LEADERSHIP AND TEAM EFFECTIVENESS

LECTURE – 59

Building Credibility and Trust

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The process of building trust is an interesting one, but it begins with yourself, with what I call self trust, and with your own credibility, your own trustworthiness. If you think about it, it's hard to establish trust with others if you can't trust yourself.
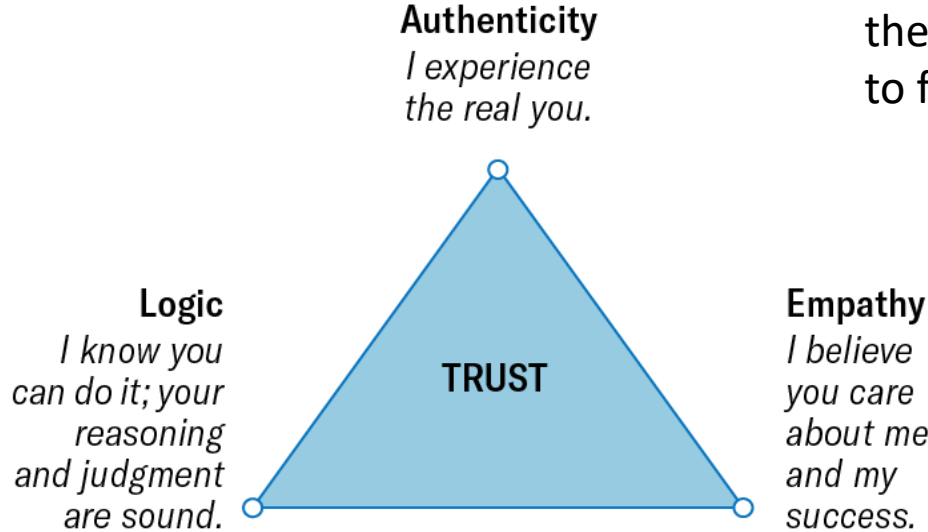
Stephen Covey

Trust

- (a) a firm belief in the reliability or truth or strength etc. of a person or thing (b) the state of being relied on
- a confident expectation
- (a) a thing or person committed to one's care (b) the resulting obligation or responsibility (OED). The act of placing yourself in the vulnerable position of relying on others to treat you in a fair, open, and honest way.

- **Where do we Trust?**
  - *Social trust* - between people
  - *Trust in organizations* - between organizations and those they serve
  - *Intra - organizational trust* - within organizations
  - *Inter- organizational trust* - between organizations
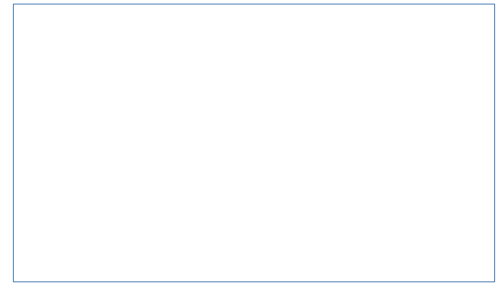
Source: https://www.slideserve.com/odetta/architects-of-trust-building-trust-in-the-workplace
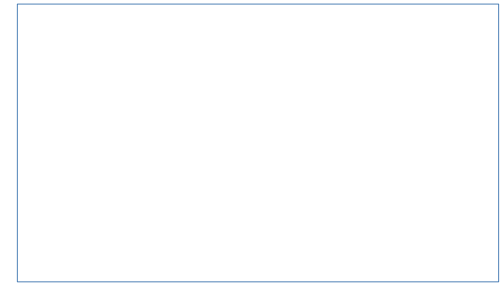
The Trust Triangle

Trust has three drivers: authenticity, logic, and empathy. When trust is lost, it can almost always be traced back to a breakdown in one of them. To build trust as a leader, you first need to figure out which driver you "wobble" on.

Authenticity
I experience the real you.

Logic
I know you can do it; your reasoning and judgment are sound.

TRUST

Empathy
I believe you care about me and my success.

