POS and Trust in Leaders

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Abstract

In this chapter, we discuss how courage, authenticity and humility, all key characteristics of POS leaders, enables leaders to be more likely to engage in trusting behavior with others. Moreover, our research has found that a leader demonstrates his/her trustworthiness by demonstrating reliability, openness, competence and compassion. These trustworthiness dimensions contribute to a leaders’ ability to create and sustain hope, creating a circle of trusted others which includes colleagues and subordinates whom he/she can rely on and in turn relies on him/her. Through this trusting behavior, the leader empowers others and provides hope for the future leading to lasting positive changes for the organization and creating a culture of trust.

Keywords: POS, Trust, Leadership, hope, authenticity, humility, courage

Introduction

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. In order 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 US 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 there is a leadership crisis in the United States just when strong leadership is most needed to address not only the current economic crisis, but also many long-standing economic and societal challenges as well.

Trust has declined for many reasons, and some of these have persisted for decades. These include societal, such as increasing suspicion due in part to decreased interaction among individuals, as discussed by (Putnam, 2000), and institutional, 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, examining the links that exist between them. Then, we will delve more deeply into those positive characteristics which contribute towards a leader’s willingness to build trust and ability to demonstrate trustworthiness, focusing especially on courage, authenticity and humility. Next we focus specifically on the four key dimensions of trustworthiness that a leader can demonstrate to others in order to engender their trust, provide them with hope, and foster their empowerment. Finally, we reveal how a leader builds a culture of trust in order to create lasting, positive change in an organization (see figure 1).

![Figure 1: Model of Trust-Based Positive Organizational Leadership](image)
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 to 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 1) reliable, 2) open, 3) competent, and 4) compassionate (Mishra and Mishra, 1994; Mishra, 1996). We call this these four beliefs or dimensions of trustworthiness the ROCC of Trust (Mishra and Mishra, 2008).

Our definition of trust is consistent with several decades of research on trust which incorporates the key elements of vulnerability (Deutsch, 1962; Zand, 1972; Granovetter, 1985), risk/risk-taking (Deutsch, 1973; Lewis and Weigert, 1985), rational choice (Kramer, 1999). It also encompasses definitions that other leading trust scholars have also articulated, including positive expectations regarding others’ intentions or behavior (Rousseau, Sitkin, Burt and Camerer, 1998), and in particular, their competence, integrity, and benevolence (Mayer, Davis and 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, 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 and 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 Positive Organizational Scholarship (POS) in our assessment generally depend on relationships based on trust between individuals. POS environments are typified by positive attributes such as belief in the goodness of human contribution and human potential leading to positive performance (Cameron, 2007). POS 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 there has been a focus historically 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 one another in terms of being competent, so that they can develop constructive solutions to the jolt, and/or they trust one 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 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 truster, 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 and Pugh, 1994; Whitener, Brodt, Korsgaard and 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 also individuals 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 more likely that they would want to trust each other. Uzzi (1997) also found evidence that contexts which 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 some drivers to evidence distrust by keeping two sets of logs, one for the 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 in order 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/she is placed into a positive or a negative environment.

First of all, 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 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 can energize an individual to better performance instead of a focus on weaknesses (Buckingham & Clifton, 2001).

Positive communication is just as important in creative a positive work environment. Cameron (2008) found that a high-performance team in a positive organization provided more
positive comments 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, 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 1) work having a positive impact, 2) work aligned with personal value, 3) work whose impacts is long lasting, and 4) 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 and 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 leaders’ 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 sensitive information, or by empowering rank and file employees. Leaders’ humility also encouraged them to be vulnerable to their follower, and even motivated 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 fostered a sense of shared fate that is so often missing in organizations, especially organizations that are facing adverse circumstances. Finally, leaders’ authenticity encouraged others in turn to be vulnerable to them. This authenticity in terms of transparent values and motives, coupled with behaviors that strongly corresponded 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 taking advantage of, or 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 utilized collaborative approaches to allocating resources. Building on prior POS research then, we 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 confront the status quo (Worline and Quinn, 2003), based on confidence in the future (Luthans and Avolio, 2003) and self-confidence about one’s own ability to make a difference. Following Mishra and Mishra
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 possesses greater courage will then be more willing to build trust with others in order to overcome those mistakes. A leader who possesses a greater willingness to confront the status quo is also more likely to see the need to induce others’ cooperation in overcoming 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 possessing 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 possessed by leaders who are more likely to build trust with others. Nielsen et al. (2010) 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 and 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, and Wilkins, 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.** The third key characteristic of a leader who is likely to build trust with others is authenticity. 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 psychological capacities and a positive ethical climate, to foster greater self-awareness, an internalized moral perspective, balanced processing of information, and relational transparency of the part of leaders working with followers, fostering positive self development (Walumbwa, Avolio, Gardner, Wernsing, and Peterson, 2008, p. 94). Authentic leaders have no gaps between their words and actions and thus no hypocrisy (Luthans and Avolio, 2003). An authentic leader is also self-aware, owning one’s personal experience and acting with the true self (Luthans and 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 and Winston, 2005). This allows authentic leaders to have the moral capacity to judge issues and circumstances involving “shades of grey” (Luthans and 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 in order for them 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 authentic often coexisted within leaders who were effective at building trust and demonstrating trustworthiness (Mishra and 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., in press, this volume). Luthans and Avolio (2003) argue that authentic leadership can be developed as with 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 and Avolio, 2003). They are easily motivated to work harder; more satisfied and have high morale; they have high levels of motivational aspiration and set stretch goals. They persevere in the face of obstacles and difficulties; analyze personal failures and setbacks as temporary, if not learning experiences, and view them as a one-time unique circumstance. Authentic leaders also tend to feel upbeat and invigorated both physically and mentally (Luthans and Avolio, 2003). Space limitations prevent further elaboration as to how courage, humility and authentic may covary or even reinforce one another, but please see Owens et al., in press, this volume, for a rich discussion. Because of their positive relationship with such constructs as hope, optimism, and values, we believe that courage, humility and authenticity are likely to have a strong influence upon affective components of trust, and not just trust’s cognitive components.

