WHITE PAPER

TRUST:

The Variable DEI Overlooked

Why trust drives business results, and how leaders build it



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ABSTRACT

Employees now trust their own employer more than any other institution, yet few organizations manage that trust on purpose. Drawing on the 2026 Edelman Trust Barometer and four decades of organizational research, this paper advances three claims. First, trust and psychological safety improve the quality of the work people are hired to do. Second, the problems diversity, equity, and inclusion programs set out to solve all trace back to trust: diverse teams outperform only where people feel safe to speak. Third, trust rests on human capacities leaders can deliberately develop, described here as the 5Es (Embodiment, Emotion, Ethics, Emergence, and Enactment) and put to work through dialogue. The paper closes with practices organizations can adopt without a new program or budget line.

Introduction

I spent more than 20 years as a talent executive building diversity and inclusion programs in global organizations. Our emphasis was on bringing diverse talent in and keeping it. We too often neglected the variable that determines whether a diverse team actually performs: trust. The research now makes that gap hard to ignore, and the current retreat from DEI makes it urgent, because trust never depended on any program's label. It is also an asset most employers already have, and the clearest measure arrives each January.

As business and political leaders gather at the World Economic Forum in Davos, the communications firm Edelman releases its Trust Barometer. This survey has tracked public trust in business, government, media, and nongovernmental organizations for more than a quarter century. The 2026 edition, its 26th, drew on interviews with nearly 34,000 people across 28 countries.[1] Over that span, it has recorded the fall of the celebrity CEO in 2002, a lapse of trust in government in 2012, and the hardening of polarization in 2023.[2] That record earns it attention. A careful reader should also note that Edelman counsels many of the organizations it measures, so read its findings alongside independent research, as this essay does.

This year's headline should concern anyone who runs an organization. Richard Edelman describes a five-year descent from fear to polarization to grievance and now to insularity.[1] Seventy percent of people are unwilling or hesitant to trust someone whose values, facts, problem-solving approaches, or cultural background differ from their own, and only 32 percent believe the next generation will be better off.[2] Insularity also feeds grievance: 61 percent of people with an insular mindset report a moderate or high sense of grievance against business, government, or the wealthy, compared with 45 percent of those with an open mindset.[2] Every organization runs on cooperation among people who differ. A workforce reluctant to trust across differences shares less, coordinates more slowly, and argues less productively, and customers and communities bring the same reluctance to every interaction with the business.



Against that backdrop, one institution stands out. Employees trust their own employer at 78 percent, 14 points above business in general and 25 points above government, and people with insular and open mindsets alike expect employers to broker trust between distrustful groups.[1] The workplace has become one of the last places where people of different politics, generations, and religious and cultural backgrounds still depend on one another every day to get something done.

That trust is an asset, and assets can be squandered. Leaders who treat it as a given, or as a "soft" concern to address once the numbers are met, misread where performance comes from. Three things make the case for building trust on purpose: First, the evidence that trust and psychological safety improve the quality of work. Second, the problems DEI set out to solve all trace back to trust, and third, trust rests on capacities leaders can deliberately develop.

Employees extend that trust with expectations attached. Three in four say their employer has an obligation to foster trust; only 58 percent say their employer is doing it well.[2] For

most people, that gap opens in a single relationship. Kurt Dirks and Donald Ferrin's meta-analysis of four decades of research on trust in leadership found that direct leaders, the supervisors people work with every day, are a particularly important referent of trust.[3] An employee can trust the company in the abstract while working for someone who makes candor feel dangerous, and that second experience shapes what that employee delivers on Monday morning.

I'm setting one popular measure aside. Much of the workplace conversation around psychological safety and performance centers on "engagement," which often means discretionary effort beyond the job itself. Work remains a job: people do it to earn a living and to support lives that extend well past the office. A leader who wants trust as a route to unpaid extra effort will be found out quickly. A better, narrower, more useful question is: does trust improve the quality of the work people are actually hired to do? The evidence says it does.

