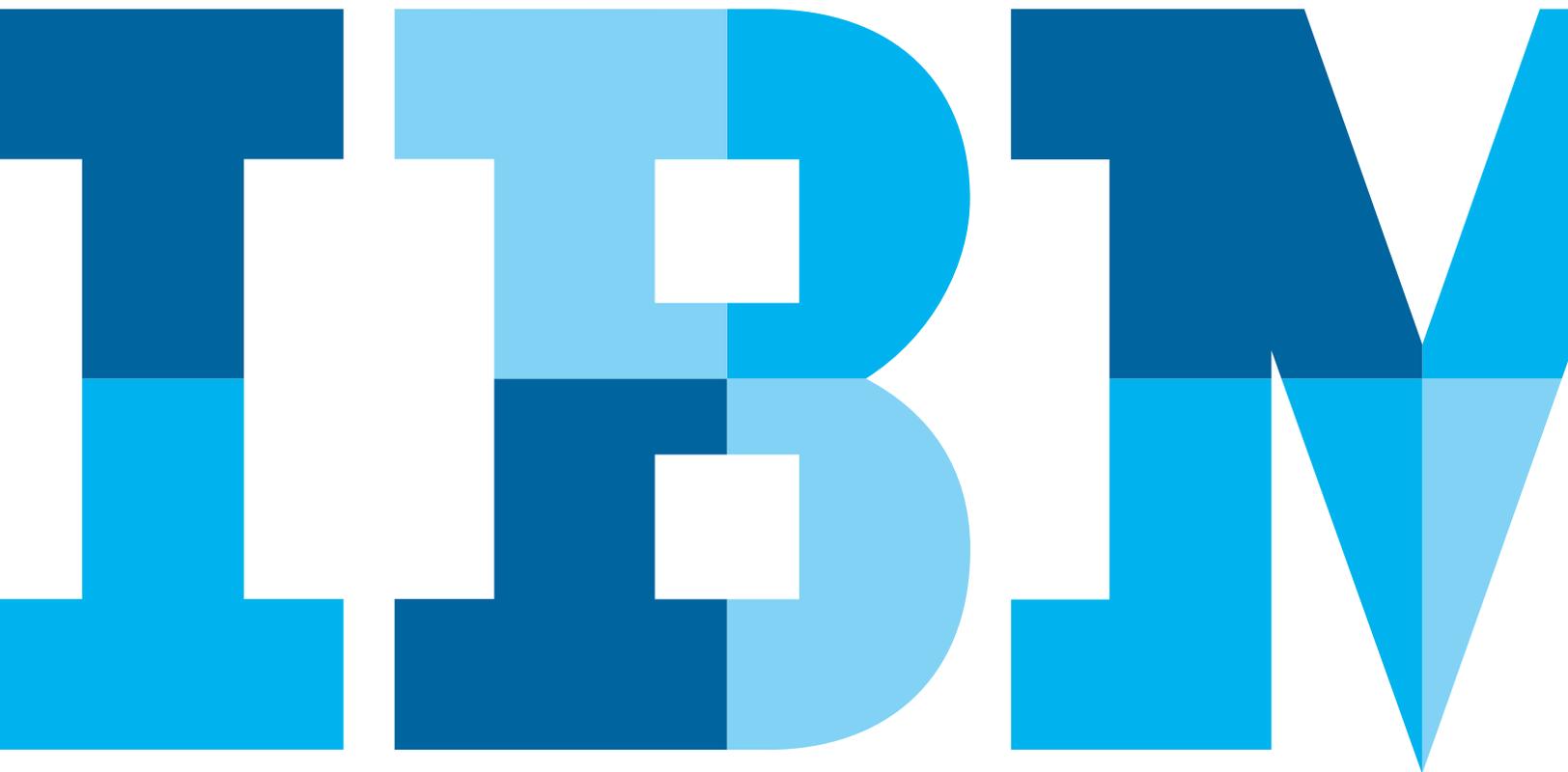# What makes a leader trustworthy?

