



Research report  
September 2014



# Experiencing trustworthy leadership



WORK



WORKFORCE



WORKPLACE

## Championing better work and working lives

The CIPD's purpose is to **champion better work and working lives** by improving practices in people and organisation development, for the benefit of individuals, businesses, economies and society. Our research work plays a critical role – providing the content and credibility for us to drive practice, raise standards and offer advice, guidance and practical support to the profession. Our research also informs our advocacy and engagement with policy-makers and other opinion-formers on behalf of the profession we represent.

To increase our impact, in service of our purpose, we're focusing our research agenda on three core themes: the future of **work**, the diverse and changing nature of the **workforce**, and the culture and organisation of the **workplace**.

### WORK

Our focus on work includes what work is and where, when and how work takes place, as well as trends and changes in skills and job needs, changing career patterns, global mobility, technological developments and new ways of working.



### WORKFORCE

Our focus on the workforce includes demographics, generational shifts, attitudes and expectations, the changing skills base and trends in learning and education.

### WORKPLACE

Our focus on the workplace includes how organisations are evolving and adapting, understanding of culture, trust and engagement, and how people are best organised, developed, managed, motivated and rewarded to perform at their best.

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The CIPD is the professional body for HR and people development. We have over 130,000 members internationally – working in HR, learning and development, people management and consulting across private businesses and organisations in the public and voluntary sectors. We are an independent and not-for-profit organisation, guided in our work by the evidence and the front-line experience of our members.

# Experiencing trustworthy leadership

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# About the University of Bath

The University of Bath has an impressive reputation as one of the UK's leading universities and is currently ranked first for student satisfaction. It has also been named 'Best Campus University in the UK' (*The Times and the Sunday Times Good University Guide 2014*). A research-led institution with an open collegiate culture of international scholarship, Bath is at the forefront both of teaching programme innovations and of cross-boundary research.

## **The School of Management**

We are one of the UK's leading business schools, with highly ranked programmes and a strong record of internationally recognised research. We offer a strongly supportive environment for all our students, from undergraduate to PhD and post-experience education, and deliver a first-class student experience.

To equip students with the best possible opportunities, our academics conduct world-class research on an ongoing basis. We are keen to generate ideas that have impact in the workplace and believe that students learn best through interactive debate, so the opportunity to question current thinking is positively encouraged.

Research is structured around issue-based, multi-disciplinary groups and a number of industry-funded research centres and projects exist within the school. Our research influences government thinking, policy-making and management practice. The knowledge we create is disseminated through our network of corporate, government and NGO relationships that support our research and influence our teaching.

There is a great quality of life enjoyed by our students and staff. We offer a compact, safe but vibrant university campus with a welcoming, culturally diverse and friendly community. Our location, overlooking the historic UNESCO designated World Heritage City of Bath, on a modern campus with some of the best sporting facilities in the country, offers an attractive environment that is both intellectually and culturally stimulating.

We offer a real commitment to developing your skills and personal career that reflects our drive for international impact through excellence. The dean of the school, Professor Veronica Hope Hailey, is committed to the continued development of the School of Management as an international school at the forefront of management research and education in the twenty-first century.

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*Cultivating Trustworthy Leaders* (April 2014)

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ABN AMRO

BAE Systems

BBC Worldwide

Cable & Wireless

Church of England

Day Lewis Pharmacy Group

Department for Business, Innovation and Skills

Ernst & Young

GKN

Hampshire County Council

Her Majesty's Revenue & Customs

John Lewis Partnership

Kingston Hospital NHS Trust

Norfolk County Council

Norton Rose

Orvis Retailers

Oxford University Hospitals NHS Trust

Royal Mail

Serco

Sunderland City Council

Unilever

# Executive summary

*'The need to remedy and repair this drop in trust has put pressure on individual leaders within these and other institutions to doubly demonstrate their trustworthiness.'*

Over the last few years the commercial scandals surrounding some of the world's major institutions such as banks and energy companies, and the exposés of individual representatives of other institutions such as politicians, journalists and media stars, have destabilised public perceptions of the trustworthiness of these institutions and their senior managers or representatives. The need to remedy and repair this drop in trust has put pressure on individual leaders within these and other institutions to doubly demonstrate their trustworthiness to compensate for and override the widespread doubt and uncertainty felt by people at a societal level.

Trust in senior managers was decreasing anyway because of various organisational changes that were occurring before the financial crisis. The challenges of these changes are still there for senior leaders in organisations today. They include the longer-term impact of changes in styles of communication across levels. Our first report in 2012 showed how important it is for leaders to be seen, in person and frequently, in order for employees to gauge their trustworthiness through observing their behaviour.

There has been less emphasis from employers on and encouragement of the essential mutuality of the employment relationship and more on the instrumentality or self-seeking individualism on each side of the employment contract. Yet many of the organisations that survived the impact of the negative consequences of the financial crisis and recession with trust levels

maintained or raised were precisely those sorts of organisations that encompassed a form of mutuality and a concern with longer-term heritage, for example partnerships and family businesses.

Our first research report showed the actions that helped generate feelings of trust between leaders and followers in these organisations included: (1) close proximity of leaders and followers; (2) strong personal relationships; (3) a propensity to trust upwards and downwards by both leaders and followers; (4) the avoidance of excessive use of electronic monitoring systems; and (5) the continuous demonstration of a genuine concern for followers as people rather than just as employees.

Our second research report, published in April 2014, showed that the ability to deliver business results alone may have overly dominated the selection of senior leaders during times of economic growth in some businesses or sectors. In these organisations there has perhaps been too little emphasis on HR systems and processes measuring the suitability of managers for leadership roles on the basis of their benevolence or their integrity.

This third report (September 2014) looks at how followers experience trustworthy senior leaders within some of the UK's major corporations and institutions. It does not focus so much on the self-generated narratives of the leaders themselves but the experience of their colleagues, their

teams and their bosses who work alongside or for them. Thus the emphasis is on practice, process, actions and behaviours.

**Leaders as trust-builders**

Previous studies propose that leaders should engage in the following categories of behaviours in order to build trust with their employees (Whitener et al 1998, Gillespie and Mann 2004).

- **behavioural consistency:** behaving consistently over time and situations to increase predictability
- **behavioural integrity:** consistency between words and deeds, or ‘walking the talk’
- **sharing and delegation of control:** engaging in participatory decision-making with followers
- **communication:** communicating in a way that involves accurate information, explanations for decisions and openness

- **demonstration of concern:** showing consideration, acting in a way that protects employees’ interests, not exploiting others
- **consulting team members when making decisions**
- **communicating a collective vision**
- **exhibiting shared values.**

Previous studies also suggest that trust evolves between a trustor and a trustee, where the trustor makes a decision to trust based on the trustee’s behaviours and their perceived level of trustworthiness. As we discussed in the second report, these pillars of trustworthiness include the following (adapted from Mayer et al 1995, Dietz and Den Hartog 2006):

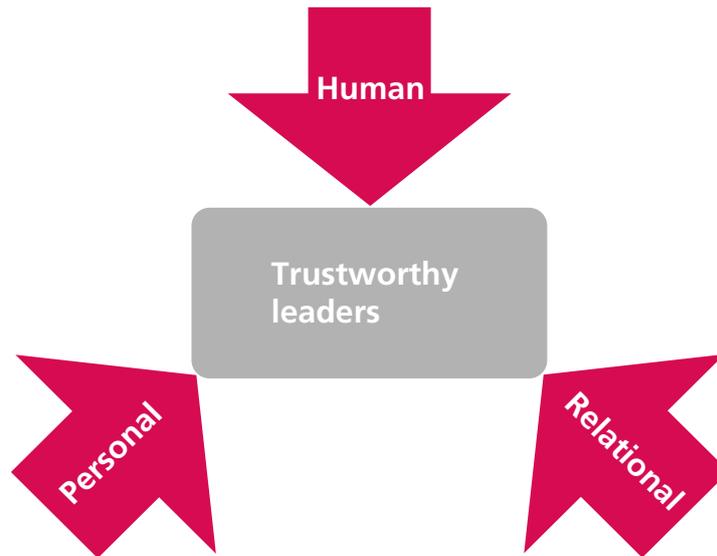
- ability
- benevolence
- integrity
- predictability.

We provide a summary of the four pillars and corresponding behaviours that we have identified in our analysis in Figure 1 on page 11.

**From trustworthy leaders to trustworthy leadership**

To move towards perfecting the practice of trustworthy leadership, the starting point here is not the characteristics of trustworthy leaders but instead understanding the experiences of their colleagues, teams and bosses. In total we identified four underpinning themes, which are shown in the figure below.





**The trustworthy leader: human, relational and personal**

What emerges then from our research is that followers experience those leaders as trustworthy who they perceived primarily as **human**, **personal** and **relational**.

