Chapter 4

OCC Dimension 2: Trusting Followers

Do not trust all men, but trust men of worth; the former course is silly, the latter a mark of prudence.

- Democritus

There are people I know who won't hurt me. I call them corpses.

- Randy Milholland

Trust makes all change possible. Trust refers to a person's belief that others make sincere efforts to uphold commitments and do not take advantage of that person if given the opportunity.Child and Rodrigues (2004). As discussed in the previous chapter, trustworthy leadership is an important ingredient to engendering a trusting organizational environment in which change can take place. However, effective leadership is incomplete unless there is effective followership.Kelley (1992). After all, leadership is a relationship, not a position. If the leader's partners, the followers, are not sufficiently trusting, then organizational change capability will be impaired.

I came to this somewhat counterintuitive realization when working with a talented executive leader at Alcoa. This individual was a very strong and trustworthy leader—he had strong technical and interpersonal skills, had succeeded in every previous managerial role within Alcoa, was confident but humble, and he genuinely cared about his followers. Because of his strong track record and his considerable future potential to join the executive ranks, he was given increasingly difficult managerial positions within the company. When he was made the plant manager of a large but troubled and underperforming plant within the Alcoa system, he realized that the employees were not inclined to trust him or his leadership team. They were unionized, which gave them the power to stand up to management, and had been used and abused for many years. Previous plant leaders had tried all sorts of Machiavellian tactics to break or bend the union into submission. The end result was pervasive mistrust among most employees and within the overall plant. During his 5 years at the plant, the union gradually came to trust him. However, they told him that he would soon be promoted and replaced by “another untrustworthy jerk,” which is exactly what happened.

In general, it has been shown that there are three things that interact to build or tear down organizational trust. First, there is the trustworthiness of the leader or change agent. This was our focus in the previous chapter. Second, there is the propensity or disposition to trust those in authority positions. Finally, there is the risk associated with trusting.Mayer, Davis, & Schoorman (1995). The second and third determinants of organizational trust are the focus of this chapter.

4.1 Employees' Collective Propensity to Trust

People differ in their inherent disposition to trust others. "Propensity will influence how much trust one has for a trustee prior to data on that particular party being available. People with different developmental experiences, personality types, and cultural backgrounds vary in their propensity to trust."Mayer, Davis, & Schoorman (1995), p. 715. In other words, it takes emotional intelligence to follow as well as to lead well.Fitzgerald and Schutte (2010).

The central issue is whether those who are *not* driving change within an organization see change as an opportunity for growth or a threat to their well-being. There is considerable organizational research that demonstrates that the label of "threat" or "opportunity" is influenced by the perceiver as much as the actual event, if not more so.Hinduan, Wilson-Evered, Moss, & Scannell (2009).

Michael Maccoby, an organizational psychologist, helps us to understand why some employees are predisposed to follow the leader and why others are not. Using the Freudian concept of transference, Maccoby argues that transference is the emotional glue that binds people to a leader. When there is positive transference, employees trust their leaders, work hard, and are highly motivated. When there is negative transference, employees distrust their leaders, do just enough to get by, and are not motivated.Maccoby (2004).

In addition to an employee's formative relationships, previous history also influences his or her propensity to trust. As the old saying goes, "Fool me once, shame on you; fool me twice, shame on me." It has been my observation that bad management leads to the creation of unions; and when a union forms, everyone loses—management, employees, customers—everyone.

However, disposition to mistrust is not limited to blue collar laborers. One recent research study of salespersons is particularly telling. A global Fortune 500 firm agreed to partner with the United Nations philanthropic organizations, and some social scientists were asked to study employees' perceptions associated with this partnership. Interestingly, if the employees perceived top management to be insincere, then the overall organization's social responsibility initiatives were perceived to be "window-dressing" and not worthy of employee support. However, if the employees perceived their executives to be sincere, then the organization's social responsibility initiatives were perceived to be "positive" and worthy of support.Vlachos, Theotokis, & Panagopoulos (2008). The key takeaway here is that the same overall corporate initiative was viewed differently according to the employees' perception of executives' sincerity.

4.2 Risk Associated With Trusting Others

Some proposed changes are relatively riskless, so it is relatively costless for employees to go along with a change initiative. However, many changes proposed by change agents carry relatively high costs for employees, and therefore it is rational for employees to be more cautious. In sum, when risk is evaluated to be "reasonable." the employee is inclined to trust the change agent and "buy in."Das and Tend (2004).

