Current global economic conditions cry out for a new way for individuals to lead organizations and societies. Trust in a variety of institutions, including governmental and business, is at an all-time low. To strengthen society and its major foundations, we need to build and rebuild trust. Several of our major societal institutions have experienced major declines in how much the public trusts them. The Edelman Global Trust Barometer has been tracking trust levels in society since 1999 and includes both U.S. and international assessments. This year, Edelman Global Trust Barometer has been tracking trust levels in society since 1999 and includes both U.S. and international assessments. This year, Edelman found trust in business at its lowest level ever, 38%, down from 58% the year before (Edelman, 2009). This assessment is lower than when the Enron debacle occurred. The Gallup Poll of Trust in Government found that 81% of those polled trust the government to do what is right only some of the time or never, the worst percentage since the survey began in 1993 (Gallup, 2009). Not only do we distrust those institutions that we depend on for our livelihoods and security, but we have little trust in leaders as well. A Survey by the Centre for Work-Life Policy, an American consultancy, found that between June 2007 and December 2008, the proportion of employees who professed loyalty to their employers slumped from 95% to 39%; the number voicing trust in them fell from 79% to 22% (The Economist, 2009). In 2009, the National Leadership Index found 69% of Americans believed that there is a leadership crisis in the country today—not much of an improvement from 81% in 2008 and 77% in 2007 (Harvard Kennedy School, 2009). These and other findings suggest that a leadership crisis exists in the United States just when strong leadership is most needed to address not only the current economic crisis, but also many longstanding economic and societal challenges as well.

Trust has declined for many reasons, and some of these have persisted for decades. These include societal issues, such as increasing suspicion due in part to decreased interaction among individuals, as discussed by Putnam (2000), and institutional factors, such as the recent massive failures in our financial system; significantly deficient federal disaster response, especially to Hurricane Katrina; and rampant partisanship by...
our elected leaders. They also include organizational malfeasance and misfeasance, as exemplified by the Lockheed bribery scandals in the 1970s, the Red Cross HIV-testing failures in the 1980s, Long Term Capital Management in the 1990s, and Enron and Tyco International in the 2000s. Finally, they include violations of trust by many business, governmental, and religious leaders, acting individually or in concert with others.

In this chapter, our focus will be on how leaders build trust between leaders and their followers in a positive organizational context. We will begin by introducing the role that trust plays in the role of a leader, including how trust has been proven to produce positive outcomes for leaders. Next, we will focus on the link between trust and positive organizational scholarship (POS), examining the links that exist between them. Then, we will delve more deeply into those positive characteristics that contribute to a leader’s willingness to build trust and his ability to demonstrate trustworthiness, focusing especially on courage, authenticity, and humility. Next, we focus specifically on the four key four dimensions of trustworthiness that a leader can demonstrate to others to engender their trust, provide them with hope, and foster their empowerment. Finally, we reveal how a leader builds a culture of trust to create lasting, positive change in an organization (see Figure 34.1).

The Role of Trust in Leadership

Trust is important because it allows individuals and collectives to manage interdependence more easily by reducing the need for contracts and formal agreements. Trust reduces uncertainty and helps us manage complexity (Luhmann, 1979, 1988). It also permits highly flexible work arrangements that promote risk-taking and innovation (Mishra, Mishra, & Spreitzer, 2009). Indeed, when trust has been established, entirely new ways of behaving are possible (Fukuyama, 1995). Based on almost two decades of research involving thousands of employees, managers, and top executives, we define interpersonal trust as one party’s willingness to be vulnerable to another party, based on the belief that the latter party is Reliable, Open, Competent, and Compassionate (Mishra, 1996; Mishra & Mishra, 1994). We call these four beliefs or dimensions of trustworthiness the ROCC of Trust (Mishra & Mishra, 2008). Our definition of trust is consistent with several decades of research on trust, which incorporates the key elements of vulnerability (Deutsch, 1962; Granovetter, 1985; Zand, 1972), risk/risk-taking (Deutsch, 1973; Lewis & Weigert, 1985), and rational choice (Kramer, 1999). It also encompasses definitions that other leading trust scholars have articulated, including positive expectations regarding others’ intentions or behavior (Rousseau, Sitkin, Burt, & Camerer, 1998), and in particular, their competence, integrity, and benevolence (Mayer, Davis, & Schoorman, 1995).

Previous research has shown that leaders are critical to building trust in organizations, and that trust in leadership is significantly related to a number of attitudes, behaviors, and performance outcomes. In their meta-analysis of 106 independent samples,

![Fig. 34.1 Model of trust-based positive organizational scholarship.](image-url)
Dirks and Ferrin (2002, p. 618) found that trust in leadership was positively related to a variety of outcomes, including job performance, organizational citizenship behaviors, organizational commitment, and job satisfaction, while being negatively related to intention to quit. They also found that procedural justice, distributive justice, and interactional justice were positively related to antecedents of trust in leadership, as were participative decision making and perceived organizational support (Dirks & Ferry, 2002, p. 619). In the section below, we review specific empirical studies that illustrate how trust in leadership and elements of POS have been found to be significantly related.

