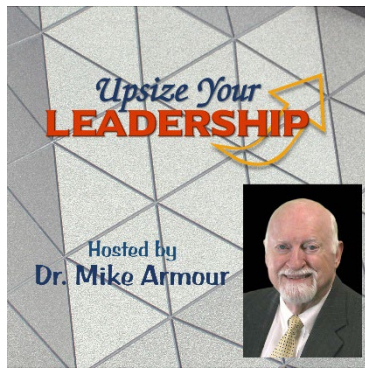


Does Your Leadership Inspire Trust?

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Many leadership specialists speak of trust as the glue that holds an organization together, especially in times of adversity. Indeed, it's super glue, with a power to unite which is transcended perhaps only by love and the bonds of family. Yet, despite all of this strength, enduring trust requires time to build and can be easily and quickly lost.

This is especially true of trust in a leader. Leaders are trusted only to the degree that their reputation seems to merit such trust. Or to word it another way, none of us is likely to invest great trust in a leader with a sordid reputation. For leaders, reputation and trust rise and fall together.

Warren Buffet once noted that "it takes twenty years to build a reputation and five minutes to ruin it." Unfortunately, there's more truth than hyperbole in his statement. Today we're going to explore that fragile thing called reputation and talk about what makes it immensely vulnerable. Building and protecting a stellar reputation is one of the most powerful things you can do to upsize your leadership.

In my early adulthood, one of my favorite news commentators was Charles Osgood. What I particularly liked about him was the clever way in which he would end his coverage of a news item. He would often conclude with a bit of doggerel, a little five-line, tongue-in-cheek poem that captured the essence of the story he had just shared.

Perhaps my favorite of these pieces wrapped-up of his report on a prominent individual who had shattered his reputation by a thoughtless action. Osgood noted:

*One robin doth not a spring time make,
One swallow no summer at all.
But I think I can state
Without fear of mistake:
One lark has caused many a fall!*

Like trust, reputations are built and lost in two arenas of life. One is the quality of our character. The other is how well we deliver. How well we perform. Because they are both linked to character and performance, trust and reputation tend to rise and fall together.

This towering influence of reputation, more than anything else, distinguishes trust-building in leadership from trust-formation in personal relationships. Trust among friends, acquaintances, and colleagues derives from the quality of their one-on-one relationship. Reputation plays little part in it, if any.

Within organizations, however, few people have an opportunity to know their leader in anything more than a passing relationship. Their opinion of the leader – particularly when people are new to the organization – is almost exclusively a function of the leader's reputation and public persona. When leaders lose trust, it's because of a sullied reputation resulting from failure (whether actual or perceived) to live up to expectations in either character or performance.

It's possible to lose a reputation for character without losing a reputation for performance, and vice versa. In baseball Pete Rose will always be celebrated as one of the most talented and successful players in the history of the sport. His performance was beyond dispute. He remains the all-time leader in Major League Baseball in the number of hits, singles, games played, and times at bat.

But a flaw in his character cost him a place in the Hall of Fame. In fact, he was permanently banned from inclusion in the Hall because he gambled on games in which he played. His blemished ethical reputation denied him recognition for his otherwise stellar performance.

In a similar vein, the chronicles of business are replete with stories of CEOs — men and women of impeccable character — who take one company to the pinnacle of success, then move to another where they produce mediocre or even disastrous results.

Now their reputation for achievement is tarnished. And if they follow up with lackluster results in yet another CEO slot, they will no longer be trusted as leaders who perform, even though their character may be unquestioned.

For a leader, trust-building is not an either/or proposition in which a choice can be made to fashion either a solid reputation for character or else a solid reputation for performance. It's about maintaining a genuine reputation for both, all the while recognizing that trust in both instances is fragile. One lark has caused many a fall.

What makes trust so fragile? How can it be so strong on one hand, yet so vulnerable on the other? The answer is found in two realities.

For one, trust develops at a measured pace, since the process depends on observation over an extended period of time. The observer needs this time to develop confidence that the other person is indeed characteristically trustworthy. During this period of development, trust may not be strong enough to bear a discrediting blow.

Trust's second vulnerability is its dependence on reputation. Reputation is always in the hands and hearts of other people. When people quit holding us in high repute, their trust in us diminishes.

Unfortunately, human nature is hard-wired in such a way that damage to reputations occurs with relative ease. Psychological research verifies that “negatives” have more power to change people's opinion of us than do “positives.” For example, indicators of dishonesty are more powerful (i.e., it takes fewer of them to alter a reputation) than those that validate honesty.

The same pattern governs trust-building. People seize much more quickly on rumors or incidents which discredit trust than on actions which reinforce it. And this leaves trust at the mercy of the reality that trust-formation is more easily damaged than maintained.

This disparity leads some researchers to refer to trust-building as an “asymmetric” process. One researcher who uses this term identifies four contributing factors which make it more difficult to build (or rebuild) trust than to lose it. In summary, these are his conclusions.

