



# Trust, Work, and Organisational Systems: A Shifting Landscape

The Industry Insights Report 2026

From The Association for Business Psychology<sup>1</sup>

Executive Summary

## A Changing Organisational Reality

Across a wide range of global workforce studies, academic literature, and applied organisational research, the evidence suggests trust is becoming increasingly fragile within modern organisations. Several studies reviewed reported declining confidence in leadership, institutional consistency, and psychological safety, which the report interprets as indicators of increasing trust fragility. This interpretation is also consistent with broader global trends identified in the 2026 Edelman Trust Barometer Global Report<sup>i</sup>, which describes growing economic anxiety, geopolitical tension, social polarisation, and declining confidence across institutions as contributing to what it terms an increasingly “insular” and fragile trust environment globally.

The evidence does not suggest that trust is universally or linearly declining across organisations. Rather, trust is becoming more conditional, dynamic, and unevenly distributed. Indications suggest employees increasingly base trust on their direct experience of organisational systems, leadership behaviour, and decision-making consistency, rather than on organisational identity or messaging alone.

Related patterns appear across several forms of evidence, including large-scale workforce surveys, peer-reviewed organisational research, and practice-based organisational case material, although these sources vary in methodological design and evidential strength.

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<sup>1</sup> The report has been prepared for The Association for Business Psychology by the ABP Industry Insights Team. For more information about the team, visit: <https://community.theabp.org.uk/page/industry-insights>



This is not a single, isolated trend, nor is it simply a cultural concern. Instead, it appears to be a systemic outcome of how organisations are now structured, led, and experienced.

Reports such as *Global Human Capital Trends*<sup>ii</sup>, *Gallup State of the Global Workplace*<sup>iii</sup>, *CIPD Good Work Index*<sup>iv</sup>, and *Glassdoor Worklife Trends*<sup>v</sup> all point toward reinforcing signals:

- declining employee engagement in many sectors
- increasing burnout and emotional exhaustion
- rising scepticism toward leadership communication
- reduced confidence in organisational fairness and decision-making
- growing sensitivity to inconsistency between “stated values” and “lived reality”

This discussion of ‘trust in organisations’ refers to the willingness of people within organisations to be vulnerable to decisions, systems, and relationships based on expectations of fairness, consistency, competence, transparency, and good faith.

Importantly, these patterns are not new. They have been developing over time, but their intensity and visibility have increased in recent years due to structural and contextual shifts. (See article “A Contextual Perspective On Trust Over Time”.)

## A Trajectory Over Time

The current state of trust in organisations can be understood as the result of a multi-stage shift:

1. **Pre-pandemic:** Trust was already under pressure in many institutions, with early signs of declining confidence in leadership and organisational authority.
2. **COVID-19 disruption:** The pandemic acted as a stress test for organisational systems. Rapid decisions, shifting policies, and inconsistent communication disrupted psychological contracts and exposed gaps between organisational intent and employee experience.
3. **Post-pandemic restructuring:** Hybrid work, restructuring, and accelerated change created ongoing uncertainty. Trust became more conditional, based less on general organisational identity and more on specific experiences of fairness, consistency, and clarity.
4. **Current environment (AI + complexity):** The integration of AI and data-driven decision systems introduces a new layer of complexity. Decisions are increasingly shaped by systems that are not always transparent, interpretable, or clearly accountable, further complicating trust formation.



## Why This Matters

Trust is often treated as a “soft” cultural variable. In reality it functions as a core enabling condition for organisational performance. Whilst trust-related issues rarely appear explicitly, they emerge through inconsistencies in systems, processes, and leadership practice.

When trust is present employees engage more fully, collaboration increases, change is more readily adopted, discretionary effort is sustained and ambiguity is more tolerable as you know to trust the sources around you.

When trust is absent, engagement declines, control mechanisms increase, psychological safety reduces, resistance to change grows and organisational energy becomes defensive rather than generative.

Crucially, indications are that many strategic priorities in organisations today – such as AI adoption, hybrid working models, DEI initiatives, and wellbeing programmes – depend on trust to function effectively.

The findings suggest that trust is increasingly shaped by organisational system design, creating significant implications for leadership, governance, people management, and Business Psychology practice. Without it, even well-designed interventions fail to translate into lived impact.

As such, the report proposes that trust may be useful to view as a **system-level diagnostic signal**, rather than solely a **cultural outcome**. Evidence suggests that it is increasingly a system-level diagnostic signal indicating how well organisational structures, processes, and behaviours align.



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## 1. Context

What emerged through the development of the report was not the result of a pre-defined intention to study trust itself.

The ABP Industry Insights team began with a broad exploration of the organisational issues most visibly shaping the practice of Business Psychology today. Drawing on a wide range of workforce studies, academic papers, practitioner literature, organisational case studies, industry reports, and professional observations, the aim was initially to identify the symptoms of strain, complexity, and dysfunction appearing across modern organisations, and to consider these through a Business Psychology lens to better support practitioners and the organisations they serve. (See [Appendix A](#): Methodology.)

However, as the evidence base developed over many months, a striking pattern began to emerge. The reviewed literature identified recurring themes across diverse topics including engagement, burnout, psychological safety, leadership credibility, fairness, hybrid working, organisational change, and Artificial Intelligence (AI) adoption. The Industry Insights team interpreted many of these patterns as potentially connected to organisational trust. Trust was not necessarily the sole explanation for these patterns, nor is it presented in the report as a simplistic or universal answer. Rather, it repeatedly emerged as a significant underlying condition shaping how organisational systems are experienced and responded to. The report therefore evolved into an exploration of trust not as an isolated cultural concept, but as a systemic organisational dynamic increasingly central to the effectiveness, sustainability, and lived experience of modern work. (See [Appendix B](#): Theoretical Foundation.)



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## Conceptual Framing

The report does not propose trust as a singular explanation for contemporary organisational challenges. Rather, through review of multiple evidence sources, trust emerged as a recurring cross-cutting dynamic that appears closely connected to how organisational systems are experienced. The report therefore interprets a range of workforce and organisational signals through a trust-oriented lens, whilst recognising that these phenomena are shaped by multiple interacting social, economic, technological, and organisational factors.

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## Positioning of Findings

The report adopts a systems perspective on trust, viewing it not as a standalone attitude or cultural variable, but as an emergent property of organisational design. Trust is therefore analysed across multiple interacting levels, including interpersonal relationships, leadership and institutional structures, organisational systems and processes, and technology and data-driven decision systems. This framing reflects the increasing complexity of modern organisational environments, where trust is shaped by both human and system-level interactions.

The report does not seek to establish universal or causal claims about trust decline. Instead, it aims to:

- Identify emerging patterns and areas of convergence across evidence sources
- Offer interpretive insights grounded in established theory and observed practice
- Translate these insights into practical implications for organisations and Business Psychology practitioners

The findings should therefore be understood as evidence-informed and practice-oriented, supporting decision-making and system design rather than providing definitive causal conclusions.

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## Guidance for Readers

The insights presented in the report are drawn largely from research, forecasts, and professional discourse focused on knowledge-intensive, organisational, and professional work environments. In practice, this often reflects the contexts in which many Business Psychologists operate, including corporate, public sector, consulting, and managerial settings.

As such, the themes discussed (for example hybrid working, digital transformation, AI integration, and leadership trust) may be more directly applicable to white-collar and formal organisational contexts. They may not fully reflect the realities of all industries, roles, or labour markets, particularly frontline, manual, informal, or precarious work environments. Work experiences vary significantly across countries, cultures, socio-



economic conditions, and regulatory systems. Levels of technological access, organisational support, job security, and institutional trust differ widely.

