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When Trust Breaks, People Leave

How to Strengthen the Psychological Contract Before Employees Walk

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How to Strengthen the Psychological Contract Before Employees Walk



It's not just finding the right candidates that's a challenge for business leaders anymore. It's keeping them. People are increasingly drifting away from the roles they used to love.

The disengagement isn't obvious at first. A colleague might talk less in a meeting, or someone starts updating their LinkedIn profile more often. Maybe a good employee who used to go the extra mile now only hits the finish line.

Leaders assume their employees are tired or a little extra stressed, but they're thinking about quitting.

Many will leave for something that's harder to put into words. A feeling that things don't quite line up anymore.

That's the psychological contract.

It's the part of the job that's not in writing but shapes everything. When it's strong, people stay. When it breaks, they start looking for a way out, even if the formal contract remains intact. Once people start pulling away, it's hard to bring them back.

What You'll Learn:

- **Why employees quit despite stable contracts:** The psychological contract –unwritten expectations about trust, support, and workplace treatment –drives 20% of workers to plan exits when breached
- **The hidden cost of broken trust:** Psychological contract violations trigger burnout, disengagement, and productivity losses costing businesses £450–550 billion annually through absenteeism and turnover
- **How to rebuild and strengthen workplace trust:** Practical strategies including transparent communication, consistent leadership behaviours, managing change with empathy, and HR's strategic role in aligning expectations with reality
- **Early warning signs before resignation:** Recognize when employees mentally disengage through subtle behavioural changes like reduced participation and increased LinkedIn activity.

WHEN TRUST BREAKS, PEOPLE LEAVE

Understanding the Psychological Contract

The psychological contract isn't something most executives talk about. There's no space for it on the onboarding checklist. It doesn't show up in handbooks or HR dashboards. Still, it exists. The formal contract an employee gets lays out what they're paid for. The psychological contract shapes how they feel about giving their energy, time, and effort to the work.

The psychological contract is the part of the job that lives between the lines. It's built on what people believe they agree to when they take a role, not just in terms of duties or pay, but how they expect to be treated, supported, and seen.

It starts early, sometimes before an interview is even booked. A company's tone online, the way someone is spoken to in a screening call, and even how quickly a question is answered all shape what the person begins to expect. They build a picture of how things work in your business. That picture gets clearer or cloudier through onboarding, team dynamics, and how feedback is handled.

The challenge is that much of it stays hidden. Managers often don't know what their team is thinking. Leaders may believe they've been clear when they haven't. Employees may hold back questions for fear of seeming ungrateful. Over time, a gap can grow.

It's helpful to picture it like an iceberg. The visible part of the written job description, the title, and the benefits, is only a small piece. The rest is submerged: all the things left unsaid but still expected. When those expectations aren't met or change without explanation, trust cracks. Left alone, the crack deepens, and valuable employees start dropping away.

The High Cost of Psychological 'Contract Breaches'

81% of employees expect their employers to build trust at work, but most don't get what they ask for. Small breaches of the psychological contract build up. A manager asks someone to stay late again, a development plan is postponed, or an opportunity disappears.

Your staff member might not say anything at first, but beneath the surface, they're starting to question you and the role. They stop stepping up and offering ideas and start stepping back. The research on this is steady. When people feel their expectations haven't been met, they're more likely to burn out. They become less committed, less engaged. Many start planning their next move. Others stay, but it's not the same kind of staying.

There's a cost not just in turnover but in the weight people carry when trust slips: increased stress, sleep loss, and a sense of unease that follows them into the weekend.

Studies show a clear link between breaches and anxiety, exhaustion, and low morale.

Companies feel it, too - in missing knowledge, slower decisions, and the silence that settles during team meetings. Gallup puts the price of disengagement somewhere between £450 and £550 billion a year. It shows up in absenteeism, low productivity, and teams that once worked well together now feeling disconnected.

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Building Trust Through Psychological Contract Management

Most of the time, trust doesn't fall apart all at once. It frays. A few unclear expectations here, a broken promise there. A manager means well but says too little. Someone keeps their head down and stops asking for more.

The contract is still there; it just feels thinner. Rebuilding it or strengthening it before it starts to wear usually means going back to basics.

Talking Clearly, Listening Fully

Expectations are often vague until they aren't met. That's when someone realises they had one. That's also when trust starts to slip.

Most of this can be avoided by saying more at the start – not just about what the role is but also about what it feels like to work with your business, what's flexible, what isn't, and what's still in flux. These details matter more than people think.

