

a Working Families publication

# Trust:

The key to building wellbeing and performance in the workplace



Summary Report by  
Working Families  
and Susanne Jacobs



**This Summary Report is a Working Families publication.**

**Working Families is the UK's leading work-life organisation. We provide practical evidence-based support to employees and the organisations for which they work.**



### **Susanne Jacobs**

Susanne is a specialist in employee engagement, transformational leadership and optimal performance. Her work draws on over 25 years of senior leadership and strategic business change experience working across industry sectors, leading many major successful people, business change and restructuring programmes both nationally and internationally. Susanne combines her in depth senior leadership and business experience alongside the fields of cognitive psychology and neuroscience to deliver practical, sustainable learning and advice. Susanne completed her Masters in International Business with the business schools of Edinburgh University and Paris ENPC and has post graduate certificates in Organisational Development and Advanced Leadership Techniques. She is a chartered fellow of the CIPD and a member of the Neuroleadership institute. She is both a regular speaker and writer across her field of expertise and her most recent published paper is the 'Neuroscience of Trust'.

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# Foreword



## **Sarah Jackson OBE** **Chief Executive, Working Families**

This research is a timely reminder that, despite turbulence in the global economy, organisations have within themselves the potential to improve their own performance. By managing in a way that builds trust from employee to employer, the pathway to better performance is opened up at an individual and organisational level. I am reminded of the mantra of a successful leader, whose starting position in business was, “managing as if people matter”. This report shows that, along with other elements, managing in a way which makes employees feel they belong, fosters good relationships, is fair, and in which people are recognised for their contribution builds a culture of trust. The good news is that organisations can choose to train their managers to learn these skills, and through their practice positively affect workplace culture. By doing so organisations will realise the full potential of their people, with a resultant boost for organisational performance.



## **Linda Smith** **HR Director, Unum**

The UK workplace has dramatically changed over the last three decades. According to recent research by Cass Business School, commissioned by Unum, today’s workforce has more women, more older workers and more disabled employees than it did 30 years ago. Yet while the demographics of the workforce have changed, it is as true now as it was then that the best assets of good businesses are still their employees. At Unum, our fundamental aim in providing Group Income Protection is both to provide financial security for employees and also peace of mind for employers, by minimising cost volatility and supporting them to do the right thing by staff on long term sick leave. This financial security contributes to workplace wellbeing, trust and engagement for employees at all levels. While workplace employee benefits are an important part of any comprehensive staff wellbeing and engagement strategy, the precise nature of the links between trust, wellbeing, engagement and productivity have not been adequately studied until now. This report from Working Families therefore has a key role to play in helping businesses to manage their most precious resource - their people - more effectively. By understanding the drivers of staff motivation, firms can both support their employees and create a high performance culture that delivers a real competitive advantage. We are therefore delighted to be supporting this valuable work.

Summary Report

# Trust: The key to building wellbeing and performance in the workplace

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# Introducing the Report

This report takes, as its starting point, a wide body of research that has shown the link between an employee's sense of trust in the workplace, their wellbeing and their willingness to engage with their employer regarding their performance.

It is relatively easy to study such feelings among employees – whether they feel well, trusted and engaged. It is more complex to understand what drives trust and how it builds engagement and motivation, boosts wellbeing and, in turn, links onward to sustainable performance in the organisation. This report will address these links, examine what the drivers of trust are and also consider the effects of key external factors on wellbeing.

To do this, the report uses the Jacobs model. This model uses extensive research and practical business experience and draws on a range of scientific and academic fields that help to describe human behaviour, beginning with understanding our most fundamental threat responses. It demonstrates a path from **Trust**, through to **Engagement** and boosted **Wellbeing** and on to **Capacity and Performance** to support sustainable business success and advantage.

The report describes eight intrinsic drivers of trust. These are: **belong and connect**, **voice and recognition**, **significance and position**, **fairness**, **learn and challenge**, **choice and autonomy**, **security and certainty** and **purpose**. Each of these must be satisfied to drive trust in order to open the optimal performance path. The report also demonstrates the importance and influence of the key external factors: work-life integration; workload; and flexible working. Flexible working is defined within this study as **a cultural approach to work that provides and supports employee choice, autonomy and control over when, where and how work is delivered**. This takes flexible working away from the narrow focus of contractual agreements that provide shorter working hours, to a cultural attitude in relation to how work is carried out.