From: "Begin with Trust," by Frances Frei and Anne Morriss, May–June 2020

HBR

Image Source: https://hbr.org/2020/05/begin-with-trust

Four research-based practices for Leaders to master to earn and keep the trust of others: HBR Study

1. Be who you say you are.

- Embody your stated values.
- Acknowledge any say-do gaps

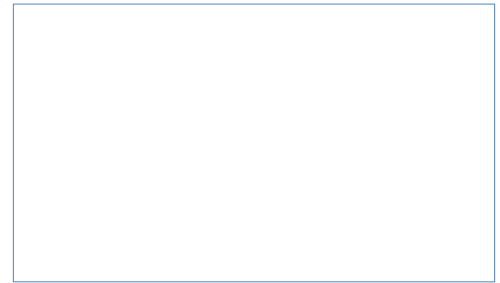**2. Treat others and their work with dignity**

- Create opportunities for others to shine
- Be a safe place to fail

3. Balance transparency with discretion.

- Set and keep information boundaries
- Offer and invite dissent and feedback.

4. Build bridges that unify.

- Turn rivals into accomplices.
- Be fascinated by others to create belonging.

# Trust, Diversity and Team Performance

- Diversity doesn't automatically confer advantages in decision-making. In fact, if diverse teams aren't managed actively for inclusion, they can underperform homogenous ones.
- That's because shared knowledge is key in decision-making, and diverse teams, by definition, start out with less of it.
- But if you create conditions of trust that allow diverse team members to bring their unique perspectives and experiences to the table, you can expand the amount of knowledge your team can access—and create an unbeatable advantage.
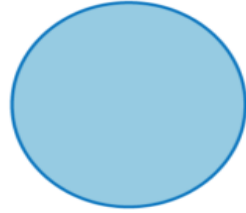
Source: https://hbr.org/2020/05/begin-with-trust
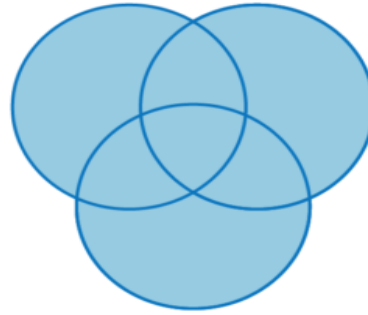
Trust, Diversity and Team Performance
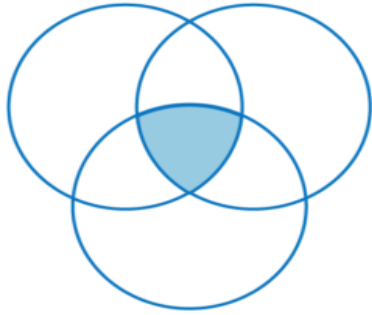
Diverse teams
A diverse store of knowledge is partly shared.

Homogenous teams
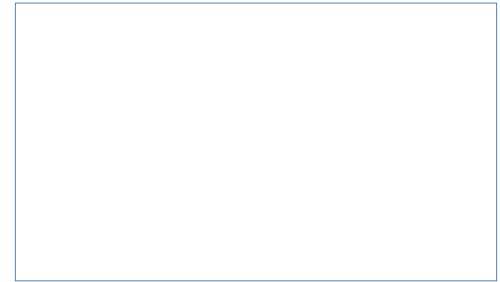A common store of knowledge is fully shared.

Inclusive teams
A diverse store of knowledge is fully shared.

From: "Begin with Trust," by Frances Frei and Anne Morriss, May–June 2020

HBR

Image Source: https://hbr.org/2020/05/begin-with-trust

The Trust Equation

The Trust Equation

$$T = \frac{C + R + I}{S}$$

Trustworthiness = (Credibility + Reliability + Intimacy) / Self-Orientation

Trusted Advisor
[ASSOCIATES LLC]

