

Rebuilding Trust in Leadership

Societal, institutional, and organizational trust is at an all-time low. [The 2021 Edelman Trust Barometer reveals](#) that political unrest, a global pandemic, and years of government and corporate scandals have eroded people's trust in leaders worldwide. A survey of more than 33,000 respondents in 28 countries revealed that a majority of respondents believe that government leaders and business leaders are purposefully misleading people by saying things that are not true. [Forbes.com](#) predicts that a major leadership trend for 2021 and beyond is the "continued erosion of trust in societal institutions, and a weakening of the principles that sustain those institutions." There is also evidence that working from home is corroding trust among colleagues as co-workers struggle with miscommunications and lack of in-person interactions. In addition, because 84% of employees are concerned about losing their jobs, workers will continue to be guarded about their status and performance compared to their colleagues.

This lack of trust is bad news for businesses. In his research on the [neuroscience of trust](#), Paul J. Zak found that employees in high-trust organizations are 50% more productive, report 74% less stress and 106% more energy at work than their low-trust counterparts. They also report 76% more engagement, 40% less burnout, and take 13% fewer sick days. That adds up to a high cost for low-trust organizations. While managers and other organizational leaders may not be able to solve all of the global problems leading to this decline in trust, any leader can take steps to build or rebuild trust in their organizations and among their teams.



The Elements of Trust

At its core, leadership is a relationship. There is no leader if there is no one willing to follow. Leaders must build relationships and connect others around a common purpose. And the foundation of any successful relationship is mutual trust. If today's leaders want to build, or in many cases, rebuild trust with employees and other stakeholders, they must understand the elements of trust and the behaviors that underlie trusting relationships. In her book, *Dare to Lead*, Dr. Brené Brown breaks trust into seven components: boundaries, reliability, accountability, the vault, integrity, nonjudgement, and generosity.

- **Boundaries** - Leaders must not only set effective boundaries but stick to them. Setting clear expectations about how work gets done, professional behavior, and how to resolve conflicts is vital to creating a foundation of trust. These expectations must be communicated

clearly and put into daily practice. Misunderstandings about what is expected can quickly erode trust in any relationship.

- **Reliability** – Dr. Brown explains reliability as, "Do what you say you'll do over and over and over again." Business leaders must create a reliable and predictable experience for both customers and employees.
- **Accountability** – Effective boundaries and reliability can only be achieved if there is accountability. When mistakes are made, it is vital to acknowledge them openly and honestly and communicate what actions will be taken to correct the situation. Leaders should create an environment that encourages their team to handle their mistakes the same way, rather than hiding or being dishonest about a problem.
- **Vault** – The vault refers to keeping people's confidence. Trustworthy leaders don't share information or experiences that are not theirs to share and understand the importance of other people's privacy. This also extends to customers, who need to trust that businesses are careful with their private information and data. Recent data breaches in major organizations have increased customer concerns about safety, leading them to distrust companies they once relied on for goods and services.
- **Integrity** – To build trust, leaders must practice honesty and live their stated values. Corporate scandals, reports of tax evasion, and illegal activities by leaders of major companies have eroded the public's trust in business leadership. The integrity of businesses affects customers and workers alike. Leaders must demonstrate a commitment to honesty and reliability in all areas of their organizations—from accounting policies to human

resources. Creating a code of conduct and ethics is a great place to start.

- **Nonjudgement** – Trust requires vulnerability. Leaders must be willing to ask for help when they need it and not judge others when they need support. This can apply to team members who might be struggling with a project or personal problem or a customer who needs extra assistance when things are busy.
- **Generosity** – Creating a high-trust environment at work requires making generous assumptions about people's intents and actions. Leaders who have empathy and can see things from someone else's point of view are better able to handle conflict and misunderstandings. Modeling that behavior for employees and teaching them to have positive assumptions about a disgruntled customer can also improve customer service and build trust with the public.



Managing for Trust

Taking the key elements of trust into consideration, managers can take action to foster trust and improve workplace performance. To be viewed as trustworthy, leaders must first extend their trust to others. When team members feel trusted by their leaders, they are more likely to report job satisfaction and confidence in leadership.

Employee Recognition

Neuroscience research has shown that employee recognition has a large effect on trust when it occurs immediately after achieving a goal. Public recognition of an individual can also inspire others to achieve their own goals. To be most effective, recognition should come from peers, be tangible, unexpected, and have a personalized element. For example, a CEO could start a program where employees nominate a distinguished peer quarterly or annually, who is then recognized at a celebratory event.



Allow for Employee Autonomy & Job Crafting

[A 2014 Citigroup and LinkedIn survey](#) found that 64% of people would choose flexibility at work over a 10% raise. Once employees have been onboarded and trained, they should be trusted to execute projects in their own way. Allowing team members to control how work gets done fosters innovation as people will feel free to try different approaches. Research also shows that if employees are trusted to choose their projects, they are more productive and less likely to leave the company. For this approach to work well, leaders must set clear boundaries and expectations, and employees should be held accountable for results through debriefs and evaluations.

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Share Information Freely & Communicate with Transparency

Less than half of employees report that they are well informed about their organization's goals and strategies. Now more than ever, uncertainty about job security and organizational strategy is causing stress for workers. When there is an absence of information, people often jump to the worst conclusion, leading to reduced trust in the organization and increased turnover. Ongoing communication and access to information is the best way to reassure employees. Transparency about both good and bad news is vital to creating a trusting relationship. Leaders should not avoid discussing issues like a tough financial quarter or a need to reduce hours due to slowing business. Instead, they should be clear about the circumstances and share the plan for moving forward.

Facilitate Opportunities for Personal Growth & Development

High-trust organizations have a growth mindset about developing talent. Managers who mentor their direct reports and help them grow personally and professionally see higher employee engagement and lower turnover rates. Providing opportunities for learning and development demonstrates a commitment to the employee's well-being as a whole person.

Rebuilding Broken Trust

It takes time and consistency to build trust and it can be difficult to repair once it is broken. When leaders have broken trust, they must step up and take action to repair the damage. The global pandemic caused disruptions across many industries, requiring layoffs, reduced hours, and new demands on workers. While many of these circumstances were out of the control of CEOs and managers, as things return to normal, it is their job to restore trust in their organizations by helping employees feel safe and customers feel secure about doing business with them.

Author of the Image of Leadership and Crestcom Faculty member, Sylvie Di Giusto, advises a three-step approach for rebuilding trust after it has been broken: First, leaders should reflect on what went wrong. To correct past mistakes or restore faith in a business in difficult times, leaders must look at the entire situation and evaluate what they did, what they could have done differently, and what actions to take next. Is there a need for an apology? Is there a way to make amends with a person that feels wronged? Next, leaders should connect with those affected by the broken trust. Discussing what has happened with honesty



and transparency demonstrates integrity and vulnerability, key elements of trust in any relationship. To truly connect with stakeholders after trust is broken, leaders must also listen without defensiveness. To repair the relationship, the other party needs to feel heard and understood. Finally, leaders must do the work to restore trust. This will require patience and consistency. People will need time to forgive and forget, and it takes time to demonstrate integrity, reliability, and accountability.

Author of *The Road to Character*, David Brooks, tells us that “trust can be rebuilt through the accumulation of small heroic acts—by the outrageous gesture of extending vulnerability in a world that is mean, by proffering faith in other people when that faith may not be returned.” The need for stronger, more ethical leadership is clear, and the time for action is now. Restoring public confidence in leadership begins with each leader's commitment to embracing and demonstrating the key elements of trust in all aspects of their life.

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