The study reports a survey which draws on the Jacobs model to illuminate working people's real experience of each of these factors, which in turn validates the model<sup>1</sup>.

The research provides a demonstrable path from the individual, the team in which they work, how they are led and their level of trust to sustainable performance. It also describes the advantages for wider communities and societies including macro-economic, individual health and wellbeing, and family benefits.

This is a summary of the research and key findings. For full details please refer to the main report available from Working Families at [www.workingfamilies.org.uk](http://www.workingfamilies.org.uk)<sup>2</sup>.

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1, 2 Speed of Trust, S Covey, 2006

# Executive Summary

Every human performance strategy, every organisation, every manager is seeking to attain sustainable high performance across their workforce<sup>1,2</sup>. A workforce that is innovative, adaptable, a positive advocate of the organisation and effective at building relationships, internally and externally. The capacity for performance and the quality of the relationships with colleagues and clients, so crucial to organisational success, are relative to the level of psychological wellbeing of the employees within the organisation. Two factors fundamental to psychological wellbeing are: the level of trust perceived by employees, and the external environment in which they work. Distrust leads to dysfunctional relationships, slowing down every interaction, with direct economic impact. A recent global study showed that trust is the number one driver of employee engagement<sup>3</sup>. Another showed how even the smallest of shifts in wellbeing will have an outsized impact on performance<sup>4</sup>.

This study examines and describes the eight intrinsic drivers of trust (grounded firmly in evolutionary, cognitive and psychological sciences), demonstrates the influence of three external factors (work-life integration, workload and flexible working) on psychological wellbeing, and gives practical recommendations for the actions managers can take to improve the entire process of establishing trust, engaging and improving wellbeing for employees and creating sustainable high performance for the business. The diagram below (Fig. 1) shows the journey from Trust to Performance.

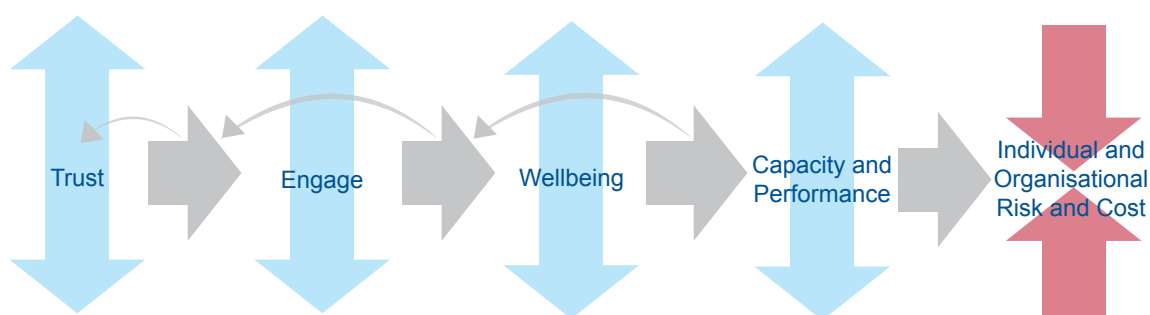


Fig. 1: The Journey from Trust to Performance © 2012 Susanne Jacobs

Trust is a business-critical issue. Some of the demonstrated effects of trust, disengagement and diminished wellbeing are:

- High-trust organisations provide three times the total return to shareholders than do organisations with low trust<sup>5</sup>
- The annual cost of mental ill-health to employers in the UK is estimated at £26.9bn<sup>6</sup>
- Presenteeism due to disengagement costs UK businesses £15.1bn per year<sup>7</sup>
- Engaged employees are 87% less likely to leave their organisation<sup>8</sup>
- Engaged employees are 20% more productive<sup>9</sup>

1, 2, 3 Speed of Trust, S Covey, 2006

4 Small Shifts in Wellbeing Have a Big Impact on Performance, Gallup, Gallup Business Journal, accessed March 2013,

5 Promoting mental wellbeing at work, National Institute for Health and Clinical Excellence November 2009

6 Developing the Business Case, Sainsbury Centre for Mental Health 2007

7 Driving Performance and Retention Through Employee Engagement, Corporate Leadership Council, 2004

8 Corporate Leadership Council, *ibid*

9 Engagement predicts earnings per share, Gallup Organisation 2006

# The Jacobs Model

The Jacobs Model (Fig. 2, below) has been developed through several years of secondary academic research combined with over 25 years of senior business leadership and practical ‘hands on’ experience. The model identifies and links eight intrinsic drivers of trust, each of which is directly impacted by an individual’s level of psychological wellbeing and the environment in which they work, to two paths of performance which lead to either positive or negative outcomes.

