



## 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 organization’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, organizational justice, psychological contracts, and effectiveness in terms of communication, organizational 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 a recent issue of *Chief Learning Officer* stated that surveys and studies point to worsening levels of low trust in leadership and organizations. Interaction Associates' Building Workplace Trust 2014/15 report states only 40 percent of employees have a high level of trust in their management and organization. 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 behavior 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 organizational 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, organizational 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 The Ken Blanchard Companies® 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 organization, Intent to expend discretionary effort on behalf of the organization, Intent to be a good organizational citizen, Intent to perform at high levels, and Intent to endorse the organization 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 organizations 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 organization (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 organization (I intend to talk positively about this organization to family and friends), Intent to remain with the organization (I intend to stay with this organization even if offered a more appealing job elsewhere), and Intent to be a good organizational citizen (I intend to respect this organization’s assets). From earlier research, we know that these work intentions ultimately predict behavior. 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 organization, as these are the only two intentions that correlate with both types of trust.

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

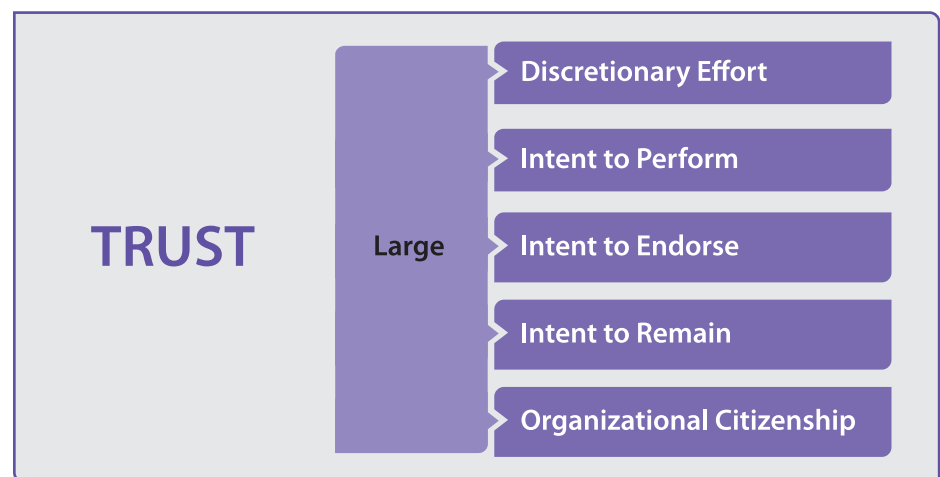
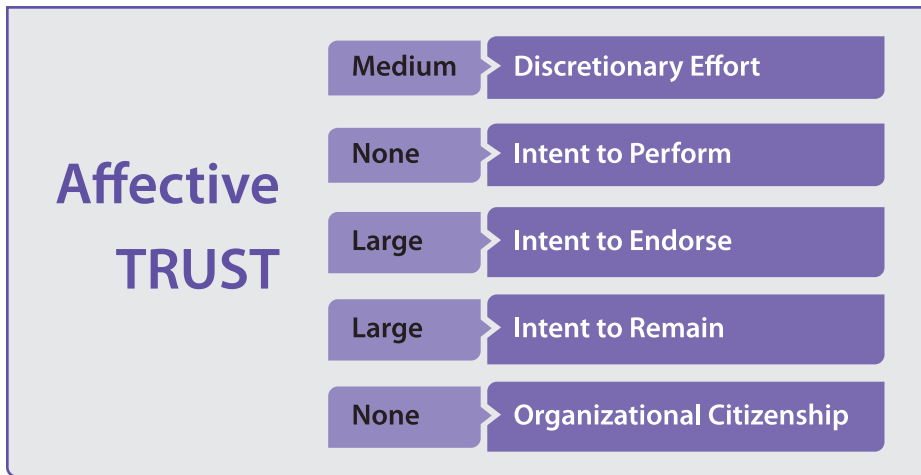


Figure 2 shows that affective (emotional) trust in one’s leader has a large positive correlation to Intent to endorse and Intent to remain and a medium degree of correlation to Discretionary effort. No correlation was found between Affective trust and Intent to perform or Intent to be a good organizational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

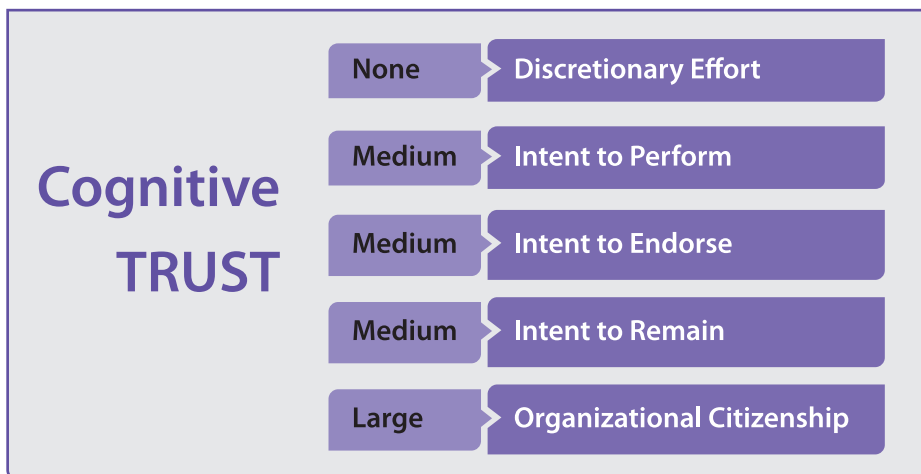
**Figure 2 – Correlations between Affective Trust and the Five Work Intentions**



(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.

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

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



## 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 organizations, put forth discretionary effort on behalf of their organizations, endorse the organization as a good place to work, and behave in ways that benefit the organization.

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, organizations 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

|              |     |
|--------------|-----|
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| Non-Managers | 33% |

#### Gender

|        |     |
|--------|-----|
| Male   | 41% |
| Female | 58% |

#### Range of Year of Birth

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|--------------|-----|
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| 1961–1981    | 60% |
| 1982–present | 9%  |

#### Level of Education

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#### Global Location

|                       |     |
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| Australia/New Zealand | 2%  |
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| United States         | 68% |



## About the Researchers

**Dr. Drea Zigarmi** is coauthor of *Achieve Leadership Genius* (2007) and *The Leader Within* (2005), and codeveloper of a number of The Ken Blanchard Companies' products, including Situational Leadership® II and the widely used Leader Behavior Analysis II® instruments. In addition, he is a professor at University of San Diego.

**Dobie Houson** is Director of Marketing Research for The Ken Blanchard Companies and is responsible for competitive, market, and customer intelligence.

**Randy Conley** is the Vice President of Client Services and Trust Practice Leader for The Ken Blanchard Companies. He oversees Blanchard's client delivery operations and works with clients around the globe helping them design & deliver training and consulting solutions that build trust in the workplace. Trust Across America named him a Top 100 Thought Leader in trustworthy business behavior and he is a founding member of the Alliance of Trustworthy Business Experts. Inc.com named Randy a Top 100 Leadership Speaker & Thinker and American Management Association included him in their Leaders to Watch in 2015 list.

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