TQ stands for Trust Quotient. The Trust Quotient is a number — like your IQ or EQ — that benchmarks your trustworthiness against the four variables. The Trust Equation uses four objective variables to measure trustworthiness. These four variables are best described as: Credibility, Reliability, Intimacy and Self-Orientation.
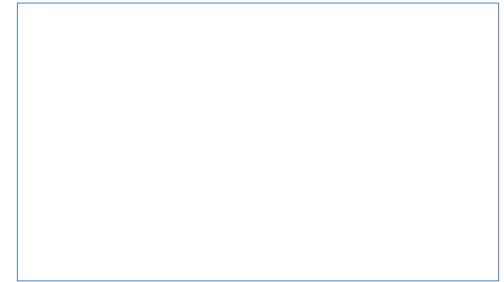
Image Source: https://trustedadvisor.com/public/Equation_Full-1.jpg

The Trust Equation: Four Variables

1. CREDIBILITY

has to do with the words we speak. In a sentence we might say, "I can trust what she says about intellectual property; she's very credible on the subject."

2. RELIABILITY

has to do with actions. We might say, "If he says he'll deliver the product tomorrow, I trust him, because he's dependable."

3. INTIMACY

refers to the safety or security that we feel when entrusting someone with something. We might say, "I can trust her with that information; she's never violated my confidentiality before, and she would never embarrass me."
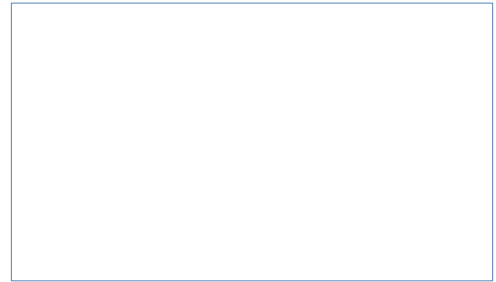
The Trust Equation: Four Variables

4. SELF-ORIENTATION

refers to the person's focus. In particular, whether the person's focus is primarily on him or herself, or on the other person. We might say, "I can't trust him on this deal — I don't think he cares enough about me, he's focused on what he gets out of it." Or more commonly, "I don't trust him — I think he's too concerned about how he's appearing, so he's not really paying attention."
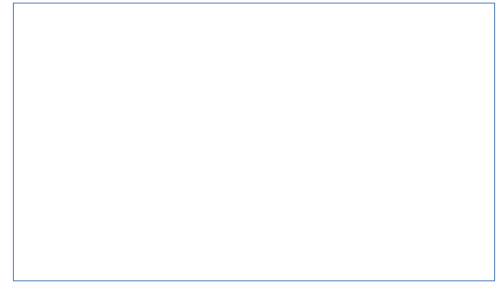
Credibility

- Your reputation for being trustworthy.
- The degree to which others believe or trust in you.
- Credibility is your reputation for being trustworthy - trustworthy to perform your work with excellence; to care about those you work with and for; to live by high ethical, corporate, and personal values; and to deliver on your promises. In short, your credibility is the degree to which others believe or trust in you.

Image Source: https://corporatestays.com/wp-content/uploads/2020/03/cross-multicultural-teams-1.jpg

The Three Components of Credibility

As a future manager and executive, you can control your reputation as a credible communicator by focusing on three well-established factors: **competence, caring, and character**. Research has shown that these three factors almost entirely account for whether a person is considered credible in professional situations. Credibility is like a three-legged stool. Without any one element, it is compromised.
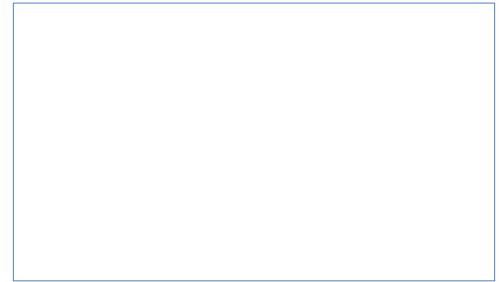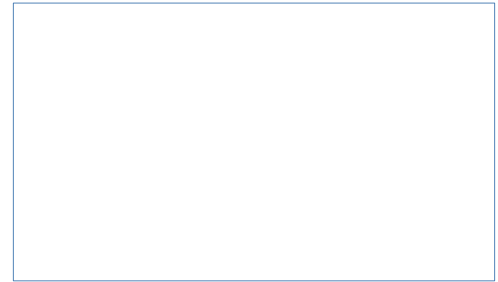
1. The Role of Competence in Establishing Credibility

Competence: refers to the knowledge and skills needed to accomplish business tasks, approach business problems, and get a job done.

