

Trust in the Modern Workplace

Why is trust still hard to find at work?



This report is based on research commissioned by The Workforce Institute at UKG and conducted by Workplace Intelligence, exploring how nearly 4,000 employees and business leaders in 11 countries feel about the state of trust in the workplace.

The biggest organisational imperative of 2021

Every workplace culture must start with trust



A note from Dr. Chris Mullen, Ph.D., SPHR, SHRM-SCP, Executive Director of The Workforce Institute at UKG

There is an intimate connection between trust and belonging in the workplace. How can we expect anyone to develop a strong sense of belonging at work if they don't feel trusted by their peers, managers, and leaders?

With the COVID-19 pandemic colouring every decision and every interaction in the workplace, the topic of trust has taken on renewed urgency. Every organisation is different, but trust is a universal element required for success, especially in times of uncertainty like today. Consider:

- *If we're going to continue to ask employees to come to a physical workplace throughout the pandemic, trust is necessary.*
- *If we're going to call white collar employees back to the office, trust is necessary.*
- *If we're going to adopt permanent work-from-anywhere policies or hybrid work models, trust is necessary.*

In the following pages, think about trust at your workplace. As a people manager—or aspiring people manager—do you assume competence in your teams and colleagues? Do you assume good intentions in your interactions? Do you think about the impact that trust has on a day in, day out basis?

We pursued this project with our research partners at Workplace Intelligence because trust is more important than ever. And we wanted to encourage everyone—especially leaders—to re-evaluate presumptions about trust in the workplace. When we have trust, we can begin to achieve special things.

A handwritten signature in white ink, appearing to read 'Chris Mullen'.

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“The leaders that best navigate through a complex crisis are those who generate the most trust.”

Gen. Martin Demsey

“

“We don't have to do all of it alone. We were never meant to.”

Brené Brown

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“Trust is choosing to make something important to you vulnerable to the actions of someone else.”

Charles Feldman

Our trust paradigm is backwards

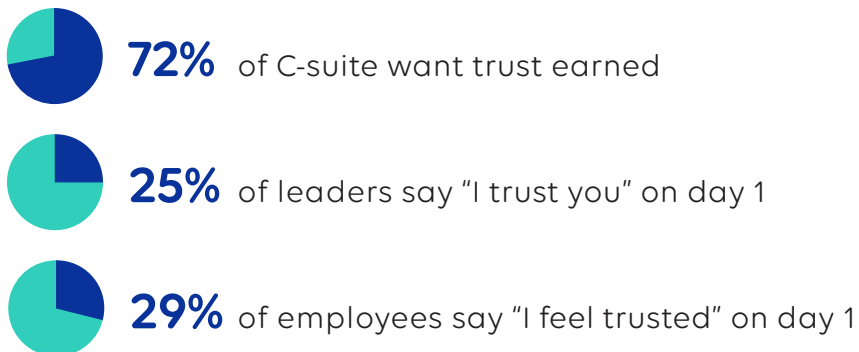
Trust should be presumed, not earned

It's a scenario that plays out at every organisation on a regular basis: A job opening is posted. Applications flood in. The most qualified individual wins the role and is hired.

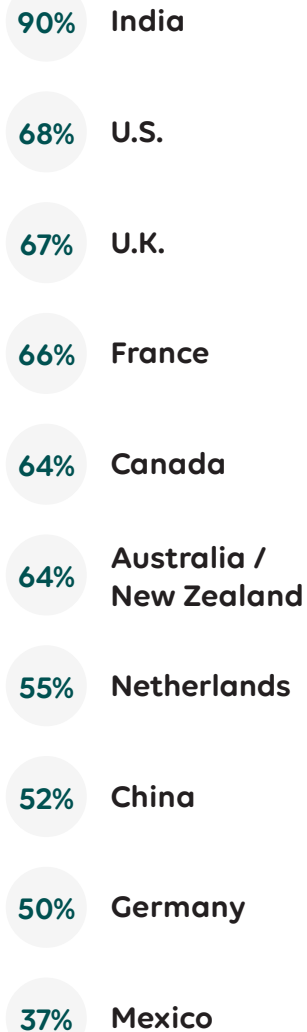
Then, something changes: On their first day of work, it's suddenly up to the new hire to earn everyone's trust. Why? What changed? Weren't they hired because they were the candidate most trusted to succeed?

