Five changes to win back employee confidence

BY LISA STERLING

If you had told me early in my career that an employee's drive to feel valued by their company would eventually wane, I would have laughed – probably loudly. For most of my 25 years in the workforce, a sense of belonging and appreciation at work have been the foundation to driving employee engagement. As a CHRO, I have had the pleasure of building programmes around them. I have coached leaders around them. I have conversed with countless people about them. Probably more than any one person wanted to hear.

But 2025 forced me to rethink nearly everything I thought I knew.

New research conducted by Perceptyx that analysed more than 20 million employee responses over 10 years just revealed the most dramatic shift to employee engagement that I have seen in my entire career.

For 10 years, belonging and feeling valued sat firmly at the top of the employee engagement hierarchy. In 2025, they plunged to the bottom in a stunning reversal.

Taking their place? Two new engagement drivers that tell a very different story:

a) How well organisations handle change is now the No. 1 driver of employee engagement.

b) Whether employees trust senior leadership is now sitting at No.2.

That sounds simple, and for executives, it might even make sense. The workforce has been through a series of changes over the past few years, and it is taking an obvious toll on our people. But if you are a mid-level manager, this should make you sit up straight. Your employees are not worrying about whether you remembered to tell them "great job." They are now wondering: Will this company still be here in three years? And will I?

Employees are uneasy, lacking stability and have a hunger for real leadership. They want their leaders to be confident and capable of leading them through whatever might be next.

As someone who has led through good years, bad years, mergers, restructures and everything in between, here's what I believe leaders must start doing immediately if they want to keep their best people in 2026.

1. Blend empathy with excellence

For years, we told leaders to be more supportive, more emotionally attuned, more "human." And we still need that. But empathy alone is really not going to cut it.

Employees want leaders who can explain tough decisions and connect them to a long-term strategy. People feel more secure when they understand the plan and desired outcomes, even if it involves uncomfortable decisions.



2. Make communication collaborative

A town hall once a quarter is not collaboration. Employees want to be part of the conversation and process. They need leaders to ask questions, listen to their opinions and act on what they hear. Employees are 3.5 times more likely to stay when they feel they can influence decisions. That is not a small lift. This is not easy work, and it might make you uncomfortable, but that is the point.

3. Help people see how their work drives progress.

Employees who clearly see how their work contributes to the organisation's success score dramatically higher in trust and engagement. Leaders need to connect the dots and do it often. They should be skipping the generic praise (think participation trophy), and highlighting the real impact the team is having. You need to be celebrating collective wins tied to key milestones and performance targets.

4. Be radically candid about organisational health

Unlike a few good men, people can handle the truth. What they cannot handle is ambiguity. So, make sure to share the scorecard consistently. Show your teams the same metrics you discuss in executive or board meetings. Be honest with your employees about where youare performing well and where you are not. And always explain what is being done about it.

5. Measure contribution, not position

This is the one I feel most passionately about. The people closest to the work often have the best insights, yet they are blocked by layers of hierarchy. A person's success should not be measured by their title, their tenure nor their position in the organisation. Leaders must create space for voices at every level and let people influence decisions, contribute to the organisation's success and feel empowered. Give them autonomy and let them solve problems. Leaders like to think they have all the answers but in reality, many times they do not and they actually slow down decision-making and ultimately, the performance of the organisation.

Belonging and feeling valued will always matter at a company, but we need to accept that they are no longer the key factors keeping people engaged.

For leaders, that means the playbook must change. We cannot prioritise the feel-good moments and leave everything else by the wayside. It is time to give our employees stability, candor and a seat at the table. If we do not focus on building confidence and credibility now, our best people aren't going to wait around to see what happens next.

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