We recognise that some of these elements of being a human, relational and personal leader are easier to enact than others. All of these findings present challenges for both aspiring and current senior leaders as well as those charged within the HR profession for selecting and developing such people in the future.

**The space of trust**

In order to build trust relations with their followers, leaders

need to operate in a space of trust, essentially the environment where trust between leaders and followers can flourish. One critical element that we are proposing is underpinning this space is the *reciprocity of vulnerability* which describes that both the leader and the people working with them and for them need to feel trusted, as well as trust others. Thus, the space of trust also needs followers who want to trust their leaders.

**Lessons learned and implications for HR**

Throughout our report we provide some lessons for trust in organisations more broadly, as well as for the development of trustworthy leadership specifically, which include:

- the need to enable holistic leadership development
- the challenge of proximity in a mobile world
- HR's role in the space of trust
- the importance of trust for organisations, their leaders and followers.

We particularly point to the role that HR processes and practices may play in this and propose that there is still potential for HR professionals to engage with their role in the space of trust.

# Introduction

Over the last few years the commercial failure of some of the world's major institutions such as banks or energy companies, and the scandals surrounding representatives of other institutions such as politicians or media stars, have destabilised public perceptions of the trustworthiness of these institutions and their senior managers or representatives. The need to remedy and repair this drop in trust has put pressure on individual leaders within these and other institutions to doubly *demonstrate their trustworthiness to compensate for and override the widespread doubt and uncertainty* felt by people at a societal level.

However, even without the destabilising effects of the crisis and recession, private and public sector organisations were recording decreasing levels of trust in senior managers before 2008 (Hope Hailey et al 2010). Challenges facing organisations include the longer-term impact of changes in styles of *communication* across levels. In our data collection, people highlighted overuse of electronic communication through email, Twitter, blogging, and so on, as well as the aptitude and appetite of corporate communication departments for spinning negative messages, a practice particularly disliked by employees – a major finding from our first report in 2012, *Where Has All the Trust Gone?* This report showed that all of these forms and use of communication have given leaders and employees the opportunity to communicate easily and more frequently, but more remotely. Negative news which might once have been delivered by a director face to face with a workforce

can now be communicated remotely through pressing the 'send' button.

This ability to *communicate* remotely has arguably masked the corrosive effects on trust levels of the increased distance of senior leaders from followers following the introduction of more global reporting structures within multinationals and the introduction of centralised reporting structures in highly geographically distributed national organisations. Our first report in 2012 showed how important it is for leaders to be seen, in person and frequently, in order for employees to gauge their trustworthiness through observing their behaviour. The proximity of local line managers partly explains why the local managers still (for the most part) record higher levels of trust than their senior counterparts in many organisations. Trust in senior managers cannot be generated through a Twitter approach to communication. Instead, our research shows actions that help generate feelings of trust between leaders and followers include: (1) proximity; (2) strong personal relationships; (3) a propensity to trust upwards and downwards by both leaders and followers; (4) the avoidance of excessive use of electronic monitoring systems; and (5) the continuous demonstration of a genuine concern for followers as people rather than just as employees.

Our second research report published in 2014 has gone on to show that in the *selection* and *development* of senior leaders, in some organisations there has been an over-reliance by HR on measurements of ability/competence and predictability/consistency of behaviour. The ability

*'Trust in senior managers cannot be generated through a Twitter approach to communication.'*

to deliver business results alone may have overly dominated the selection of senior leaders during times of economic growth in some businesses or sectors. In these organisations there has perhaps been too little emphasis on measuring the suitability of managers for leadership roles on the basis of their benevolence or their integrity. Delivering results has become the sole criterion with too little attention paid to how leaders achieve these results in their behaviours and their attitudes to others within and outside the organisation.

This was another significant finding from the second report, *Cultivating Trustworthy Leaders* (2014), which also examined whether trustworthy leaders are *born or purposefully developed and shaped* by their employing organisations. Ability and competence and predictability as dimensions of trustworthiness were found to be easier to measure by HR systems and processes. We might suggest that our over-reliance on the measurement of ability and results-driven competence at an individual level could be a product of the *individualistic transactional psychological contract* developed and encouraged within large organisations over the last 20 years (Gratton et al 1999). There has been less emphasis on building longer-term relationships – less attention to generating longer-term organisational commitment through the promotion of an affective or emotional psychological contract.

In recent years public and private sector institutions shied away from the idea of generating an emotional or relational commitment to employees as they did not want to or could not afford to persist any more with the burden of promising lifetime employment through job security. These softer forms of organisational commitment were more typical of the relationships found within

large corporations from the 1950s onwards, but were abandoned in the early 1990s when major restructuring through privatisations or globalisation started to bring the threat of frequent downsizing into managerial and professional grades as well as lower levels. From an employee perspective, junior or senior in level, why develop long-term relationships with organisations that may throw you out of work at the point of any downturn or restructuring? Better to become more self-reliant and individually focused, which is what has happened. *Individualism* and a selfish orientation can work well in times of growth when everyone is enjoying material gains and advancement. The selfish or venal nature of such an approach is brought into doubt at times of crisis or recession.

As a result there has been less emphasis on and encouragement of the essential *mutuality* of the employment relationship and more on the instrumentality or self-seeking individualism on each side of the employment contract. Unsurprisingly, then, *many of the organisations that survived the impact of the negative consequences of the financial crisis and recession with trust levels maintained or raised are precisely those sorts of organisations that encompass a form of mutuality and a concern with longer-term heritage*, for example partnerships and family businesses. As we saw in our first trust report in 2012, of the six organisations that successfully maintained trust despite implementing negative change programmes of salary cuts, redundancies or restructurings, three were large partnerships, two were heavily unionised multinationals and one was a family business. The governance structures and cultures of these organisations fostered a sense of collective purpose, a sense of mutual destiny amongst senior leaders and employees which proved

to be a lifeline for their senior leaders through the crisis. Their fostering of a sense of *mutuality* rather than individualism through the good times by these organisations meant their senior leaders had a *bank of trust and goodwill* within the workplace that they could draw upon during the crisis and recession.

In those organisations that fared less well, which destroyed rather than maintained trust, we found there had been perhaps too exclusive an emphasis on assessing leaders on their ability to deliver results with perhaps too little assessment of integrity and benevolence. And, an additional finding from the second report (2014) was that the growing sophistication of HR processes and systems around talent development and selection were found by many senior business managers to leave little room for individual judgement or assessment. There is a real danger that the HR assessment systems or defined leadership competences, with their in-built inadequacy for assessing benevolence or integrity of candidates, would drive leadership selection rather than individual judgement. We found, and our sponsoring senior HR practitioners agreed, that sometimes those very HR assessment systems were in danger of overriding senior management's personal assessment of the basic trustworthiness of a candidate based on knowledge of their benevolence or integrity through past experience.

Furthermore, there has also arguably been an overemphasis on the nature of individual leaders rather than *the process and practice of leadership*. What matters in generating trust amongst followers are the everyday actions and behaviours of leaders that demonstrate their essential ability, benevolence, integrity and predictability – the drivers of trustworthiness. People do not gauge trustworthiness on the basis of what

they are told about the individual competence of a leader – they gauge trustworthiness on the basis of that person’s leadership actions and practice in the workplace. And we wondered what highly trusted leaders actually do in practice – how people experienced their leadership on a day-by-day basis.

So, this third report looks at how followers experience trustworthy senior leaders within some of the UK’s major corporations and institutions. It does not focus so much on the self-generated narratives of the leaders themselves but the experience of their colleagues, their teams and the bosses who work alongside or for them. Thus the emphasis is on practice, process, actions and behaviours. We have interviewed the individual leaders as well, but we have spent more time interviewing their colleagues in order to understand what trustworthy leadership looks like in practice.

A number of things stand out from our analysis of the data from our 84 interviews with a number of leading employers in Europe, including the BBC, GKN, ABN AMRO Bank, the NHS, BAE Systems and the John Lewis Partnership, to name but a few (see Appendix).

First of all, close scrutiny of these interviews reveals *trustworthy senior leaders are always as able and competent as other senior leaders but they put an extra emphasis on the importance of the process and practice required to generate and maintain strong relationships with their followers*. Trustworthy organisations such as the John Lewis Partnership or BBC Worldwide or the Church of England institutionalise the importance of relationships. In the subsequent sections of this report we detail in depth the actions and activities that make up the practice of trustworthy leadership.

A second distinguishing finding from this third report concerns the nature of followership in high-trust situations. There has been a great deal of finger-pointing at senior leaders since the financial crisis and recession and, as noted above, a pressure on them to earn the trust of followers in their organisations. The actions of leaders are undoubtedly critical and pivotal in shaping levels of trust up and down organisations, but analysis of our data for this third report reveals that *in highly trusting cultures followers feel that they too have responsibilities for trusting their leaders*. Followers have to have a propensity to trust their leaders. What we mean by that is they must be willing to take a *leap of faith* and take a risk because they trust their leaders.