An example from our two decades of research who compellingly demonstrated to us courage, humility, and authenticity is a leader who ran an automotive stamping plant in Parma, Ohio, for more than two decades, Bob Lintz. Bob took the Parma plant, which in the early 1980s was a $250 million annual revenue operation that was scheduled to be shut down in three years, and successfully turned around the facility over the course of several years. Today, it remains in operation, and is one of the highest-quality, most productive stamping plants in the world (Mishra & Mishra, 2008). His particular approach to building trust show how courage, humility and authenticity all enhance a leader’s ability and motivation to build trust with a wide variety of stakeholders, and building lasting positive change.

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 was to 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 four-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 demonstrate his trustworthiness. He did this by listening 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 justified 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 (Mishra & Mishra, 1994). The first dimension of trustworthiness is reliability. This dimension is often what people individuals 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 our 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 interdependent 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 reliability-based trustworthiness 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 performance depends on information that is not only timely but accurate (Gittell, 2003, p. 282).

Leaders demonstrate their competence by meeting 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 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 Lilius, Worline, Maitlis, Kanov, Dutton and Frost (2008) found that most acts of compassion came from a co-worker, we suggest that acts of compassion from a leader can also go a long way towards building positive connections with employees. Leaders have greater authority and access to provide the material resources that can foster followers’ interests than do co-workers. Lilius 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 the 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 which have endured in some cases for decades, even years after the leader left the organization.
Creating and Sustaining Hope. One way in which leaders developed 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 and 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 and Spreitzer, 1998; Spreitzer and Mishra, 2000).

In our research, some of the most compelling examples of leaders fostering hope in others take place in health care contexts. It is not surprising given that is what patients are looking for when they consult a physician or surgeon, the hope that somehow they will be healed.
Kevin Lobdell, M.D. is Director of the 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%, and now as many as 80% of patients are extubated within 6 hours (Lobdell, Camp, Stamou, Swanson, Reames, Madjarov, Stiegel, Skipper, Geller, Velardo, Mishra, and Robicsek, 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 and 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 and Luthans, 2003: 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 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
an 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 developed 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 and Avolio, 2003), thus
empowering them. More specifically, authentic leaders are guided by a set of end-values that are oriented towards doing what’s right for their constituency where the individual has something positive to contribute to the group, and they model these values rather than using coercion or even persuasion (Luthans and Avolio, 2003). Authentic leaders are also equally focused on developing others and task accomplishment (Luthans and 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 them with a sense of meaning by providing them with accurate and honest information about the state of the plant and 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 General Motor’s 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 and Avolio, 2003). To the extent that those values emphasize personal and collective competence, the organization can become what Gallup calls a strengths-based organization (Luthans and Avolio, 2003; Buckingham and Clifton, 2001). 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 with broader efforts to instill the ROCC of Trust throughout their organizations and key external stakeholders. By building trust through reliability, openness, competence, and compassion, leaders modeled their trustworthiness, 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 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 U.S., with over 200 franchisees in the U.S., Canada and Ireland.

TMT 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 Two Men and Truck, 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 of 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 initiatives by TMT have resulted in a tightly-knit franchise system that is encouraging of each other and is trusting of the home office. TMT has demonstrated that the actions of the leaders can result in a trust-based culture that can have both cultural and financial benefits.

Future Directions

Question 1. 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?

Question 2. What is the role of strengths in building trust?

The Gallup Organization’s Strengths-based assessments have gained widespread use among practitioners. Positive Organization researchers have also begun examining a strengths-based approached to leading and manager (Spreitzer, Stephens, and Sweetman, 2009; Roberts, Caza, Heaphy, Spreitzer, and Dutton, in progress). 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.

**Question 3. 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.

**Question 4. 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 the truism that trust takes time to build, but once broken is very difficult to rebuild difficult to refute. 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.” While we would like to focus on the positive aspects of a trustworthy leader, we must acknowledge that there are times that a leader must enter an organization where trust has been lost or violated and must endeavor to rebuild trust in order to create a new and more positive organization in order for the organization 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 in order to create and sustain 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 have 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


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