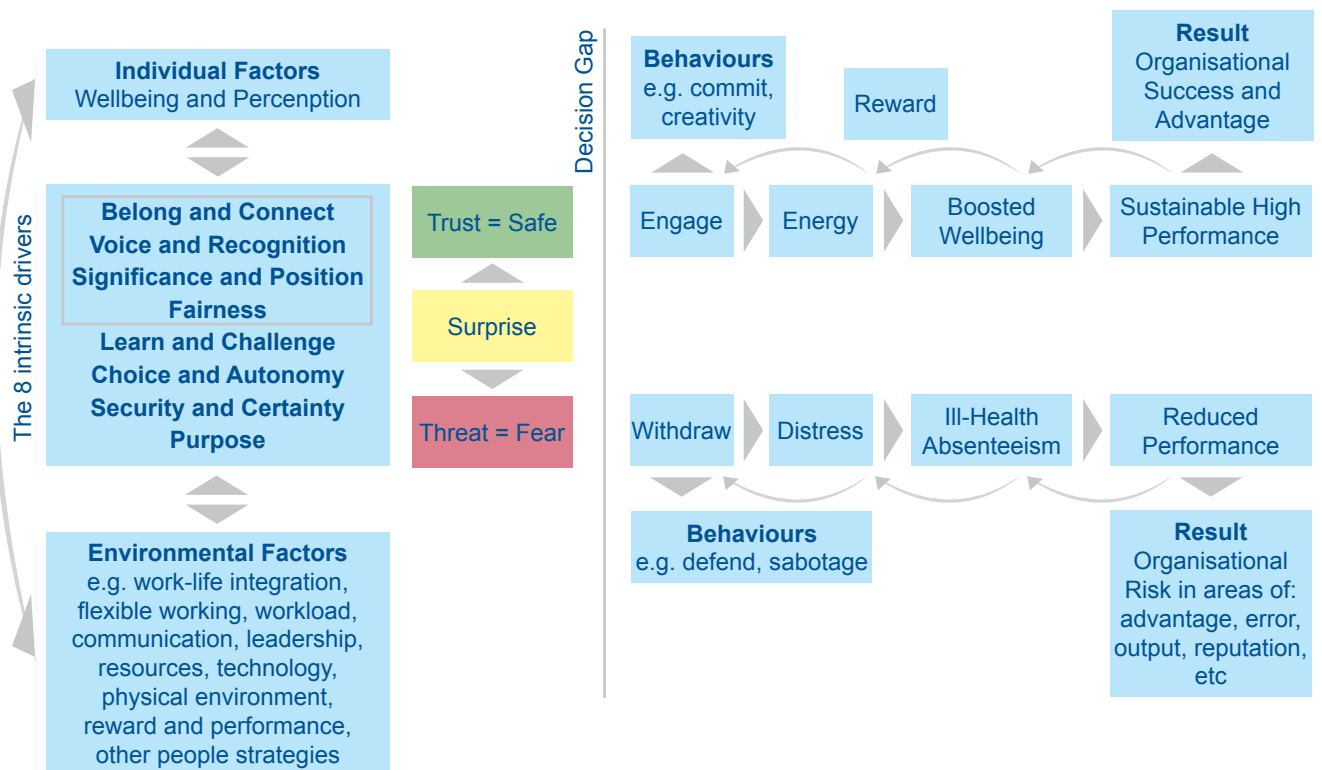


Fig. 2: The Jacobs Model © 2012 Susanne Jacobs

When each of the eight drivers is satisfied, this leads to the positive outcome path – engagement, energy release, boosted wellbeing and performance that is not only **optimal** but **sustainable**.

Leaders can leverage the drivers using practical tools and techniques to build trust, deliver change, build relationships and enhance communication and performance management skills. The external factors of work-life integration, workload and flexible working will help to contribute to an environment in which individuals and teams can thrive. This benefits the entire workforce, not just specific demographic groups such as parents or carers, men or women, or those working flexibly or not working flexibly. Building thriving workplaces in turn delivers positive macro socio-economic benefits which span an individual’s health and their families and communities, in addition to significant benefits to the organisations in which they work.