It is these aspects of *mutual responsibility, relational leadership and collective purpose* that characterise high-trust organisations and teams. So, in the rest of this report we describe for you what this means *in practice* for both leaders and followers. None of this is to suggest that any of this is easy work for leaders, followers or institutions. It is not, and it is not without its challenges in our global and competitive world. We pause at the end of the report to reflect on some of the *challenges* the whole of this three-year research project has thrown up. There are some particular *challenges for senior leaders but also for the HR profession* itself. We can’t sit on the sidelines and piously watch or criticise senior leaders for their lack of integrity when our findings also reveal that some of the actions of HR may have contributed to the problems of trust in the first place, and there is in some institutions lack of trust in the HR function itself.

*‘People gauge trustworthiness on the basis of that person’s leadership actions and practice.’*

# From trusted leaders to trustworthy leadership

Trust is defined as ‘a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions of behaviour of another’ (Rousseau et al 1998). When we look at the academic literature on leadership and trust, we see many propositions on what leaders should do in order to build trust, or to increase the willingness of their followers to make themselves vulnerable. What often stays neglected in previous research and studies of this kind is how trustworthy leaders and their endeavours to build trust are actually experienced by the people around them, most often their direct line reports as well as their colleagues, or ‘360s’ as we refer to them in this study.

In this report we seek to address this shortcoming while building on our previous research on trust in organisations and trustworthy

leaders as well as the academic literature by bringing together the perspectives of both – leaders and their 360s – in order to shed light on how trustworthy leadership is actually experienced. By doing so we propose some new themes around trust and leadership which focus more on what trustworthy leadership actually feels like in organisations which have put trust high on their agenda. By presenting empirical evidence of 360s, we thus not only make reference to *what* makes trustworthy leadership but also *why* this is the case.

## Leaders as trust-builders

We begin by first presenting our findings on how the leaders we interviewed sought to build trust with their employees in order to establish the link with our previous reports and the academic literature. We then present our findings on how trustworthy leadership is experienced.

Previous studies such as the one by Whitener and colleagues (1998) propose that leaders should engage in five categories of behaviours in order to build trust with their employees. Similarly, Gillespie and Mann (2004) suggest that team members have higher trust levels in their leaders if they engage in a range of actions. These are summarised in Table 1.

In our participant interviews we saw many of these behaviours confirmed in their importance in order for leaders to build trust. Participants, for example, spoke a lot about the need to be open and honest in communication, even if that means sharing news that proves to be challenging:

*‘As a leader, ... you know, sometimes saying things that people don’t want to hear is actually the best thing to do in terms of actually just putting all*

**Table 1: Leadership behaviours for building trust**

**Behavioural consistency:** behaving consistently over time and situations to increase predictability

**Behavioural integrity:** consistency between words and deeds, or ‘walking the talk’

**Sharing and delegation of control:** engaging in participatory decision-making with followers

**Communication:** communicating in a way that involves accurate information, explanations for decisions and openness

**Demonstration of concern:** showing consideration, acting in a way that protects employees’ interests, not exploiting others

**Consulting team members when making decisions**

**Communicating a collective vision**

**Exhibiting shared values**

Source: Whitener et al 1998, Gillespie and Mann 2004

*the cards on the table, and I am a strong believer in that.'*

Or engaging in discussions which are difficult:

*'I will encourage open discussions even if they are uncomfortable. I will say things, whether or not they appease people.'*

Our participants clearly value being consulted and receiving open communication from their leaders. Often openness is interpreted as a sign of integrity. Consideration for the opinion of others and making their voice heard in the future of the organisation is seen as a demonstration of the leader's concern for their employees. Both are perceived to be important by our participants in order to build trust relations:

*'It's a bit like coming back to this thing about having considerate decision-making. I don't think he has any plans that he's formulated yet that would change the service or people's roles or jobs that he*

*hasn't shared. He's quite open. He asks us how to think what the future might look like. ... I don't think he has a fixed plan that he's not sharing. I think he's just the same as the rest of us, giving consideration to options.'*

Previous studies also suggest that trust evolves between a trustor and a trustee, where the trustor makes a decision to trust based on the trustee's behaviours and their perceived level of trustworthiness. As we discussed in the second report, these pillars of trustworthiness include the following:

- ability
- benevolence
- integrity
- predictability.

Again, we found confirmation for the importance of each of these in this research. We provide a summary of the four pillars and corresponding behaviours that we have identified in our analysis in Figure 1.

The following participant, for example, talked about predictability in the importance of 'walking the talk', or letting actions follow words:

*'If you say you're going to do something, do it. I've worked for plenty of people that have said, "Oh yes, we'll do this," and nothing ever happens.'*

The following quotations also show the importance of behaving consistently and staying true to one's word, while at the same time the need for integrity is emphasised:

*'The fastest way to lose people's trust is not doing what you say. Or expecting people to do something that you wouldn't do yourself.'*

*'I think delivering on promises has got to be number one. As in if you say you're going to do something for someone, whether it's a task thing or a promise that you make as an individual, I would, you know, I normally do it.'*

**Figure 1: Pillars of trustworthiness**



Adapted from Mayer et al 1995, Dietz and Den Hartog 2006

*‘Participants overwhelmingly shared the importance of relationships in their experiences.’*

### **From trustworthy leaders to trustworthy leadership**

Here we look more closely at how trustworthy leadership is experienced in our participating organisations. The starting point here is not the characteristics of trustworthy leaders but instead the experiences of their colleagues, teams and bosses. The emphasis thus shifts to practices and processes, from leaders to leadership. In total we identified four underpinning themes which we will discuss in depth, drawing on the relevant findings (Figure 2).

#### **Putting relationships at the heart**

*‘How would I define trust? I would define trust as a relationship – the quality of a relationship. I could rely on this person.’*

Putting relationships at the heart describes how trustworthy leadership resides in the experience of having strong, sustainable relationships between employees and their leaders within the organisation as well as with external shareholders. This is the

central point we made in our first report, *Where Has All the Trust Gone?* Again in this study, participants overwhelmingly shared the importance of relationships in their experiences. Importantly, this can only be achieved by not only continuously building relationships but by developing a *relational mindset* which puts relationships at the centre of what leaders do. This relational mindset becomes apparent in various ways when leaders talk about their behaviours. Many emphasise the need to physically ‘go and meet’ their teams, rather than staying in their imagined ivory towers. This is important because employees want to see their leaders in action and interact with them personally. At the same time by meeting their employees, leaders are able to ‘hear’ and ‘learn’ from them directly, which is essential in creating a collaborative and distributive style of leadership in which employees feel valued and listened to:

*‘I don’t just chair things with my managers at the next level. I will go and meet teams of people. ...*

**Figure 2: Experiencing trustworthy leadership**



*They want to see you in operation at different levels and I want to learn from them and hear from them.'*

Putting relationships at the heart also means that leaders encourage their employees to develop relationships within their own group as well as beyond. As such, relational working becomes central to the way the whole organisation operates and becomes embedded in the behaviour of leaders across different functions. One leader explains this in the following when referring to recent staffing changes in the organisation:

*'We've got a lot of new people that we have brought into the business, who are starting to develop relationships, but they are gradually getting more and more comfortable with how we work as a company. Making the connections to the people in other portions of the business, so that we start working more effectively as a whole, not as individual satellites.'*

Putting relationships at the heart is thus important because it can enable people to look beyond their 'localised area' and 'daily job' and instead get *'a whole lot of visibility into the bigger picture, of their business stream, the division, or even the whole group'*. This can enable trust to grow across the organisation.