The report does not claim to represent every workforce or demographic group. Rather, it synthesises credible evidence from contexts most commonly engaged by the Business Psychology profession. Where possible, global and non-Global-North perspectives have been included, but important variation remains.

Readers are encouraged to interpret the findings in light of their own sector, geography, and workforce context.



## 2. Introduction

### Why The Report Matters

The report forms part of the ABP Industry Insights series, which aims to interpret emerging patterns in organisational life and translate them into implications for Business Psychology practice.

Over the past decade, work has undergone profound structural change. Organisations now operate in environments characterised by:

- continuous transformation rather than episodic change
- distributed and hybrid working structures
- increasing reliance on digital systems and AI
- heightened expectations around fairness, inclusion, and wellbeing
- reduced tolerance for inconsistency between values and practice

Within this environment, trust is not simply eroding; it is being reconfigured. It is becoming more context-dependent and contingent on how organisational systems are experienced locally through line management, transparency of decisions, and perceived fairness. As a result, trust may be strong in some parts of an organisation while fragile in others.

Where systems are aligned, trust accumulates. Where they are inconsistent or fragmented, trust erodes.

Rather than assuming trust is simply declining, the report asks: Is trust becoming more conditional, system-dependent, and unevenly distributed within modern organisations – and what does this mean for Business Psychology practice?

### What We Mean By Trust

Trust in organisations is commonly defined as the willingness to be vulnerable based on expectations of fairness, competence, and reliability (Mayer, Davis & Schoorman, 1995<sup>vi</sup>). In practice, this means an employee who raises a concern with their manager is trusting that it will be taken seriously rather than ignored or used against them. A team that shares early-stage thinking with leadership is trusting that incomplete ideas will be engaged with constructively. An individual who accepts a restructuring decision without full information is trusting that the process was handled with integrity, even where the outcome is unwelcome. In each case, trust involves accepting a degree of vulnerability, exposure to the possibility of being let down, based on expectations about how the other party will behave.

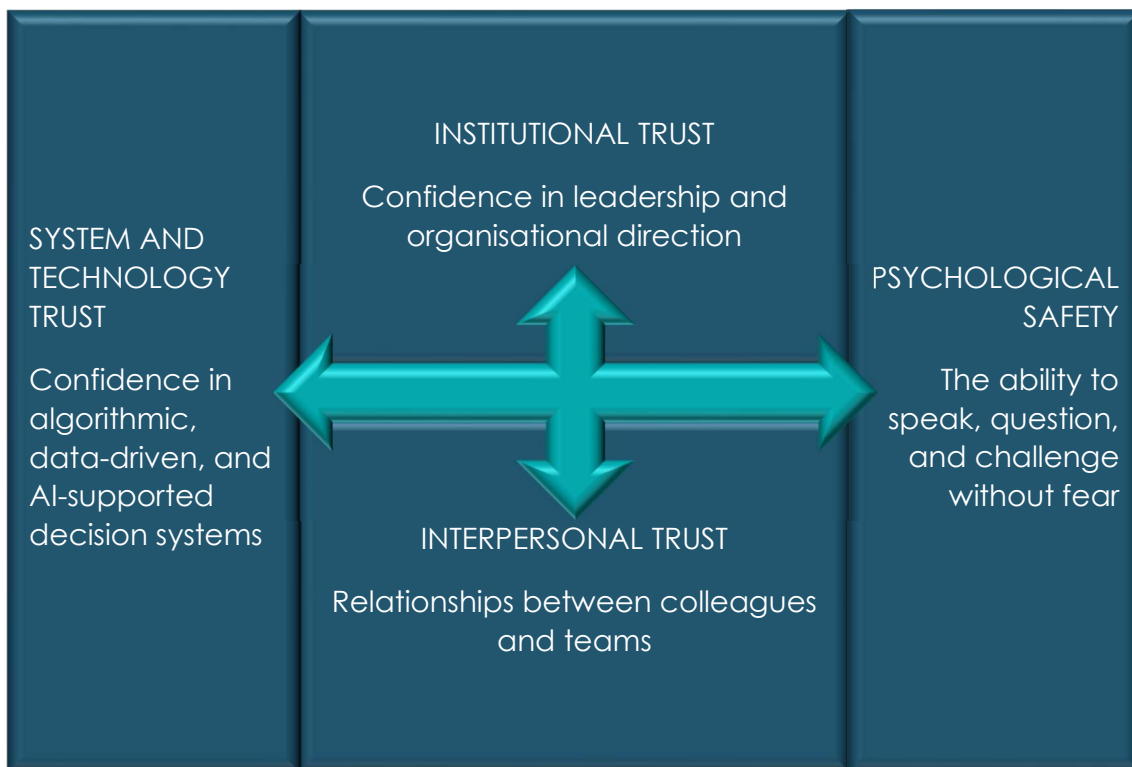
**Note:** Trust in the report is interpreted as a recurring cross-cutting dynamic rather than a singular root cause. As such, like many observed phenomena, it is multi-determined.



In contemporary organisations, this concept of trust operates across multiple interconnected layers:

- **Interpersonal trust:** relationships between colleagues and teams
- **Institutional trust:** confidence in leadership and organisational direction
- **Psychological safety:** the ability to speak, question, and challenge without fear (Edmondson, 1999<sup>vii</sup>)
- **System and technology trust:** confidence in algorithmic, data-driven, and AI-supported decision systems (Glikson & Woolley, 2020<sup>viii</sup>)

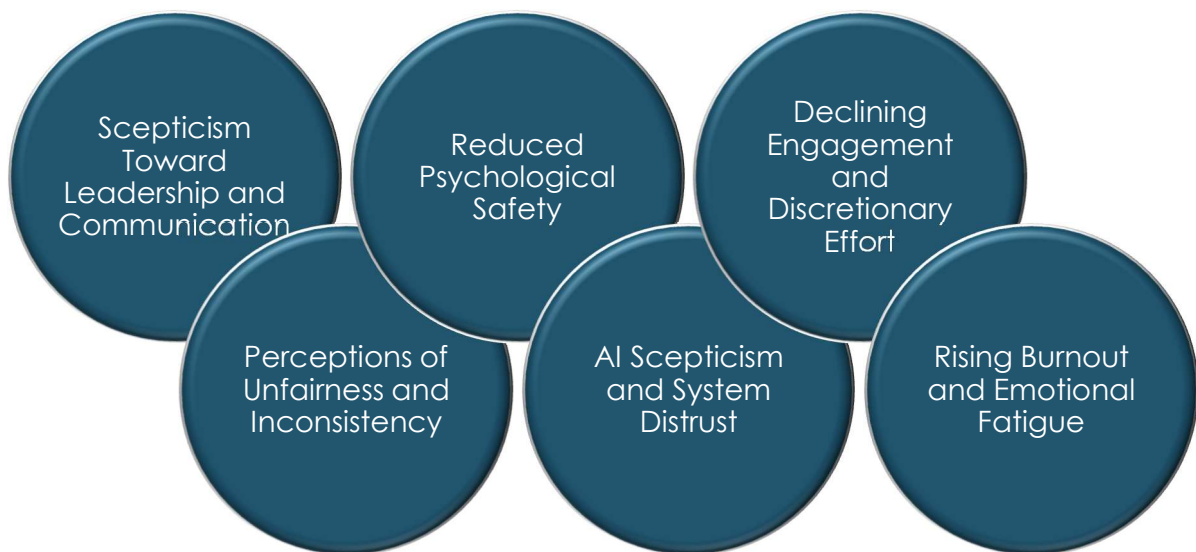
This multi-layered structure means trust should not be understood as a single variable. Rather, it functions as a systemic property that emerges from how work is designed, experienced, and mediated across human relationships, organisational structures, and technological systems.