# Research Survey

The research sought to test this model using a survey of 1,237 employees from the professional, financial, manufacturing, and child and adult care industries.

The survey looked to answer five questions:

1. What is the relationship between the eight drivers to trust?
2. How do the drivers influence each other – their interrelationship and order of influence?
3. How do issues of work-life integration, flexible working and workload impact on the eight drivers, trust and wellbeing?
4. Do the relationships found differ within differing demographic criteria – namely gender, parental/carer status and working flexibly?
5. Are there any practical inputs delivered by organisations that influence the drivers?

The respondents to the survey were:

- 49 per cent male, 51 per cent female
- Most between 20 and 49 years old
- 46 per cent had dependants
- Most lived in London and the South-East
- 72 per cent earned over £40,000 per year
- 61 per cent were managers or senior managers
- 39 per cent were below manager status
- Majority from the professional services industry



# Key Findings

The key findings on the factors surveyed are given in the tables that follow, along with the report's recommendations.

The study clearly demonstrated the strong relationship between work-life integration, flexible working and workload, and wellbeing.

Crucially the survey found that all eight drivers correlated to each other, and each strongly to trust. This driver relationship is crucial in terms of the workplace applicability of the model because it provides an offset and multiplier influence on performance: when any one of the drivers is absent or weakened it decreases the impact of every other driver and depletes trust.

Conversely, positive reinforcement of any one of the drivers will support and increase the impact of all the others.

Furthermore, within the eight drivers there is a second very strong relationship between four specific drivers. This relationship starts from the driver 'belong and connect', flows through to 'voice and recognition', on to 'significance and position', and finally to 'trust' and 'fairness' (Fig. 3, below). This additional relationship is important as it provides another lever for the offset and multiplier influence on performance. 'Belong and connect' is therefore especially significant in building trust in its dual role as the starting point of this secondary relationship, and as one of the eight drivers.



Fig. 3: The relationship between four specific drivers © 2012 Susanne Jacobs

# Key Findings in Detail

- All the drivers are correlated to Trust.
- All the drivers are correlated to each other.
- There is a very strong directional interrelationship between the drivers belong and connect onward to voice and recognition, significance and position and fairness and then to trust (see Fig. 3).
- Work-life integration and workload are all strongly correlated to wellbeing and associated with the driver choice and autonomy.
- Those who work flexibly report higher subjective wellbeing, choice and autonomy and work-life integration.
- The importance of work within one's life – work centrality – is the same for those working flexibly as those not working flexibly.
- The findings in relation to work-life integration, workload and flexible working and for each of the drivers are gender and dependant/carer neutral: the drivers and the tested external factors support the entire workforce and not just one specific demographic group.
- All eight intrinsic drivers for trust, and the external factors work-life integration and workload approach supported by flexible working, if managed positively and established culturally within the workplace for all, will be key to achieving sustainable high performance.

# Key Findings at a Glance

	Factor	Findings	Recommendations to Managers
	Eight driver relationships	All drivers are correlated to each other and to trust. There is a directional interrelationship between four of the drivers and trust (see Fig. 3).	<ul style="list-style-type: none"> <li>Understand how the parts of the model leverage this connection to enhance skills in leadership, communication, performance management and change.</li> </ul>
	Trust	Trust increases as positive attitudes to each of the drivers increases.	<ul style="list-style-type: none"> <li>Leverage the eight drivers through environmental factors which will build trust.</li> <li>Make trust the basis of all human performance strategies including talent, engagement, recruitment and reward.</li> </ul>
	Belong and Connect	Correlated to trust and all drivers, especially 'voice and recognition', 'security and certainty' and 'fairness'.	<ul style="list-style-type: none"> <li>Look for, recognise and deal with problems in team connection and inclusion.</li> <li>Build connection at an emotional level across a team to leverage performance advantage.</li> <li>Remote working leads to a risk of isolation and not feeling part of a team and with consequent risk to wellbeing and therefore performance. Improve tools and avenues for connection for employees working remotely to mitigate against individual and team isolation effect.</li> <li>Those managing change should build capability and leverage tools to ensure continual connection and inclusion.</li> </ul>
Intrinsic drivers			
	Voice and Recognition	Strong relationship to 'belong and connect' and on to 'significance and position' and 'fairness'. Those without dependants feel less value, especially for skills and expertise.	<ul style="list-style-type: none"> <li>Build and support an environment where all members of a team have the freedom to put forward their ideas and questions openly and without fear or recrimination.</li> <li>Communication strategies should ensure a feedback mechanism where employees can be encouraged and feel safe to express their opinions and suggestions, especially during change.</li> </ul>
	Significance and Position	Strong relationship to the drivers above. Also associated with 'purpose'. Understanding the importance of their contribution lets employees develop a sense of integral value, which builds purpose and significance.	<ul style="list-style-type: none"> <li>Consider the impact of individual significance and position in performance and talent management strategies.</li> <li>Test for, recognise and deal effectively with issues around individual significance and position during team and one to one interaction.</li> <li>Significance and position should be leveraged during organisational change.</li> </ul>
	Fairness	Fairness is only noticed when it is absent, that is to say it is most important to those who perceive unfair treatment and unfair processes. Women reported a lower perception than men of fairness in relation to promotion and reward.	<ul style="list-style-type: none"> <li>Consider the perception of fairness across an employee group during the development of communication planning and performance management strategy.</li> <li>Be skilled in managing unconscious bias in order to mitigate risk to fairness in relation to reward and promotion decisions.</li> <li>Build skills to be able to test for, recognise and deal effectively with perceptions of unfairness during team discussions or one to one interactions.</li> </ul>