For some leaders, sustainable relationships could only be achieved when official structural hierarchies remain in the background and instead a sense of equality and sameness between the members of a team is enabled:

*'I like to run a very flat team. So, they each do the same role, they may have – they bring different things to it – but there is not a hierarchy within it. If you're all the*

*same position, you're the same position.'*

Finally, a relational mindset also includes developing strong relationships with external shareholders of an organisation such as its suppliers and customers. As such, leaders not only seek to build relationships in the context of their own work and networks but enable the people around them to do the same. In one case this meant that employees were encouraged to honestly tell suppliers the reasons for not choosing them, linking back to the importance of open communication and integrity for developing trust relations which we referred to earlier:

*'I've been saying to the buyers when you reject a supplier you need to be telling them why you have rejected them ... if there are difficult things to say, just say them, you don't have to say them in a horrible way, but you know, just say them.'*

Focusing in on the perspective of the follower, why is having relationships at the heart important for them? Primarily because the meaning of trust for most of our participants does not lie in having processes and procedures that structure their daily work, but in having strong relationships with others, particularly their leaders:

*'It's something that's earned, something that goes hand in hand with the relationship. So as the relationship is strong, I think fundamentally trust has to be strong and it is hard to have a great relationship, in my judgement, without a lot of trust.'*

In addition, when leaders take on a relational mindset, they create a sense of inclusion and support for their employees which gives them the feeling of being cared

***'When leaders take on a relational mindset, they create a sense of inclusion and support for their employees.'***

*'It seems that by feeling secure and to some degree protected by their leader, employees as a result develop a stronger willingness to make themselves vulnerable to others.'*

for, while being given the space to do their daily work in a less constrained way:

*'He is very adamant, with his part of the team, that he will deal with the issues and he will always come back to us and make us feel more – better and more relieved about what's going on. He takes the stress of the issues within the team away from his team, if that makes sense, and lets us get on with what we need to do, and will clear up any issues that have arisen.'*

As this example shows, by putting the needs of his team at the heart of his actions, here the leader becomes someone the team can rely upon which creates a sense of security. It seems that by feeling secure and to some degree protected by their leader, employees as a result develop a stronger willingness to make themselves vulnerable to others, including their leader, which as we know, based on previous research, is one of the preconditions for trust to flourish (Rousseau et al 1998).

### **Recognising and developing uniqueness**

*'He gives people that belief that they can achieve things and that they can progress from where they are. He gives everybody an opportunity, especially when he looks at their skills. Some people are good on computers and things like that, so he'll put them doing whatever as a charge hand.'*

Our second theme describes how people tend to experience trustworthy leadership when they feel valued in their own individuality. This is the case when leaders recognise and acknowledge the unique skills, knowledge and attributes that employees can

bring to the organisation and their team and help them to further develop these:

*'There are other things that other people do better. So it's recognising those sorts of things and making sure we're all contributing but playing to our strengths.'*

Followers thus need to feel a willingness of their leaders to develop them further in their work and capabilities. Often this involves giving employees honest feedback about their performance:

*'The honesty for me is really important because I want her to also champion me and develop me and I would like to have – if there's something that actually I could be developing further I'd like to have that honest feedback or I'd like her to say, "Actually you could have approached that in a different way to have got this outcome", or whatever it may well be I would like – and I know that she will do that.'*

It then requires of leaders to not only care about themselves and their own career advancement but about how they enable others to grow. Indeed, in the rare situations where we heard of examples where trust relations were challenged, a lack of interest of leaders into their followers' development was mentioned as a key cause.

Importantly, in order for this to happen, leaders need to have an interest in what their employees are doing and the issues they are experiencing or the *'things that really matter to them'*:

*'I tend to take an interest in people. Ask them how they're going and what they're doing. Whoever it is in the organisation.'*

*It could be a factory tour where you're going round the shop floor, or just a tour round a facility. I think it's quite key that head office aren't aloof; that they're actually interested and involved in what people do. It's not difficult; I don't force myself to do it.'*

*'I let them talk around their issues, ask them how they feel about that, what they could do about that, you know, do they know where to go and get help if they needed help.'*

Recognising individuality thus requires leaders to have the courage to engage in conversations that may not be easy or may reveal something they are not prepared to deal with on the spot. It also requires leaders to develop insights into their employees' lives outside of work and create the enabling structures to support them. In this context, one participant with a young family talked about how his leader gives him the flexibility to go home early and to arrange his work schedule around his family commitments, trusting him to 'get the job done'.

Another talks about receiving a personal message from her superior on a special occasion in her private life, which showed the personal interest that her leader took in her. In both cases the leader shows care and concern for their employee beyond their immediate work environment. Linking back to our pillars of trustworthiness, this is mainly about behaviours of benevolence.

Importantly, we are not suggesting that recognising and developing uniqueness is an easy endeavour. In fact, it takes time for leaders to get to know their followers – time they often do not have amidst their busy schedules. It also takes courage

to engage in honest and open conversations around someone's development. These conversations can be difficult, particularly as expectations may need to be managed. Nevertheless, our analysis suggests that these are crucial to the experience of trustworthy leadership.

### **Enabling mutual responsibility**

*'I've seen examples of that from the work that I've done with her – she's gone back and checked the regulations where she's unsure, she's not relying solely on her memory, she'll go back and check stuff. ... She's prepared to admit when she doesn't and go find out.'*

Enabling mutual responsibility describes how trustworthy leadership involves establishing an environment where responsibility links both leader and follower, as they share accountability for their work and its outcomes. This became evident in our analysis in several ways.

First, trustworthy leaders promote responsibility for their own actions and its implications for the wider organisation. One leader describes this in the following:

*'I have, as any leader does in this organisation, real responsibility and I think how one behaves and how one influences not only creates your own reputation, but collectively we create a reputation for our business. ... I take that very seriously, I don't know whether everybody takes it seriously and that might be where the difference between being a manager and a leader comes into play.'*

As this participant emphasises, acknowledging the responsibility

***'Recognising individuality thus requires leaders to have the courage to engage in conversations that may not be easy or may reveal something they are not prepared to deal with on the spot.'***

*'For many, trust is closely linked to feeling respect for someone as well as the feeling of being respected.'*

she carries for herself but also for the organisation as a whole makes an important difference, which potentially distinguishes someone in a managerial role from a leader. From the perspective of the employee, acknowledging responsibility is important as well because it perpetuates confidence in the ability of their leader as well as a feeling of respect. For many, trust is closely linked to feeling respect for someone as well as the feeling of being respected. Thus, having a leader who recognises their shortcomings and accepts the responsibility to address these can induce trust.

As the quotation at the beginning of this section shows, this can happen in an informal setting during the interactions that form part of our work. However, it may also occur in the context of an official feedback session, where, as the following quote describes, a particular leader openly and actively sought feedback on his behaviours from others:

*'He stood up in front of the team, went through all the previous feedback with them. Asked for more feedback in an open forum. That type of behaviour again I think really engenders a lot of trust in the relationship between him and the team.'*

By making this an open forum, this leader accepts the responsibility not only for his behaviours but to act upon the feedback provided by his 360s. Again, this is something that we think requires considerable courage of leaders but carries the potential to develop strong trust relations between leaders and their subordinates.

In turn, mutual responsibility also means that leaders may hold their employees responsible for their behaviours. This can be explicitly and implicitly. In explicit terms, this was mostly referred to in the context of accountability.

Often accountability is formally established from the top down through a range of measurement and performance tools:

*'I think we are far clearer about what it is we're trying to do, we're far clearer about the way we measure ourselves and others on how we're performing; we are in an enhanced atmosphere of accountability.'*

However, while the necessity of these tools is acknowledged in order to establish responsibility, how this is done is not lost out of sight, as *'you do it with humanity'*.

Responsibility can also exist in a more implicit sense. One of our participants describes this in the following:

*'Yesterday she was here until 5 ... that's the workload and I trust them to, you know, I am not going to go and tell her that that's what it is – that's your work – that's your work pattern and that's what you're responsible for. How you do that is up to you, but that's what I want at the end.'*

As this example shows, leaders enable their followers to take on responsibility for their work by giving them a space for action in which to enact their role. Followers, on the other hand, acknowledge this space for action as an important prerequisite to develop their own sense of responsibility – being given responsibility by their leaders 'to deliver' and 'to achieve' without being micromanaged:

*'Trust I believe is – so if I'm talking about with my line manager, it's the fact that they can trust me to deliver, to achieve, that I'm reliable without having to question it and in the knowledge that I won't let them down and they don't have to keep checking in to see where I am with something.'*

In summary, trust requires both leaders and followers to accept responsibility for their actions but also to hold each other accountable. In the top-down interactions between leader and follower this is most often facilitated by formal performance tools. In terms of the bottom-up relations between followers and their leaders, this is most often implicit. Here leaders who do not accept responsibility for their actions will lose the confidence and respect of their followers. As a result, followers will feel less inclined to make themselves vulnerable and as a result trust their leaders.

### Engaging with real people

*'He worked very hard to get my trust, and I really respected that. Harder than I worked to get his. But once we got to that point, then it became a very open relationship. When he would know I would be frustrated and other things and he would take extra time to, "Let's get some time off site. Let's talk through some things." We did not get into business all the time. He allowed me into his personal side, which I think is important when you are really trusting someone, they open up on a personal side.'*

Our final theme describes how trustworthy leadership is experienced by followers who feel that their leaders are 'real people', who do not hide behind a veil but share their personal background, values and what is important to them as well as their vulnerabilities with their followers:

*'I find that leadership can often be just a veil that people hide behind, and people don't want to show vulnerability or a weakness, or if they have shown that they made a mistake it is seen as a pure weakness, you can be a successful*

*leader with a different approach and actually that can be even more positive because you create that greater trusted sort of relationship.'*

There were many stories shared which further exemplified the importance of engaging with real people. For example, one participant described a time when his leader gave a speech in front of an audience in which she shared her aspirations and 'what it meant to her'. She even expressed an emotional side, which previously had remained hidden. Why was this important for trust to flourish? Because it showed a vulnerability which had not been there before. Because by delivering the speech in this particular way, she allowed others around her to become part of her 'personal space'. Because it made them feel connected to her at a personal level. All of this allowed the real person to emerge, which in turn created a willingness to trust among her followers.