- Most people will judge your competence based on **your track record** of success and achievement.
- People develop competence through study, observation, and practice and real-world business experiences.
- How you communicate directly affects the perceptions others have of your competence.
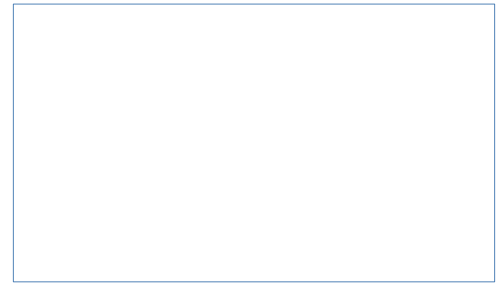
The Role of Competence in Establishing Credibility

- People develop competence in many ways: through study, observation, and, most important, practice and real-world business experiences.
- Your entire business program is likely centered on developing competence in a certain business discipline and/or industry.
- You may already have significant business experience. If you're a novice, seeking internships and jobs related to your discipline will help you develop competence. How you communicate directly affects the perceptions others have of your competence.

Two traits associated with competence:
1. A focus on action and
2. An emphasis on results.

2. The Role of Caring in Establishing Credibility

- **Caring:** implies understanding the interests of others, cultivating a sense of community, and demonstrating accountability.
- People distrust individuals who are perceived as unconcerned about the interests of others or disinterested in causes above and beyond themselves.

Your colleagues, clients, and even your customers will trust you far more if they know you care about them. **As Mahatma Gandhi once stated**, "The moment there is suspicion about a person's motives, everything he does becomes tainted." This statement applies in nearly all business circumstances: People distrust individuals who are perceived as unconcerned about the interests of others or disinterested in causes above and beyond themselves. In the business world, caring implies understanding the interests of others, cultivating a sense of community, and demonstrating accountability.
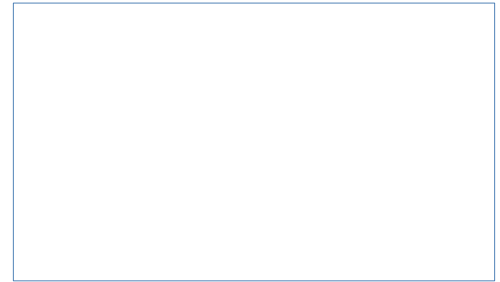
Understanding the Interests of Others

- Your ability to gain credibility strongly depends on your ability to show that you care for the needs of others.
- Effective communicators gain trust by connecting with others—that is, seeking to understand others' needs, wants, opinions, feelings, and aspirations.

Cultivating a Sense of Community

The most effective business leaders in today's corporate environment have generally risen to their positions because of their sense of community and teamwork.

Speaking about "our needs" or "your needs" as opposed to "my needs" engenders trust and helps you come up with solutions that achieve mutual benefit
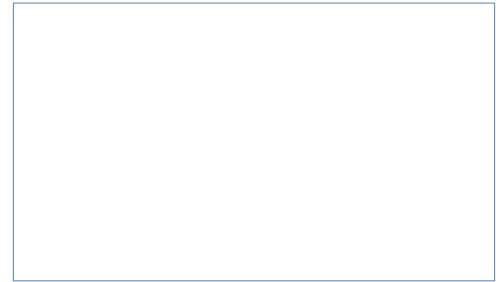
Culture of Accountability

A sense of accountability involves a feeling of responsibility to stakeholders and a duty to other employees and customers.

By placing a rationale for accountability in your communications, you will generate substantial trust and goodwill from others.
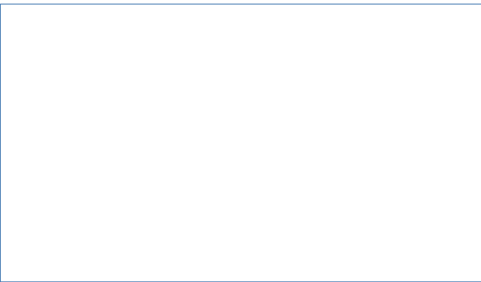
The Role of Character in Establishing Credibility

- **Character:** refers to a reputation for staying true to commitments made to stakeholders and adhering to high moral and ethical values.

