



## Building Trust

# Trust: An Essential Ingredient for Leadership Success

A key component of successful working relationships between leaders and followers, trust enables cooperation, encourages information sharing, and increases openness and mutual acceptance.

Regarding the concept of trust, there are several dimensions to consider. In the meta-analysis by Colquitt, Scott, and LePine (2007), the researchers offer the following definitions of each dimension.

1. Trustworthiness – The extent to which an individual is perceived to demonstrate ability, benevolence, and integrity. Two elements of leader trustworthiness are distal trust (trustworthiness of the organisation’s senior or strategic leaders) and proximal trust (trustworthiness of the direct report’s immediate manager)
2. Propensity to Trust – A willingness to rely on others
3. Trust – The intention to accept vulnerability to a trustee based on positive expectations of his or her actions

In this paper we will explore the concept of leader trustworthiness in regard to direct reports’ trust in their immediate manager.

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In their meta-analysis Dirks and Skarlicki maintained that in addition to its role in leadership theories, trust in one's leader has been linked to positive job attitudes, organisational justice, psychological contracts, and effectiveness in terms of communication, organisational relationships, and conflict management.

Even though trustworthiness is an important attribute, the reality is leaders may be falling short in this area. According to Tolero Solutions, 45 percent of employees say lack of trust in leadership is the biggest issue impacting work performance.

An article in *Chief Learning Officer* stated that surveys and studies point to worsening levels of low trust in leadership and organisations. Interaction Associates' Building Workplace Trust 2014/15 report states only 40 percent of employees have a high level of trust in their management and organisation. The research states that while employees said trust in their bosses and senior leadership is critical to be effective in their jobs, 25 percent reported lower levels of trust in those two groups than they did two years before.

The concept of a leader's trustworthiness was defined by Colquitt et al. as the ability, benevolence, and integrity of the trustee, which are influenced by the leader's behaviour as well as the follower's propensity to trust.

A meta-analysis by Daniel McAllister, a professor at Georgetown University and noted researcher in the field of trust, indicates that in general, interpersonal trust is a pervasive phenomenon in organisational life. His research supports the notion that trust enables people to take risks because trustworthiness produces the perception that they will not be taken advantage of. Furthermore, trust is based on the belief that one will experience what they expect rather than something unknown or even feared. Thus, competence and responsibility are central to understandings of trust. Sometimes an individual's trust is centered more on how others make decisions that affect him or her than on how they behave and whether the individual believes that his or her interests and welfare are being considered. Finally, trust encompasses not only people's beliefs about others, but also their willingness to use that knowledge as the basis for action. Combining these ideas, McAllister defines interpersonal trust as the extent to which a person is confident in and willing to act on the basis of the words, actions, and decisions of another.

McAllister's research supports a framework for interpersonal trust as having both cognitive and affective foundations. Trust is cognition based in that people choose who they will trust in which respects and under what circumstances, and they base the choice on what they decide to be reasonable evidence of trust. Affective foundations for trust consist of the emotional bonds between people, who, when making emotional investments in trust relationships, have genuine care and concern for the welfare of others, believe in the intrinsic virtue of such relationships, and believe that these sentiments are reciprocated. His research ultimately shows that the emotional ties linking individuals can provide the basis for trust.

McAllister's meta-analysis also offers empirical evidence from other researchers in the social-psychological literature on trust in close relationships, which supports this distinction between the two forms of trust labeled as "reliableness" and "emotional" trust. Additional research distinguishes between "dependability" and "faith" (emotional security) as unique forms of trust.

Dirks and Skarlicki's meta-analysis suggests two qualitatively different theoretical perspectives of trust in leadership in the literature: a relationship-based perspective and a character-based one. They elaborated on research by Mayer et al. (1995) that provided a model proposing that when followers believe their leaders have integrity, capability, or benevolence, they should be more comfortable engaging in behaviors that put them at risk (e.g., sharing sensitive information).

Empirical studies by Connell, Ferrer, and Travaglione, 2003; Corbitt and Martz, 2003; Costa, 2003; Dirks and Ferrin, 2002, all cited in Norman et al. (2010), have shown that having trust in one's leader, in turn, has been tied to desirable performance outcomes such as satisfaction, retention, commitment, organisational citizenship behavior, and performance.