Trust and Positive Organizational Scholarship

Many of the assumptions and propositions underlying POS in our assessment generally depend on relationships based on trust between individuals. Positive organizational scholarship environments are typified by positive attributes, such as belief in the goodness of human contribution and human potential leading to positive performance (Cameron, 2007). Positive organizational scholarship research also advocates the belief that humans desire to make a positive contribution to the life and health of their organizations, and one key feature of positive organizations is trust (Cameron, 2007). However, just as the focus historically has been on negative organizational characteristics, there has also been a lack of emphasis on understanding how trustworthy leaders in organizations can contribute to positive organizational outcomes.

Spreitzer (2006) notes several key elements of POS that would be typical within trust-based relationships. Developmental efforts to emphasize the importance of leveraging strengths rather than focusing on performance gaps (Spreitzer, 2006) are more likely to take place if individuals trust one another based upon beliefs about each other’s benevolence. Jolts that are viewed as positive and thus a stimulus for learning (Spreitzer, 2006) are more likely to be viewed as such when organizational members trust another in terms of being competent, so that they can develop constructive solutions to the jolt, and/or they trust another not to engage in punitive actions for any mistakes that occur in the process of responding to the jolt. Also, individuals who desire to create mutual support through the building of durable resources (Spreitzer, 2006) also are more likely to do so if they trust one another. Moreover, we believe that the developmental processes and outcomes articulated within POS to date are likely to be enhanced by relationships based on trust between followers and their leader.

Previous Research on Trust

In his review of the research literature on trust in organizations, Kramer (1999, p. 571) identified cognitive/rational, affective, and social components, and argues that rationality is an insufficient basis for understanding why individuals choose to trust others (Kramer, 1999, p. 573). Despite a number of scholars arguing for trust as comprising affective components (Lewis & Weigert, 1985; Bromiley & Cummings, 1996), and finding empirical support for distinguishing affective from cognitive components (e.g., McAllister, 1995), affect has received relatively less attention in research on interpersonal trust. In the context of POS, with its emphasis on positive relationships, however, we would expect that affect would play an important role in individuals’ decisions to trust.

More generally, Kramer (1999, p. 574) argued that context should also be considered in understanding whether, how, and why individuals choose to trust. Hardin (1993) argues that trust involves the dispositional nature of the trustee, characteristics of the trustee, and the context in which the decision to trust takes place. Building on Hardin (1993), Kramer (1999, p. 574) argues that cognitive, calculative considerations would matter more in organizational contexts in which little is known about one another, “e.g., transactions involving comparative strangers,” and relational considerations might be more important in contexts in which much information is known, “such as those involving members of one’s own group.” Relational considerations are central in trust research that utilizes a social exchange perspective (e.g., Konovsky & Pugh, 1994; Whiten, Brodt, Korsgaard, & Werner, 1998). In POS contexts, we would argue that relational considerations would matter greatly in decisions to trust. Not only would organizational members have greater knowledge of one another, but individuals also would be evaluating each other on the extent to which they adhere to the values and beliefs comprised by the positive organization.

The importance of context in shaping expectations and trust is supported by empirical research. Miller (1992, p. 197) found that Hewlett-Packard’s policy of removing locks on doors and eliminating time clocks demonstrated management’s trust in its employees’ cooperativeness. This allowed employees...
to assume that their fellow colleagues would be cooperative, and thus made it more likely that they would want to trust each other. Uzzi (1997) also found evidence that contexts that assumed cooperation among organizational members made it easier for them to trust one another and help one another solve problems. When organizational contexts demonstrate that individuals are not to be trusted, contrasting behaviors can result. Hochschild (1983) found that flight attendants “came to fear and distrust their passengers because of a policy allowing passengers to write letters of complaint about in-flight service which would end up in the attendants’ files, regardless of how valid the complaint” (Kramer, 1999, p. 591). More recently, Moore-Ede (1993) found that a requirement for long-distance truck drivers to keep detailed logs of their driving time led to counterproductive behavior, and encouraged some drivers to evidence distrust by keeping two sets of logs, one for company inspections and one that represented their actual behavior.

