Trust in Your Leader

Recent research undertaken by ILM[1] has focused on six dimensions by which the trustworthiness of leaders and managers is measured. These drivers are:

- Ability
- Understanding
- Fairness
- Openness
- Integrity
- Consistency.

These dimensions, weighted by the importance respondents applied to them, were then examined against a number of factors, ranging from the size of the organisation and its industry sector to the age and gender of manager and employee, plus the length of their service and relationship with leaders and managers.

Chief Concerns

Employees' confidence in the CEO's ability to do their job is the most important factor in breeding trust among the workforce. Almost as important is the CEO's ability to demonstrate a strong sense of personal integrity. This quality is the foundation of trust and grows in importance with seniority. The other factors explored in the research were seen as being far less important than ability and integrity.

Managing Demands

The drivers of trust in line managers are more diverse. Once again, ability is at the top of the list of characteristics. Integrity is marginally outweighed in importance by the line managers' understanding of the needs and abilities of others, and matched by fairness in the way that they treat them. Consistency – predictability of behaviour – is regarded as the least important dimension. The more even distribution of importance across the dimensions indicates the closer, more nuanced relationship between employees and line managers.

Size Matters

The larger the organisation, the less trust employees are likely to show in its leadership. The most trusted CEOs are those at the helm of organisations employing up to 10 people. This trust in CEOs falls off consistently as the organisation grows and reaches its lowest in organisations that employ more than 1,000 people.

Time Will Tell

The longer CEOs and line managers have been in post the more trust employees have in them. Conversely, the longer an employee has been with the organisation the less they trust their management team.

This apparent contradiction can be explained by the effect of the length of relationship between manager and managed. Trust is at its highest between a new employee and

[1] Index of Leadership Trust (2009), Institute of Leadership and Management

long-serving managers, and at its lowest when a long-serving employee is working under a new leader.

This effect is amplified by the distance between manager and employee. New CEOs of large organisations that feature long-serving workforces have the most to do to establish trust in their leadership. The research indicates that this is unlikely to be achieved in less than five years, and that the low trust index scores of large organisation CEOs is partly a reflection of higher CEO turnover.

Age and Gender

Age and gender have less effect on trust than might be expected. The research reveals a small dip in trust for middle-aged leaders and managers and a general trend for employees to show greater trust in CEOs who are of the same sex and similar age as themselves.

Women are generally more trusted and trusting than men. But the research found that, although women tend to start employment with more trust in their managers than new male recruits, their trust decreases more sharply, ultimately falling below the levels of men.

If we take into account the evidence that trust tends to fall over time, as a result of changes in management, it seems to be the case that these types of change affect female employees more acutely. This may indicate that women tend to place more emphasis on the nature and consistency of the management relationship than men do. It also raises important questions about the quality of women's experience of the workplace.

Private and Public

The highest levels of trust in CEOs are observed in private sector organisations: Retail, Catering & Hospitality, Charity, and the Engineering & Manufacturing sectors. But so are the lowest: Utilities, Post & Telecoms, and Travel & Transport.

The highs and lows of private sector trust should not cloud the survey's overall findings that trust in public sector CEOs compares poorly to many CEOs in the private sector. Although this can partly be explained by the fact that many public sector organisations are large (where trust tends to be lower), this is not always the case. For example, trust ratings in the Health and Education sectors are broadly similar, despite more Education respondents working for smaller organisations.

Generally, the breakdown by industry sectors reinforces the trends established above. Trust is low in large organisations that feature a high percentage of long-serving employees and a high turnover of CEOs and line managers.

Conclusions

Clear patterns and trends emerge from the research. Establishing trust takes time and is **improved when the relationship between leader and follower is close**. This finding has important implications for new CEOs of very large organisations, many of which are in the public sector and feature long-serving employees.

The CEOs of these organisations have the steepest hill to climb to establish trust, and they will not be able to reach the summit without demonstrating a strong sense of personal integrity. If they cannot demonstrate that they are principled and honest, and that they are in it for the long haul rather than just as a lucrative or advantageous career move, they will not be trusted.