63% of employees and business leaders globally say trust must be earned

What do leaders think?



Trust around the world: Be prepared to earn your trust in most countries



Trusting others doesn't only yield greater engagement directly by inspiring loyalty and affection and by contributing to others' growth and advancement. It supports engagement indirectly by freeing you up to take a variety of other actions that build personal relationships and drive growth.

- Aron Ain, CEO, UKG in WorkInspired,
How to Build an Organization Where Everyone Loves to Work, McGraw-Hill 2019

The hidden costs of distrust

Most people want to do the right thing.
That's why a lack of trust holds the business back.

Over half of employees say that trust directly impacts:



Trust is key to attracting top talent:

74% I would prefer to work for a company that is viewed as trustworthy

Low trust limits talent:

22% I did not make a referral because I did not trust my company

Trust is key to empowerment, and empowerment is key to performance:

68% Low trust hurts my daily effort

Low trust drives turnover:

24% I left a company mainly because I did not feel trusted



Whether employees have been going to a physical workplace since the start of the pandemic, will be called back to a workplace for the first time soon, or have the benefit of working from anywhere for the long term, organisations with a cultural foundation of trust will excel in 2021 and beyond.

- Dr. Chris Mullen,
PhD, SPHR, SHRM-SCP
executive director,
The Workforce Institute at UKG

Trust is foundational to an employee's sense of belonging in virtually every country:

79% India

69% China

68% U.S.

65% Canada

63% Mexico

61% Australia / New Zealand

61% France

61% Germany

60% U.K.

45% Netherlands

Trust in Crisis

COVID-19 has placed a spotlight on trust in the workplace. The good news? Some organisations got it right. And some did even better.

52% of business leaders and employees say trust is higher at their organisation today than it was before the pandemic.

COVID-19 has positively reshaped perceptions about remote work, according to 61% of business leaders and employees.



55% of business leaders and employees still think it's easier to trust colleagues in a physical workplace than colleagues working virtually.



Remote work is here to stay, but that doesn't mean the traditional physical workplace is dead. Organisations will need to carefully consider how to foster relationships between location-based and work-from-anywhere employees to ensure hybrid models reach their full performance potential.

- Dan Schawbel
New York Times best-selling author and managing partner,
Workplace Intelligence

Where is workplace trust higher today than before the COVID-19 pandemic?



Trust, a two-way street

Trust goes both ways, though it's clear that some employees are hesitant to trust their employer.

In fact, nearly 2 in 5 employees (38%) do not trust the organisation to put employee interests ahead of profits.

Where is trust lacking?



24%

do not trust they will be paid accurately



27%

do not trust they will be scheduled fairly



32%

do not trust equal standards for pay and promotions



29%

do not trust their employer to create diverse and inclusive work environment



25%

do not trust their employer to create safe work environments



28%

do not trust labour laws will be followed without exception

A mere 24% of employees feel trusted to select their own training and development opportunities.

The ultimate trust test

Only 18% of employees have told their manager they were interviewing for another job in order to receive their guidance and opinion.

In the workplace today, globally:



1 in 4 employees trusted to swap work shifts with another employee without manager approval



1 in 3 employees trusted to select time off without manager approval



If trust isn't presumed, how can it be earned?

While trust should be for the employee to lose, many organisations will realistically continue to expect employees to earn trust. The good news is the bar isn't very high: 82% of new hires earn the trust of colleagues and managers within six months – assuming good performance!

What doesn't work? While “acting more human” by discussing hobbies, passions, and family life may make us seem more approachable, just 4% of managers and 5% of employees say sharing personal information builds trust.

How deeply is trust ingrained in your organisation?

As CEO of UKG, Aron Ain has helped revolutionise how organisations manage their workforces by transforming the employee experience into a growth strategy.

In his award-winning book *“WorkInspired: How to Build an Organization Where Everyone Loves to Work”*, Ain provides valuable guidance based on his decades of leadership experience as one of America's top CEOs.

