



Rebuilding the Social Contract

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Introduction

Employee burnout has become one of the most considerable challenges in the workplace driven by increased job demands and changes in technology. Burnout is characterized by emotional exhaustion and reduced professional effectiveness which weakens organizational performance. While increased workload contributes to burnout, some leadership decisions also contribute to employee burnout. Some employees have reported that they have limited access to career development and opportunities for advancement. Lack of career development opportunities leads to a decrease in employee morale which contributes to decreased institutional trust. Employees who feel stagnant in their jobs become disengaged and detach from organizational goals.

University of Phoenix surveyed 5005 employees and 500 employers between December 2024 and January 2025. The participants completed a 20-minute online survey covering topics such as career control and burnout, career development, and the impact of Artificial Intelligence. The 5005 employees were working individuals or individuals seeking employment over 18 years old. The 500 employers play a crucial role in the hiring decisions for their organizations. The participants were drawn from 20 designated market areas which included areas such as New York, Chicago, Seattle, and Denver. Based on the Career Optimism Index from University of Phoenix, the following research questions were created to explore workplace issues:

1. What issues lead to decreased institutional trust?
2. How can leaders rebuild trust within their organizations?

The purpose of this paper is to explore how declining institutional trust and autonomy contribute to employee burnout because of limited career development opportunities and prioritizing external hiring. The goal is to explore options employers can take to increase institutional trust by reducing burnout and focus on career development options for employees for internal promotions. The first part of this paper will contain an exploration of employee and employer perceptions of workplace issues that lead to a decrease in institutional trust. The second part of the paper will uncover ways employers can rebuild institutional trust even in the age of AI and automation.

Burnout

Employee burnout has become a challenge across workplaces, stemming from increased job demands, rapid organizational change, increased usage of AI, and limited resources for employee well-being. Burnout is characterized by depersonalization, emotional exhaustion, and decreased personal accomplishment (Bianchi & Schonfeld, 2023). Burnout is one of the leading causes of decreased employee retention (Malasch

& Leiter, 2016). A negative relationship exists between burnout and job satisfaction (Gharakhani & Zaferanchi, 2019; Kara et al., 2025). According to the Career Institute (University of Phoenix, 2025) approximately 70% of workers who do not have control over professional work reported experiencing burnout while only 45% of workers who have control reported experiencing burnout. Employees who believe they do not have control over their professional work reported that they do not participate in the decision-making process for their areas and stated that their supervisors are micromanagers. Approximately 67% of employees who are not progressing in their careers are experiencing burnout (University of Phoenix, 2025).

Several things cause burnout. The first cause of burnout is excessive workload (Holmstrom et al., 2023). Excessive workload includes having too much work to complete in a day. Employees who have excessive workloads work long hours to get the work done. Another cause of burnout is lack of appreciation or recognition. Employees may not receive feedback or praise after completing a project. Poor relationships at work, which include poor communication, conflict, and unsupportive supervisors, also cause burnout. Lastly, a lack of work/life balance leads to burnout. Studies have shown that professions such as nursing and education have poor work/life balance (Borgh et al., 2025; Rony et al., 2023; Tan & Chin, 2023). Mache et al. (2016) contended that an imbalance in the work/life dynamic impacts an employee's level of engagement and sense of control at work.

Lack of Career Development

Another issue that leads to decreased institutional trust is lack of career development in the age of artificial intelligence. Many employees reported that they do not have access or support for training at their place of employment. According to the Career Institute (University of Phoenix, 2025), approximately 62% of employees stated they need support from their employers in learning new skills. Additionally, 43% of employees stated they do not have access to develop their skills for career advancement (University of Phoenix, 2025).

A lack of career development can hinder an employee's chance of receiving a promotion and growing within the organization. It also leaves employees feeling undervalued, which causes a decrease in morale. Employers can assist employees with growth within the organization; however, some employers would rather hire someone for a leadership position rather than promote someone within the organization (Buckman et al., 2018; Wood et al., 2013). Sixty percent of employers reported that they would rather hire someone instead of granting an internal promotion (University of Phoenix, 2025). Approximately 24% of employers stated it is easier to hire someone who already has the skills for that position rather than train someone within the organization (University

of Phoenix, 2025). The cost to hire and train new workers is greater than the cost of training existing workers. Researchers noted varying views on promoting someone within the organization or hiring someone new to fulfill that role.

Traditionally, it has been believed that internal hiring was a way for employees to advance within the organization. However, Wilmers & Kimball (2022) found that workers in low paying positions benefit more from switching organizations in comparison to internal advancement. A major contributing factor was the lack of available higher salaried positions within a particular industry. Salaries doubled when a low wage employee switched companies for advancement versus internal advancement. Their conclusion was that internal hiring creates less opportunities for advancement and increases occupational stratification.