Leadership practices that can help improve the level of trust in an organization

By Rena Rasch, PhD., IBM Software Group

If you were compiling a list of the fundamental qualities you would expect to see in a leader, surely it would include personal integrity. Who would want to work for a leader who is not honest, ethical or reliable? If you did work for such a person, imagine how this would affect your level of engagement – and the impact it would have on the performance of the organization.

Amazingly, our research[1] shows that 28 percent of employees do not trust their senior leaders. That is more than one in four workers. The study also found that this lack of trust has a strikingly negative impact on employee well-being, staff retention and organizational performance.

The impact on individuals is significant. Employees who distrust their leaders are nine times more likely to seriously consider leaving their organization. They are also 15 times more likely to report unreasonable work stress and seven times more likely to feel mentally and physically unwell. Not only that, a lack of trust has organizational implications as it can shatter the brand and corporate reputation.

On the other hand, improving the level of trust could save you money on hiring new staff because employees who trust their leaders are more likely to stay with the organization. It may also reduce sickness and absence costs and bring about better employee relations and a more engaged workforce. Therefore there is a strong business case for building trust in an organization.

How to build trust

Leaders need to understand what trust is and what makes employees trust them. Trust is about relying on and having confidence in the actions of another person with no guarantee that he or she will behave as desired in return. According to organizational scientists, we judge for ourselves whether or not we trust someone based on their integrity, benevolence and competence.

If you are a leader, this means that your employees will be asking themselves three fundamental questions about you: are you honest (integrity), do you care about me (benevolence) and can you do your job (competence)? The answers to these questions will determine, to a large extent, whether or not they trust you.

In order to improve the level of trust in an organization, leaders need to demonstrate these three qualities. It is not enough; however, simply to be honest, benevolent and competent – you have to be seen to be so by those around you. Perception and communication are very important factors when it comes to trust. You may not be behaving dishonestly or unethically, but unless you proactively manage the way you are seen you could still be branded as untrustworthy by some of your employees.

On an individual level, one of the easiest ways to cultivate employee trust is to start trusting the people around you. Listen to them, empathize with them, show your concern, be honest with them, be true to your word and treat them fairly. In other words, actively manage how you are perceived by others. Try to connect with people on a personal level – this could be as simple as shaking hands with them once in a while. To help maximize trust, it is important that you can do your job well, but it is even more important for you to be seen as a kind and honest person.

There are also steps that the organization can take to engender trust. For example, our research shows that employees are twice as likely to trust their senior leaders if the organization has published a mission statement, conducted an employee opinion survey, sponsored a quality improvement initiative, gathered customer satisfaction feedback, conducted yearly performance reviews, or cross-trained employees. The more of these best practices that the organization engages in, the greater the level of employee trust in the leadership.

Finally, knowing which employees are generally less trusting can help you to concentrate your attention on these specific people. Our research found no significant difference between men and women when analyzing whether certain groups of employees tend to trust their leaders more or less than others. However, we found that the percentage of people who trust their leaders seems to decline with age. Employees in their twenties are twice as likely to trust their leaders as employees in their forties or fifties. Upper and mid-level managers trust their leaders by 15 percentage points more than rank-and-file employees.

Trust is an essential quality for a leader. By understanding trust, by acting as a trustworthy role model and by advocating a business case for trust, you could help to improve employee well-being, staff retention and the performance of your organization.

About the author

Rena Rasch, Ph.D.
Rena Rasch, Ph.D., formerly a research manager at Kenexa, manages the Institute's WorkTrends™ study – an annual employee opinion survey of over 35,000 workers in 28 countries around the world. Dr. Rasch uses her skills in psychometric theory, research design and statistics to develop valid and reliable HR tools and knowledge. She has made several contributions to the organizational science literature, including an article in the Journal of Applied Psychology about the types of samples commonly used in the field's published research literature. She has also made multiple contributions to the topic of generational differences in the workplace, and is also developing an extensive research stream about trust in leadership. Dr. Rasch is a member of the Society for Industrial and Organizational Psychologists, and frequently presents at SIOP and APA annual conferences. Dr. Rasch received her doctorate from the University of Minnesota.

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