- Character has always been important in business relationships, especially long-term, collaborative relationships. It is becoming even more important—especially for leaders—in an increasingly open, transparent, connected, and interdependent workplace.

The Six Pillars of Character®
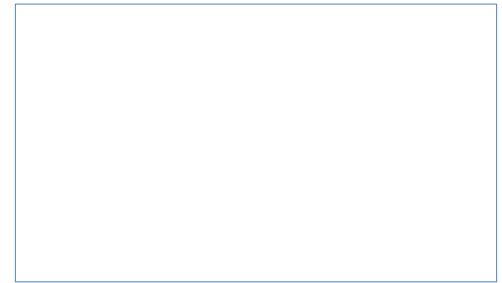
What Determines Trust in Individuals in the Workplace?

Character is central in creating trust. Consider the recent research, depicted in figure Business executives were asked what the most important determinants of trust in workplace projects were. Overwhelmingly, character-based traits—that is, honesty, ethical behavior, willingness to exchange information—ranked at the top.

Honesty	77%
Ethical behavior	68%
Exchages information willingly	63%
Shared objectives	53%
Respectfulness toward others	49%
Expertise	42%
Positive attitude	40%
Motivation	39%
Consideration of others	37%
Ability to do the job well	36%
Communication skills	36%
Intelligence	29%
Experience	23%
Connectedness	17%
Works for a reputable company	12%

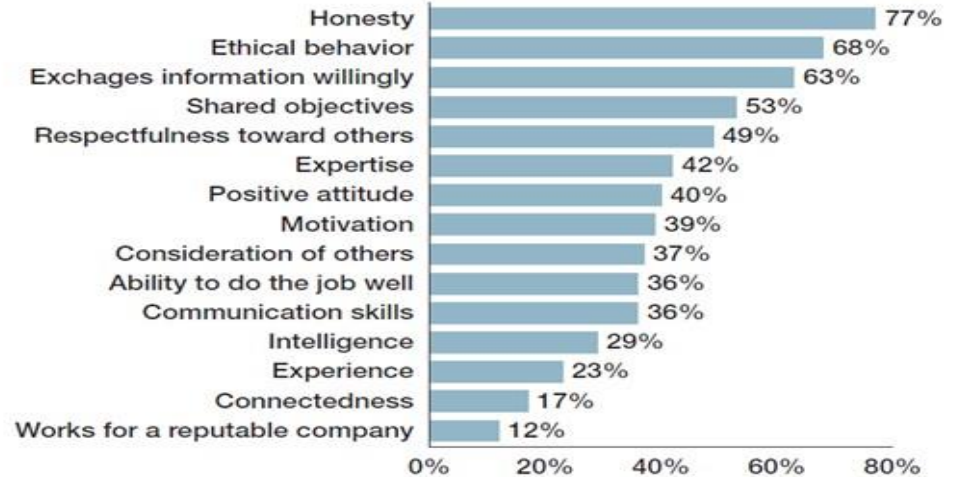Image Source: https://player.slideplayer.com/26/8529591/data/images/img9.jpg

Case Study : Trust is to be earned.

- Mayank, the BM of a company's Bangalore branch was sitting with his boss Shiv, the RM of South India. Shiv was sharing his angst with Mayank concerning Mayank not enrolling him in important decisions he was taking about distribution changes Mayank was implementing in the Karnataka market. Mayank was not comfortable with the conversation and did not want to be cowed down. He pounced on Shiv saying, "Why don't you trust me?" As he was getting unsettled, he repeated that 2-3 times with his emotions running high and he continued arguing, losing the logic he was giving while arguing with Shiv. Shiv was calm all the time with a slight smile on his face, but he did nor counter Mayank.