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I. The Business Case

The research base starts with Amy Edmondson. In a 1999 study of 51 work teams in a manufacturing company, she introduced team psychological safety—a shared belief that the team is safe for interpersonal risk-taking—and found that it predicted learning behavior, which in turn drove team performance.[4] Team confidence alone didn't. Learning behavior means the unglamorous habits of good work: asking for help, admitting errors, raising concerns, testing ideas aloud. Teams produce better work when people can say "I made a mistake," "I don't understand," or "I think we're heading the wrong direction" without paying a price for it.

That belief doesn't arise by chance. Edmondson traced it in part to leadership: teams were more likely to share it when their leaders coached them, worked alongside them to support learning, and gave them the support their work required. Leaders create, or erode, the condition that predicts better work through their daily conduct.

Research on workplace trust has a limit worth naming: most studies are cross-sectional, so they show association more readily than causation. What makes the pattern hard to dismiss is its consistency across industries, countries, and levels of analysis. Jason Colquitt, Brent Scott, and Jeffery LePine pooled 132 independent samples. They found that people trust those they see as able, benevolent, and principled: competent people who care and act on principle. That trust, in turn, was linked to greater risk-taking, better task performance, and fewer counterproductive behaviors.[5] At the team level, Bart de Jong, Kurt Dirks, and Nicole Gillespie synthesized 112 studies covering 7,763 teams and found that trust among team members was positively related to team performance.[6] A 2017 meta-analysis by Lance Frazier and colleagues, drawing on 136 samples and more than 22,000 people, linked psychological safety to task performance, the core work of the job.[7]

Paul Zak's research adds the operating economics. Comparing people at high-trust and low-trust companies, he reported 50 percent higher productivity, 74 percent less stress, 13 percent fewer sick days, and 40 percent less burnout among those at high-trust firms.[8] These are self-reports from organizations at opposite ends of the range, and the exact figures deserve caution. The direction is consistent with everything above.

The case grows stronger as AI takes on more routine work. In my white paper on AI adoption, I argue that AI is rapidly absorbing complicated work, the kind that can be specified in advance. In contrast, the complex work required to make AI useful remains distinctly human.[9] Complex work depends on people surfacing what they see, disagreeing early, and admitting what they don't yet know so the team can work it out together. Those are precisely the behaviors trust makes possible, and precisely the ones that disappear when people decide silence is safer.

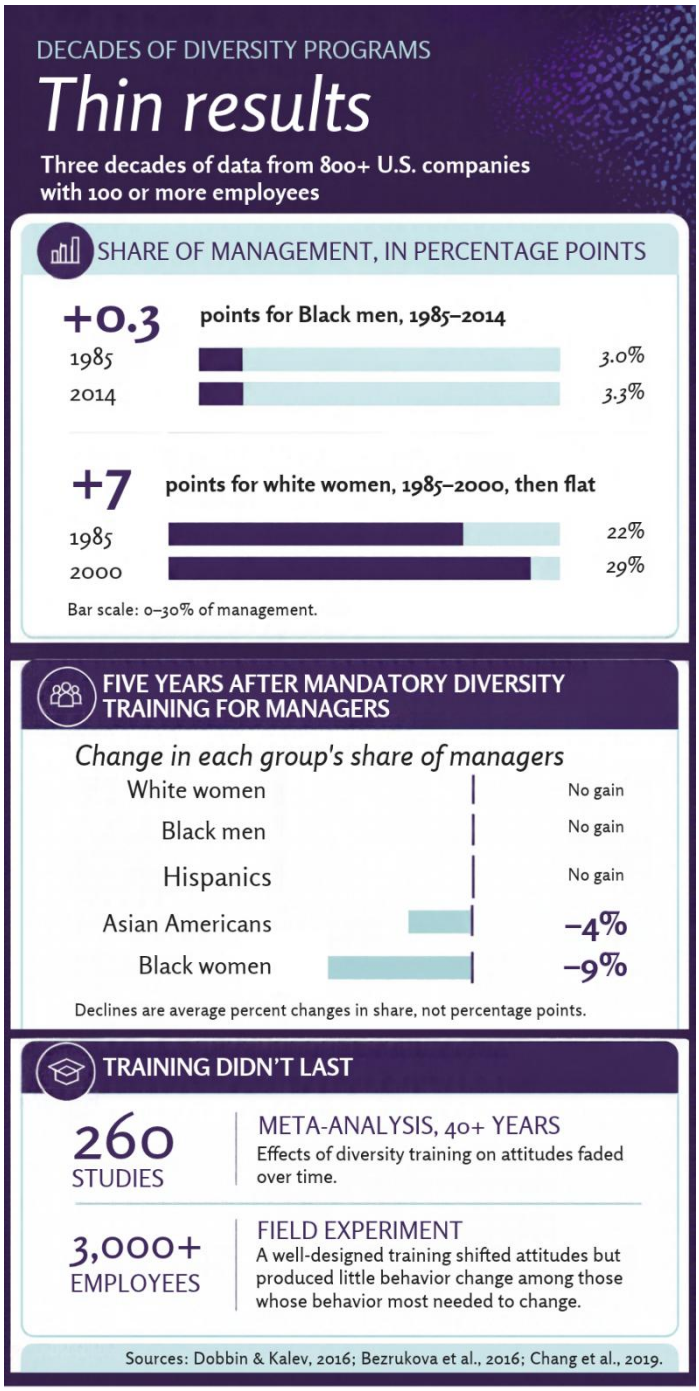
> *Leaders create, or erode, the condition that predicts better work through their daily conduct.*

