

Embracing The Workforce's New Power-Trust Dynamics

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In 2021, organizations started recalibrating after massive, unexpected shifts in the ways their teams worked and in how they conducted business. While many prescriptive approaches exist for how to manage planned and unplanned changes, a considerable change management challenge this time is the emergence of a new employer value proposition needed to re-establish, nurture and sustain successful employer-employee relationships.

The various published statistics on retention, recruitment and the massive shift in employee preferences are daunting. A major outcome of this phenomenon is the increased need for more trust and less control, as getting the necessary work done becomes more contingent on the work-life situations of the workforce.

Perhaps this shift in power dynamics is what brought culture change to the forefront for organizations this year. In my previous article, I described this transformation as organizations moving from a workplace space to a culture space. However, removing the restrictions of

physical boundaries means the old dynamics of power and trust, which so strongly depended on onsite visibility, have also changed. There certainly are multiple sources of organizational power besides onsite observation and control of workforce activities. A few include: the degree of connectedness between leaders and staff, financial well-being offerings for staff, upskilling and reskilling opportunities, and mental, physical and emotional wellness considerations.

In these employee-centric times when strategies to build loyalty and engagement are a challenge, employee empowerment has to be seriously considered as the new source of power for leaders. If you're a leader, know that empowering those you lead takes a high level of trust. If managed effectively, this shift establishes a new opportunity to reclaim the compromised organizational power by fostering a higher culture of trust. At the same time, it's imperative to develop the leadership skills that are emerging as the core qualities leaders need to succeed in the future.

The Current State of Power in The Workforce

In an April 2022 podcast, McKinsey talent experts discussed the power of knowledge workers given that the national market now enables many of them to work from anywhere. Any such shift in the labor market has a domino effect on the availability of workers, labor cost and the skill mixes of available talent.

Employees currently hold more power in the workforce than employers. In a 2021 McKinsey survey, 53% of employers reported that they were "experiencing greater voluntary turnover" during the survey year than in previous years, and 64% reported an expectation for "the problem to continue—or worsen—over the next six months."

Voluntary turnover signals employee power. In that same survey, McKinsey found that the biggest three reasons employees resigned in 2021 were because they "didn't feel valued by their organizations," didn't feel like their managers valued them, and "didn't feel a sense of belonging at work." Interestingly, these reasons are a reflection of culture and leadership—and indicate the missing component of trust between leaders and their workforce.

Dimensions Of Trust and Power in The Workforce

In *The Trusted Leader*, authors Robert Galford and Anne Seibold Drapeau break down workforce trust into three categories. First is strategic trust, which is the trust employees have in the mission and strategy of the organization and its capability of achieving success. Second is organizational trust, which is employees' trust that leaders will fairly practice and apply the policies of the workplace. Finally, there is personal trust, which is the trust employees have in their managers to have their backs.

How employers exercise their power—and specifically, how employees perceive that exercise of power—affects the level of trust they place in organizations and leadership.

Now more than ever, employees want to see leaders use their power for the greater good of the workforce. They want to feel engaged and appreciated at work, even if they aren't working in person. Of course, leaders need business results to keep their organizations alive. At the same time, it's important for leaders to keep in mind that more than ever before, they are being asked to remember the human factor as they make decisions. Inviting workers to bring their

whole, authentic selves to work requires leaders to empower employees and evolve their own management skills by practicing empathy, understanding and listening. In this regard, the power of leaders comes from accepting vulnerability and, to a certain extent, showing vulnerability—since trust-building is a mutual process.

Using Power to Establish Trust

The significance of organizational justice in decision-making can't be overstated in current times, as trust falls drastically when employees feel that leadership is unjustly wielding their power. In an article for the Harvard Business Review, Paul J. Zak, the founding director of the Center for Neuroeconomics Studies, stated that "compared with people at low-trust companies, people at high-trust companies report" the following: "50% higher productivity, 13% fewer sick days, 76% more engagement, 29% more satisfaction with their lives" and "40% less burnout." Plus, according to Zak, those at high-trust companies reported that they are less stressed—and have more energy when they're at work.

The numbers speak for themselves. Cultures where trust thrives are impactful, which means the best way leaders can leverage their power is to use it for the greater good of employees. Seeking power through empowerment takes leadership acumen and courage at the same time. It requires enhanced leadership skills to:

- Foster stronger relationships
- Establish appropriate risk management strategies
- Value potential over experience
- Allow innovation over tried and tested methods
- Be intentional about addressing the human element in the workplace

Power Shifted Can Become Power Regained

At the core, when leaders use their power to empathize with employees and build trust by creating just processes, fostering psychological safety and encouraging transparency, they empower their employees. In return, the trust gained brings the power back to leaders. Employee trust in leadership empirically correlates with better performance. Simply put, empowerment makes business sense.

Building trust and empowering employees—especially if the organization has to rebuild broken trust—is challenging in these times, given that rebuilding, growing and sustaining any business complicates the task of accommodating so many employee preferences. With this challenge comes the opportunity to evolve, innovate and create better workplace models now and in the future.

Remember that trust cannot be developed or rebuilt overnight. But start before it's too late. Dare to trust and inspire trust—and regain your power.