### 3. Evidence: Signals of a Trust Challenge

Across a range of sources, including practitioner observations, converging signals point to increasing strain in organisational trust systems. While none of these indicators is entirely new, their intensity, persistence, and combination suggest deeper structural trust dynamics rather than isolated engagement or wellbeing issues.

#### Converging Signals



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#### Scepticism Toward Leadership and Communication

Employee surveys and qualitative research increasingly identify a gap between leadership messaging and employees' lived experience. Research suggests employees evaluate organisational credibility less through formal communications and more through whether leadership decisions and behaviours consistently align with stated values and commitments (Simons, T., 2002<sup>ix</sup>). When communication is not reinforced through observable action, trust and engagement tend to decline.

The report interprets this pattern as potentially reflecting declining confidence that leadership communication reliably predicts future action. From a trust perspective, perceived gaps between messaging and outcomes undermine assumptions of good faith and reliability, central components of institutional trust.

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#### Perceptions of Unfairness and Inconsistency

Fairness has become a more prominent evaluative frame as organisations navigate restructuring, hybrid work, pay pressure, and talent scarcity. Comparative visibility across teams and functions has increased, making inconsistencies more salient.



Research in organisational justice shows that perceived fairness is driven less by outcomes alone than by the consistency and transparency of decision processes (Colquitt et al., 2001). Where similar cases are handled differently across managers or contexts, trust in the competence and integrity of organisational systems weakens, even when individual decisions appear justifiable in isolation.

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## Reduced Psychological Safety

In many organisations undergoing continuous change, employees report greater caution in speaking up, questioning decisions, or raising concerns. Research on psychological safety suggests employees are less likely to engage in voice behaviours when they fear embarrassment, retaliation, or negative interpersonal consequences (Edmondson, A., 1999). Psychological safety is particularly sensitive to whether speaking up leads to predictable, proportionate, and constructive responses from leaders and colleagues.

It could follow that, when decision-making is opaque or shifting, employees learn that speaking up carries uncertain personal and professional risk. This reduces willingness to be vulnerable in both interpersonal and institutional relationships, linking psychological safety directly to trust dynamics rather than individual confidence alone.

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## AI Scepticism and System Distrust

As AI, monitoring, and data-driven systems become more embedded in hiring, performance, and workforce management, employee attention has shifted from system capability to system governance. Concerns increasingly focus on transparency, accountability, and bias.

Trust in algorithmic systems depends less on technical accuracy and more on perceived explainability, human oversight, and clarity of accountability (Glikson & Woolley, 2020). Where decision logic is opaque or responsibility is diffused, confidence erodes not only in the technology, but in the organisation's fairness and intent

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## Declining Engagement and Discretionary Effort

Across many sectors, employee engagement and discretionary effort indicators have remained below, or only marginally above, pre-pandemic benchmarks despite substantial organisational investment in wellbeing, employee experience, and engagement initiatives. Gallup's global workplace research reports that engagement levels have declined in recent years and, in several measures, "the workplace never returned to normal" following the pandemic.

Employees appear more reluctant to engage in discretionary or extra-role behaviours where expectations are perceived as unclear, inconsistently applied, or subject to change without adequate explanation, particularly where this contributes to perceptions of psychological contract breach or reduced organisational justice. (Colquitt et al., 2001<sup>x</sup>).



The report interprets this through a trust lens as potentially reflecting increased uncertainty about reciprocity and reliability within the employment relationship. Discretionary effort becomes risk-laden when it is unclear whether effort will be recognised, protected, or fairly rewarded, making disengagement a rational risk-management response rather than a motivational deficit.

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## Rising Burnout and Emotional Fatigue

Persistent burnout levels are being reported even in organisations where workload has stabilised or reduced. This may indicate that factors beyond workload volume (such as ambiguity, uncertainty, or perceived inconsistency) also contribute to strain. (Day, A., Crown, S., & Ivany, M., 2017<sup>xi</sup>; Maslach, C., & Leiter, M. P., 2021<sup>xii</sup>.)

It could follow, where employees cannot rely on stable expectations or consistent application of policies, the cognitive and emotional cost of navigating work increases. In trust terms, prolonged uncertainty heightens perceived vulnerability, eroding confidence that effort will lead to fair outcomes or that demands will remain bounded over time.

## Interpretation of Signals

Taken together, these signals do not point to a universal or linear decline in trust. Instead, they reflect increasing variability in how trust is experienced across teams, contexts, and organisational systems. Trust has become more contingent on consistency, transparency, and everyday lived experience, such as interactions with line managers or perceived fairness in decision-making. These patterns should not be interpreted as reduced motivation or resilience alone. They indicate shifts in employees' willingness to be vulnerable, shaped by changing perceptions of fairness, predictability, and reliability within organisational systems.



## 4. Causes: Why This Is Happening

The current trust environment appears to be shaped by several interacting structural forces. These drivers do not operate independently. Instead, they interact to increase variability in organisational experience, making trust harder to establish and sustain.<sup>2</sup>

1. **Continuous organisational change:** Many organisations now operate in conditions of near-continuous transformation rather than long periods of relative stability. Research suggests such environments can reduce predictability, increase sensemaking demands, and contribute to greater cognitive and emotional strain for employees (Day et al., 2017; Maitlis & Christianson, 2014<sup>xiii</sup>; Weick, 1995<sup>xiv</sup>).
2. **Breakdown of psychological contracts:** Findings reported by Gallup (2025)<sup>xv</sup>, alongside broader psychological contract literature, suggest the COVID-19 period disrupted employee expectations regarding stability, support, fairness, and reciprocity within employment relationships.
3. **Technological mediation of decisions:** AI and algorithmic systems increasingly influence decisions related to hiring, performance, allocation, and monitoring. In many cases, these systems lack transparency or clear explanation. This shifts trust from interpersonal judgement to system-based judgement, where lack of visibility into decision logic can undermine perceived fairness. (Kellogg & Valentine, 2020<sup>xvi</sup>).
4. **Changing employee expectations:** Employees increasingly expect greater flexibility, autonomy, support, and alignment between organisational values and lived workplace experience. Contemporary workforce research suggests employees place growing importance on work–life balance, flexibility, and meaningful control over how work is undertaken, while also becoming more sensitive to gaps between organisational commitments and day-to-day practice (Accenture, 2025<sup>xvii</sup>; CIPD<sup>xviii</sup>, 2025; Robertson Cooper, 2025<sup>xix</sup>).
5. **Increasing leadership complexity:** Leaders operate in environments of heightened ambiguity, competing demands, and reduced stability, making consistent trust-building behaviour harder to sustain. (Gallup, 2025; Maitlis & Christianson, 2014.)

These forces do not inevitably reduce trust. Rather, they increase variability in organisational experience, making trust more contingent on how effectively systems absorb complexity, maintain fairness, and provide clarity under uncertainty.

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<sup>2</sup> See also the article, "A Contextual Perspectives on Trust Over Time" from The ABP Industry Insights team, which provides an interpretive and contextual perspective on broader social, organisational, and technological developments that may help explain why trust-related themes are increasingly visible within organisational life and Business Psychology practice.



## 5. How This Shows Up in Practice

These structural forces manifest in everyday organisational experiences.

Examples include:

- Hybrid work tensions between autonomy and surveillance
- Increased use of monitoring technologies
- Reliance on dashboards or metrics without contextual understanding
- Inconsistent application of policies across teams or geographies
- Leadership communication perceived as disconnected from operational reality
- Fragmented employee experience across touchpoints
- Reduced confidence in fairness of promotion and reward systems

The illustrative factors identified above should not be interpreted as inevitable outcomes of hybrid work, digital transformation, organisational growth, or technological adoption. Nor are they necessarily evidence of dysfunction in isolation. Rather, the literature suggests these patterns are often interconnected manifestations of broader organisational dynamics that may emerge under conditions of sustained uncertainty, rapid change, competing operational pressures, and evolving employment relationships.

