Leader as a Builder of Trust

Canadian Psychological Association : Daniel Skarlicki, Kurt Dirks

The recognition that trust is critical to a leader's success appears to be gaining momentum. Matters related to workplace trust have become one of the more frequently discussed topics at leadership seminars, management workshops, and scholarly conferences. For example, at the 2000 National Academy of Management meetings held in Toronto, trust and fairness in the workplace were identified as a "pillar" of effective leadership.

When working with organizations and their managers, however, we are often faced with an interesting challenge: few people disagree that trust and fairness matter, so we often feel as though we are "preaching to the choir". Yet, in our research and consulting work, over a wide variety of for-profit, non-profit, and sports organizations, we find that many organizational leaders are not doing as well as they would like in building trust among subordinates, particularly during these times of economic tightening. Leaders often find that despite their best efforts, employee trust is harder to achieve than expected.

Our objective in this article is threefold. First, we begin with a definition of trust in leadership. Second, we provide empirical evidence of why trust matters to a leader's success. Last, we offer practical suggestions for leaders regarding how to increase trust in the workplace.

What is trust?

Trust embodies the confidence that employees have in a leader when they must rely upon, or be vulnerable to, the decisions or behavior of the leader. Research suggests that trust consists of three components: (a) benevolence - "Is the supervisor concerned about my welfare?", (b) integrity - "Does my supervisor stick to his or her word?" (c) ability - "Do I trust my supervisor to be able to do his or her job effectively?" The answers to these questions can be based on the personal experiences with the leader, observations on how the leader treats others, or even on the leader's reputation.

Both anecdotal and empirical evidence suggest that distrust tends to loom larger than trust. That is, one episode that signals untrustworthiness can erode a fairly long history of trust.

Why is trust important?

Although trust in leadership seems intuitively important to how individuals experience their workplace, one might question whether it really has any "bottom-line" impact. We studied 30 major college basketball teams in the United States to examine this issue in a context where the concepts of trust, leadership, and team performance are exemplified. At the beginning of the conference season, players were asked to respond to surveys about the level of trust in their leader (the coach). We analyzed how this was related to team performance in the subsequent conference season. After adjusting for alternative determinants of team performance (e.g., past team performance, coach's record), two factors emerged as having the most substantial impact on winning: trust in leader (coach), and player talent. Trust is important in team contexts as it allows the team members to "buy into" the critical goals and decisions specified by the leader. In doing so, it helps harness team talent toward a common goal. Research conducted in a variety of contexts, ranging from financial institutions to technology companies to military units to public institutions, has demonstrated that trust in leadership can also impact other important workplace outcomes such as an employee's job performance, turnover intentions, and job satisfaction.

Leaders, however, face a dilemma. Most organizations are undergoing extensive changes, resources are increasingly scarce, and staff are being asked to do more with less. As organizational change occurs, people's sensitivity to trust and fairness increases. Analogous to a jungle setting, when the water supply dries up, the animals look at each other differently. Given that these economic times can present challenges for establishing and maintaining trust, what can a leader do to increase the likelihood that he or she will be seen as trustworthy?

Before answering this question, it is necessary to understand that trust is a perception. Even with the best intentions, a leader might not be perceived as fair and as trustworthy as he or she expects. Thus it becomes necessary to focus on how employees form perceptions of trust. On this basis we have identified seven behavioral strategies that, if implemented, will contribute to trust in leadership.

1. Walk the talk

A recent study found that, when employees were asked what evidence they used to assess a leader's credibility, the most frequent response was: "They did what they said they would do". Leaders need to demonstrate consistency between their actions and words. Employees pay more attention to a leader's behaviors than his or her words. Walking the talk can be difficult under conditions of adversity (e.g., scarce resources, pressure from customers and senior management). But that is precisely the most important time for establishing trust; followers want to see how you act under duress. As Martin Luther King stated: "The measure of a man is not where he stands in moments of comfort, but where he stands at times of challenge and controversy". The question in the minds of employees regarding their leader is: "Will my leader be there for me when things get tough?"

2. Make policies explicit, transparent, and apply them consistently across employees

An important principle of trust and fairness is to apply the same rules equally to everyone. This principle becomes difficult in dealing with "stars" or when leaders want to reward those who go above and beyond the call of duty. Of course, it is sometimes necessary to bend the rules.

Rather than hide that you are doing so, however, an alternative is to send a signal to others regarding the conditions under which you as a manager are prepared to bend the rules. Explain your rationale. Help clarify the rule.

3. Under-promise and over-deliver

Trustworthiness is perceived in terms of the ratio of one's expectations divided by delivery of promises. Failing to deliver on a promise is a sure-fire way to erode the level of trust in a relationship. For instance, in the hiring process, because managers are eager to have someone accept the job, they sometimes make attractive promises (e.g., a salary increase after 1 year) that are difficult to deliver. Managing expectations is often an overlooked strategy for managing trust. If managers are able to deliver more than they promised, they will send a signal that they are trustworthy.

4. Demonstrate how your interests are aligned with their interests

Help subordinates and peers understand why it is in your best interest to help them realize their goals and needs, and how it is to your advantage to help them out. In setting sales goals, for example, explain that "It is both of our interests for you to succeed. If you don't meet your sales goals, I can not meet the goals assigned to me. We are in this together." This communicates the cooperative nature of your relationship.

5. Use participative decision-making processes

Ask employees for their opinions in the decisions that affect them. This communicates that you respect them and their voice. This demonstration of respect and trust will often be reciprocated.

6. Celebrate wins

In the basketball team research discussed above, the study found that success leads to greater trust in leader, which in turns leads to greater success. Successes create confidence and trust within the team about the ability to be a winning team. Celebrating small wins along the way to the larger goal is a method of achieving this principle.

7. Take the first step: Signal that you trust them and that you expect them to trust you

This principle builds on two important theories regarding human behavior. The self-fulfilling prophecy states that employees will become what a manager expects of them. If a leader expects an employee to be trustworthy, and communicates this accordingly, the employee will rise to the challenge more so than if the employee is told he or she is untrustworthy. Second, the norm of reciprocity states that employees reciprocate benefits received. Employees who perceive that they are trusted will reciprocate trustworthiness in return.

The challenge of building trust should not be underestimated. After the study of basketball teams was completed, a coach called to discuss the level of trust his players had reported in the survey. Even though his trustworthiness rating was among the highest in the study, he expressed disappointment stating: "I don't get it. Why don't they trust me completely?" He felt he always had the best intentions of his players at heart, had almost two decades of coaching experience, and was the recipient of almost every major coaching award. For us, this anecdote illustrates that, even for the most experienced and successful leaders, creating trust is an ongoing and continual challenge. Leaders need to continually strive to increase the trust among their subordinates and colleagues. It is an essential quality for leadership effectiveness.

In summary, to build and maintain trust, leaders should model those behaviors that signal trustworthiness: treat employees with consistency, manage their expectations and deliver on promises, involve employees in decisions. A manager's trustworthiness is related to his or her ability to lead the team to success, so celebrate wins. Most importantly, walk the talk of trust: if leaders want to be trusted, they need to show they trust their staff.

For further reading on this subject, consult:

1. Kramer R., & T. Tyler (1996), Trust in organizations, Thousand Oaks, CA: Sage

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Comments

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