



A sticky subject

Leadership trust was jettisoned in many companies in the rush to survive last year's economic hardship. **Iain Hopkins** investigates what's involved in rebuilding the glue that keeps organisations together

'Our employees are more important than profit'. How many times has that mantra been thrown around? Dig a little deeper and it becomes clear that senior management always agrees with that mantra, while employees strongly disagree with it. Perhaps more than anything it is that disconnect that erodes trust between employees and employers.

All it takes is something drastic like a GFC to throw that disconnect into sharp relief. "It almost always happens this way," confirms Keith Ayers, CEO of Integro Leadership Institute. "When there's a major financial threat organisations tend to focus more short-term. Employees do understand that needs to be done, but in many cases organisations jumped the gun, and the first thing they did was lay people off just in case. Then it turned out they didn't do so badly. Employees see that happening and they become cynical."

Ayers is a realist: he acknowledges that business leaders often must make decisions for financial reasons; most businesses are not charity cases. However, he feels there is a way of treating people with dignity and respect. Now, with the economy improving, many business leaders are realising just what they've lost in the flight to survive, and the biggest casualty was trust.

All about trust

Where to from here? Thirty years of research from Integro indicates there are four elements of trust. If any of the four are missing, trust will diminish.

Reliability is the most obvious - this is how humans judge other humans and organisations. "If you're a customer and the company lets you down, you'll find someone else to do business with. Employees also want to be able to rely on their managers to do the right thing. Likewise, managers judge employees by their reliability," says Ayers.

Congruence is a combination of honesty and directness. Ayers uses the example of the congruent

triangle where the corresponding sides are equal in length and their corresponding angles are equal in size. “In other words, what I did is the same as what I said I would do; I practise what I preach. Also, I say what I really mean – I’m telling the truth, I’m not beating around the bush or sugar coating the pill.”

The third element is openness, which Ayers stresses is a two-way street. “It’s about not hiding things, disclosing what’s going on and saying what’s on your mind. It’s also openness in terms of being receptive to what people have to say. We see it over and over again in employee surveys where employees comment on the lack of openness of the senior leadership team. That doesn’t necessarily mean they’re not being open with what’s going on – though often that’s also true – but they’re not receptive to what employees have to say. They don’t know what’s troubling their employees because they don’t ask.”

The fourth element is acceptance – that is, people feeling accepted and respected for who they are, that they get a sense that they’re important and significant to the organisation, and what they do is important. “It’s where management doesn’t

even know the names of people, they’re just a face, or even just a cog in the wheel. We’ve known for years the relationship between the employee and their immediate supervisor is the most important relationship in terms of building engagement, and also the most important in terms of trust. An employee will continue to be engaged and work hard for a manager who they know respects them and values them, even if they’re not sold on the senior management team,” Ayers explains.

Of all four elements it’s actually acceptance that gets the trust ball rolling. “Think about your own experience,” says Ayers. “If someone treats you with disrespect, you don’t want to have anything to do with them. If your manager doesn’t know anything about you, shows no interest in knowing you personally, if you’re just there to do a job, then you don’t give anything back. It switches you off straight away and there’s no commitment to do your best.”

Even if senior management teams are ethical and honest, Ayers says it’s not uncommon for employee surveys to reveal a low score for trust, and this is because employees don’t judge senior managers by reliability or honesty – they expect that as a given.

The relationship between the employee and their immediate supervisor is the most important relationship in terms of trust and engagement

Assessing the ‘elements of trust’

Element of trust	Supporting values	The statements employees respond to for each of the 8 values*
Acceptance	Respect	People are valued for who they are
	Recognition	People get the recognition they deserve
Openness	Receptivity	Giving new ideas and methods a fair hearing
	Disclosure	Communicating openly one’s own ideas and opinions
Congruence	Straightforwardness	People are clear about what is expected of them
	Honesty	Having high standards of honesty in everything we do
Reliability	Keeping commitments	Striving to do our best in everything we do
	Seeking excellence	People follow through on their responsibilities

*Employees were asked two questions about each of these statements: How important is this to you personally? How well does your organisation operate by this value? Source: Integro Leadership Institute



Leaders must demonstrate not only through behaviour but also through policies, that people are more important than profit

Instead, they are judged primarily on openness and receptivity to ideas - for example, if there's a system in place where employees can communicate ideas or tell management things that aren't working, such as a forum or town hall meeting. Acceptance is also crucial. Leaders must demonstrate not only through behaviour but also through policies and practices that people are more important than profit.

"One of the simplest examples is this question to senior leaders: do you see payroll as an expense or as an investment? If you see it as an expense, then what do you do with expenses? You try to contain it, cut it. Typically, payroll is one of the biggest items on the P&L. Employees see that, they know it, they feel it. If you see payroll as an investment, that's the investment in people," Ayers says.

Rebuilding trust

What can be done? Can trust be rebuilt? Ayers says it can, but it's not a case of simply flicking a switch. He alludes to 'authentic leadership' whereby senior leaders go out of their way to talk to employees, to spend time on the floor, in the branches, giving people the chance to sit down and talk.

It's also important for leaders to know where they are currently placed, and that can only be achieved by shining a self-reflective light on themselves and by asking others for their perceptions.

Integro offers three levels of surveys to measure trust. At organisation and team levels, the employee passion survey measures passion (not engagement, which Ayers says is so fundamental that it's

impossible to do anything with employees if it's not present). Ayers maintains that people who are passionate about their work and their organisation are the best contributors. Within the passion survey Integro can also assess trust through the four elements - reliability, congruence, openness, acceptance - and the two values under each element (see box on page 37).

At an individual level, leaders are assessed on their flexibility and their trust building skills through their own perceptions and through the perceptions of others. "Measurement is key," says Ayers. "Most leaders see themselves as honest, trustworthy, ethical - and they are - but they're not necessarily building trust because they're not aware of the elements that build trust. I might think I'm very accepting of people, but then I don't necessarily let them know that - I may do things that demonstrate they're not as important as I think."

These surveys are always given as part of some leadership development. Additional surveys can be conducted by the senior team to develop the strategy for increasing trust not just in the senior team but across the organisation. Ayers maintains that it's crucial to get senior leaders looking at some of the policies, procedures and practices that actually communicate a lack of respect for employees. For example, having countless rules automatically implies that people can't be trusted.

"Many organisations have policies that are implemented because a few people did something they shouldn't do, so a rule is written for everyone to follow. That makes sense, and may be very necessary, but is there another way of handling that? How about agreeing to a set of values on how the company operates? You can write a lot of policies, procedures and rules and then police people and monitor them. However, people are more strongly committed to a set of values than they are a set of rules."

Continuous development

No one is perfect, and judging by the number of corporate scandals regularly reported, certainly no CEO is perfect. Ayers cringes when it's suggested that some CEOs may balk at the suggestion that they need further personal and professional development. "Anyone who thinks they know it all doesn't," he says. "To me that's a defensive reaction compounded by a fear of looking at themselves. The way I would overcome that is not to challenge that person but to measure the results. My experience is those people who think they know it all will score the worst results in the organisational survey, with the lowest level of engagement and the least flexibility as perceived by others." **HC**