Rebuilding Team Trust After Layoffs

Idea In Short

Leaders managing the aftermath of a layoff should treat visible, consistent communication as the primary lever for rebuilding trust, not a soft add-on to the harder work of restructuring. Remaining employees read silence as evasion, and once that suspicion sets in, every subsequent update gets discounted regardless of how accurate it is. The practical moves that work are unglamorous: show up repeatedly even without new information, rebalance workload rather than letting it silently pile onto survivors, and build transparent leadership habits before a layoff becomes necessary rather than improvising under pressure. None of this shortens the timeline to recovery, and no single gesture, memo or town hall repairs trust on its own. What works is treating trust as infrastructure built through small, repeated deposits over months, the discipline separating leaders who retain their best people from those who watch them quietly leave.

Layoffs do not just affect the people whose jobs disappear. The uncertainty of what comes next spreads through the employees who remain, and that uncertainty has a measurable cost. In 2025, 54 percent of U.S. workers said job insecurity significantly affected their stress levels, according to the American Psychological Association [APA].1 When people feel unsafe at work, both their focus and their creativity take a hit, since good work needs a settled mind and worry does not leave much room for that. During difficult stretches, clear and honest communication from leadership becomes the glue that holds a team together. Too many leaders go quiet right when their people need answers most, and the cost of that silence shows up in the numbers: a 2025 Gallup study of U.S. employees found that 29 percent said their workplace lacked clear, honest or consistent communication from leaders.2 If you are preparing for layoffs, or you have already walked your team through one, the small, steady moves that follow are what actually rebuild trust once the dust settles.

Visibility and candor are the foundation of trust

Economic pressure, rapid Artificial Intelligence [AI] adoption and heavier reliance on automation have pushed layoffs back into the spotlight. Technology companies announced

38,242 Layoffs in May 2026 alone, according to a report shared by CIO, and that figure makes clear how fast a workforce can shrink once leadership decides restructuring is necessary. For the employees who remain, mass layoff news changes how they see their own job security. They start reading into every closed-door meeting and every delayed email, and what they want most in these moments is not a polished statement. They want a leader who shows up and speaks honestly, even without every answer ready yet.

In a May 2024 podcast conversation for TED's Rethinking series, Airbnb co-founder and CEO Brian Chesky looked back on leading the company through its pandemic-era layoffs. Employees kept asking him whether more cuts were coming while the decision was still being worked out.

> What they mostly wanted was me to be present as a leader, and I brought them on the journey.3

That single line captures what most leaders miss during uncertain stretches. Employees can sense evasion quickly, and once they do, every future update gets read with suspicion rather than taken at face value. Chesky's approach worked because he chose presence over polish, showing up repeatedly even when the message stayed the same, and that consistency built a strange kind of comfort during a genuinely uncomfortable time.

Building a culture of trust before layoffs happen

One of the smartest moves a leader can make is to prepare preemptively, long before layoffs become a real possibility. It is only natural for employees to struggle when uncertainty lingers without direction, and the practical result is often a high attrition rate that leadership only notices after the fact. Much of this can be avoided by building a culture of trust well ahead of time, rather than trying to construct one under pressure once a restructuring is already underway.

To execute this well across a large organization, leaders need to train themselves deliberately in advance. Some of this training happens through hard-earned experience and mentorship on the job, absorbed gradually across years of managing people through smaller moments of change. Others choose a more formal route, and pursuing a degree in organizational leadership is a common path for executives who want that training structured rather than incidental.

Thanks to the flexibility of online courses from accredited universities, busy executives no longer have to pause their careers to grow this skill set. An EdD In Organizational Leadership Online degree is built specifically for professionals who want to lead complex organizations with clarity and confidence, with coursework that often centers on ethical grounding, sound judgment and decisions shaped by real data, according to Saint Leo University.

Being proactive about improving leadership skills pays off well beyond a single layoff cycle. Employees who trust their leaders stay longer, even when the organization is going through visible change, and retention improves because people feel steadier rather than because the underlying uncertainty disappears completely. A leader who has already done this internal work brings calm into rooms that would otherwise fill with fear.