II. What DEI Was Trying to Fix

Shortly after his inauguration in January 2025, President Trump signed an executive order directing federal agencies to dismantle their diversity, equity, and inclusion programs. Its effects spread to private companies, many of which have reduced, rebranded, or ended their own programs to limit litigation and regulatory exposure.[10] The language shifted quickly. JPMorgan replaced "equity" with "opportunity" in its program's name; Walmart moved to "Walmart for everyone"; and among Fortune 100 companies, use of terms like "DEI" and "diversity" fell 22 percent between 2023 and 2024 while use of "belonging" rose 59 percent.[11]

The retreat landed on programs that had delivered less than their sponsors hoped. Sociologists Frank Dobbin and Alexandra Kalev analyzed three decades of data from more than 800 U.S. companies. Among firms with 100 or more employees, the share of Black men in management rose only from 3 percent to 3.3 percent between 1985 and 2014. White women's share climbed from 22 to 29 percent between 1985 and 2000 and then stalled. The most common intervention fared worst: five years after companies required diversity training for managers, the share of white women, Black men, and Hispanic employees in management hadn't improved, the share of Black women had fallen by 9 percent on average, and Asian American representation had dropped by 4 to 5 percent.[12] A meta-analysis of more than 40 years of diversity training research, covering 260 samples, found that its effects on attitudes faded over time.[13] A large field experiment with more than 3,000 employees at a global organization found that a well-designed training shifted attitudes but produced little behavior change among the people whose behavior most needed to change.[14] Some approaches did better, including voluntary training, mentoring, and targeted recruitment, but the overall return on decades of effort was thin.

Even when organizations built more diverse teams, research now shows diversity alone doesn't improve performance. Henrik Bresman and Amy Edmondson studied 62 drug development teams across six large pharmaceutical firms, measuring diversity by gender, age, tenure, and functional expertise. On average, diversity had a slight negative effect



on performance, and the effect was worse in teams with low psychological safety. In teams with high psychological safety, diversity was positively associated with performance, as senior leaders rated it, without knowing the teams' scores.[15] Ingrid Nembhard and Edmondson found the same mechanism in 23 neonatal intensive care units. Staff in lower-status professions felt less psychologically safe than physicians and were less willing to question current practice

or propose changes. Leaders whose words and deeds invited contributions narrowed that gap, and their inclusiveness carried that effect into improvement work.[16]

Decades of effort concentrated on who was in the room. The research points to a second question that determines the return on the first: whether the people in the room can speak, be heard, and be judged fairly. Every problem DEI set out to solve fits under that question. Capable people stayed quiet because they doubted they would be heard. They didn't trust evaluations to be fair. Even truly diverse teams fell short of their promise. Talented people left for places where they could contribute fully. Each is a failure of trust, and each shows up directly in the quality of work. The trust research reinforces this point: integrity—acting fairly and keeping one's word—is one of the three qualities that lead people to trust a leader.[5] A promotion process people believe is rigged fails that test, whatever the organization calls its programs.