Research relating to organisational sensemaking, organisational justice, psychological contracts, HR system consistency, and algorithmic management indicates that employees are particularly sensitive to perceived inconsistency between organisational messaging, managerial behaviour, systems, and lived experience (Weick, 1995; Bowen & Ostroff, 2004<sup>xx</sup>; Maitlis & Christianson, 2014; Kellogg et al., 2020).

In many organisations, increased reliance on monitoring technologies, metric-driven decision systems, fragmented employee experiences, inconsistent policy application, and perceived disconnects between leadership communication and operational reality may therefore be understood not simply as isolated operational issues, but as signals associated with underlying questions of trust, fairness, transparency, and reciprocity. These conditions may arise from multiple causes, including scale, complexity, technological acceleration, resource pressures, regulatory demands, or managerial capability variation. Nevertheless, the literature suggests they can also contribute cumulatively to reduced confidence in organisational systems and relationships where employees perceive reduced predictability, weakened contextual understanding, or diminished alignment between stated values and organisational practice (Simons, 2002; Colquitt et al., 2001; Glikson & Woolley, 2020).



## 6. Consequences: Why This Matters

### Individual-Level Consequences

Evidence suggests reduced trust is associated with:

- Lower psychological safety
- Increased burnout and fatigue
- Increased emotional distance from work
- Reduced engagement and motivation
- Withdrawal of discretionary effort

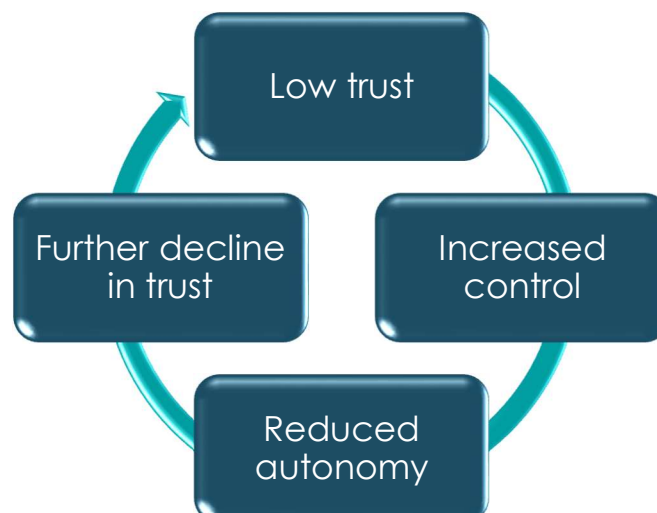
A broad synthesis of evidence across organisational trust, psychological safety, hybrid work, organisational justice, and wellbeing literature suggests reduced trust and perceived organisational inconsistency may be associated with lower psychological safety, increased burnout and fatigue, reduced engagement, emotional withdrawal, and diminished discretionary contribution (Edmondson, 1999; Colquitt et al., 2001; Rudolph et al., 2021<sup>xxi</sup>; Iyer, 2025<sup>xxii</sup>).

### Organisational-Level Consequences

For organisations, the effects may include:

- reduced productivity and performance consistency
- lower retention and higher turnover risk
- reduced effectiveness of change programmes
- increased reliance on control and compliance mechanisms
- weakening of cultural cohesion over time

A particularly important dynamic is the reinforcing cycle of mistrust, where common responses to low trust result in increased control and reduced autonomy, which further lowers trust.



## 7. Evidence-Based Responses

Based on the evidence reviewed and the team's interpretation of its implications, several organisational responses may warrant consideration.

The themes presented here in overview here are explored more tangibly in the sections which follow.

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### From Interventions To System Design

One practical implication arising from the evidence is that organisations may benefit from embedding wellbeing and engagement into organisational structures, not treated as standalone programmes. This includes embedding expectations into performance systems, clarifying decision rights, and reducing variability in how policies are interpreted across teams. Research in HRM and organisational systems increasingly suggests that employee outcomes are influenced less by standalone initiatives and more by the consistency and alignment of organisational systems, practices, and management approaches (Boxall & Purcell, 2016<sup>xxiii</sup>; Peccei & Van De Voorde, 2019<sup>xxiv</sup>).

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### From Behaviour Change To System Consistency

Leadership development (as an example) could focus on creating coherent systems that enable consistent behaviour across levels. For example, ensuring that similar decisions are made in similar ways across different parts of the organisation. Research on HR system strength suggests that employees develop shared perceptions of organisational priorities and intent when HR practices are communicated and implemented consistently, distinctly, and consensually across the organisation (Bowen & Ostroff, 2004). This reinforces the importance of system-level consistency, where similar decisions are made in similar ways, as a foundation for trust.

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### From Opacity To Transparency In AI

Organisations have the opportunity to make AI systems more explainable, accountable, and governed in ways that align with human expectations of fairness. This may involve making decision criteria more visible, providing clearer rationale for automated outputs, and maintaining meaningful human accountability. Research on algorithmic management suggests that opaque or poorly explained systems are more likely to be perceived as unfair, potentially undermining trust in both the system and organisational leadership (Kellogg et al., 2020).

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### From Measurement To Design

The report proposes organisations could move beyond “measuring engagement” toward actively designing employee experience. Organisations that act visibly on feedback data are more likely to strengthen trust than those that focus solely on data collection. Evidence from HRM research suggests that employee outcomes are shaped by how organisational



practices are experienced in day-to-day work, rather than how they are designed or measured in principle (Nishii & Wright, 2008<sup>xxv</sup>; Den Hartog et al., 2013<sup>xxvi</sup>).

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## From Stability Assumptions To Uncertainty Capability

The evidence reviewed suggests that organisational capability in ambiguity management and adaptive decision-making may become increasingly important. This includes developing shared decision frameworks, scenario planning capability, and consistent principles for action under ambiguity. Research on sensemaking and organisational response to uncertainty highlights the importance of shared frameworks and consistent interpretation processes in maintaining alignment (Weick, 1995; Maitlis & Christianson, 2014).



## 8. Practical Implications: What This Means

The evidence reviewed suggests that trust may be better understood as a design consideration embedded within organisational systems, rather than as a standalone cultural outcome or something measured only after the fact. Instead, trust appears to function most sustainably when built deliberately into organisational systems, decisions, governance arrangements, and everyday ways of working.

Trust may be better understood as a design consideration – embedded within organisational systems – rather than an outcome to be measured only after the fact.

From a psychological perspective, these system features matter because they reduce uncertainty and perceived risk, supporting individuals' willingness to be vulnerable within organisational relationships.

The findings point toward a broader reframing of how trust operates within organisations. Trust does not appear to arise primarily from communications, engagement campaigns, or leadership messaging alone. Rather, it is shaped through the everyday functioning of organisational systems: how decisions are made, applied, explained, and experienced in practice.

This report proposes – where systems are experienced as consistent, transparent, understandable, and fair in their application – trust appears more likely to accumulate over time. Where systems are fragmented, opaque, unpredictable, or inconsistently applied, trust may erode regardless of stated organisational values or leadership intent.

A recurring theme across the evidence reviewed is the impact of misalignment between organisational intent, leadership behaviour, and employee experience. The gap between what organisations say and what employees encounter in practice appears consistently associated with reduced trust, cynicism, and perceptions of organisational unfairness.