Our findings also suggest that followers do not trust their leaders because they always know the answers or have everything under control. Quite the opposite – followers want to be led by people who are as human as they are:

*'He is really consistent and you know exactly where you are with him but occasionally there have been times where things out of our control have happened and, like most humans, he will react but that doesn't make me trust him any less, it just makes me think he is human.'*

Being human means making mistakes, acknowledging them, learning from them but also not dwelling on them:

*'I think none of us are perfect are we, so it makes it easier if I make a mistake to admit it, get over it, because I know that she would, so that's really important to me*

*actually. Whereas if you've got someone where you think, "Oh, they're really perfect, they never do anything wrong," it feels quite hard to work for.'*

At times this also involves admitting one's mistake, not being shy or embarrassed about saying 'I don't know the answer'. At others it may be 'overstepping the mark' or 'misjudging a situation', and not walking away from an apology when it is appropriate. All of these behaviours are important because they are built on principles of honesty and integrity. Previous research suggests that while followers often forgive a lapse of ability and competence, they are much less forgiving in situations where integrity and morality are lacking (Elsbach and Currall 2012).

# The trustworthy leader: human, relational and personal

*‘Human leaders are leaders who recognise that they are made up of strengths and weaknesses.’*

What emerges then from our research is that followers experience those leaders as trustworthy who they perceive to be primarily *human, personal* and *relational* (Figure 3).

## Trustworthy leaders as human

*‘He or she is a real man or woman of flesh and blood, a person.’*

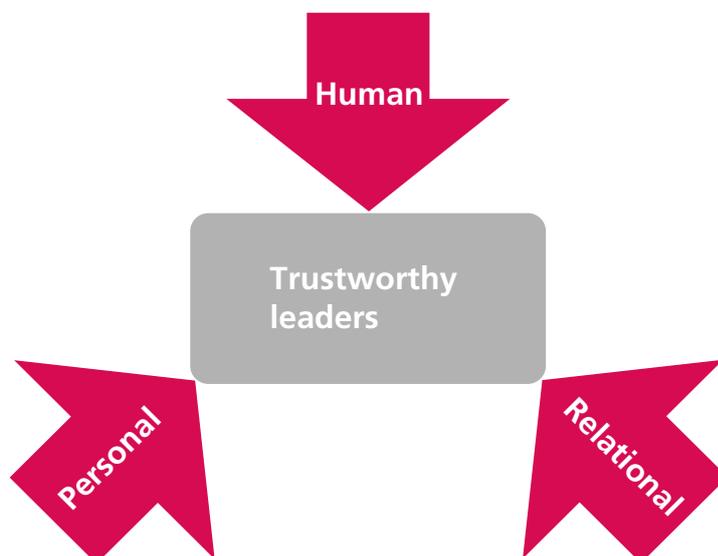
**Human leaders** are leaders who recognise that they are made up of strengths and weaknesses. However, they do not necessarily consider these weaknesses as something to be hidden but instead something that enables them to communicate their vulnerability to others. As we know, trusting others means accepting vulnerability (Rousseau et al 1998). Human leaders recognise that in order to build trust and create

sustainable trust environments, they need to share some of that vulnerability with their followers in order to signal to them their trustworthiness.

In addition, at the same time they realise that their own leadership style is an accumulation of the various experiences and elements that form part of their lives. One participant describes this in the following from his perspective of being a father and explains how fatherhood has shaped his view on leadership:

*‘I think what shaped me is my private situation where your children grow up and you start seeing them as something you made, but also as human beings that are developing and I think when my children came to the labour market, I also started to think they could be my colleagues,*

Figure 3: Characteristics of the trustworthy leader



*that also made a difference to me. Being a father certainly helped, certainly helped yes.'*

However, being human does not mean that one can always revert to one's flaws as an excuse. Trustworthy leaders need to be ready to change and adapt as they acknowledge the responsibility their role carries, within the organisation and beyond. Instead what we seek to emphasise are the various parts which go into the leader's make-up. Importantly, though, they do allow their followers to share parts of this with them.

### Trustworthy leaders as personal

*'She puts a lot into us, she will give us as much time on our personal development as we want, she's a selfless leader, she doesn't take the glory at all, it's absolutely a team event.'*

**Personal leaders** are leaders who are concerned about the people around them and enable them to reach their full potential. They do so not primarily because it helps them to advance their own careers but because they care about others and their development. In addition, they encourage others to do the same. Personal leaders are also leaders who recognise that each of their followers has something unique to contribute as they value this contribution and seek to further nourish it.

This is not to say that human leaders are entirely altruistic. They do encourage accountability of their followers. At times this will be explicit through the use of performance measurements and tools. At others it is more implicit and manifests itself when employees are given the space to develop their own responsibility. By encouraging responsibility in others, these leaders enable their employees to develop and reach their potential. Importantly, being a personal leader implies that the way people are held responsible is in a way that is supportive, non-threatening or indeed 'humane'.

*'He's very empowering; what he does is he gives you quite a lot of autonomy. ... You have to take responsibility. ... He likes to be informed, ... he wants to know the key proof points or the key things that are being ticked off. He'll always have something to add when you discuss it with him but he doesn't want to do your job for you. And he shouldn't.'*

### Trustworthy leaders as relational

*'She gets her success through us.'*

**Relational leaders** are leaders who have a relational mindset when interacting with others. They continuously try to create, sustain and build relationships as they recognise their importance in order to create environments of trust.

Relational leaders see relationships as a central component of being 'human'. It is through relationships that they can establish their own competence, for example by getting feedback from others and collaborating and consulting with them.

Importantly, the characteristics of integrity, ability, benevolence and predictability do not get lost but are the underpinning building blocks of a relational mindset. Leaders develop these characteristics through others. They are important in order to develop mutual respect and a good reputation, which are both important for trust to flourish. A relational mindset means that leaders recognise the contribution of individuals but do not lose focus of the wider network of relationships, including those that are internal to the organisation (followers, colleagues and superiors) as well as external (stakeholders outside of the organisation).

Drawing on previous literature, we position the idea of the relational mindset as opposed to a transactional, individually centred one (Chen and Miller 2011, Gratton et al 1999). As Table 2 shows, leaders with a relational mindset emphasise shared accomplishments and group performance, they care about developing long-term connections and define themselves always in interdependence with others. This corresponds strongly

**Table 2: Relational versus transactional mindset**

	Relational mindset	Transactional mindset
Interpersonal orientation	Groups and social collective	Individual
Source of success	Shared accomplishments and group performance	Individual achievement
Temporal orientation	Long term	Short term
Definition of self	In interdependence with others	Independently through oneself
Leadership style	Ubuntu	Red-cape

*‘Leaders need to bring to the surface what has remained hidden in order to be perceived as human, personal and relational.’*

to the Ubuntu philosophy that we found particularly in the leadership of Nelson Mandela. Connectedness, interdependence, humility and mutuality were all central to his leadership style, enabling him to achieve all-important change during times of great adversity.

In contrast to this we present a transactional mindset where individual achievement and short-term focus are central. Here leaders do not define their success through others, but through what they have achieved independently of them. This is often the image of the heroic leader, the saviour, which a participant in our engagement workshop referred to as ‘red-cape leadership’. These leaders often reign from their ivory towers and show little concern for the values, beliefs and motivations of their employees.

We recognise that some of these elements of being a human, relational and personal leader are easier to enact than others. Usually, we have preconceptions around what a good leader looks like. Often this is someone who we think of as heroic, all-knowing and ever-competent, a ‘red-cape leader’. It seems as if the idea of sharing vulnerability does not align with this idealised image. From this perspective, acknowledging one’s weaknesses may indeed be only seen as such – a weakness. However, based on our analysis we propose that leaders need to bring to the surface what has remained hidden in order to be perceived as human, personal and relational (Figure 4).

**Figure 4: Leadership above and under the surface**



# The space of trust

If we can clearly define how trustworthy leadership is experienced and what makes trustworthy leaders, why is it still the case that so many leaders struggle to build trust relations with their followers? In this section we argue that they may not be operating in what we call the *space of trust*, essentially the environment in which trust between leaders and followers can flourish (Figure 5). We suggest that one critical element to this space is the idea of *reciprocity of vulnerability*, which we will discuss in more depth.