As researchers and practitioners, we've long thought the concept of leader trustworthiness likely to positively correlate to follower satisfaction, positive work affect, and positive work intentions. In light of these data, the researchers at Blanchard® designed a study to learn more about the impact of leader trustworthiness on employee intentions.

The study was designed to explore the connections between the dimensions of trust in one's leader and work intentions, such as Intent to remain with the organisation, Intent to expend discretionary effort on behalf of the organisation, Intent to be a good organisational citizen, Intent to perform at high levels, and Intent to endorse the organisation as a good place to work. Our research has shown that these five intentions are strongly correlated to employee work passion. (See *Employee Work Passion – Volume 3*.) Our hypothesis was that leader trustworthiness would have a positive correlation with the five work intentions.

## Study Methodology

Approximately 1,850 management and nonmanagement professionals from organisations based in many countries, including the United States, participated in the study. The study was distributed to a convenient sample using the Qualtrics software platform. Respondents were given the opportunity to opt out of the study at any point. The data were analyzed using RMediation and MPlus. For the demographic breakdown of the respondent base, please see Appendix 1.

This study used McAllister's 11-item Affect and Cognitive Trust Scale, which uses a 7-point Likert scale with response possibilities ranging from Strongly disagree to Strongly agree. The scale included items such as, "Given my leader's track record, I see no reason to doubt his/her competence and preparation to do the job" and "I can talk freely to my leader to discuss difficulties I am having at work and know that he/she will want to listen."

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The analysis revealed a large degree of correlation between trust and all five work intentions.

Blanchard’s Work Intention Inventory (WII) was also included; it uses five intention measures—Intent to exert discretionary effort on behalf of the organisation (I intend to volunteer to do things that may not be part of my job), Intent to perform (I intend to work efficiently to achieve all my work goals), Intent to endorse the organisation (I intend to talk positively about this organisation to family and friends), Intent to remain with the organisation (I intend to stay with this organisation even if offered a more appealing job elsewhere), and Intent to be a good organisational citizen (I intend to respect this organisation’s assets). From earlier research, we know that these work intentions ultimately predict behaviour. When the scores in the five intention scales are high, it’s an indication of the presence of positivity and high levels of work passion. The five intention scales each contain three items and use a 6-point Likert scale with response possibilities ranging from To no extent to To the fullest extent.

The analysis revealed a large degree of correlation between trust and all five work intentions. See Figure 1. Our analysis also revealed interesting correlations between Affective Trust and the five intentions and between Cognitive Trust and the five intentions. See Figures 2 and 3. All data in Figures 1, 2, and 3 represent total scores.

Figure 1 shows that trust in one’s leader has a large degree of correlation when looking at the five intentions as a distinct unit. Therefore when individuals trust their leader, they will likely have higher intentions at work. The data in Figures 2 and 3 show that while there are several statistically significant and positive correlations between affective and cognitive trust and work intentions, the two intentions most highly correlated with trust are Intent to endorse the organization and Intent to remain with the organisation, as these are the only two intentions that correlate with both types of trust.

**Figure 1 – Correlation Coefficients for Trust and Work Intentions**

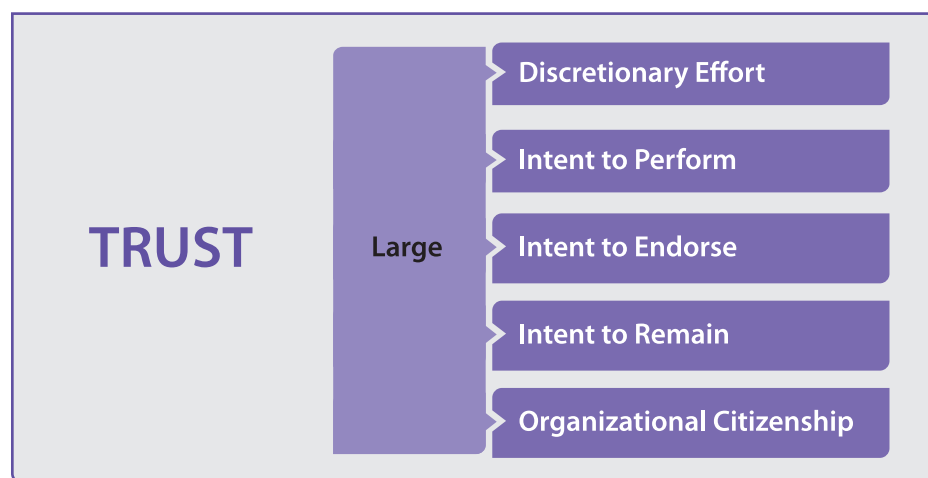


Figure 2 shows that affective (emotional) trust in one’s leader has a large positive correlation to Intent to endorse and Intent to remain and a medium degree of correlation to Discretionary effort. No correlation was found between Affective trust and Intent to perform or Intent to be a good organisational citizen.