Positive Individual Characteristics
Influencing Leaders’ Trust-building
Cameron (2008) specifically identified positive leadership within the positive scholarship domain. Positive leaders focus on enabling “positively deviant performance, foster an affirmative orientation in organizations, and engender a focus on virtuousness” (Cameron, 2008, p. 1). He has identified four strategies that positive leaders cultivate to create a flourishing environment: create a positive climate, develop positive relationships, encourage and use positive communication, and provide positive meaning (Cameron, 2008, p. xi). Cameron (2008) submits that a leader can focus on positively deviant behaviors whether or not he or she is placed into a positive or a negative environment.

First, positive leaders create a positive climate by emphasizing the positive and growing aspects of their organizations, even in the face of a crisis (Cameron, 2008). Positive leaders develop a positive climate through demonstrating compassion, offering forgiveness, and expressing gratitude (Cameron, 2008, p. 23). Positive leadership through a positive climate leads to people in that organization acting in a more creative fashion. Positive leaders also create positive relationships when they build positive energy networks and reinforce individual’s strengths (Cameron, 2008, p. 42). Other scholars have found that this positive network is more important in an individual’s success in the organization than is his or her actual position in the organization (Baker, 2004). In addition, Baker (2004) found that “high-performing organizations have three times more positive energizers than average organizations” (Cameron, 2008, p. 43). In addition, the Gallup organization has also found that a focus on strengths, rather than weaknesses, can energize an individual to better performance (Buckingham & Clifton, 2001).

Positive communication is just as important in creating a positive work environment. Cameron (2008) found that a high-performance team in a positive organization provided more positive than negative comments to team members. This factor alone predicted organizational performance. This is likely because it contributes to a sense of connectivity among team members, thus increasing levels of trust. Finally, a positive leader contributes to a positive organizational culture by providing positive meaning. Positive meaning contributes to organizational performance and trust. Positive meaning is built by work having a positive impact, work aligned with personal value, work whose impact is long lasting, and work that builds supportive relationships (Cameron, 2008, p. 72–73). All of these strategies allow a positive leader to create a positive organization.

Previous empirical studies show that trust in leaders is positively related to POS-related constructs and characteristics. In two separate studies of several hundred nurses each, structural equation models showed that empowerment, interactional justice, and recognition for work were positively related to the respect nurses felt they received from their managers and peers, which in turn was positively related to the trust they had in their managers (Laschinger, 2004; Laschinger & Finegan, 2005). In a study of two different consulting organizations, Six and Sorge (2008) found a number of factors that differentiated the organization with stronger interpersonal trust from the weaker one, including giving positive feedback or compliments, showing care and concern for others, and surfacing and settling differences in expectations. More generally, leaders who are trusted by their followers, particularly in terms of their competence, are more easily able to effect change quickly in their organization (Gabarro, 1987).

Courage, Humility, and Authenticity as Key Positive Leadership Characteristics
In our own research about many different kinds of leaders, we found that when the leader took the initiative to first demonstrate his or her...
trustworthiness, others within the organization (and
often outside of it) came to trust the leader, and
through that trust, acted in positive ways that led to
lasting change and performance improvements.
These positive results then helped to affirm the lead-
ers' trustworthiness and trust-building efforts. We
found that this “virtuous trust cycle” often depended
on three critical leadership characteristics: courage,
authenticity, and humility (Mishra & Mishra,
2008). Leaders' courage made it easier for them to
be vulnerable to others, for example by sharing sen-
sitive information or by empowering rank-and-file
employees. Leaders' humility also encouraged them
to be vulnerable to their followers, and even moti-
ated these followers to build trust with one another
by acknowledging their collective vulnerability. By
admitting that they didn't hold all the answers and
that they were just as dependent on their followers
as the followers were on them, humble leaders fos-
tered a sense of shared fate that is so often missing in
organizations, especially those facing adverse cir-
stances. Finally, leaders' authenticity encour-
aged others in turn to be vulnerable to them. This
authenticity in terms of transparent values and
motives, coupled with behaviors that strongly cor-
responded to these values and motives, reassured
followers and others that these leaders' motives,
values, or goals did not need to be second-guessed
and that trusting actions could be reciprocated
without fear of being taken advantage of or receiv-
ing punishment. In contrast to organizations that
often compete over resources, especially when faced
with a threat or crisis, we found that organizations
led by humble and trustworthy leaders instead util-
ized collaborative approaches to allocating resources.
Building on prior POS research, we then argue that
three characteristics typically ascribed to positive
leaders—courage, humility, and authenticity—will
contribute to their tendency to build trust with
their stakeholders.

