

BUILDING A CULTURE OF TRUST

Trust is an investment that leaders make every day. It cannot be gained through a training course, promotion or raise. Trust is not granted; it is earned over time through interactions with others. Leaders must continuously be mindful of their words and behavior because all that hard-earned trust can be burned in one single action (or inaction).

Trust and credibility are the core principles of effective leadership. Employees must have confidence in their leaders' ability to deliver results. Distrust, on the other hand, can create a breeding ground for discontent, poor performance and employee turnover – all of which can negatively impact an organization's bottom line.

Building a culture of trust requires a candid and transparent approach to leadership. Job status and seniority can only take a leader so far. Trust, respect, knowledge and sound judgment can take a leader the distance. A leader must effectively leverage the bases of power to influence and affect change across the organization.

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THE TRIFECTA

The bases of power are a framework to understand the various avenues through which influence attempts succeed or fail across different situations. Power in an organization can be conceptualized as the potential to influence others. Whether power is formally granted to an individual by an organization, or informally earned over time through workplace interactions, the ability to change or direct others' behavior is an invaluable attribute for leaders to possess. Attempts to influence typically rely on a combination of position power and personal power.

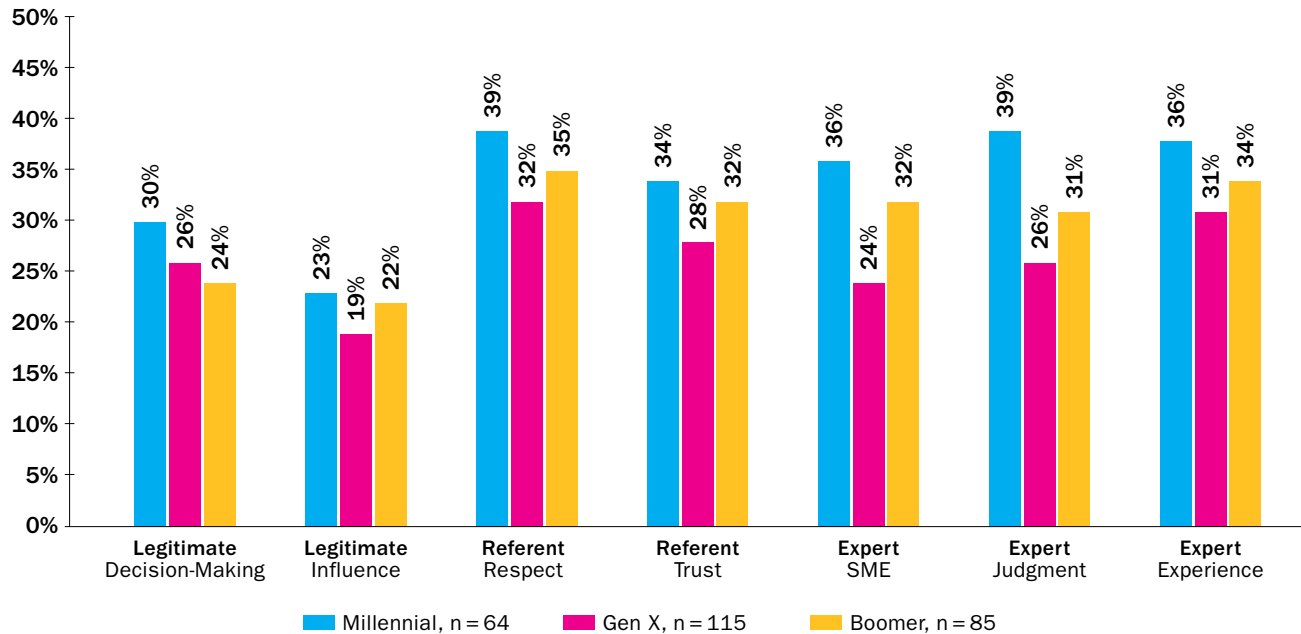
In particular, legitimate, referent and expert power are critical to effectively managing employees.

- **Legitimate power** is based on the perception that one's influence attempts and decisions are appropriate for someone with one's title or role.
- **Referent power** is based on the perception that one displays behaviors and personal characteristics that earn the respect and trust of others.
- **Expert power** is based on the perception that one possesses subject matter knowledge, good judgment and experience.

While one's title or role (legitimate power) warrants a certain level of power, a leader must also have the respect and trust of others (referent power) and be viewed as a subject matter expert (expert power) to effectively influence others. It is through this "trifecta" that a leader can maximize his or her impact on organizational performance.

Across generations, research indicates that millennials are a little more responsive to each of these sources of power than Generation X and baby boomers (see Figure 1 on page 2). This finding might reflect the lack of experience that millennials have in the workplace, leading to their increased responsiveness toward leaders who exhibit these traits. It can be argued that baby boomers, on the other hand, have reached a point of stability in their careers and have experience dealing with a variety of leaders over time, leading this group to be slightly less responsive than their millennial colleagues.

FIGURE 1



THE POWER OF TRUST

A leader does not merely impact the behavior of an employee through one or two interactions. Rather, exerting influence on an employee is a continuous process, requiring consistency from the leader.

Referent power is one of the most important bases of power to managing employees. Trust is the foundation of great leadership. Without trust, leaders will not be able to effectively influence change, largely because they will not have the respect of their followers.

According to research, trust is related to employee satisfaction. Employees who trust management also tend to be more satisfied with their jobs. And satisfied employees work harder and stay longer with the company.

Additionally, an employee's and leader's age does not have any bearing on trust between an employee and manager. However, a manager's tenure does have some impact, such that managers with longer tenure are more trusted.

Not surprisingly, trust tends to be lower during times of organizational change. A large amount of uncertainty and disruption exists during events like acquisitions, mergers, financial downturns and changes in management. Leaders must be able to effectively navigate their workforce through challenging times to maintain trust.

BUILDING TRUST

All is not lost if you have failed to gain the respect and trust of others. Trust can be earned. Leaders who have the trust of their employees are more likely to drive change that impacts organizational performance. Here are a few ways leaders can earn trust.

Strive for transparency.

Employees respect leaders whom they view as authentic and trustworthy. Leaders must strive to be as transparent as possible, especially during times of organizational change. Employees want to know and understand what is happening in their company and how any changes will impact them. When delivering bad news, leaders must be as honest and transparent as possible.

Be supportive and listen.

When employees feel heard, they feel valued. Leaders must take the time to actively listen to their employees and take their ideas into consideration. Employees respect managers who support their personal development and help them grow.

Consistency is key.

A leader must consciously treat all employees as equals. When employees are given preferential treatment, then animosity can occur between co-workers, resulting in resentment toward authority. Leaders must be consistent in their words and actions.

Keep your word.

As the saying goes, "Actions speak louder than words." Leaders must speak with intention and follow through on promises to their employees. Ultimately, employees will notice when changes do not occur, which will diminish the trust that they have in you as a leader to deliver on your word.