## Feeling trusted and trusting others

*'Trust for me is a two-way street. I need to be trusted and I need to trust the other person.'*

First of all, our analysis suggests that spaces of trust are environments where people feel trusted by those around them. From the perspective of the employee, this most often manifests itself as they feel trusted by their leaders. The following participant talks about this in more depth, describing how her leader trusts her to deliver her work on time and to take care of important visitors in the organisation:

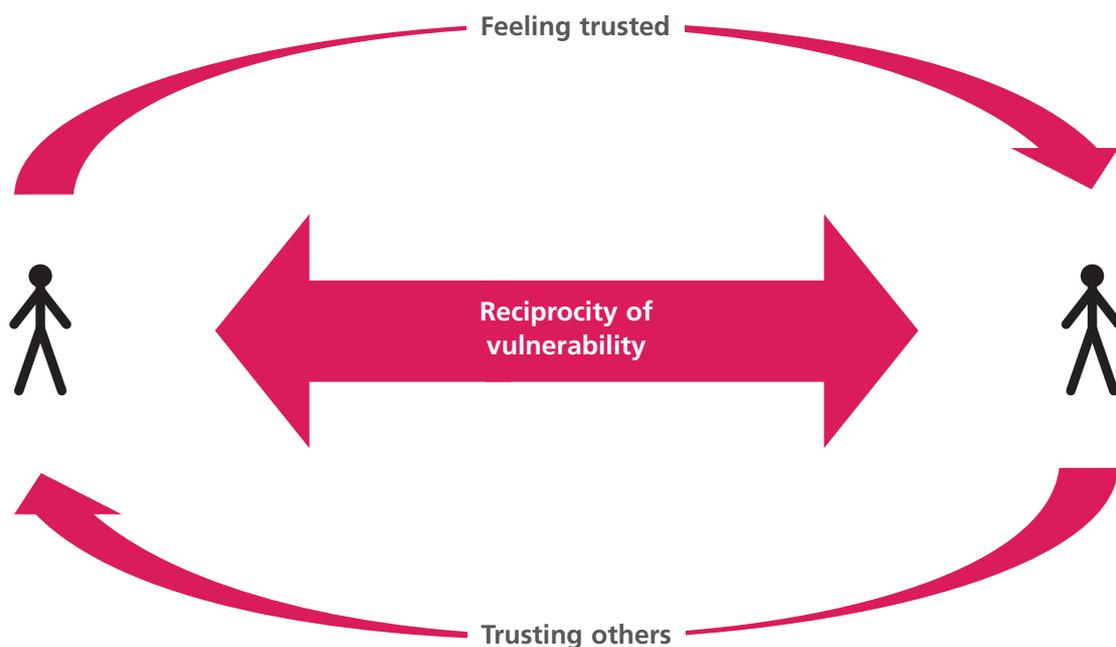
*'She has never checked whether I'm about to meet a deadline or not or anything like that, so again she trusts me to do that and we've had some quite important visitors over the last week or so which does need quite a lot of preparation. And again she's come at it from a level of trust that actually I will know all my stuff to*

*deliver on that day for whatever that visitor is. So she hasn't had to check any of that.'*

Importantly, feeling trusted also means that in case mistakes happen, these will not be punished. Employees do not live in fear of admitting their oversights but know that they can share and discuss them with their leaders to find solutions collectively:

*'He influences trust because on the receiving end he allows people to admit mistakes, he allows people to speak their mind without fear that they're going to – or any concerns that this is going to end up as they are worried about the dialogue or their vulnerability, where they've missed something. He's a master of that.'*

Figure 5: The space of trust



*‘The space of trust is not only about feeling trusted but also about trusting others.’*

It also means that followers trust their leaders to approach the situation in an appropriate way which does not expose them or let them lose face publicly:

*‘She’s very loyal to me, I can’t say anything else. I know behind her closed doors she might say, “what on earth did you do that for?” But she would support you in the public face, so I know that.’*

Importantly, what our findings also suggest is that spaces of trust exist when leaders themselves feel trusted by their employees. Trust is not a one-way street, it is not only top-down but also needs to be bottom-up. Leaders need to feel that their employees have faith in their capability to do their job, protect them when necessary, do what’s right for them and the organisation as a whole:

*‘It’s something that has to go both ways. If you trust the people that you work for, you also need for them to be able to trust you, and to have faith that you’re fulfilling your role and doing all the right things. And also coming to them for support as and when you need to. So I think that’s a definite starting point, that it’s got to go both ways.’*

As a result the space of trust is not only about feeling trusted but also about trusting others. Many of the behaviours we talked about – being honest, sharing one’s personal space – require faith that this unveiling of oneself will be interpreted in the right light and used appropriately. This requires of us, as leaders as well as followers, to trust those around us but also to recognise when we feel trusted by them.

### **Reciprocity of vulnerability**

We have talked a lot about the importance for leaders to make themselves vulnerable to their followers by, for example, sharing their challenges, motivations and values. We did so in this report as well as our last one (*Cultivating Trustworthy Leaders*). This is not an easy thing to do for leaders and often takes considerable courage – particularly as leaders see themselves confronted with ideals around what a capable leader should look like. Most importantly, it requires trust in one’s followers that they will not abuse the information, ridicule it or use it for their own advantage. It also requires followers who want to trust or find out if their leader is trustworthy.

Thus the space of trust is not only about leaders who build trust with their followers, although this will always be a crucial ingredient, but also needs followers who reflect on their own willingness to trust. To trust someone is a choice that we make which will require us to make ourselves vulnerable to our followers and leaders alike. This is the central message we like to convey through the notion of *reciprocity of vulnerability*.

The reciprocity of vulnerability:

- **leaders who make themselves vulnerable to their followers**
- **followers who make themselves vulnerable to their leaders**
- **leaders who allow their followers to show vulnerability**
- **followers who allow their leaders to show vulnerability.**

Giving and taking responsibility in the space of trust is a risk for both leader and follower. On the one side, leaders make themselves vulnerable by giving employees responsibility. This may challenge their own accountability to the people they report to in case mistakes happen. On the other side, followers make themselves vulnerable to the potential of not being able to deliver the required results and receiving responses from their leaders which might leave them feeling hurt, disappointed or challenged in their sense of self. Feeling trusted and trusting others then signals to both parties, 'I am taking a risk for you by making myself vulnerable.'

### Taking a leap of faith

*'It's analogous to faith. ... It's a belief in the intended actions of someone else, based on what they tell you they will do.'*

Rarely will we have all the information required in order to make 'definite decisions' if someone is trustworthy or not as we cannot fully anticipate how others will act and what the consequences of these actions may be. In fact, this also depends on our own 'propensity to trust'. Some will be like *'Show me first, then I will trust you second.'* Others have a *'default setting to trust'*. Even others have *'never really trusted anyone'*.

So perhaps then sometimes trust will require a leap of faith of leaders and followers alike in order to trust and feel trusted, and in order to establish the *reciprocity of vulnerability* which seems central for trust relations to grow and to be sustained. Given how our levels of trust have been challenged over the last years, this seems like one of the most difficult things to do.

Nevertheless, previously shared experiences will always provide vital clues; hence, engaging in the practices of trustworthy leadership that we have identified will always be key. In our first report we referred to this in the context of needing to have a 'trust fund'. Talking about the importance of faith, one participant captured a similar metaphor in his interview, when he suggested that by behaving in a trustworthy way over time:

*'You start to build the bank of faith.'*

# The challenge of distance

We repeatedly argue that trust is at its heart relational and that it needs strong relations to grow and sustain. What we saw in our empirical material is that this is much more challenging when there is perceived distance between leaders and their employees. This distance can result from either of the following:

- lack of proximity and interactions
- differences in values between leader and follower.

## Proximity and frequency of interactions

Our findings suggest that often the more information we have available, the more confident we are in making a decision to trust someone. Because trust is a personal, relational construct, this requires leaders to directly interact with their followers. Those leaders in our study who do this well talked about the importance of walking around, actually physically visiting people and having offices which are located centrally rather than detached in the periphery. Communication is personal and individualised rather than en masse and detached.