He just gave a signal to Mayank that there was no point in continuing the conversation for the time being. Mayank left after some time as Shiv was silent and not even making eye contact.
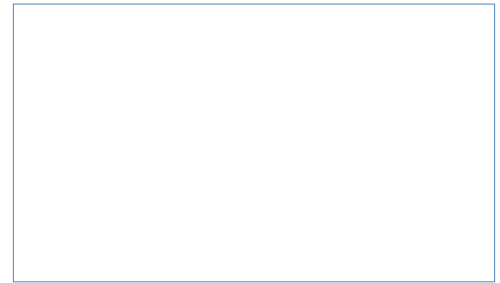
Case Study : Trust is to be earned.

- The next day, Mayank went to Shiv 's room and tried to slip in a feeble apology, but he still wanted an answer to the question he had posed to Shiv the previous day about why Shiv did not trust Mayank. As Shiv had Mayank 's ears yearning to know the reason, he continued softly by quoting from the Mahabharata. He asked Mayank if he knew the story in the Mahabharata of how Arjun was depressed and would not lift his Gandiva (bow), as he did not want to kill his relatives for a piece of land. At that time Shri Krishna told Arjun, "Trust me, this is the purpose of your life: being a Kshatriya. Pick up your Gandiva."

But Arjun replied that his inner doubts were still not allowing him to lift the bow. He asked for more logic, more reasons and more gyan from his Sakha. And that is how Shri Krishna recited the Gita to Arjun, about the philosophy of karma and convinced him to fight for what was right.
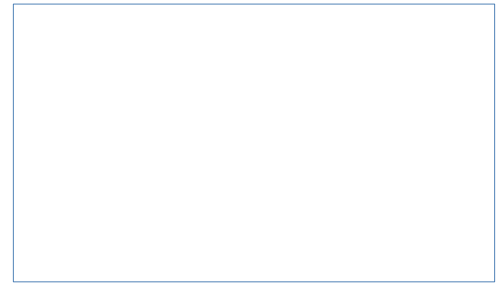
Case Study : Trust is to be earned.

- Mayank was finding the discussion interesting and he asked Shiv, "What has that got to do with trust between us?" Shiv replied, "If Arjun found it difficult to trust his Sarathi on picking up his Gandiva, how do you expect me to give you my trust so easily?"

- Mayank was all ears but still didn't know where his boss was heading to. Shiv continued, "Trust is a very big word. It cannot be given or taken for granted. It has to be earned by one's actions and words. It gets strengthened with the right actions and right words and weakened by the wrong actions and wrong words." Shiv went further, "As your senior, I am responsible for your work, and I would not like you to take any misstep which you may regret later.

You can even question me that time asking 'Why didn't you stop me if I was going wrong?' But if you forget to share your actions with me, then I am in a helpless state of being.
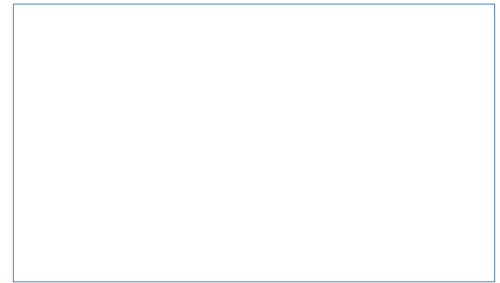
Case Study : Trust is to be earned.

- I am responsible for my team member's success or failure, but I have no say in her/his actions. Just try and look at it from my side. You will not be comfortable in my position at all. Then you will surely understand where I am speaking from." "Nowhere am I taking away your decision-making authority of making distributions changes in your territory. No, that is with you only. But by including your senior, you prove that you are confident in your decisions and that you will be able to give the logic to support the same. Also, if there is any counter-questioning you are ready with the right answers as you are taking a thought-through decision, aren't you? But if you are unhappy at being questioned by your senior or do not want us to question you, then there is no requirement of having an RM in the company, is there?"

Mayank was quiet. His head was bent low in deep thought. Shiv continued. "In the past, when I was a new leader, I got stuck in the same wrong belief that if I trust someone, I should allow her/him to do whatever s/he feels is right.
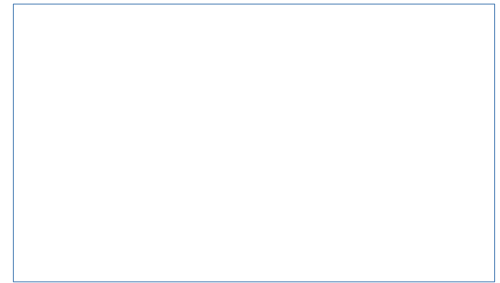
Case Study : Trust is to be earned.