Trust underpins quality work and high performance, and it serves every team member. Psychological safety asks whether anyone—the veteran engineer who doubts the plan, the new hire who spots the flaw, the employee who stopped offering ideas two reorganizations ago—can take an interpersonal risk without being punished for it. Building it requires no targets or preferences. It requires leaders who make candor safe and then prove it, repeatedly, in how they respond.

One caution belongs here. A rebrand without a change in practice spends trust instead of building it. Employees notice when "belonging" replaces an old word on the careers page while the meeting where they raised a concern goes exactly as it always did.

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III. Why the 5Es Make Better Leaders

If trust is won or lost mainly with the direct leader, and if leader behavior shapes whether people feel safe to speak, then the business case lands on the leader's own capacities. I describe those capacities as the 5Es: Embodiment, Emotion, Ethics, Emergence, and Enactment.[17] I developed them to name the distinctly human capacities AI can't replicate, and that make AI useful in human hands. They describe, with some precision, what a trust-building leader actually does. Each draws on an established body of research, and each can be practiced.

Embodiment draws on Antonio Damasio's research showing that bodily signals guide reasoning and decision-making, and on the embodied view of cognition developed by Francisco Varela, Evan Thompson, and Eleanor Rosch.[18,19] People read trust through bodies before they hear it in words: in a leader's tone, attention, and presence in the room, or on the screen. A leader who gets angry while someone admits a mistake answers the question of safety without saying a word. In practice, embodiment means giving full attention when someone takes the risk to speak and noticing what your posture and pace signal under pressure.

Emotion draws on Luiz Pessoa's neuroscience research, which shows that emotion and cognition are interwoven in the brain; feelings are partners in thought.[20] For a leader, that means a threat response can shape judgment before a considered one forms. Trust-building means noticing that response when you're challenged and keeping it from setting the terms of the conversation; the few seconds after someone raises an uncomfortable truth decide whether anyone raises one again. A useful habit is to meet bad news with a question first: "What else are you seeing?"



Ethics draws on Jonathan Haidt's social intuitionist model, which finds that moral judgments arise first as fast intuitions, with reasoning following, and on Joshua Greene's research on how intuition and deliberation compete in moral decisions.[21,22] It also connects to Brian C. Jones's Cognitive Values Lifecycle, which shows how values form, activate, and shift through action.[9] Because people judge fairness intuitively before they reason about it, employees perceive a leader's ethics by what that leader rewards long before they hear any explanation. At work, ethics shows up as consistency between what a leader says matters and what gets rewarded, in the willingness to explain decisions instead of simply announcing them, and in holding several legitimate values in view at once, such as speed, fairness, and professional judgment, without letting one silently override the others. Integrity is one of the three qualities that lead people to trust a leader;[5] ethics is how a leader demonstrates it.

Emergence draws on Mihaly Csikszentmihalyi's research on creativity, which found that new ideas arise from the interaction among people, a body of knowledge, and the community that judges what counts as new.[23] In a team, emergence is the capacity to let answers arise from the group when no single person holds them, which is the normal condition of complex work. Leaders who rush to their own answer close off that possibility, and people quickly learn that their contributions don't change the outcome.

Enactment draws on anthropologist Clifford Geertz's view of culture as "webs of significance" that people spin and then live within.[24] Culture lives in the everyday rituals and stories people act out, and for a leader, enactment closes the loop. It turns intention into routine, so trust shows up in how Tuesday's staff meeting runs, not just in the annual values statement.