**Figure 2 – Correlations between Affective Trust and the Five Work Intentions**

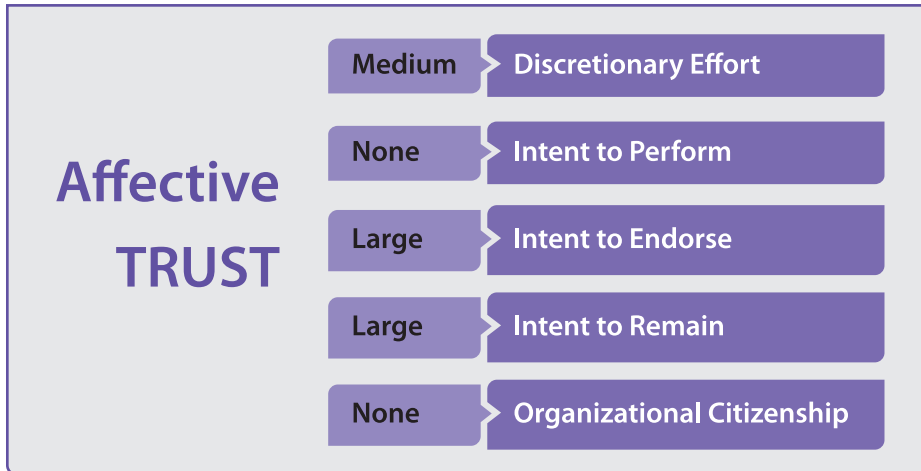
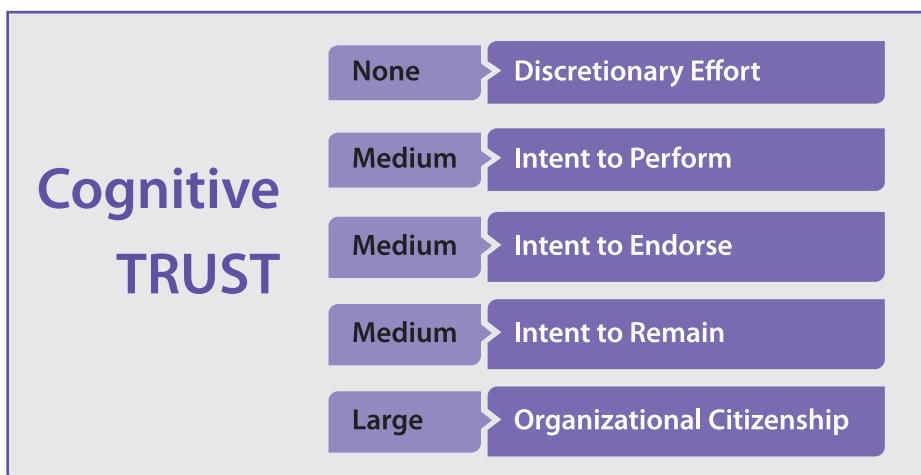


Figure 3 shows that in regard to cognitive trust, there is a large positive correlation to Be a good organisational citizen and a medium correlation between Cognitive trust and Intent to perform, Intent to endorse the organisation, and Intent to remain with the organisation. There was no correlation between Cognitive trust and the Intent to expend discretionary effort on behalf of the organisation.

**Figure 3 – Correlations between Cognitive Trust and the Five Work Intentions**



(Emotional) Trust in one’s leader has a large positive correlation to Intent to endorse and Intent to remain and a medium degree of correlation to Discretionary effort.

## Conclusions

Being trustworthy is one of the keys to leadership success and an essential component of successful working relationships between leaders and followers. When a leader is considered trustworthy, he or she enables cooperation, encourages information sharing, and increases openness and mutual acceptance with the people he or she manages.