If there is a lack of interaction between the leader and other people, many will thus not feel that they have the necessary input to make an informed judgement, as the following participant explains:

*'I would actually claim that I don't have enough information or data to comment on that fairly. I just don't see, I mean, I'm not in BigCity, I don't interact with him*

*when he's doing those kinds of conversations.'*

What is also important is the level of closeness or proximity between leaders and their subordinates. Employees who feel that they have a close relationship with their leader, either because of the way reporting lines are structured, that is, when they are direct reports, or when having a personal connection to their leader, tend to interpret their actions in a more favourable light. Often they are more willing to forgive lapses by the leader or able to interpret them in the wider context of their interaction. People who are more distant will often not make the same inferences and hence may trust less:

*'Does everybody see her in the same way or in the same light? I'd say, no. I think some people have found it so difficult and I don't think have understood the motives and the reasons why things have changed.'*

## Differences in values

The second relational characteristic is to what degree employees feel that their values align with those of their leader. Usually, in cases where there is higher congruence, the willingness to trust tends to be higher. Importantly, these values will be informed by their own personal background, expectations of leadership as well as the wider ecosystem in which they work.

Sometimes, a sense of congruence emerges because of similar backgrounds which may translate into a similar way of seeing the organisation and its role:

*'Over time, we realised we had a lot of similar backgrounds, very similar background. ... I think you understand why you are both at the same place, and you see business the same way.'*

At others because the leader engages in the type of leadership that the follower values:

*'He's my kind of leader. My kind of leader is somebody who again may be going at the old-fashioned stuff but for me leading by example is very important and he does lead by example.'*

When there is perceived difference between what a leader should look like, do or how they should interact with others, this can send a negative cue which may make trust relations more difficult to establish:

*'She has a very quick mind. This can sometimes lead people to think that there is an ulterior motive. She sees the big picture and that is good for her role but sometimes for her direct reports that can be difficult to relate to.'*

In sum, both of these relational characteristics are important as they have the potential to influence the strength of the relationship between leader and follower. Personal interaction and communication is still valued by the majority of people. At the same time employees care about the organisation they work for as well as the stakeholders they interact with. In order to trust their leaders, they need to feel that they do the same.

# Benefits of trust relationships

Throughout this report, we have emphasised the importance of creating environments in which trust can flourish. So why does trust continue to be important for organisations? What are the organisational benefits that can be achieved when a space of trust is created? We alluded to some throughout this report and summarise them here, linking to previous literature (Dietz and Gillespie 2011, Searle and Skinner 2011):

- higher employee engagement and commitment
- feeling empowered
- positive work climate
- information-sharing and knowledge exchange
- co-operation and problem-solving
- operational efficiency
- reduced cost due to higher productivity and lower turnover
- increased individual, group and organisational performance.

Our analysis also revealed some additional interesting benefits of high-trust relations. We summarise these in the following and explain why they are important:

- feeling of safety
- feeling of pride
- feeling of inclusion.

## Feeling of safety

Based on previous research we know that trust leads to a positive work environment. In addition, we suggest that trust creates an environment which is first and foremost perceived as safe by employees. This is important for several reasons. First, employees who feel safe and protected tend

to feel less at risk. This means they are not afraid of making mistakes, exploring new ideas and paths and actually wanting to be empowered:

*'It is about the safe environment. People have to have an environment in which they work, in which they can make mistakes, in which they feel well, when they feel they can be themselves and this gives trust to them.'*

This in turn may foster their sense of contribution to the organisation and increase workplace satisfaction.

Working in a safe environment also means that leaders as well as followers are not afraid of challenging others, for example in situations where there may be questions around the suitability of decisions:

*'It's about having that safe environment. It's about being able to do what needs to be done. Recognising things won't always go in the way that you want them to, being able to have mature conversations about that, and being able to put the challenge in. Being able to, it's, you know, "This isn't where we want it to be or absolutely..." , whatever it is.'*

A safe environment created through mutual trust may hence improve the quality of decision-making and create greater support from others in the organisation for the decisions made:

*'If I'm in a management team meeting or if I'm with the senior management team, I expect to be able to say anything I like in*

*'A safe environment created through mutual trust may hence improve the quality of decision-making.'*

*that room, within reason, in a very robust way and that no one goes out of that room sulking about it ... because otherwise we are in an organisation that's trusting one another, and trust, that's a safe place so let's make it a safe place.'*

### **Feeling of pride**

Our analysis also reveals that trust and pride may be closely related. One of our participants describes this in the following:

*'If you trust things you probably will be proud of it and if you are proud of it, you probably also will trust it. I think one of the two cannot exist without the other.'*

Feeling trusted by being given responsibility to do one's job has the potential to create a sense of pride as employees care for what they do. This in turn can improve work outcomes as they take greater ownership of their work and increase job satisfaction. Importantly, a sense of pride in one's leader, colleagues and the organisation will influence how employees communicate about their workplace externally and their efforts to build trust relations with other stakeholders:

*'If somebody tells you a nice story about [the company], you feel proud, and if you are proud you probably feel good about the company. And next time it makes you tell something about the company to a customer and then also excel if something goes wrong to fix it and to make the customer happy again. So by doing that, you regain trust from the public again.'*

### **Feeling of inclusion**

Based on our participant interviews we also saw how trustworthy leadership, particularly by engaging with people through a relational mindset, may lead to greater feelings of inclusion. Previous research suggests that inclusion leads to employees having a sense of belongingness in the workplace (Prime and Salib 2014). This in turn may evoke feeling greater responsibility for the performance of the team or the organisation as well as increased citizenship behaviour.

The feeling of inclusion also means a better understanding of the wider implications of one's actions on the people around and how each and every member integrates in the greater whole:

*'It's you've got a set of objectives as a team, what does that mean? Do you understand everybody else's? How do they play together? How do yours impact other people's?'*

This further manifests itself in a sense of unity which is shared among leaders and followers as well as an environment of mutual support:

*'Trust means to me that we're all working for the same goal and we inherently want to work and we want success for each other, so trust is about not letting each other down.'*

*'We're all helping each other achieve them, so there's nobody catching each other out.'*

As these findings indicate, trust relations provide the building

blocks for other positive feelings to emerge. This includes a sense of safety and security, inclusion and having pride in one's work, leaders and the organisation. These in turn may lead to higher satisfaction, greater commitment, improved decision-making and willingness to become an ambassador for the organisation externally. Arguably, if we were to take trust out of the equation, each of these benefits would be much more difficult to achieve. For example, our first report showed how a lack of trust by customers externally meant that public service professionals had less pride in their work. At the same time, trust issues within some organisations led to them experiencing lower levels of security and inclusion. All of these may potentially lead to detrimental workplace outcomes.

# Lessons learned and implications for HR

We want to conclude this report with some of the lessons for trust in organisations more broadly as well as for the development of trustworthy leadership specifically, emphasising particularly the role that HR may play in both.

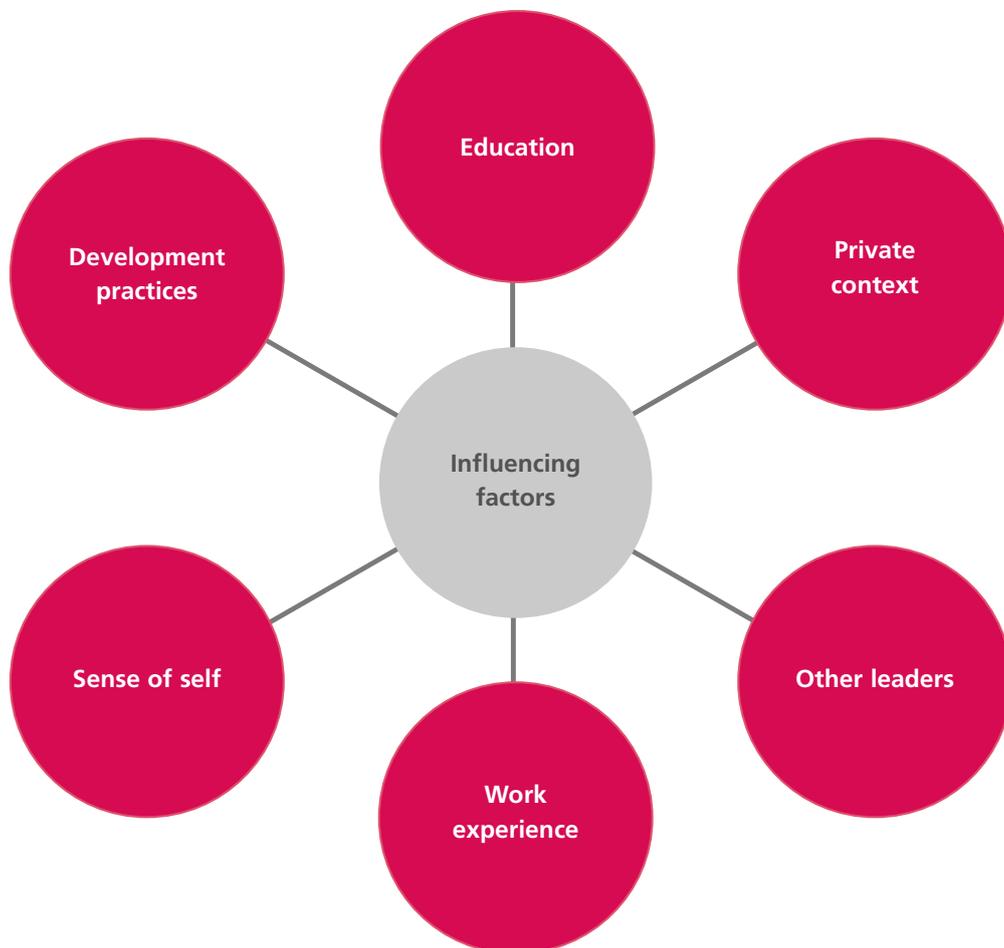
These include:

- the need to enable holistic leadership development
- the challenge of proximity in a mobile world
- HR's role in the space of trust
- the importance of trust for organisations, their leaders and followers.

