

5 Facts All Leaders Need to Know About Trust

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Earlier this year, Jack Welch, ex-CEO of General Motors, was asked in an interview 'What is leadership all about?' He replied, 'Leadership is about two words; truth and trust'. But what is trust? How does trust work? Why bother building trust? These questions were the focus of my recent workshop at the 10 year anniversary conference of 'Coaching at Work'. Reflecting on the session, I have captured below the five **facts** I believe all leaders need to know about trust.

Fact 1 – Trust matters

It is not only Jack Welch that believes trust is critical to leadership. Back in 1975, Golembiewski and McConkie claimed that 'There is no single variable which so thoroughly influences interpersonal and group behaviour as does trust'. In 2002, Tony Simons and Judi Parks at Cornell University followed up by conducting a survey of more than 6,500 employees at 76 US and Canadian Holiday Inn hotels. They discovered that a one-eighth improvement in a hotel's score on leadership trustworthiness led to a 2.5% increase in profitability. They concluded by stating. 'No other single aspect of manager behaviour that we measured had as large an impact on profits'.

Fact 2 – You cannot control trust

According to Rousseau, 'Trust is a psychological state that comprises the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another'. In other words, based on rational, emotional and moral computations I conclude that, on balance, I have positive expectations of your future behaviour and therefore I am going to take the risk of trusting you. It is my psychological state and my decision. Whatever you, the leader, thinks, says or does, you cannot force me to trust you. However, as a leader, you can influence my decision and what influences my decision is your level of trustworthiness.



Fact 3 – Trust and authority are not the same thing

In the past, we trusted people because we were told to trust them by people in authority. When you were a child, you watched the prime minister speaking on TV and you might have said, 'he looks a bit shifty to me', and, no sooner had the words left your lips, your mother would snap back, 'But you should trust the prime minister!' 'Why mum?', 'Because he is the prime minister'. This is how it worked, but this model is breaking down. As part of my research into trust, I interviewed Ben Page, CEO of the market research company, IPSOS Mori. Ben told me that their surveys reveal the level of deference to authority is dropping with each successive generation – 'today, only 29% of us believe that those in charge know best'.

Fact 4 – Transparency exposes trust (or the lack of...)

The YouTube video clip 'United Breaks Guitars' (<https://www.youtube.com/watch?v=5YGc4zOqozo>) has clocked up over 14 million views since it was first posted in 2010. The clip is a humorous spoof by a disgruntled passenger whose beloved guitar was broken in transit during a United Airlines flight. Upon its posting, the share price of United Airlines dropped 10%. Its author, Dave Matthews, subsequently wrote a book titled 'The power of one voice in the age of social media'. The video is a testament to the power of transparency to expose the truth. Technology, globalisation, diversity and Generation Y are all trends driving greater transparency and transparency will reveal trust (or the lack of it).

Fact 5 – Trust has three pillars

There have been some fine academic arguments as to what inspires trust in others. Thankfully, Burke and his research team summarised a thirty year debate concluding that all models of trust could be boiled down to three pillars:-

1 Ability

2 Integrity

3 Benevolence

The pillar of ability refers to our professional competence to fulfil the core task of leadership; delivering results. You can be as nice as you want and honest and caring, but if you keep letting me down in terms of delivery, your trustworthiness will be shot. The second pillar of integrity refers to the extent to which we 'walk the talk'. We need to be reliable in our behaviours and consistently live up to the values and standards we have set for ourselves and the organisation. The third pillar of benevolence refers to our concern for the well-being of others. We show our good wishes to others through care, generosity and kindness. As another of the CEOs I interviewed put it, 'The most powerful destroyer of trust is when you feel the other person is acting in their own best interest and not in yours'.

There are many more facts about trust that we can learn and I will be diving deep into this topic in my forthcoming book 'Building Tomorrow's Executive Leaders: The three pillars and nine habits that inspire trust'. However, for now, I hope these five facts shed fresh light on Jack Welch's earlier soundbite, 'Leadership is about two words; truth and trust'.

For those who wish to explore this topic in more detail, 'Coaching at Work' have launched a discussion thread via their LinkedIn group – see <http://bit.ly/1IC9UOd>

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