**Courage**

We define a leader’s courage as a willingness to con-
front the status quo (Worline & Quinn, 2003),
based on confidence in the future (Luthans &
Avolio, 2003) and self-confidence about one's own
ability to make a difference. Following Mishra and
Mishra (2008), we argue that leaders who possess
greater courage are expected to engage in greater
trust-building efforts. To the extent that it requires
courage to admit one's mistakes, a leader who pos-
sesses greater courage will then be more willing to
build trust with others in order to overcome those
mistakes. A leader who possesses a greater willing-
ness to confront the status quo is also more likely to
see the need to induce others' cooperation in over-
coming this status quo, and cooperation is enhanced
by trust. Courage based on greater confidence in the
future will also induce leaders to build the trust that
is necessary to involve others in creating such a
future. It may be also be possible that leaders pos-
sessing greater self-confidence may have stronger
generalized predispositions to trust others (Rotter,
1967), and therefore they would be more likely to
build trust with others.

**Humility**

Humility is also an important characteristic pos-
osed by leaders who are more likely to build trust
defines humility as “a desirable personal quality
reflecting the willingness to understand the self
(identities, strengths, limitations), combined with
perspective in the self’s relationships with others
(i.e., perspective that one is not the center of the
universe). Humble leaders remain aware of and
accept their vulnerabilities and openly discuss them
with associates, so that they can be questioned to
ensure that they are heading in the right direction
(Luthans & Avolio, 2003). Humble leaders are also
interested in how others perceive them and integrate
this information with how they perceive themselves
(Nielsen et al., 2010). Humility can be developed in
leaders (Owens, Rowatt, & Wilkins, Chapter 20,
this volume), and because humble leaders are open
to receiving feedback from others, they should be
more likely to build trust with others in order to
receive feedback that is as complete as possible.

**Authenticity**

Authenticity is the third key characteristic of a leader
who is likely to build trust with others. This leader
lives the values that he or she preaches. Authentic
leadership is defined as “a pattern of leader behavior
that draws upon and promotes both positive psy-
chological capacities and a positive ethical climate,
to foster greater self-awareness, an internalized
moral perspective, balanced processing of informa-
tion, and relational transparency of the part of leads-
ers working with followers, fostering positive self
development” (Walumbwa, Avolio, Gardner, Wermsing, & Peterson, 2008, p. 94). Authentic
leaders have no gaps between their words and
actions, and thus no hypocrisy (Luthans & Avolio,
2003). An authentic leader is also self-aware, owning
his personal experience and acting with the true self
(Luthans & Avolio, 2003). Authentic leaders possess a deep sense of self-awareness that informs their actions. As a result, authentic leaders “are perceived by others as being aware of their own and others’ values or moral perspectives” (Helland & Winston, 2005). This allows authentic leaders to have the moral capacity to judge issues and circumstances involving “shades of grey” (Luthans & Avolio, 2003). Because their authenticity is in large part based on relationships with others, it is likely that authentic leaders will be more likely to build trust with those others, to deepen the integration between their espoused values and their own actions.

**Courage, Humility, and Authenticity Often Go Together**

In our previous work, we often found that courage, humility, and authenticity often coexisted within leaders who were effective at building trust and demonstrating trustworthiness (Mishra & Mishra, 2008). This is perhaps not surprising, given that “humility tempers other virtues, opens one to the influence and needs of others, and insists on reality rather than pretense” (Owens et al., 2011, Chapter 20, this volume). Luthans and Avolio (2003) argue that authentic leadership can be developed, as can other attributes such as moral reasoning, capacity, confidence, hope, optimism, resiliency, and future orientation. Authentic leaders are often courageous as well, leading from the front, and going in advance of others when there is a risk in doing so (Luthans & Avolio, 2003). They are easily motivated to work harder, more satisfied and possessing high morale, and they have high levels of motivational aspiration and set stretch goals. They persevere in the face of obstacles and difficulties; they analyze personal failures and setbacks as temporary, if not as learning experiences, and they view them as one-time, unique circumstances. Authentic leaders also tend to feel upbeat and invigorated both physically and mentally (Luthans & Avolio, 2003). Space limitations prevent further elaboration as to how courage, humility, and authenticity all enhance a leader’s ability and motivation to build trust with a wide variety of stakeholders, and build lasting positive change as well.

Bob asked the local United Auto Workers (UAW) for help in turning around the Parma stamping plant based on his own experience working at GM. This experience led him to understand that asking for help was essential in creating lasting positive changes. He shared critical business information that normally was restricted to senior management, first with Parma’s UAW leaders, and ultimately with all of the hourly employees. Such sharing of information required courage from Bob, as he could have been reprimanded by his superiors for doing so. Asking for help demonstrated Bob’s courage and humility because he openly acknowledged that he and the rest of the management team didn’t have all the answers, when at the time, it was cultural norm for managers to in fact act as if they did have all the answers. Demonstrating courage and humility in this way also contributed to Bob’s trusting the UAW leadership, because they could have interpreted a request for help as a sign of weakness (and often did based on previous instances). The approach Bob used to ask for help also evidenced his authenticity. He had learned at the very beginning of his career at GM in the 1960s just how important help was from others in creating positive change, even if that help came from people his superiors had told him not to trust (i.e., union employees).

