

Trust and Leadership

Trust is a natural by-product of a healthy, ethical culture. The following discussion focuses on trust and its effects on the workings of an organization.

Trust, though considered a core component of leadership, is somewhat vague in meaning; it lacks a certain definitive quality. Hence, organizations often have a difficult time coming to grips with trust and its implications.

If we think of trust as a firm belief in the integrity, ability, effectiveness, or genuineness of a person (e.g. a relationship of mutual trust between lawyers and clients, or doctors and patients), we then have a basis on which to examine trust as it applies to the business world.

Organizations are, at the end of the day, simply legal entities. An organization does not think, perform, or behave on its own: the people who work for the organization do these things.

For people to see themselves as a group or an organization, it is necessary to create common ground through trust. This allows colleagues to work together despite different perspectives and performance levels. Each person contributes to the overall good of the organization, and each person respects others' contributions in this regard. When leaders demonstrate through their words and actions that they respect employees regardless of job function or title, trust will follow and the organization will be more likely to succeed.

Trust allows for behaviours (e.g. performances and actions) to occur when they should occur. It promotes belief in the credibility and worthiness of others. Trust forms the basis of the cause and effect relationship that is so evident in positive leadership relations: "If I take this action on your

behalf, what I (or the organization) will receive in response will be positive." This reinforces the view that if trust is to flourish, leaders and employees should feel encouraged to share common values.

Trust also requires equity. If an imbalance exists between what we give and what we receive, trust will begin to erode.

Trust needs to endure beyond the personalities of the individuals within an organization. It needs to be embedded in the organization's Vision, Mission and Values statements. Why? Only then will it endure despite changes to the senior management team – changes brought on by promotions, transfers, retirement, and so on.


By holding trust as a cornerstone, an organization sees many benefits, such as:

- 1) Employees are willing to "go the extra mile" with the certainty that the organization will reciprocate;
- 2) Customers trust the quality of the organization's products and services, and then return again as its customers; and
- 3) Stockholders' share value is influenced by investor and stock broker confidence in the leadership team.

The bottom line is that trust encourages cooperative behaviour, information sharing, and professional and personal risk taking. These are all "must haves" that allow organizations to grow and survive. The absence of trust does indeed affect the bottom line – it affects financial and business performance. Ignore it at your peril!

**Be well,
Lloyd**

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