It also helps to ask questions that give you a clearer view:

- "What does support look like for you?"
- "Is anything surprising you about the role?"
- "Has anything shifted in what you need?"

People don't always know how to bring these things up. Most won't, unless they're asked. It helps to have spaces where employees can speak freely. Let them submit concerns anonymously, or pair them with a mentor, or a workgroup they can talk to.

Building Trustworthy Leaders

Trust between employees and a company often hinges on their relationship with their leaders. Managers don't necessarily need all the answers, but they need to follow through on what they say, share what they know, and stay honest.

Leaders should be:

- Admitting when something didn't go to plan
- Checking in without a meeting request
- Treating people's time with care
- Applying rules the same way to everyone

They also need to be committed to regular feedback. That means acknowledging employees' hard work, even if it's just with a quick note, giving people opportunities for growth and development, and helping them take the next step forward.

Managing Change

Even in a stable company, things change. Roles shift, and structures evolve. A good idea today might look different six months from now.

What people want in those moments isn't perfection. It's clarity. Some acknowledgements that what was said then might not hold now, and that this isn't being hidden or brushed off. It's tempting to delay those conversations. To wait until you "have more information." That silence can cost more than uncertainty ever would.

If something promised can't be delivered, say so. Say why. Be honest about what's still true and what isn't.

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People might be disappointed, but they're far more likely to stay if they feel included. When breaches in the psychological contract occur because of change:

- Explain the reasoning behind it
- Share a timeline and strategy for fixing the issue
- Show empathy and compassion (don't be defensive)

Focus on negotiating or renegotiating the deal so it works for everyone.

HR's Strategic Role in Psychological Contract Management

The psychological contract doesn't live in policies, but HR often sits closest to where it begins. Job ads, onboarding, role design, training. These are the places where expectations take root. If HR isn't watching closely, it's easy for the formal and informal to drift apart. Official promises go one way, and lived experience goes another. Often, no one notices until someone starts pulling away.

Getting ahead of that means doing the slow work. Checking whether the stories told through hiring conversations, internal messaging, and benefits language match reality. If they don't, update the script.

HR teams in businesses can do this in a few ways:

- Look again at job descriptions. Note what they say and what they imply.
- Make onboarding honest. If something's not perfect, say so. People trust transparency.
- Train managers to listen for the unsaid. The pause before a "yes." The smile that doesn't quite match the words.

It also helps to treat the psychological contract less like a concept and more like a lens - not "one more thing" to manage, but the lens you use to notice where trust is holding and where it's starting to strain.

Closing the Gap Between Expectation and Experience

The psychological contract isn't something you can hold. There's no file for it, no formal record. Yet it shapes whether people show up with energy, or protect themselves from disappointment. Whether they go all-in or start planning an exit.

What makes the biggest difference for teams isn't a single conversation. It's consistency, clarity, and following through. Making space to ask, "What were you hoping this would be?" and listening to the answer.

When trust is looked after like this, it doesn't just keep people from leaving. It also ensures that they stay motivated, passionate, and engaged when they stay.

A little about Sarah Bishop and Recruit Recruit Ltd



Whether you're a sole trader hiring your first team member, a VC-backed startup needing to scale fast, or a corporate looking for top-tier C-suite talent, one thing stays true:

Your business grows when your people grow.

I help founders, CEOs and business leaders build brilliant teams through:

- **Recruitment:** finding and placing the right people for the right roles or embedding a talent team into growing businesses
- **Sales & Leadership Training:** developing high-performing teams that sell, lead and deliver
- **Speaking & EmCeeing:** energising events and conferences with insight, humour and practical takeaways
- **Coaching:** supporting leaders to grow confidently, communicate better, and build culture that sticks

Over the years, I've supported businesses at every stage, from bedroom startups to scale-ups and established firms navigating change. What they all have in common? A vision to grow and the ambition to get the right people on board to make it happen.

I bring no-nonsense advice, energy, empathy and results, whether I'm:

- Hiring a game-changing leadership role
- Training a founder-led team to sell with confidence
- Speaking on stage about team-building, fearless follow-up, or people strategy
- Coaching a business owner through their first ever hire

So, let's talk if:

- You're ready to grow and want to hire with confidence
- You need training or coaching to get more from your team (or yourself!)
- You're planning an event and want a speaker or EmCee who brings both energy and value

Drop me a message or connect – let's build something brilliant together.

Now – #1 Bestseller on Amazon –

Scale Up!: The Founders' Guide to Accelerating Growth by Building Dream Teams by Sarah Bishop

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