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IV. Dialogue: The Skill That Puts the 5Es to Work

The 5Es come together most visibly in dialogue, and dialogue is a skill leaders can learn. Physicist David Bohm described dialogue as a shared inquiry in which participants suspend their assumptions long enough to examine them together, instead of defending them.[25] William Isaacs, who built on Bohm's work through the MIT Dialogue Project, identified four practices that make it possible: listening, respecting, suspending, and voicing.[26] Each builds trust directly. People who are listened to, whose perspectives are respected, and who hear leaders voice what they actually think learn that candor is safe.

Structured methods help groups practice these skills when the stakes are high. One addresses a common trap in how teams set priorities. Kevin Dye's research at the Food and Drug Administration, reported with David Conaway,

identified the erroneous priorities effect: groups that act on what they initially judge most important almost always misplace their effort, because individual judgments are blind to how problems influence one another.[27] Structured Dialogic Design, developed by Alexander Christakis and colleagues, addresses this by having groups map which issues influence others before voting on priorities.[28] Influence mapping is one tool among several; listening circles and facilitated after-action reviews serve the same purpose. They share a design that makes it safe to disagree and productive to do so.

The payoff is concrete wherever change is under way. In my work on technology adoption, I've found that adoption depends far more on identity, emotion, and trust than on the tool. This applies to AI adoption, too. Resistance often reflects a values conflict more than a skills gap—a distinction I draw from the Cognitive Values Lifecycle Brian C. Jones developed at 3C Labs.[9] A leader who can read that difference and hold the conversation it requires will move a team through change that a technically better-equipped leader will stall.

V. Putting It to Work

None of this requires a new program or a budget line. It requires a handful of practices, repeated until they become how the organization runs.

Start by listening across levels. Convene monthly listening circles that mix people from different levels of the hierarchy, where they surface frustrations, design small fixes together, and hear back on what changed. Make decisions legible: publish the rationale behind significant decisions, invite anonymous questions, and answer them in the open. Build managers' capacity to handle conflict before it hardens, partnering with a local mediator or civic-dialogue organization if the skill isn't in-house.

Then invest in the leaders themselves. Protect a monthly hour on managers' calendars for guided practice in reflection, perspective-taking, or mapping how the parts of a problem influence one another. Open every project kickoff with a brief values check: whom does this work serve, and what could it cost them?

Bring people into the decisions that shape their work. Invite frontline employees into early design, with real influence over what gets built, while plans are still open to change. Ownership grows faster that way than through any communication campaign.

Finally, count what you build. Add a measure of trust or psychological safety to the leadership scorecard alongside financial results, so the people who allocate resources can see whether the organization is building trust or spending it.

Conclusion: Trust as Something You Produce

Employees trust their employers more than almost anything else in public life right now, partly because so little else has earned it. That trust is a starting balance. Organizations that erode it through silence, spin, and managers too depleted to listen will lose it when they need it most: during a restructuring, an AI rollout, or a public controversy that divides their own people.

Organizations that build trust on purpose will have an advantage competitors can't copy from a vendor. They'll learn faster because people tell them the truth sooner. They'll adopt new tools with less friction because people feel safe admitting what they don't yet understand. And in a society drifting into insular camps, they'll offer their people something increasingly rare: daily practice working closely with colleagues who see the world differently, and succeeding together anyway. Every transformation is a human systems problem in disguise. Trust is the condition that lets you solve it.

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Learn more

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Human Futures Design Lab helps leaders diagnose the human systems around change, map the influences that drive it, and design interventions that build trust and align technology with professional values and accountable action.

About the Author

Sherryl Dimitry, Ph.D., is founder of the Human Futures Design Lab, a systems researcher, a retired Big 4 consultant, and a former People Executive and Global Talent Leader. She spent more than 20 years as a talent executive building diversity and inclusion programs in global organizations. At KPMG, she led organizational change to modernize the HR system for an entire military branch serving more than 600,000 people. Her career spans Fortune 500 companies, federal agencies, and global engineering organizations. She works at the intersection of organizational systems, AI ethics, and the viability of human systems.

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