# Key Findings at a Glance cont.

Factor	Findings	Recommendations to Managers
Learn and Challenge	<p>Correlated with all drivers, very strongly to 'certainty' and 'trust'. Men perceived a slightly greater opportunity to develop than women and that they had clear and accessible career paths. Those without dependants agreed significantly more strongly than those with dependants that they had clear and accessible career paths.</p>	<ul style="list-style-type: none"> <li>• Provide opportunities for learning through appropriate challenge equally to all employees.</li> <li>• Accessible and relevant learning and challenge should form part of performance management and career path planning.</li> <li>• Incorporate learning and challenge within team and operational activities; mitigate bias which may adversely affect their decision-making.</li> <li>• Provide an environment that is both safe and sufficiently challenging to promote learning.</li> </ul>
Choice and Autonomy	<p>Those working flexibly reported greater choice and autonomy than non-flexible workers. Those with dependants reported greater choice and autonomy, and are more likely to work flexibly, than those without dependants. Men perceived greater choice than women of how and when they could work. The Financial and Professional services sector reported less choice over where they could work.</p>	<ul style="list-style-type: none"> <li>• Look for, recognise and deal effectively with concerns arising from perceptions of issues around choice, autonomy and control.</li> <li>• Flexibility in terms of a culture that supports choice and autonomy should be seen and embedded as a strategic critical driver for performance for all employees.</li> </ul>
Security and Certainty	<p>Correlates strongly with all drivers and especially with 'trust'. A sense of security and certainty creates trust through a general expectation that our surroundings and the action of others can be relied on.</p>	<ul style="list-style-type: none"> <li>• Ensure consistency in communication and behaviours in order to leverage this crucial driver.</li> <li>• Build certainty wherever possible during periods of change in order to expedite behavioural shift for successful outcomes.</li> </ul>
Purpose	<p>Correlated to all drivers and trust. Over 90% of respondents reported awareness and understanding of their organisation's purpose and how their role contributes to its success; but 44% disagreed that the values they held as important were reflected in their organisation's purpose. The exception was those in Childcare industry, 90% of whom agreed that their values matched the organisation's purpose.</p>	<ul style="list-style-type: none"> <li>• Establish and communicate a clear 'higher' purpose to inspire and build emotional connection.</li> <li>• Align individual roles and team remit with the organisational purpose with a clear line of sight between employee performance outputs and the purpose.</li> <li>• Leverage and communicate clear purpose as an outcome of individual employee contribution.</li> </ul>