I had 30 people working for me from day one. Management assumed that I knew everything because I was a college graduate, but I really had no idea what I was supposed to do because I’d only received a 4-hour training program. I would try to talk to my fellow supervisors, but because I was a college graduate, and they weren’t, they wouldn’t talk to me. Instead of having college degrees, those supervisors got their jobs because they were the best at telling people what to do by cussing at them.

On the other hand, the hourly UAW people, the ones who worked for me, went out of their way to...
help me. It didn’t take long before I realized that the
good guys were the hourly employees. As their new
supervisor, I had told them that “I’m going to have to
rely on you folks to help me.” My hourly employees
really liked being asked for help. At the time, I was
too naïve to understand how different I was from the
traditional guy who came up through the ranks, and
later I realized how critical it was to influence others
in the organization by simply asking for help.

When asked recently what some of the turning
points were in transforming the Parma plant into a
trust-based culture, Bob mentioned this example:

The regional head of the UAW had the wisdom to
ask me to address all of the hourly people in a union
meeting, even though that had never been done at
General Motors. Management people were simply
not allowed at union meetings. The regional UAW
guy introduced me as having an important message:
the reality of our business. I started to give my
presentation and started hearing all these catcalls
from throughout the plant, “Get him out of here.
Get him out of here. No management people in a
union meeting.” It got to a point where I couldn’t
even speak any longer. So, the regional guy gets up
and says, “give the man an opportunity, he’s trying to
help you.” For a union leader to talk about a
management guy as really sincere and trying to help
was unheard of.

Bob’s humble act of going to a formal UAW
meeting represented an act of trust because even
though he was the top manager at the Parma stamping
plant, its UAW membership had ridiculed him
many times during management–union meetings.
So, it was very likely that when Bob went to
their own meeting, where the UAW controlled the
situation, they would be emboldened to act even
more negatively. His willingness to expose himself
in this manner led the way toward his building
a more trust-based relationship with the Parma
plant’s UAW leadership and its rank-and-file hourly
employees.

This meeting was not only an act of trust on
Bob’s part, but also an opportunity for him to demo-
strate his trustworthiness. He did this by listen-
ing as well as articulating his future vision. Bob gave
the union employees same opportunity to articulate
reasons why the plant needed to change the way it
operated. The local UAW, with support from their
national UAW bosses, provided him with a trusted
platform, the union meeting, to talk about the state
of the business, and to articulate how everyone
would have to work together if Parma were to win
new business and avoid certain closure. The paradox
then, for Bob and other leaders that we’ve studied
like him, is that, in order for others to trust them,
these leaders must often first demonstrate through
their own behaviors that they trust their followers,
even when those followers haven’t previously justi-
fied such trust.

The Specific Ways That Leaders
Demonstrate Trustworthiness

In our research, we have identified four ways in
which leaders have successfully built trust with their
constituents: reliability, openness, competence, and
compassion (ROCC; Mishra & Mishra, 1994). The
first dimension of trustworthiness is reliability. This
dimension is often what people recognize first in
dealing with others, including their leaders: Do they
show up on time? Do they follow-up as promised?
Reliability entails being consistent in words and
actions, and leaders who are trusted in terms of their
reliability follow through as they say they will.
Individuals are more likely to trust a leader who is
reliable because it reduces uncertainty regarding the
leader’s behavior. We argue that reliability should be
a critical dimension of trustworthiness because there
is a higher degree of interdependence in a POS
system than in non-POS systems. Actors must be
able to be counted upon to behave consistently and
reliably; without reliable actions, highly interdepen-
dent coordination is impossible.

Leaders demonstrate their openness by sharing
information and being honest with others. At a
minimum, being open means not lying to another
person. At its greatest level, it means full disclosure.
Trustworthiness in terms of openness takes longer
to develop than does reliability-based trustworthi-
ness because it involves not only speaking merely
the truth, but also revealing information about one’s
intentions and expectations, and for a leader, that
can involve highly sensitive information. A leaders’
openness also reduces uncertainty for followers, and
thus leads them to trust the leader more. In a POS
system, such openness should be especially relevant
as a trustworthiness dimension because high perfor-
rance depends on information that is not only
timely but accurate (Gittell, 2003, p. 282).

Leaders demonstrate their competence by meet-
ing and exceeding performance expectations and
delivering results that support their organization’s
strategic goals and objectives. Followers want to
know that they can depend on their leader to be
competent to solve problems and lead them through

MISHRA, MISHRA
to a solution. Because POS focuses on the development of talents and strengths instead of weaknesses, followers are more likely to respond to a leader’s developmental efforts if they believe the leader has the knowledge and abilities necessary to hone their talents and strengths.