Having the demonstrated ability to do one's job, being someone others can count on, and being honest, compassionate, and fair are all ways a leader can build trust with their direct reports. And when individuals have trust in their leaders, they also have higher intentions to remain with their organisations, put forth discretionary effort on behalf of their organisations, endorse the organisation as a good place to work, and behave in ways that benefit the organisation.

Yet when it comes to being trustworthy, leaders often fall short in meeting the expectations of their direct reports. Given the evidence of the positive results connected to trustworthy leaders, organisations should consider educating leaders in regard to what builds trustworthiness as well as the merits of developing behaviors that inspire trust in others.

### APPENDIX 1

#### Demographic Breakdown of Respondent Base

##### Manager/Non-Manager

Managers	67%
Non-Managers	33%

##### Gender

Male	40%
Female	60%

##### Range of Year of Birth

1926–1942	.5%
1943–1960	41%
1961–1981	54%
1982–present	4%

##### Level of Education

GED	3%
High School Diploma	9%
2-Year Degree	9%
4-Year Degree	34%
Master's Degree	39%
PhD	8%

**Global Location**

Australia/New Zealand	2%
Canada	4%
Europe	13%
Africa/Middle East	2%
Latin America	3%
United States	68%

**Number of Employees in Organization**

(Headquarters and regional offices worldwide included.)

0–250 employees	20.12%	102
251–500	10.65%	54
501–1,000	8.48%	43
1,001–2,500	9.27%	47
2,501–5,000	11.83%	60
5,001–10,000	8.68%	44
10,001–15,000	5.52%	28
15,001–20,000	4.34%	22
More than 20,000	21.10%	107

**Global Location**

Asia Pacific (including Australia & New Zealand)	4.73%	24
Canada	0.99%	5
EMEA—Europe (excluding the UK), Middle East, & Africa	4.54%	23
Latin America (Mexico, Central America, & South America)	2.17%	11
United Kingdom	1.58%	8
United States	81.07%	411
Other(s)	4.93%	25

## APPENDIX 2

### Demographic Breakdown of Respondent Base

#### Manager/Non-Manager

Managers	66%
Non-Managers	33%

#### Gender

Male	41%
Female	58%

#### Range of Year of Birth

1926–1942	.5%
1943–1960	30%
1961–1981	60%
1982–present	9%

#### Level of Education

GED	3%
High School Diploma	9%
2-Year Degree	9%
4-Year Degree	34%
Master's Degree	39%
PhD	8%

#### Global Location

Australia/New Zealand	2%
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## About the Researchers

**Drea Zigarmi, EdD**, is coauthor of *Leadership and the One Minute Manager*, *The Leader Within*, *Achieve Leadership Genius*, and *The Team Leader's Idea-A-Day Guide*. Drea is the Director of Blanchard's Employee Work Passion research team and co-developed The Employee Work Passion Assessment (EWPA). He has also coauthored numerous Blanchard® products, including the widely used SLII®, DISC, and Optimal Motivation™ programs. Drea received a bachelor's degree in biology from Norwich University; a master's degree in humanistic education; and a doctorate in education, administration, and organisational studies from the University of Massachusetts, Amherst.

**Randy Conley** is a Vice President & Trust Practice Leader for Blanchard. He is the co-author of Blanchard's Building Trust training program and works with organisations around the globe helping them build and restore trust in the workplace. Randy is the co-author of the book, *Simple Truths of Leadership—52 Ways to Be a Servant Leader and Build Trust*, and his award-winning *Leading with Trust* blog has influenced over 4 million viewers since its inception. Trust Across America recognised him with a Lifetime Achievement Award for his work in the field of trust, and Inc.com named him a Top 100 Leadership Speaker and Thinker.

**Dobie Houson** is a former Director of Marketing Research for Blanchard responsible for competitive, market, and customer intelligence.

Blanchard® is a global leader in leadership development, consulting, and coaching. For more than 40 years, Blanchard has partnered with organisations to maximise individual achievement and organisational performance – bringing measurable progress and true transformation. Blanchard’s SLII® is the global leadership model of choice, powering inspired leaders for more than 10,000 organisations worldwide. Blanchard also offers a suite of award-winning solutions through flexible delivery modalities to meet the specific needs of clients and learners.

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