This matters because many critical organisational priorities implicitly rely on trust but rarely design for it explicitly. These include:

- AI integration
- Hybrid and flexible work models
- DEI strategies
- Wellbeing programmes
- Organisational transformation efforts

Where trust is weak, these initiatives often remain structurally fragile, struggling to translate into sustained impact.

These findings have distinct and actionable implications for both organisations and Business Psychology practitioners.



## Implications for Organisations

### **Trust is experienced through systems as much as through leadership**

Employees appear to form trust judgements not only through relationships with leaders, but through everyday interactions with organisational processes such as performance management, promotion, reward, flexibility, communication, and governance.

### **Consistency of experience matters significantly**

Variation in how policies and decisions are applied across teams, managers, functions, or geographies may become a major source of perceived unfairness and mistrust. In many cases, inconsistency in application appears more damaging than the policy itself.

### **Trust is increasingly localised**

For many employees, trust is shaped primarily through their direct manager and immediate working environment. This may become more pronounced in hybrid and distributed working arrangements where local interpretation and implementation vary more widely.

### **Explainability and transparency are becoming operational necessities**

As organisations increasingly use AI-supported, algorithmic, and data-driven systems, employees may place greater importance on understanding how decisions are reached, who remains accountable, and how fairness is maintained.

### **Employee experience appears more important than organisational intention**

The evidence reviewed suggests that formal organisational values, intended culture, and leadership messaging do not necessarily determine employee trust if everyday experience does not align with them.

### **Feedback without visible action may weaken trust**

Employee listening mechanisms may contribute positively to trust where employees can see meaningful organisational response and follow-through. In contrast, repeated data collection without visible change may contribute to cynicism or disengagement.

### **Organisational complexity may contribute to uncertainty and mistrust**

Unclear decision rights, fragmented processes, inconsistent communication, and excessive procedural complexity may increase ambiguity and cognitive load, making organisational systems feel less predictable and less trustworthy.

### **Adaptive capability may become increasingly important**

The evidence suggests that organisations may need stronger capability for operating under uncertainty, including shared decision principles, clearer governance, and more consistent approaches to interpreting and responding to ambiguous situations.



## Implications for Business Psychology Practice

The findings reviewed within the report suggest that Business Psychology practice may increasingly need to move beyond isolated interventions and toward broader organisational systems analysis.

Many of the issues associated with trust appear to emerge not solely from attitudes, personalities, or engagement levels, but from how organisational systems operate collectively over time.

Several of the implications for practice which emerge are described below.

### **Trust may need to be approached as a systems phenomenon**

The evidence suggests that trust is shaped by the interaction between organisational structures, management practices, governance arrangements, communication patterns, and lived employee experience.

### **Aggregate engagement data may obscure important differences in experience**

Organisation-wide averages may conceal substantial variation between teams, managers, functions, or demographic groups. Understanding where experiences diverge may become increasingly important.

### **Psychological concepts may need stronger operational translation**

Concepts such as fairness, trust, psychological safety, and inclusion may become more valuable when translated into concrete organisational practices, decision frameworks, governance processes, and behavioural norms.

### **Decision-making processes may warrant greater attention**

The evidence suggests that how decisions are made, communicated, justified, and applied may be as important as the outcomes themselves in shaping trust perceptions.

### **Organisational architecture may become a more important area of influence**

Performance systems, governance structures, policy design, accountability mechanisms, and workflow arrangements may all contribute significantly to employee trust and organisational coherence.

### **AI governance may become an increasingly important area for Business Psychology input**

As organisations integrate AI and data-driven systems into management and decision-making, there may be increasing demand for expertise relating to fairness perceptions, explainability, accountability, human oversight, and behavioural impact.



## **System coherence may matter more than isolated initiatives**

Disconnected programmes or interventions may have limited impact where broader organisational systems send conflicting signals or reinforce inconsistent experiences.

## **Multi-source diagnosis may become increasingly valuable**

Survey data alone may provide an incomplete picture of organisational trust. Behavioural indicators, operational patterns, internal mobility, grievance trends, retention data, and qualitative insights may all contribute to a more complete understanding.

## **Organisational sensemaking capability may become increasingly important**

Business Psychologists may have a growing role in helping organisations develop clearer frameworks for decision-making, communication, and coordination under conditions of ambiguity and uncertainty.



## 9. Calls to Action

The evidence reviewed suggests that trust is an emergent property of alignment. Where organisational intent, systems, and lived experience are coherent, trust strengthens naturally. Where they diverge, trust will erode regardless of messaging or intent. So action is required.

### For Organisations

These actions are most effective when implemented as part of a coherent system rather than as isolated initiatives. One practical way for organisations to examine whether trust is being strengthened or undermined is to assess decisions, systems, and practices demonstrated in our TRUST mnemonic.




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### Elements of The TRUST Mnemonic

#### Transparent

Make decision-making processes visible and understandable, particularly where outcomes affect fairness, pay, progression, flexibility, or inclusion.

#### Reliable

Apply policies, standards, and people decisions consistently across teams, functions, and locations.

#### Understandable

Ensure employees can understand how and why decisions are reached, including the role of AI or data-driven systems.



## Systematic

Build trust into governance, workflows, performance systems, and organisational processes rather than relying solely on leadership messaging or culture campaigns.

## Tangible

Ensure organisational values and commitments are reflected in employees' everyday lived experience, not only in formal communications.

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## Practical Next Steps

Organisations could benefit from:

- auditing where policies are applied inconsistently across teams or geographies;
- clarifying decision rights and reducing unnecessary ambiguity;
- strengthening line manager capability in communication, consistency, and decision explanation;
- designing hybrid and flexible working arrangements with clearer organisation-wide principles;
- governing AI-supported systems with explicit accountability and explainability;
- visibly acting on employee feedback and closing the loop between listening and response;
- simplifying fragmented or overly complex processes that increase uncertainty and mistrust;
- and aligning organisational messaging more closely with day-to-day employee experience.



## For Business Psychology Practitioners

The evidence reviewed suggests that effective Business Psychology practice increasingly requires practitioners to TRACE how organisational systems shape trust in everyday work experience. (This mnemonic offers a practical synthesis of considerations which can be used as a framework.)



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### Elements of The TRACE Mnemonic

#### **Translate psychology into practice**

Convert concepts such as fairness, psychological safety, and trust into practical organisational mechanisms, governance approaches, and decision frameworks.

#### **Review lived experience variation**

Examine differences in employee experience across managers, teams, functions, and locations rather than relying solely on organisation-wide averages.

#### **Align systems and structures**

Support coherence between policies, behaviours, governance, leadership practice, and employee experience.

#### **Clarify decision-making**

Examine how decisions are made, communicated, justified, and experienced in practice.

#### **Embed trust into organisational operations**

Influence organisational architecture including performance systems, accountability structures, workflow design, and AI governance.



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## Practical Next Steps

Business Psychology practitioners may benefit from:

- analysing organisational trust through systems thinking rather than isolated engagement interventions;
- using multiple forms of evidence to diagnose organisational patterns and inconsistencies;
- supporting organisations in developing clearer governance and decision-making frameworks under uncertainty;
- helping organisations design AI-supported systems that align with human expectations of fairness and accountability;
- focusing on operational coherence rather than disconnected programmes or initiatives;
- and evaluating impact through behavioural and organisational outcomes, not solely through perception measures.

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## Learning From Examples

The ABP places particular importance on understanding not only what research suggests in theory, but how psychologically informed approaches are applied successfully within real organisational contexts.

This is why The ABP has collected hundreds of case studies over the past ten years of The ABP Awards programme. Many of the award-winning case studies have been compiled into books which provide dozens of practical examples of valuable business psychology interventions. These are highly recommended to Business Psychologists and others who would like to see how theory can be translated to impact in organisations.