## Intrinsic drivers

# Key Findings at a Glance cont.

	Factor	Findings	Recommendations to Managers
External factors	Flexible Working	<p>79% of respondents either worked flexibly, or had the opportunity to do so if they wished. 21% (the 'non-flexible') did not have access to flexible working or believed working flexibly would damage their job prospects, had had a request to work flexibly denied or expected it to be denied.</p> <p>The centrality of work within one's life did not differ between these two groups</p> <p>Across nearly all survey aspects, those who do not work flexibly report lower scores. Those in the non-flexible category are less positive about the management and leadership in their organisations.</p> <p>They are less likely to agree that they are kept informed, see role models in the management team, can make mistakes and can express their views.</p> <p>Those without flexibility have a diminished sense of wellbeing.</p>	<ul style="list-style-type: none"> <li>The call for flexibility comes from all areas of the workforce and should not be taken as specific to one demographic group or seen as a benefit for some.</li> <li>Make flexible working available to all employees, not as a benefit but a cultural approach to delivering work that supports wellbeing and sustainable performance.</li> </ul>
	Workload	<p>Workload strongly correlates with work-life integration.</p> <p>82% of respondents work more than their contracted hours often, 66% of these frequently or constantly.</p> <p>55% often feel anxious or stressed because of their workload.</p>	<ul style="list-style-type: none"> <li>Ensuring that the environment in which employees work is supportive of their choice and autonomy to manage their workload and provides space.</li> <li>Give cultural permission through trust to work without interruption whether that be in the office or out.</li> <li>Lead in a high pressure environment in such a way that the tension between the amount of work and the environment are mutually supporting.</li> </ul>
	Work-Life Integration	<p>Correlates with all drivers and strongly with wellbeing.</p> <p>69% reported that their work schedule often conflicts with their home life, and 61% find it difficult to switch off at home.</p> <p>But 50% (52% of women, 47% of men) agreed that overall they were happy with their work-life integration indicating an acceptance of this work-life fit being the norm.</p> <p>The findings in relation to work-life integration, workload and flexible working and for each of the drivers are gender and dependant/carer neutral: they support the entire workforce and not just one specific demographic group.</p> <p>47% of men compared to 55% of women felt supported in achieving work-life integration.</p> <p>47% of those with dependants compared to 55% of those without felt supported in achieving work-life integration.</p> <p>Those not working flexibly reported lower work-life integration than those working flexibly.</p>	<ul style="list-style-type: none"> <li>Work-life integration, supported by flexible working is strategically critical to sustaining high performance and wellbeing and equally important to all employees.</li> <li>Develop organisational culture to promote a sense that employees are trusted to deliver with a focus on the outputs not inputs.</li> <li>Embed an environment that supports work-life integration, placing trust in employees to deliver. Become effective in managing any unconscious bias that may affect their decision-making during performance management or other team/individual development discussions.</li> <li>Organisational culture and infrastructure should be in place to support choice over when, where and how individuals work.</li> <li>Senior role models should be visible across an organisation to promote and provide 'permission' to successfully integrate work and life.</li> </ul>

# Conclusion

This study provides a clear set of eight intrinsic drivers to support wellbeing and build a culture of trust in which every individual can thrive, teams can sustain enhanced performance and organisations can leverage advantage. Work-life integration, workload management, and flexible working that provides choice and autonomy are three crucial external factors that can be applied by organisations. Our research recommends:

1. Managers become skilled in the application of the Jacobs model and the associated practical cognitive and leadership tools to build self-awareness, and enhance their capability to lead high-performing teams. They will be able to optimise relationships by communicating at an emotional as well as rational level, be able to effectively manage change and establish a working environment in which every individual has the chance to thrive and fulfil their potential.
2. Work-life integration and effective workload management for all, supported by flexible working, should be placed as critical to performance and talent strategies and as such leveraged as sources of competitive advantage.
3. HR and people professionals and organisational development leaders should understand the application of the Jacobs model, allowing them to incorporate and leverage the eight drivers to build trust within human capital and people strategies.

This study and the Jacobs model provide the knowledge and tools to build workplaces that perform to the optimum. The next steps are application and practice.

Research carried out with Susanne Jacobs, Consultant Lead Researcher.

Working Families and Susanne Jacobs would like to thank the organisations who agreed to take part in this research.

Working Families is the UK's leading work-life organisation. Drawing on over 30 years of experience, we provide evidence-based insight, research and benchmarking for organisations and employees. Using our trusted expertise we help employers create workplaces which encourage both work-life balance for everyone and boost performance.

Unum is one of the UK's leading providers of financial protection, with more than 40 years' experience in the industry. We specialise in forward-thinking, innovative benefits, and work with advisers and their clients to protect staff members from the consequences of serious illness, injury or death. As a market leader in Income Protection, we aim to provide a back-up plan to all UK employees, offering a wide range of cover plans to suit every business and budget. Income Protection offers extra business benefits, including a built-in Employer and Employee Assistance Programme at no extra cost, plus expert Vocational Rehabilitation Consultants to help people rejoin the workplace.

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