Restoring stability with clear priorities and roles

A smaller team does not automatically mean less workload. If anything, it is the exact opposite, since downsizing a team comes with the added challenge of stretching fewer people across the same amount of work. Layoffs can also create role creep, where an employee's responsibilities gradually expand beyond their original scope, and after repeated workforce cuts this can happen faster than leaders realize.

A recent AP Report found that layoffs are leaving fewer people to handle existing workloads while employee responsibilities continue to change underneath them. Harvard Business Review has documented the same pattern in more direct terms, noting that after layoffs, more is typically being asked of people who have less capacity to give, which the authors describe as a recipe for burnout and the loss of exactly the talent an organization most needs to retain.4 You cannot expect remaining employees to absorb every unfinished task indefinitely. Reviewing priorities and deciding what still deserves their time matters more than it might seem in the moment, since some projects may need new owners, longer deadlines or a temporary pause rather than simply landing on whoever is still there.

Exercise caution while reformulating the roles and responsibilities of layoff survivors. Leaders under pressure to show quick recovery sometimes redistribute work without checking whether anyone can realistically carry it, and that shortcut can easily lead to burnout. Before assigning anything new, sit down with each employee and ask what is already on their plate, and look closely at skill gaps too, since a task done well by someone who left is not always done well by whoever inherits it. Rushing this process to look decisive in front of the board can cost far more than it saves, while a slower, more deliberate approach to reassigning work protects both the quality of the output and the people doing it.

The data behind eroding workplace trust

The numbers behind this problem are worth keeping in view, because they explain why so many well-intentioned communication efforts still fall short. Job insecurity, communication gaps and shrinking teams are not separate issues; they compound each other during and after a restructuring, and each one shows up clearly in recent survey data.

Data point	Detail
Employee stress from job insecurity	54 percent of U.S. workers said it significantly affected their stress levels in 2025
Communication gap in workplaces	29 percent of employees said their workplace lacked clear, honest or consistent communication from leaders
Tech sector job cuts	Technology companies announced 38,242 job cuts in May 2026, the highest monthly total since August 2024

SHRM's research on restoring employee trust after a layoff adds a useful data point to this picture: organizations that involve their teams in shaping what comes next see meaningfully stronger results, since employees who feel they have a voice in the process are roughly eight times more likely to report trusting leadership.5 Read together, these figures point to the same conclusion from different angles. Communication, workload and involvement are not separate initiatives competing for a leader's attention; they are the same trust-building effort viewed through three different lenses, and neglecting one tends to undercut progress on the other two.

None of these numbers are meant to be read as a scorecard leadership passes or fails once and moves on from. They shift over time as an organization stabilizes, and a team that reports low trust six months after a layoff is telling leadership something different than a team surveyed in the first difficult weeks. Tracking these figures on a regular cadence, rather than checking once and calling the matter closed, gives a leader an honest read on whether the small, steady moves described here are actually landing with the people experiencing them.

- 1More Than Half Of U.S. Workers Say Job Insecurity Causing Stress
- 2Anemic Employee Engagement Points To Leadership Challenges
- 3A Company Is Not A Family With Airbnb CEO Brian Chesky
- 4How To Manage Your Team's Workload After Layoffs
- 55 Steps For Restoring Employee Trust After A Layoff

Summary

Rebuilding trust after a layoff is not a project with a clean finish line. It is an ongoing practice that shows up in small decisions, week after week, and the leaders who succeed at it are rarely the ones with the most polished messaging. They are the ones willing to stay visible when things feel unresolved, offering honest updates and clear acknowledgment of what remains uncertain rather than retreating into silence until there is good news to share. Every one of those moments adds a small deposit to a much larger account, and over time those deposits compound into something employees can genuinely rely on. This does not mean rushing toward false positivity or pretending the hard parts are already behind everyone. It means treating trust as infrastructure, something built deliberately through consistent behavior rather than something that quietly repairs itself once the immediate crisis has passed.