- But when my team member was being screwed by my boss, I felt sorry for him and sorry for myself. That time, I promised myself that I would be fully aware and responsible for my team members actions and will push her/him to take thought-through decisions which s/he or I can defend in front of anyone, as we have already done a manthan (reflection through study) on the same." Mayank felt transformed. In his heart, he thanked God for giving him a boss like Shiv. He did not speak a word, but his smile said everything and he left.
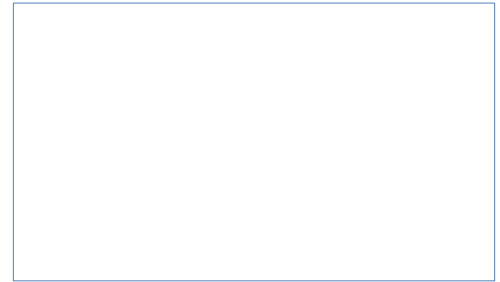
Research Paper

An integrative model of trust and leadership

Markus C. Hasel
EMLYON Business School, Ecully, France, and
Steven L. Grover
University of Otago, Dunedin, New Zealand

Purpose

The purpose of this paper is to examine the interplay between different streams of trust and leadership and their impact on motivation and performance. The model answers recent calls for a better understanding of underlying mechanisms in these interactions.
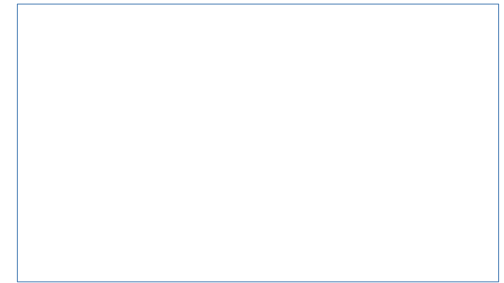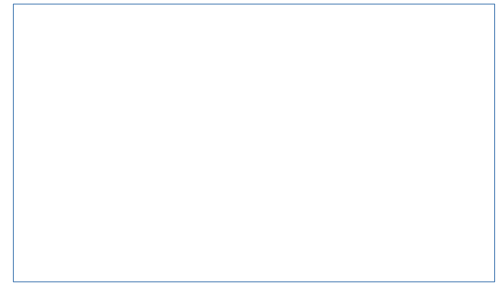
Research Paper

Design/methodology/approach

The authors drew from contemporary leadership and trust theories to develop ten propositions teasing out how specific person- and role-oriented leadership behaviors interact with calculus-, identification-, knowledge-based trust, motivation, and performance.

Findings

The model accentuates the complexity of the interactions between trust, leadership, and follower outcomes. It guides future empirical research to unravel these intricate relations and accentuates their complexity.

Research Paper

Research limitations/implications

The ten propositions act as guidelines in mastering the complex art of leadership by understanding how behaviors affect followers. An important limitation originates in the detailed analysis of leadership and trust. Focusing on specific leadership behaviors and trust types leaves further scope for future research into additional behaviors and cofounding variables to arrive at a more holistic picture of the underlying mechanisms that make or break an effective leader.

Originality/value

Contemporary theories on leadership and trust frequently view the different streams as overall constructs in lieu of multi-faceted phenomena. The model is a first of its kind in that it fuses contemporary leadership and trust theory to develop a set of propositions based on specific interactions between leadership behaviors and different forms of trust.
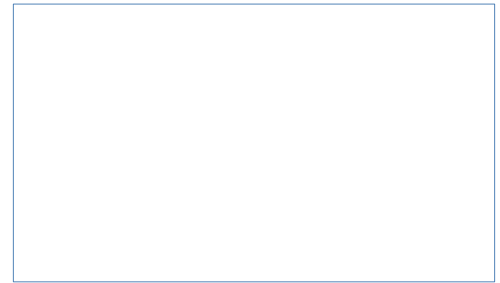
Book Recommendation