But the perceived riskiness of a current change proposal is not the only element that influences the risks associated with trusting the change agent. Another issue is the weight of history. **Organizational trust**[1] evolves over time. Some have observed that it is slow to build and quick to be destroyed, as evidenced by the quick demise of Enron.Currall and Epstein (2003).

Another issue that is looming larger and larger for organizations is the rise of flextime, outsourcing, and virtual organizations. It has been observed that these efficiency-creating administrative realities of the 21st century make organizational trust more fragile since face-to-face interactions are a much more robust way to build and maintain trust.Ramo (2004). In other words, temporal and spatial distance between employees and their leaders makes trust that much more important, but also more fragile and risky.

1. The confidence and belief in an organization that is necessary for the successful pursuit of a change initiative.

4.3 Benefits of Pervasive Organizational Trust

When an organization has employees who are generally trusting of senior executives, then organizational trust is high. Previous research has shown a relationship between organizational trust and organizational learning,Jones (2001). hope,Ozag (2001). and organizational innovation and change.Jelinek and Bean (2010). Effective **followership**[2] requires the proper organizational context as well as effective and trustworthy leadership.

As discussed previously, organizational trust is fragile and can be destroyed relatively easily. However, motivated followers can be a source of competitive advantage, and trusting followers is fundamental to becoming a change-capable organization. Furthermore, it is becoming more valuable over time. Organizational trust provides an anchor and some stability when everything else is changing. Having some predictability and psychological safety when everything is in flux and changing is a valuable resource.Grey and Garsten (2001).

And there is some good news about organizational trust within the context of the larger environment. Previous research has shown that it is possible to build organizational trust in low-trust societal contexts. For example, one study found that some of the highest performing firms in post-Soviet Lithuania in the 1990s were those where organizational trust was relatively high.Pucetaite, Lämsä, & Novelskaite (2010). Similarly, the J. Walter Thompson advertising agency survived and even prospered in the 1930s during the Great Depression in the United States due, in part, to the relatively high levels of organizational trust within that same organization.Mishra (2009).

2. A following. In business, a followership requires the proper organizational context as well as effective and trustworthy leadership.

4.4 Practices for Building the Trusting Followers Dimension

If you are interested in building organizational trust in order to make your organization or organizational unit more change capable, the following are some actionable ideas that you can pursue to make that a reality.

Practice 1: Know What the Propensity to Trust is Within Your Organization

It is important for executives to systematically collect data on the state of the overall organization, particularly with respect to organizational trust. After all, what gets measured gets managed. The easiest way to do this is through anonymous surveys of employees. However, it can also be done by watching for mistrust signals, such as employee sentiment that a new policy was unfair, or the firing of a manager was a mistake, or the launching of a new project was ill-considered. While there is no substitute for executive intuition, trust data can add precision and clarity to the situation. In a later chapter, we provide guidance as to how that data might be reliably collected and analyzed. Trend information is particularly important since comparisons over time tend to be the best indicator of how the current top management team is affecting organizational trust. Of course, knowledge and understanding of previous organizational events that damaged or encouraged trust is valuable information.

Practice 2: Dialogue With Employees; Don’t Just Talk to Them

People trust others who they believe understand them.Brownell (2000). How does an old-line manufacturer in a stagnant industry manage to grow 25% per year for 10 years? The answer, made in a recent *Inc. Magazine* cover story, is, by taking its employees seriously and listening to them. Atlas Container makes cardboard boxes. They also practice “open book management” and engage in workplace democracy.Case (2005). In another instance, the Ford Motor Company turned its poorest-performing plant operating near Atlanta to one of its best, simply by engaging in dialogue with the entire 2,000-member unit.Bunker and Alban (1997). Both of these anecdotes illustrate that a tremendous amount of employee trust and energy is liberated simply by engaging in dialogue, rather than in the more traditional top-down communiqués that occur throughout the business world.

Practice 3: Encourage Constructive Dissent From Subordinates

Robert Kelley argues passionately that leaders need constructive dissent from their subordinates in order to lead effectively. Clearly, this needs to be done with tact and diplomacy, but it can be done. Notably, the Intel Corporation trains each and all of its technically skilled employees in conflict management, and even goes so far as to identify its ability to surface and resolve conflict in the workplace as a distinctive competency.Thomas (2010). As such, the creation of an environment where constructive dissent is the norm is a valuable and rare organizational attribute.