In [Appendix C](#) we include abbreviated case study examples from the books, "Enhancing Performance at Work: Applied Business Psychology for Performance Improvement In Individuals, Teams and Organisations" and "Creating Thriving Workplaces: Applied Business Psychology for Enhanced Workforce Experience, Inclusion, Engagement and Retention" for consideration.

These books are available for purchase on Amazon.

The inclusion of case studies within the report reflects the ABP's commitment to evidence-based practice: connecting research, organisational experience, and practical implementation.



## 10. Conclusion

There is strong academic research on trust erosion and fragility but less consensus that trust is universally or linearly “declining” everywhere. Trust is not uniformly declining. Rather, it is becoming more fragile, conditional, and unevenly distributed across organisational systems.

The report interprets the evidence as indicating a broader transformation in how organisations are structured, governed, and experienced, rather than a simple linear decline in trust. The evidence reviewed does not support a simple narrative of trust decline. Rather, trust is becoming more fragile, conditional, and unevenly distributed, strengthening where systems are coherent and eroding where they are inconsistent or opaque. Trust, therefore, functions as a diagnostic signal of system alignment, not merely as an attitudinal outcome.

Trust is not the underlying problem. The report interprets trust as a potentially useful diagnostic signal of system coherence or incoherence. Where organisational systems are aligned, trust strengthens naturally. Where they are fragmented, trust erodes regardless of intent or communication effort.

For Business Psychology, this represents a significant opportunity to expand influence from behavioural interpretation to organisational system design.

Ultimately, trust is not built through messaging or communication alone. It is produced through the everyday functioning of organisational systems.

The central opportunity for Business Psychology is to help design those systems so that trust is not an aspiration, but a reliable outcome of how organisations operate.



### About The Association for Business Psychology

The ABP is the home and voice of business psychology: a professional member body and volunteer-led not-for-profit organisation established in 2000. The ABP brings together a diverse community of individuals invested in improving working lives and organisational outcomes through the practical application of psychology in business and organisational settings. Our community includes practitioners, researchers, consultants, coaches, HR professionals, leaders, academics, and students who share an interest in strengthening the relationship between individuals and the organisations they create. Through professional collaboration, knowledge sharing, applied research, events, standards, and development opportunities, the ABP seeks to promote evidence-based practice that helps organisations and people thrive.



## Appendix A

### Methodology

The report draws on a structured synthesis of multiple evidence sources to identify emerging patterns in organisational trust and their implications for Business Psychology practice. Given the complexity and context-dependence of trust, a mixed-evidence, integrative approach was adopted rather than reliance on any single dataset or methodology.

**The evidence sources referenced throughout the report vary in methodological design, scope, and evidential strength.** Academic peer-reviewed research, large-scale workforce datasets, practitioner surveys, organisational case studies, and professional observations each provide different forms of insight and carry different limitations.

**The report does not treat these sources as equivalent forms of evidence, nor does it rely on any single source type in isolation.** Instead, the analysis adopts an integrative and practice-oriented approach, seeking areas of convergence across multiple forms of evidence rather than attempting formal causal or statistical synthesis.

**As such, the report should be understood as an evidence-informed interpretive synthesis** intended to support organisational reflection and applied practice, rather than as a systematic review or meta-analytic assessment of causality.

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### Sources of Evidence

The analysis is informed by three primary categories of evidence:

#### 1. Academic Research

Peer-reviewed literature from organisational psychology, management science, and human resource management was reviewed to establish validated theoretical foundations. These sources provide conceptual clarity and empirically tested frameworks for understanding trust as a multi-level organisational construct.

#### 2. Industry and Workforce Data

Large-scale workforce datasets and global organisational surveys were used to identify macro-level patterns and trends. Key sources include global workforce and engagement studies, professional body reports, organisational and labour market data.

These datasets offer insight into employee experience, engagement, wellbeing, and perceptions of organisational systems at scale.

#### 3. Practice-Based Evidence

Applied insights were drawn from organisational case material and practitioner experience, including: submissions and case studies from the Association for Business Psychology (ABP) Awards, observed patterns in organisational interventions, particularly



in areas such as leadership, assessment, organisational design, and culture change, and emerging themes from professional practice within the Business Psychology community as reflected in news and ABP Perspectives articles.

This practice-based evidence provides contextual depth, illustrating how trust-related dynamics manifest in real organisational settings and how they are addressed in applied work.

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## Analytical Approach

A thematic synthesis approach was used to integrate findings across these sources. This involved:

- Identifying recurring patterns and signals across datasets and literature
- Comparing academic theory with observed organisational practice
- Triangulating findings to distinguish consistent trends from isolated observations
- Interpreting implications for organisational systems and Business Psychology practice

The analysis favoured convergence of evidence over reliance on any single study or dataset, whilst recognising that different evidence sources carry differing levels of methodological rigour, generalisability, and explanatory power. Where similar patterns emerged across multiple independent sources, these were prioritised for exploration.

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## Caveat

The report records a perspective that “Trust is not necessarily the whole story...” Nevertheless, in expressing the relationships between trust and other constructs, there is potential for overreach.

Whilst research can support the relationship between trust and other phenomena, for example, underlying engagement, burnout, AI scepticism, fairness concerns, psychological safety, leadership scepticism, change resistance, and discretionary effort withdrawal. Nevertheless, it could also be argued that these are driven to a greater extent by factors such as workload, economic insecurity, labour market conditions, managerial capability, job design, political context, social fragmentation, macroeconomic pressure, technological anxiety, and identity and meaning issues, for example.

It is for this reason that we caveat the report with the statement that trust in this context is interpreted as a recurring cross-cutting dynamic rather than a singular root cause. As such, like many observed phenomena, it is multi-determined.



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## Limitations

Several limitations are acknowledged:

### **Workforce Representation Bias**

The evidence base underpinning the report is more heavily drawn from professional, managerial, and knowledge-based (“white-collar”) roles and organisational contexts. As such, the patterns described may not fully reflect the experiences of frontline, operational, or manual workforces, where trust dynamics may be shaped by different structural conditions (e.g. shift work, unionisation, physical working environments, and direct supervision).

### **Context Variability**

Organisational trust is highly context-dependent and may vary significantly across sectors, geographies, and organisational types.

### **Data Constraints**

Many large-scale datasets rely on self-reported measures, which may be influenced by perception bias and cultural factors.

### **Temporal Dynamics**

The post-pandemic environment and rapid technological change (including AI adoption) mean that some trends are still evolving and may not yet be fully stabilised.

### **Evidence Balance**

While the report integrates academic and applied sources, availability of high-quality data on emerging topics (e.g. AI trust in organisational settings) remains uneven.



## Appendix B

### Theoretical Foundations

The report is informed by a broad range of academic, practitioner, and organisational evidence sources. While it is not intended as a formal systematic literature review, the themes explored throughout the report are grounded in several established traditions within Business Psychology and organisational research. (See [Appendix D.](#))

The report does not seek to privilege practitioner insight over empirical research, nor empirical research over applied organisational evidence. Rather, it seeks to interpret areas of meaningful convergence between these domains whilst recognising their differing purposes and methodological characteristics.

A significant influence on the report is the field of organisational trust theory, particularly research examining how trust develops, is sustained, and can deteriorate within organisational systems. This body of work highlights the importance of perceived integrity, competence, fairness, consistency, and benevolence in shaping relationships between individuals, teams, leaders, and institutions. The report draws on this tradition in considering trust not simply as an interpersonal characteristic, but as a broader organisational condition that influences decision-making, engagement, adaptability, and organisational effectiveness.