The SPEED of Trust: The One Thing That Changes Everything

Authors: Stephen M.R. Covey & Rebecca A. Merrill
Publisher: Free Press; Reprint edition (5 February 2008)
Language: English
Paperback : 384 pages
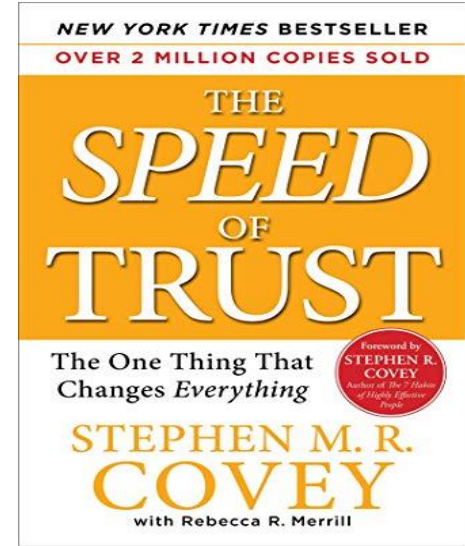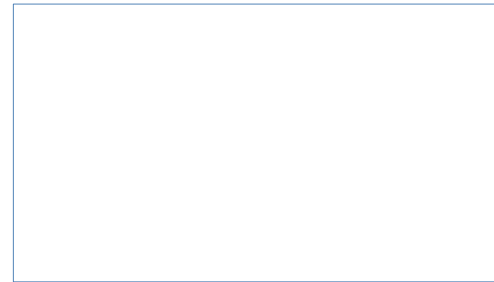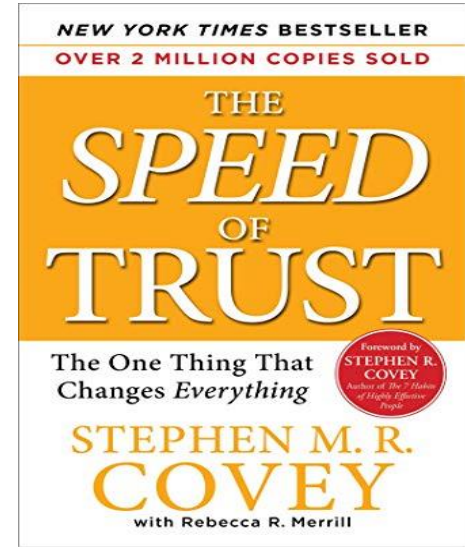**ISBN-10 :** 1416549005
ISBN-13 : 978-1416549000
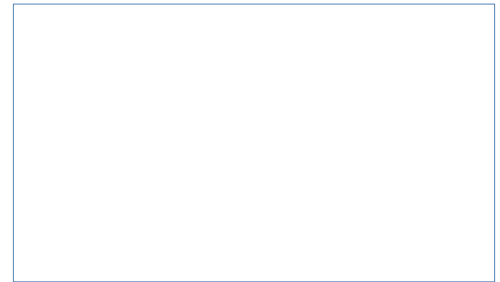
Book Recommendation

Stephen M. R. Covey shows how trust—and the speed at which it is established with clients, employees, and all stakeholders—is the single most critical component of a successful leader and organization. Stephen M. R. Covey, widely known as one of the world's leading authorities on trust, asserts that it is "the most overlooked, misunderstood, underutilized asset to enable performance. Its impact, for good or bad, is dramatic and pervasive. It's something you can't escape." Thankfully, it's is also the thing that can dramatically improve your personal and professional success. Why trust? The simple, often overlooked fact is this: work gets done with and through people. The Speed of Trust offers an unprecedented and eminently practical look at exactly how trust functions in every transaction and every relationship—from the most personal to the broadest, most indirect interaction. It specifically demonstrates how to establish trust intentionally so that you and your organization can forego the time-killing, bureaucratic check-and-balance processes that is so often deployed in lieu of actual trust.

Image Source: https://m.media-amazon.com/images/I/51TyjBe3KpL.jpg

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Thank You