when the ground keeps shifting. The award-winning founder and CEO of **TalenTrust**, Kathleen is a valuable strategic partner to companies throughout the US.

www.kathleenquinnvotaw.com

Optimize

Strategy • Alignment • Scalability

Optimize is a Los Angles-based management consulting firm specializing exclusively in Strategic Planning. We have worked with over 170 companies, most of them mid-market. We help companies define their sweet spot, the markets they want to grow in with which products and services, supported by what infrastructure (people, processes, and technology).

www.optimizeinc.net