The report is also informed by the literature relating to psychological safety, including research exploring the conditions under which individuals feel able to speak up, contribute ideas, raise concerns, challenge assumptions, and learn collaboratively without fear of negative interpersonal consequences. This literature has particular relevance to themes within the report concerning employee voice, leadership credibility, learning cultures, wellbeing, innovation, and adaptation during periods of uncertainty and change.

In addition, the report reflects principles associated with organisational systems thinking. Rather than viewing organisational challenges in isolation, systems perspectives encourage consideration of the dynamic interrelationships between structures, processes, behaviours, culture, incentives, technology, leadership, and external pressures. The recurring emergence of trust-related themes across diverse organisational issues led the Industry Insights team to consider trust not solely as an isolated construct, but as a systemic factor interacting across multiple organisational domains. The report further draws upon employee experience and workforce research traditions, including contemporary work relating to engagement, wellbeing, burnout, inclusion, hybrid working, leadership, organisational change, and workforce expectations. This includes both academic research and large-scale practitioner studies examining how employees experience modern work environments and how these experiences influence organisational outcomes.

Taken together, these theoretical and research traditions provide an important foundation for the report's interpretation of emerging organisational patterns and challenges. The report's conclusions and recommendations should therefore be understood as an evidence-informed synthesis intended to support practitioner reflection, discussion, and application within the field of Business Psychology and organisational practice.



## Appendix C

### Case Studies

As a practice-focused professional body, The ABP places particular importance on understanding not only what research suggests in theory, but how psychologically informed approaches are applied successfully within real organisational contexts. The inclusion of case studies within the report therefore reflects the ABP's commitment to evidence-based practice: connecting research, organisational experience, and practical implementation.

These examples help demonstrate how concepts such as trust, fairness, psychological safety, inclusion, and organisational alignment can be translated into tangible organisational practices, systems, and leadership approaches. They also illustrate the role Business Psychologists can play in helping organisations address complex operational and human challenges in practical, measurable, and context-sensitive ways.

By including applied examples alongside research insights, the report seeks to bridge the gap between theory and practice and provide organisations and practitioners with more actionable and credible pathways for implementation.

The case studies in this section have been taken from The ABP Awards books, "**Enhancing Performance at Work: Applied Business Psychology for Performance Improvement In Individuals, Teams and Organisations**" and "**Creating Thriving Workplaces: Applied Business Psychology for Enhanced Workforce Experience, Inclusion, Engagement and Retention**" (both available on Amazon).

These are presented to illustrate how the opportunities identified in the report can be practically addressed.

The case studies included are illustrative rather than generalisable and are intended to demonstrate practical application rather than establish causal effectiveness across contexts.

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### Creating a Values-Led Culture

This is a useful case study to consider in making practical application of the TRUST mnemonic.

Following separation from its parent company, a leading business in the utilities industry embarked on a values-led cultural transformation. This Programme aimed to redefine its vision as a forward-thinking, sustainable leader while addressing legacy practices and behaviours. Peoplewise partnered with the business to design and deliver a comprehensive People Strategy, focusing on establishing new organisational values and embedding these within the culture. The initiative resulted in enhanced employee engagement, alignment with strategic goals, and measurable progress towards fostering a cohesive and adaptive organisational culture.



## Example of Tools Used

### 1. Behavioural Frameworks

Organisational values were translated into specific behavioural expectations and practical examples, creating a clearer framework for decision-making, collaboration, and leadership behaviour.

### 2. Values Action Boards

Teams used structured "Values Action Boards" to reflect on how values were being demonstrated in everyday work, helping create visibility, discussion, and accountability around organisational culture.

### 3. Facilitated Reflection and Discussion Sessions

Structured team conversations and facilitated workshops were used to explore how organisational values applied in practice, supporting shared understanding, alignment, and behavioural consistency across the organisation.

## Example of Actions Taken

### 1. Defined clear behavioural expectations linked to organisational values

The organisation translated abstract values into practical, observable behaviours so employees and leaders could better understand how values could be demonstrated in everyday work and decision-making.

### 2. Introduced structured team reflection and discussion mechanisms

Facilitated conversations and "Values Action Boards" were used to encourage teams to regularly discuss how organisational values were being applied in practice, increasing visibility, accountability, and shared understanding.

### 3. Embedded values into organisational systems and leadership practice

The initiative focused on reinforcing values consistently through leadership behaviour, communication practices, and wider organisational processes, helping align employee experience with organisational intent.

## Example of Outcomes Achieved

### 1. Greater alignment between organisational values and employee experience

Employees were better able to see organisational values reflected in everyday behaviours, decision-making, and team interactions, helping reduce the gap between organisational messaging and lived experience.

### 2. Improved consistency and clarity of behavioural expectations



The organisation established a clearer and more shared understanding of expected behaviours across teams, supporting more predictable and aligned ways of working.

### **3. Stronger organisational trust and cultural coherence**

By embedding values into practical organisational processes and discussions, the initiative helped strengthen trust, accountability, and a more cohesive organisational culture over time.

## **Some Key Take Aways**

### **1. Trust strengthens when organisational values are operationalised consistently**

Employees are more likely to trust organisational intentions when values are reflected visibly in everyday behaviours, decisions, and management practices rather than communicated only through messaging or campaigns.

### **2. Behavioural clarity reduces ambiguity and improves alignment**

Clear behavioural expectations and structured discussion frameworks helped create shared understanding across teams, making organisational culture more understandable, predictable, and consistent in practice.

### **3. Sustained trust requires systems reinforcement, not isolated interventions**

Embedding values into accountability processes, team reflection, and organisational routines helped move culture from aspiration to lived experience, supporting longer-term organisational trust and coherence.

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## **Significant Conversations for Engagement**

This is a useful case study to consider in making practical application of the TRUST mnemonic.

An engineered products organisation, facing market decline and employee uncertainty, recognised the importance of improving employee engagement to boost organisational performance. With 10,000 employees, they faced declining engagement and rising dissatisfaction due to industry pressures and ongoing redundancies. To address this, the Human Resources (HR) team developed the “Six Significant Conversations” tool, enabling Leaders to engage employees meaningfully through structured dialogue. The tool focused on intrinsic motivators, helping Managers understand employee priorities and goals. Piloted with promising results, the tool demonstrated its capacity to strengthen trust, increase engagement, and positively influence organisational culture.

## **Example of Tools Used**

### **1. Structured manager–employee conversation frameworks**



The organisation introduced guided conversation tools and discussion structures to support more meaningful, consistent, and development-focused dialogue between managers and employees.

## **2. Leadership coaching and capability development**

Managers received coaching and development support designed to strengthen listening skills, employee engagement, career conversations, and psychologically informed communication practices.

## **3. Employee engagement and feedback diagnostics**

Survey and diagnostic data were used to identify gaps in employee experience, including limited career discussions, inconsistent one-to-ones, and reduced perceptions of support and recognition.

### **Example of Actions Taken**

#### **1. Implemented regular, meaningful employee conversations**

The initiative encouraged managers to move beyond task-focused interactions and hold more structured conversations about development, aspirations, wellbeing, contribution, and support.

#### **2. Strengthened manager capability in engagement and communication**

Leaders and managers were supported to improve the quality, consistency, and openness of everyday employee interactions.

#### **3. Embedded engagement into ongoing management practice**

Engagement was treated less as a survey outcome and more as a continuous leadership responsibility reinforced through regular communication and follow-through.

### **Example of Outcomes Achieved**

#### **1. Improved employee perceptions of support and recognition**

Employees reported feeling more listened to, valued, and understood through improved quality of interaction with managers.

#### **2. Stronger engagement and leadership relationships**

The initiative contributed to improved trust, openness, and communication between employees and leaders.

#### **3. Greater consistency in employee experience**

Structured conversation approaches helped create more reliable and predictable management practices across teams.