Finally, leaders can demonstrate their trustworthiness in terms of their compassion. Compassion can take a great deal of time to demonstrate because it requires first an understanding or empathy for the other party’s needs and interests, and then, as Luthans and Avolio (2003) argue, a willingness to further those needs and interests. Whereas Lilis, Worline, Maitlis, Kanov, Dutton, and Frost (2008) found that most acts of compassion came from a coworker, we suggest that acts of compassion from a leader can also go a long way toward building positive connections with employees. Leaders have greater authority and access to provide the material resources that can foster followers’ interests than do coworkers. Lilis et al. (2008) did find that acts of compassion generated perceptions of support and strengthened organizational commitment. Accordingly, a leader who demonstrates compassion is likely to promote those relationships that foster individual and collective growth.

### How Trustworthy Leaders Create Cultures of Enduring, Positive Change and Trust

In the sections below, we will attempt to demonstrate through examples gleaned from our ongoing research program how leaders create lasting positive changes in their organizations through two key processes: creating and sustaining hope and empowering others. These positive changes not only reinforced the leaders’ trustworthiness and justified their initial efforts to build trust, but they also created cultures of trust that have endured, in some cases, for decades, even years after the leader left the organization.

#### Creating and Sustaining Hope

One way in which leaders develop lasting positive changes and a culture of trust within their organizations is through creating and sustaining hope. Hope is defined as an activating force that enables people, even when faced with the most overwhelming obstacles, to envision a promising future and to set and pursue goals (Helland & Winston, 2005). It is not surprising to us that trust and hope often go together in the context of positive change, as both are relational constructs. Ludema, Wilmot, and Srivastva (1997) define four enduring qualities of hope as being “a) born in relationships, b) inspired by the conviction that the future is open and can be influenced, c) sustained by dialogue about high human ideals, and d) generative of positive action” (p. 9). Like hope, leadership arises in relationship with others.

Peterson and Luthans (2003) describe hopeful leaders as possessing both willpower (agency) and waypower (alternate pathways). In their study of high-hope leaders, they found that these leaders (as compared to low-hope leaders) led more profitable organizations and had better retention and satisfaction rates among subordinates. Thus, hopeful leaders produce positive organizational results. Other research has found that, by demonstrating trustworthiness, leaders can engender hopeful responses among their followers in threatening contexts, such as crisis or downsizing, in which organizational members are vulnerable (Mishra & Spreitzer, 1998; Spreitzer & Mishra, 2000).

In our research, some of the most compelling examples of leaders fostering hope in others take place in health care contexts. This is not surprising, given that the hope for healing is what patients are looking for when they consult a physician or surgeon.

Kevin Lobdell, M.D., is director of Adult and Pediatric CV Critical Care, and is associate director of the Cardiothoracic Residency Program at Carolinas Heart and Vascular Institute in Charlotte, North Carolina. He has found his niche in streamlining surgical care, and has optimized a process for improving the time cardiac surgical patients are extubated after surgery by over 100%; now, as many as 80% of patients are extubated within 6 hours (Lobdell et al., 2009). He and his team have reduced mortality by nearly 50%, sepsis by 50%, and acute renal failure by 37.5%, while improving operational efficiency by reducing ICU and hospital length of stays (Lobdell et al., 2009).

These outcomes were achieved partly because Dr. Lobdell engendered optimism and confidence within his hospital unit by sharing data widely with fellow physicians, nurses, respiratory therapists, and other staff members, and by building these individuals into a cohesive team through a common goal.

Dr. Lobdell argues that communicating honestly, directly, and humbly while maintaining a relentless sense of optimism have been essential to the unit’s success (Mishra & Mishra, 2008). “High-hope individuals tend to be more certain of their goals and challenged by them; value progress toward goals as well as the goals themselves; enjoy interacting with
others and readily adapt to new and collaborative relationships; are less anxious, especially in evaluative, stressful situations; and are more adaptive to environmental change” (Peterson & Luthans, 2003; p. 27).

A key way in which Dr. Lobdell works to resolve conflicts with his colleagues in this highly stressful work environment is through informal communication, and in particular through discussing his colleagues’ children. We argue that this reinforces his authenticity, as he is indeed responsible for a number of very sick child patients in his unit. Dr. Lobdell has found this to be important in demonstrating his compassion for his team members and for them to find common ground with each other. We believe that by establishing this common ground, he has enabled them to trust each other more, and use that trust to make their patients better much more quickly.

Empowering Others
Another way in which leaders develop lasting positive changes and a culture of trust within their organizations is by empowering others. We define empowerment as a personal sense of control in the workplace, as manifested in four beliefs about the person–work relationship: meaning, competence, self-determination, and impact (Spreitzer, 1995).