Occupational stratification includes job mobility (upward or downward), and how employees advance in the workplace, most notably advancement through education or training. Michaelson et al (2014) found a positive connection between work motivation and job performance. Job mobility has been declining (Williams et al., 2020) as well as work complexity (Eurofound, 2019). Job complexity plays a role in meaningfulness (Udahemuka et al, 2024). This supports the Career Institute findings that employees need support from their employers in learning new skills. With the emergence of AI, perhaps employers need to not only provide training, but redesign the workplace as AI has been used for increasing efficiency, completing redundant tasks, and ultimately reduce costs. Wysinski (2025) attempted to understand employees' perception of fear and job placement because of AI. The study indicated a notable difference in fear of AI. Individuals with higher levels of education are less fearful of AI whereas the self-employed and those in urban areas are more fearful, further supporting the case for enhanced career development and training can be beneficial.

Artificial Intelligence has played a role in career choices and career development. Employees in the medical profession stated a gap exists with understanding how AI works within their field leading to fear that AI will replace them (Abuzaid et al., 2022; Hazem et al., 2024). Bodea et al. (2024) found that there is a clear difference between the required knowledge and skills needed because of AI adoption. Specifically, differences in the required knowledge exist for IT, scientific research, and education. IT professionals must stay up to date with new AI systems because they are one of the core responsibilities of their jobs. Researchers and educators may learn about the AI systems to enhance some of the tasks they perform on the job; however, it is not considered a requirement.

Strategies to Increase Institutional Trust

Increasing institutional trust requires the leaders of the organization to act and

commit to transparency and fairness. Employees put trust in an organization when they consistently experience actions that align with the organization's values and feel supported in their well-being and professional growth. Burnout and limited career development opportunities erode confidence in leadership. The strategies listed in the paragraphs that follow can help leaders rebuild trust in the organization and create an environment where employees feel valued.

Employers can employ several strategies to decrease burnout and enhance career development. Taking these steps can lead to increased institutional trust. One strategy to increase institutional trust is to support employees in terms of work/life balance. Abuhammad et al. (2025) found that supporting work/life balance mitigates burnout and increases job satisfaction. Leaders can survey employees by using the Work-Family Conflict scale to determine the employees' work/life balance. The scale contains five items that measure how work interferes with family life and five items that measure how family life interferes with work life (Netemeyer et al., 1996). The data generated from the survey can help leaders see if employees are experiencing an imbalance between work and home life and create a plan to manage the workload. The plan to manage the workload may include reassigning tasks to others when the employee seems overloaded or helping the employee prioritize tasks in order of importance.

Employers could also offer wellness programs to help decrease employee burnout. Dogaru et al. (2024) suggested incorporating wellness programs such as physical fitness, mindfulness, psychological counselling, nutritional education, and personal development workshops into the workplace for employees. Employees who use these resources experience greater job satisfaction and reduced levels of stress. Additionally, incorporating these wellness programs can help reduce absenteeism among workers.

Another way to build institutional trust is to strengthen work relationships. Create an open-door policy for the employees. An open-door policy lets employees know that their leaders are accessible. Employees may feel comfortable coming to leaders with work-related issues with the open-door policy. Additionally, leaders should encourage peer collaboration. Peer collaborations allow employees to get to know one another and build work relationships. Lastly, leaders can create a mentorship program for the employees. The mentorship can help new employees become acclimated with the new work environment. Employees could also find a mentor in an area that will help them gain additional skills or learn new roles.

Involving employees in decision making can also help build institutional trust. Leaders can create an open forum to discuss changes that may occur in the

organization, allowing employees to ask questions or make suggestions. Employees could also participate in focus groups. Efimov et al. (2022) reported that creating a focus group for a research study about work conditions allowed the participants to get to know each other better, collaborate, and build trust within the team.

Lastly, employers should explore career opportunities for employees that enhance their career development and expand their knowledge of using AI within the organization. Career development opportunities can consist of hands-on workshops or self-paced learning modules. Employers could also reassign roles of employees instead of issuing layoffs. In addition to training programs, employers should create a safe space for employees to ask questions or gain clarity about AI implementation. Employers should also explain the role of AI in the organization. Employees should receive a clear understanding of the impact AI will have within their jobs. Specifically, employers should explain if AI will replace them or help them operate more efficiently. Establishing transparent AI policies is another way that will help employees understand the role of AI.

Employers should consider several things prior to integrating AI into the organization. First, integrating AI into the organization could lead to the creation of new jobs which require employees to have new skills (Presbirtero & Teng-Calleja, 2022). Employers should also explore organizational readiness for AI integration (Alami et al., 2020). Organizations should also define AI governance to ensure the adoption of AI aligns with the values and principles of the organization (Mantymaki et al., 2022).

Conclusion

Employee burnout and a lack of career development opportunities represent challenges and contribute to decreased institutional trust. Employees facing burnout and immobility experience decreased morale and become disengaged in the organization. To counter these issues, employers must adopt strategies which can aid in increasing institutional trust. Strategies include supporting employees with work/life balance, offer wellness programs, involving employees in the decision-making process, and offering opportunities for career development. Rebuilding institutional trust requires leaders to be intentional. Leaders should invest in their workers by helping them grow within the organization. By addressing these issues, employers are rebuilding trust within the organization and boosting employee morale.

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