## Some Key Take Aways

### 1. Trust is often built through everyday managerial interactions

Employees frequently experience organisational trust most directly through the quality, consistency, and openness of conversations with their manager.

### 2. Engagement improves when dialogue becomes meaningful and actionable

Employees are more likely to feel valued and connected when conversations address development, contribution, wellbeing, and future opportunities rather than focusing solely on operational tasks.

### 3. Structured communication processes can strengthen trust at scale

Embedding psychologically informed conversation practices into management routines helps create more consistent, understandable, and tangible employee experiences across the organisation.

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## Culture Shift for Profit

This is a useful case study to consider in making practical application of the TRACE mnemonic.

An organisation experiencing a toxic working environment and significant employee disengagement sought the expertise of The Occupational Mind Group, a Business Psychology consultancy, to address cultural challenges and improve organisational outcomes. Through a comprehensive Programme of diagnostics, interventions, and leadership development, the organisation successfully transformed its culture, regained Silver Investors in People (IIP) accreditation, improved employee engagement, increased productivity, and reduced sickness absence. These changes not only enhanced employee satisfaction but also reversed a projected financial loss, delivering a profit by year-end.

## Example of Tools Used

### 1. Organisation-wide diagnostic assessment

The intervention used structured organisational diagnostics, including employee feedback, behavioural analysis, and culture assessment methods, to identify sources of mistrust, disengagement, and operational dysfunction.

### 2. Leadership coaching and behavioural development

Leaders received targeted coaching and development support focused on communication, accountability, psychological safety, and consistent people management practices.



### **3. Structured feedback and accountability mechanisms**

Formal processes were introduced to improve communication flow, reinforce behavioural expectations, and create clearer accountability across leadership and operational teams.

## **Example of Actions Taken**

### **1. Redesigned organisational and leadership practices**

The organisation reviewed and reshaped leadership behaviours, management expectations, and operational processes to create greater consistency, fairness, and alignment across the business.

### **2. Addressed toxic cultural patterns directly**

The intervention focused explicitly on identifying and reducing behaviours contributing to mistrust, conflict, poor morale, and disengagement rather than treating symptoms in isolation.

### **3. Embedded psychologically informed ways of working**

Psychological principles relating to communication, behavioural consistency, trust, and employee experience were integrated into everyday management and organisational practices.

## **Example of Outcomes Achieved**

### **1. Improved organisational culture and employee experience**

The organisation reported stronger morale, improved workplace relationships, and more constructive leadership and team interactions.

### **2. Reduction in operational and people-related problems**

The intervention contributed to reductions in complaints, sickness absence, and other indicators associated with organisational dysfunction and disengagement.

### **3. Improved organisational and commercial performance**

The culture shift was associated with improved productivity, stronger organisational effectiveness, and a significant improvement in business performance.

## **Some Key Take Aways**

### **1. Trust erosion is often systemic rather than individual**

Organisational mistrust frequently reflects broader structural, behavioural, and leadership inconsistencies rather than isolated employee attitudes or engagement problems.



## **2. Psychologically informed organisational redesign can produce measurable business impact**

Addressing leadership behaviour, communication quality, accountability, and fairness systemically can improve both employee experience and operational performance.

## **3. Sustainable culture change requires operational reinforcement**

Trust and culture improve more sustainably when behavioural expectations, leadership practices, accountability structures, and organisational systems are aligned consistently over time.

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## **Inclusivity Through Psychological Safety**

This case study is an example of work which reflects the aspects of the TRACE mnemonic.

The North London Heat and Power Project (NLHPP) was a £1.2 billion flagship initiative aimed at diverting waste from landfill while championing public sector excellence. Central to its vision was promoting inclusion and career progression for underrepresented groups in waste management, engineering, and construction. To achieve this, the NLHPP partnered with advisors to deliver a comprehensive Programme of inclusion, belonging, and diversity initiatives. These efforts resulted in improved psychological safety, enriched organisational culture, and measurable progress towards equity, diversity, and inclusion (EDI) goals.

### **Example of Tools Used**

#### **1. Psychological safety assessment and facilitated dialogue**

Structured discussions and psychologically informed facilitation techniques were used to explore inclusion, confidence to contribute, interpersonal dynamics, and barriers to participation within teams.

#### **2. Inclusive leadership development approaches**

Leaders and managers were supported through development activities designed to strengthen inclusive communication, listening, participation, and psychologically safer team interactions.

#### **3. Collaborative reflection and engagement mechanisms**

Team-based workshops and reflective engagement processes were used to encourage open discussion, shared problem-solving, and greater visibility of diverse perspectives and experiences.

### **Example of Actions Taken**

#### **1. Created safer conditions for participation and voice**



The project focused on increasing employees' confidence to contribute ideas, challenge constructively, and participate more openly in team and organisational discussions.

## **2. Integrated inclusion into everyday project and leadership practice**

Inclusion and psychological safety were treated as operational elements of project delivery and team functioning rather than standalone diversity initiatives.

## **3. Addressed barriers affecting underrepresented groups**

The intervention sought to identify and reduce factors limiting progression, participation, and belonging for individuals from underrepresented backgrounds.

## **Example of Outcomes Achieved**

### **1. Improved psychological safety and inclusion**

Employees reported greater confidence in contributing, stronger feelings of inclusion, and improved openness within team interactions.

### **2. Stronger collaboration and team engagement**

The project supported more constructive communication, wider participation, and greater collaboration across teams and stakeholders.

### **3. Greater awareness of inclusive leadership responsibilities**

Leaders developed stronger understanding of how day-to-day behaviour, communication, and decision-making influence inclusion, trust, and employee experience.

## **Some Key Take Aways**

### **1. Psychological safety is operational, not abstract**

Inclusion is strengthened when organisations deliberately create conditions where employees feel safe to contribute, question, and participate without fear of negative consequences.

### **2. Trust and inclusion are closely connected organisational conditions**

Employees are more likely to experience trust where communication is open, participation is encouraged, and different perspectives are treated respectfully and consistently.

### **3. Inclusive cultures require reinforcement through leadership and systems**

Sustainable inclusion depends not only on intention or policy, but on how leaders behave, how teams operate, and how organisational practices shape everyday employee experience.



## Appendix D

### Further Reading

In addition to the specific papers and reports referenced in this document, the Industry Insights team considered a wide range of other materials. The intent was to gain as broad a perspective as reasonable on the topics being explored.

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#### Employee Perspectives

In the evaluation of raw data that the team were able to obtain from **Glassdoor**, in an endeavour to elicit employee perspectives on the topics being explored, significant additional insights were accumulated which we agreed warranted exploration on their own. So, whilst those insights have informed the report, they have also been prepared as a **White Paper** for separate presentation. The White Paper will be available on The ABP website, alongside the report.

*[The white paper] adds something the other sources cannot provide: a systematic look at what employees themselves say, in their own words, when they describe their workplaces. We used Glassdoor reviews because they are written voluntarily, at the time of experience, and in the employee's own language. Unlike surveys, employees are not explicitly asked about trust — trust-related language either emerges naturally in feedback or it does not, making it a more unprompted and indirect indicator of employee experience.*

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#### A Contextual Perspectives on Trust Over Time

This report expresses perspectives gleaned from a range of research that was compiled into the article which accompanies this report, "A Contextual Perspective On Trust Over Time". That article provides an interpretive and contextual perspective on broader social, organisational, and technological developments that may help explain why trust-related themes are increasingly visible within organisational life and Business Psychology practice.

### Sources Reviewed

Below is not an exhaustive list of all sources, but it is representative of the range of materials the team reviewed. (This includes references made within the paper, identified additionally in the **End Notes** on the final page of this report.)

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## Appendix E

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