Meaning reflects a sense of purpose or personal connection about work, which helps individuals cope better with uncertainty. Leaders who help enhance individuals’ empowerment in terms of competence, or a belief that they have the skills and abilities necessary to perform their work well, provide them with another coping resource to deal with changes at work. By enhancing their followers’ empowerment in terms of self-determination, which is a sense of freedom about how individuals do their own work, leaders help them feel a greater sense of control over any threatening or challenging work changes. By increasing followers’ empowerment in terms of impact, leaders are able to help their followers feel that they can influence changes in the organization through their actions. We focus on empowerment because we argue that empowering others is a form of trusting them. It involves not only transferring authority from leaders to followers (Spreitzer & Mishra, 1999), but also sharing the responsibility for co-creating a meaningful, high-impact, and collaboratively designed organizational system.

By being true to themselves, authentic leaders’ exhibited behavior positively transforms and develops their associates into leaders themselves (Luthans & Avolio, 2003), thus empowering them. More specifically, authentic leaders are guided by a set of end values that are oriented toward doing what’s right for their constituency, in which the individual has something positive to contribute to the group, and they model these values rather than using coercion or even persuasion (Luthans & Avolio, 2003). Authentic leaders are also equally focused on developing others and task accomplishment (Luthans & Avolio, 2003). In this manner, leaders will be enhancing followers’ empowerment in all four dimensions. When leaders help others to identify and nurture their strengths, they build awareness of possibilities and encourage others to take courageous action to become their hoped-for possible selves (Spreitzer, 2006).

Bob Lintz is also a great example of a leader who empowers others, especially in a context when it was not popular to do so. First, he provided others with a sense of meaning by giving them accurate and honest information about the state of the plant, and he let them know that their participation would help determine the fate of the plant’s existence. In this way, he let them know that he was depending on them for their help to make sure that the plant did not fail. He was making it clear that their competence would make the difference between their plant surviving or closing. In addition, he provided them with the necessary team training to work efficiently and effectively together to generate new ideas to keep their plant open. By providing this training, he gave them a sense of competence and self-determination, knowing that their plant’s future was now in their hands as much as it was in his. Finally, when the teams came up with new ideas for how to improve business practices or how to create new business from other plants, he asked them to present their findings to external customers and other GM executives, so that they could see the impact of their work. When the teams became successful in generating new business for the plant based upon their own ideas, they became co-owners of the process to keep Parma alive and thriving.

Creating Cultures of Trust
By achieving lasting, positive changes through creating hope and empowering their followers, trustworthy leaders will be able to develop cultures of trust in which organizational members not only trust their leaders, but also trust one another and identify with a common set of values incorporating the four key dimensions of trustworthiness.
Building and aligning a positive, collective identification with an organization’s mission and values is one of the most important responsibilities of authentic leadership (Luthans & Avolio, 2003). To the extent that those values emphasize personal and collective competence, the organization can become what Gallup calls a strengths-based organization (Buckingham & Clifton, 2001; Luthans & Avolio, 2003). More generally, leaders intent on creating change quickly and enduringly should focus on building a culture of trust (Gabarro, 1978).

The leaders we’ve studied built trust not only among individuals with whom they directly interacted, but also by using broader efforts to instill the ROCC of Trust throughout their organizations and key external stakeholders. By building trust through ROCC, leaders modeled their trustworthiness, thus encouraging their followers to reciprocate. Our leaders built cultures of reliability-based trust by fostering the development of norms, processes, and systems that made high performance replicable, and by developing institutional mechanisms that reminded others of their commitments and made them more likely to keep them. Our leaders built a culture of trust based on openness by providing opportunities for their employees to talk with them without fear of reprisal, and by being transparent in their communications, often sharing sensitive information about company performance and other important issues. Leaders established competence-based trust throughout the organization by establishing high standards of excellence, with clearly defined metrics. Leaders built compassion-based trust—the form of trust that takes the longest time to build and is often the toughest piece of the ROCC of Trust—by demonstrating empathy in tangible and convincing ways, by personally making symbolic and substantive sacrifices for the betterment of the organization and demanding the same of their subordinates, and by developing innovative ways to save jobs during periods of organizational crisis or economic upheaval.

As a result of these efforts, they created lasting, positive changes in their organizations, and established a set of expectations and values that are deeply embedded in their organizations. As one compelling example, we discuss Two Men and a Truck, International, Inc. (TMT), a $200 million enterprise founded by Mary Ellen Sheets in 1985 with a $350 investment in a used truck. We have been studying Two Men and a Truck, International for over a decade (Mishra & Mishra, 2008). It is the largest local moving company in the United States, with over 200 franchisees in the United States, Canada, and Ireland.

