

Extension Material 5.1

Observations on the meaning of trust

The following is from T. Rickards and M. Clark, *Dilemmas of Leadership* (Routledge, 2006), final chapter.

In trying to capture the many different contexts in which trust is a central feature, the authors present the following examples.

Two diamond traders in London's Hatton Garden examine a handful of precious stones. They agree a sale. The buyer says he needs three days to obtain the finance for the cash transaction. The deal is agreed. There has been no discussion of the authenticity of the information provided about the origins and specification of the stones. By tradition, such deals have been conducted with no legal or written exchange. Their bedrock is the intangible bond of trust between the two traders

Michael Howard, the leader of the British conservative party, told delegates to the 2004 party conference that voters had lost trust in politicians of all political persuasions. He concluded that it was no longer possible for politicians to make promises to the electorate

Chief Executive Gerald Ratner at a private function made a joke to the effect that his company's products were of very poor quality. The remark was reported, and the entire company collapsed within months, having lost the trust of its customers, other important stakeholders, and financial analysts

'One more weekend', the project leader pleads with members of the team. 'I'll see it's worth your while'. There is a silence around the room, before a team-member stands up and says that he's heard it too many times before, and would rather leave the company than ruin his family's weekend plans yet again

From these four examples, we can see that trust or its absence is a widely experienced social phenomenon, the impact of which is almost always going to be significant. Leaders are unlikely to voluntarily attract followers unless some degree of trust is present and workers who don't trust their managers are almost certainly not going to give as much to their job and the organization as they could and may wish to.

The question of trust and the study of leadership have generally gone hand in hand. The authors argue that in the earliest theories of leadership which took the 'something special' approach, where leaders were defined by their charisma there was little need to define trust any further—it 'went with the territory'. In other words, trust was unthinkingly and unquestioningly given to those whose personality and presence defined relationships.

But more recent writers on trust found it important to consider trust more explicitly in their leadership models. They give the following examples.

- House (1976) suggests that the behaviours of charismatic leaders demonstrate two fundamental components: competence, and desirable characteristics as role models. These two features induce trust in the leader's ideology, as well as triggering a range of other emotional reactions. The most likely conditions for triggering such emotions are where followers are experiencing stress and distress.
- Northouse, in his summary of transformational leadership theory, includes building trust among a wide range of associated constructs.
- Bennis and Nanusin, in a much-cited study, collected the views of nearly one hundred leaders, and identified trust (along with developing a clear vision; being 'social architects'; and having positive self-regard) as a differentiating attribute of transformational leaders.
- Goleman suggests that people will not automatically trust each other with sensitive information, and that the relationship has nothing to do with technical competence (being an expert). A leader has to be trusted in order that followers are prepared to open up regarding their fears and vulnerabilities. Career failures through lack of integrity have been noted in several empirical studies, and integrity has been highly valued in other studies both of leaders and their followers.

An important distinction the authors discovered in their review of the literature is trust in a direct leader. The second concentrates on trust in organizational leadership. This distinction, they argue, has important practical and theoretical implications. For example, if research shows that trust is most strongly associated with direct reports, organizations should focus resources on establishing trust at each level of leader (supervisors, middle managers, and executives). If the more significant referent is organizational leadership, the processes of trust development are likely to require theories of more indirect influence.

Another distinction in theories on leadership is that between the relationship-based perspective which focuses on the followers' perceptions of the relationship with the leader. Here trust is studied as a social exchange process with trust dependent on the extent to which the leader 'delivers', and the character-based perspective which focuses on the perception of the leader's character. Followers attempt to draw inferences about leaders' characteristics such as integrity, competence, and openness.