## The need to enable holistic leadership development

When being asked what influences their leadership style, many of our participating leaders did not mention HR practices and policies but instead talked about their private life, experience with other leaders, former bosses and so forth (see Figure 6). All of these elements are central to who they are as human beings. However, most leadership development programmes in their organisations do not sufficiently allow them to explore these factors.

Figure 6: Factors influencing leadership style



From our last report we know that some innovative practices, such as the whole-person interviewing conducted in the John Lewis Partnership (JLP), seek to capture these personal influences and experiences when selecting leaders. We propose that there is still potential for HR to create development practices that can enable leaders to explore themselves from a holistic perspective.

### **The challenge of proximity in a mobile world**

One of the potential challenges our research brought up is the ability of leaders to develop sustainable relationships with their followers in a world of work that is increasingly mobile and international. Trust requires a sense of proximity, frequent interactions, the feeling of being cared for which cannot be achieved by, for example, using mass communications.

We cannot offer a solution to this challenge. However, our data suggests that despite these challenges being shared, some leaders do a better job at having personal relations than others. What potentially distinguishes these leaders seems to be that they really care about making these albeit limited interactions count by taking the time and courage to really engage with the people around them on a human level. These are also leaders who adopt the relational mindset we describe.

### **HR's role in the space of trust**

Our study also points us to the role of HR in fostering environments of trust in organisations. In both previous reports we have shown evidence of the important role that HR may play in creating environments of trust. This includes, for example, the restructuring of communications and enabling cultural change (*Where Has All the Trust Gone?*) as well as

the strengthening of individual trustworthiness through various leadership selection, development and assessment practices (*Cultivating Trustworthy Leaders*). Based on the findings of this report, we encourage HR professionals to reflect on their own role in what we have called the space of trust, particularly in relation to the *reciprocity of vulnerability*.

Does the way in which HR practices and policies are currently designed enable this sharing of vulnerability? In a more formal sense it seems to do so by providing the tools to establish accountability. It also helps to formalise the gut feel that many rely on when deciding who to trust by providing additional cues or information. However, we wonder about the additional role that HR may play in enabling the dialogue around vulnerability and the leap of faith to trust. In addition, HR professionals could also reflect on how they perceive their role and the importance of sharing their vulnerabilities embedded within that.

### **The importance of trust for organisations, leaders and followers**

Finally, our findings continue to show the importance of trust for organisations and their leaders. What we have emphasised in this report is the role of the employee and how they experience trustworthy leadership. Employees who trust are more likely to want to take on responsibility and grow. They are also more likely to go the extra mile and be committed to their work. Employees who trust their leaders tend to stand by their leaders in times of adversity and will support their efforts for change.

While leaders should seek to build trust with those around them, we showed that employees need to be willing to trust those who lead them. Some will have a higher

propensity to trust. Most often, trust is a mutual effort that will require courage from both parties. Trust cannot be gained overnight. It will take time and continuous effort from both sides. Most importantly, it will ask that both leaders and followers recognise and appreciate each other as human beings who develop personal relationships.

# Appendix: Additional information about data collection and analysis

Our sources of data for this research report were in qualitative form and included:

- face-to-face interviews
- telephone interviews
- documentary evidence from companies.

In eight organisations we conducted 84 interviews lasting between an hour and an hour and a half with a selection of informants including:

- leaders
- people who worked with, for, or around those leaders.

These interviews were conducted by various members of the research team. All interviews were audio recorded and transcribed professionally. A researcher then coded the interviews using a combination of techniques including open coding and established codes from previous trust research.

In addition to the above, we made use of documentary evidence provided by our participating organisations to inform our analysis.

Our sources of data for the *Cultivating Trustworthy Leaders* research report were in qualitative form and include:

- face-to-face interviews
- telephone interviews
- documentary evidence from companies.

In 13 organisations we conducted 53 interviews lasting between an hour and an hour and a half with a selection of informants including:

- senior HR practitioners
- senior HR managers or directors operating at strategic level
- senior business managers or directors including CEOs, general managers, heads of departments and senior strategists.

These interviews were conducted by various members of the research team. All interviews were audio recorded and transcribed professionally. A researcher then coded the interviews using a combination of techniques including open coding and established codes from previous trust research.

In addition to the above, we made use of documentary evidence provided by our participating organisations to inform our analysis, such as competency frameworks, selection criteria, leadership behaviours and leadership strategy documents.

Our sources of data for the *Where Has All the Trust Gone?* research report were in quantitative and qualitative form and included the CIPD's *Employee Outlook* survey. The profile of the sample used was derived from census data or, if not available from the census, from industry-accepted data. Panellists who matched the sample profile were then selected randomly from YouGov's UK panel and contacted by email to take part in this online survey. The sample includes respondents from public, private

and voluntary organisations of different sizes and from a range of different levels of seniority, from clerical grades all the way to owners and directors.

Measures used:

The respondents were asked to complete a series of scales, which measured: organisational trust, organisational distrust, senior manager trust, behaviour of line managers and reciprocated trust from managers towards employees. They were also asked to indicate how their organisation has responded to the economic downturn, with a range of answers from pay freezes to redundancy. In addition, we included questions about changes in their organisation climate over this period, including feeling less secure about their employment to increases in conflict and office politics. From these data a number of scales were produced. Where a published scale was being used, confirmatory factor analysis ensured that the items clustered as expected; alternatively we used factor analysis to create statistically derived composite measures, particularly for the HR practices and climate assessment. In each scale reliabilities were obtained using Cronbach's alphas to ensure a high internal consistency.

The focus of this survey was on trust in organisations and its repair. As there is still some debate as to what constitutes organisation-level trust, we wanted to examine a range of distinct influences on employees' trust. We measured organisation-level trust using four items derived from Robinson's

(1996) measure, and also used a three-item measure derived from Robinson's aforementioned measure, but focused on assessing organisational distrust. We measured trust in senior leaders and managers using a five-item scale. We examined line managers' behaviour using a 13-item scale that looked at a broad range of direct managers' activities, from clarifying job role to informing staff about their performance and organisational matters, through to coaching them to improve. In addition, we used an item taken from Deutsch-Salamon and Robinson's (2008) collective-felt trust scale, which captures how far employees believe that managers trust them. We also included employees' perceptions of whether their employer would take steps to actively resolve breach should one occur.

HRM practices were assessed using items derived from Tekleab and Taylor's (2003) scale that looked at organisation obligations to the employee, such as training opportunities, salary cuts, increases to working hours, job insecurity, and so on. In addition, we included four items measuring negative organisational climate, such as increases in bullying, stress levels, mental health strain or

more physical health symptoms, and three items looking at more positive organisational climate, including opportunities to progress, for skills development and general confidence. We included two items looking at the adequacy of organisational communication, including bottom-up communication.

We looked at a range of different outcomes, including items measuring: job satisfaction (Trevor 2001); intention to leave the current job role (Landau and Hammer 1986); recommending their employer to others and two items measuring organisational citizenship, focusing on support for colleagues through taking on additional roles.

Qualitative data:

The qualitative data collection took four forms:

- face-to-face interviews
- face-to-face focus groups
- practitioner workshop
- documentary evidence from companies.

In 14 organisations we conducted face-to-face interviews lasting one hour with at least:

- a senior HR practitioner as gatekeeper to negotiate access
- a senior HR manager or director operating at strategic level
- a senior business manager or director – including either the CEO, MD or COO, commercial director, operations director or senior strategists
- another HR manager with specific responsibility for trust or employee engagement
- two middle managers.

In addition to the above, in 5 of the 14 organisations we also conducted face-to-face interviews lasting one hour and face-to-face focus groups lasting 90 minutes with:

- two additional middle/senior managers
- two groups of 10–15 lower-level employees who directly reported to the middle managers above.

All interviews and focus groups were taped and downloaded into a database. A selection of these 90 hours of 220 people's views and observations were transcribed professionally and then coded by a researcher using established code from previous trust repair and trust research.

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