In the chapter “Trust Them (Again and Again),” Ain discusses:

- Cultivating trust as a leader
- Setting experiences around trust
- Deploying tools to help people get to know one another better
- Infusing the principle of trust into policies
- Teaching managers to nourish trust in their teams

To download a complimentary copy of this chapter of Ain's book, which was published one year before Kronos and Ultimate Software merged to become UKG (Ultimate Kronos Group), visit www.kronos.com.au/resources/trust-them-again-and-again.

What does work?

How employees can earn manager trust:



How managers can earn employee trust:



Dispatches from our Advisory Board

The Workforce Institute at UKG's advisory board is a global consortium of HR and workforce management thought leaders. Our advisory board members have "been there, done that" throughout their own personal and professional journeys. And they have stories to share.

Signs of Trust Aren't Always Obvious

“ At one point in my HR career, I was put in charge of uniforms. I didn't ask for this job and actually thought it was some form of punishment. Because the uniform department was a mess. One day, I made a joke to my boss about it being a punishment. She said, "Please don't think of this assignment as a negative. If anyone in the company can fix uniforms, it's you." I took that as a positive: the organisation trusted my abilities to get this done.

- Sharlyn Lauby, The HR Bartender and president of ITM Group Inc

The Day Big Choices are Suddenly Yours

“ I remember going to my boss for permission to meet with a client to help them through a very difficult business matter at no cost. When I asked if I could do it, he said, "I trust you. I hired you because I trust you to make decisions like this. If you want a sounding board, we can discuss it. However, the decision is yours." That was so disarming for me. It made me respect him even more. It also made me work as hard as I could to do the best work I could for the client and our firm.

- John Frehse, Senior Managing Director, Ankura Consulting Group

Calculated Risks Can Grow Trust

“ I remember a senior consultant trusted me to lead a workshop when I was still very junior. Here's the key: she co-presented the workshop with me so that she was in a position to step in if I got into trouble. There was trust with a built-in safety net. It wasn't just a naive, cross-our-fingers and hope kind of trust. It was a well-designed risk.

- David Creelman, CEO, Creelman Research

Make it Safe to Skin Their Knees

“ We teach our people managers that they should let their direct reports skin their knees but not break their legs. Said another way, leaders should empower their people to do their jobs—especially when it involves risk and innovation—and be there as a guide to overcome obstacles and provide perspective. We then hardwire trust and other key leadership behaviors across the company by holding managers accountable. Employees review their manager's effectiveness twice a year through an anonymous survey that helps ensure leaders are living our core values and building a culture of trust.

- Dave Almeda, Chief People Officer, UKG



**Trust is the magic glue that
makes personal and
professional relationships thrive.
When we trust each other,
everything becomes possible.**

- Aron Ain, chairman and CEO,
UKG (Ultimate Kronos Group)

The Workforce Institute at UKG

The Workforce Institute at UKG provides research and education on critical workplace issues facing organisations worldwide. By bringing together a global consortium of HR and workforce management thought leaders, the think tank is uniquely positioned to empower organisations with practical ideas for optimising today's workplace while also providing an important voice for employees, including frontline and hourly workers. Founded in 2007, a hallmark of The Workforce Institute's research and education—including books, podcasts, surveys, blogs, and its annual list of workplace predictions—is balancing the needs and desires of diverse employee populations with the interests of organisations to manage absenteeism, fight burnout, develop equitable work schedules, and build strong leaders to drive inspired performance.

Survey Methodology

Research findings are based on a survey conducted by Savanta, Inc. for Workplace Intelligence on behalf of The Workforce Institute at UKG in June 2020. For this survey, 3,903 global respondents were asked general questions to explore leadership and employee attitudes around trust in the workplace, digital transformation and crisis response/management. The study targeted people between the ages of 18 and 55 years old. Respondents are recruited through a number of different mechanisms, via different sources to join the panels and participate in market research surveys. All panellists have passed a double opt-in process and complete

For Additional Information:

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on average 300 profiling data points prior to taking part in surveys. Respondents are invited to take part via email and are provided with a small monetary incentive for doing so. Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. In this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 1.6 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.