Engaging in constructive dissent takes courage and willingness to incur the wrath of the rest of the organization. In general, organizations do not react well to those who disrupt the social harmony.Mercer (2010). Consequently, training and education as to how to respectfully disagree with a supervisor can be helpful. However, nothing replaces the importance of demonstrated examples. For example, when human resource directors constructively disagree with CEOs, their advice and contributions are taken more seriously.Stern (2009). In sum, constructive dissent is essential if you want to create trusting partnerships with your followers.

Practice 4: Be Fair and Consistent in Applying Corporate Policies

Inconsistencies and unfairness erode organizational trust very quickly. Individuals who vacillate, easily change their viewpoint depending on whom they are talking with, or refuse to make a decision because it may upset some people erode trusting partnerships.Brownell (2000), p. 11. While top executives are constantly confronted with exceptional circumstances and a continually changing environment, they must take care to avoid showing favoritism to one individual or group to the exclusion of other individuals or groups. Once again, this is easier said than done. What do you do when your star salesperson cuts corners with expense accounts? How fairly is affirmative action handled in your corporation? How do you handle requests by legitimately hurting subordinates who ask for exemptions from standard operating procedures? Sometimes, the manner in which these issues are handled are just as important as what is decided. In any event, follower trust is not possible in a work environment that is not generally seen to be fair and consistent.

Practice 5: Design Reward Systems to Support Trusting Partnerships

Most reward systems are focused on individual contributions, but collaboration and trust do not thrive in such a system. Rewards and accountability are important, and they earn a dedicated chapter in this book later on. However, their impact on organizational change capacity has a special power when it comes to engendering trust in the organization. Having said that, changing reward systems is very difficult to do. Simply recognize that it is a sheer waste of time to reward A (i.e., individual competition) while hoping for B (i.e., collaborative partnerships), as the classic article by Steven Kerr attests.Kerr (1975).

Practice 6: Remove Employees Who Repeatedly Destroy Trust

As Jim Collins suggests, you need to "get people off the bus who don't want to go where you are going."Collins (2001b). While creating trust is typically a "warm and squishy" idea, there is a hard side to trust that involves punishment and sanctions applied to those who are just not capable of creating trusting relationships, nor are they inclined to do so. The following is an excerpt by Jim Collins that explains why this is so important:

When it comes to getting started, good-to-great leaders understand three simple truths. First, if you begin with "who," you can more easily adapt to a fast-changing world. If people get on your bus because of where they think it's going, you'll be in trouble when you get 10 miles down the road and discover that you need to change direction because the world has changed. But if people board the bus principally because of all the other great people on the bus, you'll be much faster and smarter in responding to changing conditions. Second, if you have the right people on your bus, you don't need to worry about motivating them. The right people are self-motivated: Nothing beats being part of a team that is expected to produce great results. And third, if you have the wrong people on the bus, nothing else matters. You may be headed in the right direction, but you still won't achieve greatness. Great vision with mediocre people still produces mediocre results.Collins (2001b), p. 42.

Exceptional people build trust; mediocre people destroy trust. Avoid hiring and get rid of those who destroy trust in your organization. As Jack and Suzy Welch succinctly stated, "Send the jerks packing."Welch and Welch, 2006.

Practice 7: Talk Straight and Be Transparent

There is considerable pressure on leaders to waffle and evade or just not be accessible. The belief is that the rest of the organization just does not understand the complexities and nuances of the information held at the senior-most level. There is a grain of truth to this belief; however, leaders need to understand that straight talk is essential for creating organizational trust. Recent research demonstrates that positive transparency on the part of leaders can greatly enhance followers' trust disposition.Norman, Avolio, & Luthans, (2010).

Interestingly, Microsoft Corporation has a relatively high level of organizational trust. For example, 9 out of 10 employees at Microsoft Netherlands said they could "ask management any reasonable questions and get a straight answer." This is particularly noteworthy since the organizational unit recently underwent a downsizing experience.Maitland (2008), p. 2. The same can be said for labor unions, which is not easy to do in this day of declining union strength. Clearly, straight talk and transparency are keys to enhancing organizational trust in all parts of the organization.

In summary, organizational trust is essential to be change capable. This requires both trustworthy leaders and trusting followers. Figure 4.1 "The Second Dimension of Organizational Capacity for Change: Trusting Followers" contains a graphic that summarizes these first two dimensions of organizational capacity for change.

Figure 4.1 *The Second Dimension of Organizational Capacity for Change: Trusting Followers*