Two Men and a Truck and its leaders established system-wide trust in terms of reliability and competence in many ways, including developing highly consistent work standards, industry-leading employee and franchisee training, and a franchise agreement that creates clear expectations for the franchisor, franchisees, and all of their customers. They also built trust in terms of competence by explicitly hiring “people brighter than they are from the firm’s outset,” according to the leaders of TMT, and by insisting that this “smarter than I am” approach to managing was adopted by anyone responsible for recruiting, selecting, developing, or retaining personnel. TMT fostered a culture of trust in terms of openness by sharing sensitive information about each of their 200 franchises with every franchise in the system, including operating performance, financial information, and marketing tactics. Over many years, this trusting and trust-building behavior initiated by TMT’s top management has helped its franchises view one another not as competitors, but as collaborators, helping one another to improve each other’s operations and grow the entire franchise system quickly and profitably. Finally, from the founder’s initial act of compassion—donating the entire first year’s profits to charity—TMT has evolved its compassion-based culture through its “Movers Who Care” trademark and its core values that include “Care,” “Give back to the community,” and the “Grandma rule.” These and other TMT initiatives have resulted in a tightly knit franchise system that is encouraging each other and is trusting of the home office. TMT has demonstrated that the actions of leaders can result in a trust-based culture that can have both cultural and financial benefits.

Future Directions

- How long does it take to build a trusting culture in a positive organization? In two of the examples we highlighted, Bob from Parma and the Two Men and a Truck family, both worked to build trust over a period of several years, and then spent several more years working to sustain the trust they had built. We know that trust takes time to build, and in both cases, these leaders had significant time in which to build a trusting culture. What happens when a leader is new to a culture or enters a turn-around
situation? Would these characteristics of courage, authenticity, and humility facilitate the four dimensions of trust in the same way with less time?

- What is the role of strengths in building trust?

The Gallup Organization’s Strengths-based assessments have gained widespread use among practitioners. Positive organizational researchers have also begun examining a strengths-based approach to leading and manager (Roberts, Caza, Heaphy, Spreitzer, & Dutton, in progress; Spreitzer, Stephens, & Sweetman, 2009). We would like to know what the effect would be on trust within an organization if a leader managed from a viewpoint of strengths instead of weaknesses, and what would it require, in turn, from the rest of the organization.

- Are trustworthy leaders made or born? In light of the fact that we believe that courage, authenticity, and humility underpin trustworthy leaders, it would be interesting to discover how a leader develops these characteristics. To what extent do leaders develop these characteristics early in life, or can they acquire them in adulthood? We do believe that the leader’s ability to build trust can be a foundation for lasting positive change/culture, and that the ability to demonstrate trustworthiness and build trust can be learned.

The challenge is to help practitioners find the best ways in which to do so.

- Is the process for rebuilding trust the same as building trust? How trust can be repaired once it has been violated remains a fruitful area for research. We have found it difficult to refute the truism that trust takes time to build, but once broken is very difficult to rebuild. Citing Slovic (1993), Kramer (1999, p. 593) notes that “negative (trust-destroying) events are more visible and noticeable than positive (trust-building) events (and) trust-destroying events carry more weight in judgment than trust-building events of comparable magnitude.” Although we would like to focus on the positive aspects of a trustworthy leader, we must acknowledge that there are times when a leader must enter an organization in which trust has been lost or violated, and must endeavor to rebuild trust to create a new and more positive organization if the organization is to survive. What steps must a leader take in this type of situation? How can a leader overcome broken promises and negativity to gain the confidence of an organization?

Conclusion

Despite some of the lowest levels of trust in business and government ever polled, there is hope for leaders who aspire to create positive organizations. Trusted leaders can create powerful results for their organizations by believing in the goodness of their employees and their ability to create a positive performance for the organization. By trusting their employees, leaders create a virtuous cycle of trust that permeates throughout the organization, enabling behaviors and outcomes that would not exist without such trust. Leaders’ courage, authenticity, and humility allow them to both become more trusting of their subordinates, and help to demonstrate their trustworthiness to these individuals. When leaders demonstrate their reliability, openness, competence, and compassion, they are viewed as more trustworthy, and are more able to create and sustain hope among their followers, and empower them as well. Such hope and empowerment are critical to creating and sustaining lasting and positive change and a trust-based culture.

We also need to consider whether trust and trustworthiness are always something that leaders want to build. As vulnerability is at the core of trust, trusting too much can result in significant, often devastating, losses. In addition, building trust takes significant time and resources, even if it is to simply demonstrate one’s trustworthiness, and leaders and organizations do not have limitless resources. Finally, leaders must always be making choices, and choosing to build trust with one set of individuals means choosing not to do so with others, at least in the short term. Leaders, then, must depend on their hard-won wisdom to be able to build trust with the right people at the right time.

References


TRUST