Events and actions which enlarge trust are typically less visible and noticeable than those which destroy trust. As a consequence, months of quiet trust-building behavior can be immediately overshadowed by one dramatic event that puts trust in question.

Psychologically, when we become aware of negative events, they preoccupy us to a greater extent than do positive events. (This may be a natural defense mechanism which helps us be more highly attuned to potential threats than to things which pose no hazard.)

Because of this proclivity toward the negative, we frequently give greater credibility to sources of bad news than to sources of good news.

Distrust, once developed, tends to promote actions and attitudes which serve to deepen the distrust. For instance, we may avoid those whose motives or actions we distrust. And as a consequence, we never get to see if these people are in fact competent, well-meaning, and trustworthy.”

When viewed against this backdrop, it’s easy to see why one lark can lead to a fall. Yet, not every lark has this grievous outcome. Had Pete Rose gambled only one time, he might well have been disciplined by his sport. But he would also probably be in the Hall of Fame today. It was the repeated pattern of behavior, and his deception to cover it up, that led to his demise.

We all know stories of men and women who stumbled terribly at some point, shattering their reputation for either character or performance, yet who rehabilitated their reputation and went on to pace-setting careers.

What then determines whether singular episodes of flawed character or non-performance result in shattered trust? Several variables go into the equation.

1. The egregiousness of the event. Falsifying a profit and loss statement typically delivers a more severe blow to trust than overstating the cost of a meal on an expense account. Or to cite another example, the public generally does not condemn white lies as seriously as it decries willful misrepresentations in sworn testimony.

2. The domain of the event. Character and performance are different domains of trust. In settings where ethics, principled judgment, and moral fiber are of paramount concern (e.g., managing a customer’s security investments), compromised integrity damages trust more severely than a slowdown in performance.

Conversely, in settings where performance is key (e.g., a company on the verge of collapse, with only weeks to turn things around), there will probably be more latitude for lapses in character than for failure to perform.

3. The consequences of the event. A lapse in character or performance which proves costly (whether in terms of dollars, lives, or property) have a more adverse impact on trust than failures or miscues with less consequential outcomes.

The public lost much of its trust in the Federal Emergency Management Agency (FEMA) following Hurricane Katrina which destroyed New Orleans. The damage to trust would have been far less significant, however, had the agency committed the same type of bureaucratic blunders in response to widespread range fires in remote, sparsely-populated sections of the American West.

4. The constellation of factors surrounding the event. The adverse impact on trust is considerably more telling if a misdeed or a failure to perform is then covered up through some type of wrongdoing. Or if, in the wake of a lapse in character or performance, the chosen response is to blame others rather than accept responsibility.

By the same token, in other situations the constellation of background factors may in fact expand the room for trust to maneuver. Workers may willingly make allowances for a manager whose child is battling the final throes of a terminal disease, so that they overlook statements, actions, or performance by the manager which might otherwise injure trust.

5. The degree to which the event runs counter to core values. Had Pete Rose only had a gambling problem, professional baseball might well have ignored the problem. It certainly has done so for many other star performers who succumbed to addictive behavior. But the fact that Rose gambled on his own sport violated a core ethos within his profession and shattered respect for his character.

In the case of Pete Rose the core value was held collectively. In other situations, leaders lose respect for their character by violating core values held by some, but not necessarily everyone around them. For instance, a manager who spews out streams of steady vulgarity is likely to lose the trust of workers who consider such speech offensive, even though others in the organization might dismiss the behavior with a shrug.

6. The degree to which the event is predictive of future actions. We tend to generalize from specific details or observations. When there is a failure of character or performance, observers must decide whether to view the incident as an isolated event or as a foretaste of things to come. If they conclude that the incident was more than likely an isolated occurrence, trust can recover more quickly.

For leaders who are building high-trust, peak-performance organizations, or simply those whose goal is a culture of trust, it is essential to excel in both character and performance. The two are equally important. Even though we have talked about character and performance as separate domains of trust, they cannot be divorced in reality. They stand side-by-side in shaping a leader's reputation.

They are like those twin stars that NASA telescopes have identified in the recesses of space, two massive solar bodies in a locked orbit with one another. They have an interdependent co-existence. Any wobble in the rotation of one affects the orbit of the other. The same is true with character and performance.

When my children were small, some of their favorite toys were Weebles, round-bottomed little characters who are weighted so that they pop back into an upright position when pushed to one side or the other. As the children played with these little figures, they would chant the Weebles advertising slogan which ran, “Weebles wobble, but they don’t fall down.”

Unfortunately, that’s not always the case with reputations. Twin stars may develop a wobble and continue in orbit for lightyears. Weebles may wobble, but keep standing. When character or performance starts to wobble, however, reputations – and the trust which goes with them – are always at risk. One lark still causes many a fall.

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