cipd

100 YEARS
OF LEADING HR
INTO THE FUTURE

Employee Outlook
Focus on trust in leaders

WORK   WORKFORCE   WORKPLACE

Championing better work and working lives

The CIPD's purpose is to **champion better work and working lives** by improving practices in people and organisation development, for the benefit of individuals, businesses, economies and society. Our research work plays a critical role – providing the content and credibility for us to drive practice, raise standards and offer advice, guidance and practical support to the profession. Our research also informs our advocacy and engagement with policy-makers and other opinion-formers on behalf of the profession we represent.

To increase our impact, in service of our purpose, we're focusing our research agenda on three core themes: the future of **work**, the diverse and changing nature of the **workforce**, and the culture and organisation of the **workplace**.

WORK
Our focus on work includes what work is and where, when and how work takes place, as well as trends and changes in skills and job needs, changing career patterns, global mobility, technological developments and new ways of working.

WORKFORCE
Our focus on the workforce includes demographics, generational shifts, attitudes and expectations, the changing skills base and trends in learning and education.

WORKPLACE
Our focus on the workplace includes how organisations are evolving and adapting, understanding of culture, trust and engagement, and how people are best organised, developed, managed, motivated and rewarded to perform at their best.

About us

Chartered Institute of Personnel and Development

The CIPD is the professional body for HR and people development. It has over 130,000 members internationally – working in HR, learning and development, people management and consulting across private businesses and organisations in the public and voluntary sectors.

As an independent and not-for-profit organisation, the CIPD is committed to championing better work and working lives for the benefit of individuals, businesses, economies and society – because good work and all it entails is good for business and society at large, and what is good for business should also be good for people's working lives.

The CIPD brings together extensive research and thought leadership, practical advice and guidance, professional development and rigorous professional standards to drive better capabilities and understanding in how organisations of all kinds operate and perform, and in how they manage and develop their people.

A Royal Charter enables the CIPD to confer individual chartered status on members who meet the required standards of knowledge, practice and behaviours.

cipd.co.uk

Contents

Overview

In mid-September 2013, the CIPD conducted the *Employee Outlook* online focus survey of UK employees, exploring the current state of trust in leaders. The total sample size was almost 3,000 working adults (2,918).

Trust relations in the workplace and trust in leaders are areas of keen interest for the CIPD. Trust and ethics have always been important and we know that issues of trust pre-date the financial crisis (Hope-Hailey et al 2012). Yet these issues, in recent times, have been significantly heightened by the financial crisis and scandal after scandal engulfing different sectors, professions and organisations.

The CIPD has been tracking perceptions of senior leaders through our *Employee Outlook* (EO) since April 2009. In line with broader trackers of trust (such as Edelman)

our research shows that trust in senior leaders has remained low over that time. In this special EO focus survey we wanted to explore in more detail whether trust is spoken about within organisations, the current state of trust in leaders, how this compares with trust in others within the organisation (such as colleagues and line managers), and how important trust is when selecting senior managers. These findings build on previous EO focus sections on trust in the City and trust in the health sector. They will also feed into the CIPD and the University of Bath's Trustworthy Leaders research, which is due to be published early next year.

Trust ratings between employees and senior managers increase with an employee's seniority, suggesting that senior managers are somewhat out of touch with how other employees are feeling.

When it comes to important senior management attributes, competency (53%) is rated above all others.

Key headlines

- Two-fifths (38%) of employees work in organisations where trust is explicitly talked about.

- Yet trust between employees and senior managers is more likely to be weak (34%) than strong (29%).

- Trust is particularly weak in the public sector (43%).

- Trust ratings between employees and senior managers increase with an employee's seniority, suggesting that senior managers are somewhat out of touch with how other employees are feeling, particularly at the coalface.

- However, employee trust in both colleagues (92%) and line managers (80%) is very strong.

- The public sector benefits from the highest level of trust in colleagues (96%), but is this creating a 'them and us' mentality when it comes to employees and senior managers?

- More than two-fifths (42%) believe that trust is already a factor taken into account when selecting senior managers. Many more (88%) think it should be.

- When it comes to important senior management attributes, competency (53%) is rated above all others. Being a good communicator (45%) is next on the wish list, with trustworthiness (41%) rated as the third most important attribute.

- On the whole employees point to a fairly simple and common-sense style of leadership to engender and create a climate of trust. Employees talk about 'approachable', 'competent' and 'consistent leaders' who 'act with honesty and integrity' and 'lead by example'.

- The conclusion discusses the practical implications of these findings.

1 Let's talk about trust

Trust is often seen to be intangible, something that can be implicit or felt but traditionally less often spoken about. However, our results show that nearly two-fifths (38%) of employees work in organisations where trust is on the agenda and often explicitly spoken about.

And it seems trust is much more likely to be on the agenda in the voluntary sector (47%) and the public sector (41%) than in the private sector (36%), despite many private sector trust crises (banking, retail, energy, to name a few).

> It seems trust is much more likely to be on the agenda in the voluntary sector (47%) and the public sector (41%).

Table 1: Is trust a word that people use often within your organisation? (%)

	All	Private sector	Public sector	Voluntary sector
Yes	38	36	41	47
No	47	48	45	36
Don't know	15	15	13	17

2 The current state of trust in leaders and organisations

34%

More respondents believe trust between employees and senior management is weak (34%) than strong (29%).

Trust is weak between employees and senior management

In line with our *Employee Outlook* tracker on trust in senior management, more respondents believe trust between employees and senior management is weak (34 %) than strong (29%). Trust between employees and managers is particularly weak in the public sector (43%), whereas more respondents in the voluntary sector believe trust between employees and senior managers is strong (37%) than weak (30%). Respondents in the private sector are equally split between those that believe trust is strong (32%) and those that believe trust is weak (32%).

Interestingly, trust ratings increase with an employee's seniority, with senior managers (40%) much more likely to report strong trust between employees and senior management than non-managerial workers (27%) (see Figure 2). This suggests that senior managers have either a tendency to view things through rose-tinted glasses and/or are out of touch with how other employees are feeling, particularly nearer the coalface.

But employee trust is strong in colleagues and line managers

In contrast to our findings relating to senior management, trust in both colleagues and line managers is reportedly strong; 92% of respondents trust their colleagues to a great or some extent and 80% report the same in relation to their line managers.

Trust in colleagues is higher in the public sector (95%) than the voluntary (92%) and private (91%) sectors, whereas trust in line managers is highest in the voluntary sector (89%), followed by the public sector (85%) and lastly the private sector (78%).

Table 2: How would you rate the overall level of trust between employees and senior management currently in your organisation? (%)

	All	Private sector	Public sector	Voluntary sector
Very strong	6	6	2	8
Strong	23	26	15	29
Neither strong nor weak	33	33	35	26
Weak	22	22	26	21
Very weak	11	10	17	9
Don't know	5	4	4	7

Please note that data tables are produced to 2 decimal places and this may have rounding implications where net figures are calculated.

Figure 1: How would you rate the overall level of trust between employees and senior management currently in your organisation? (%)

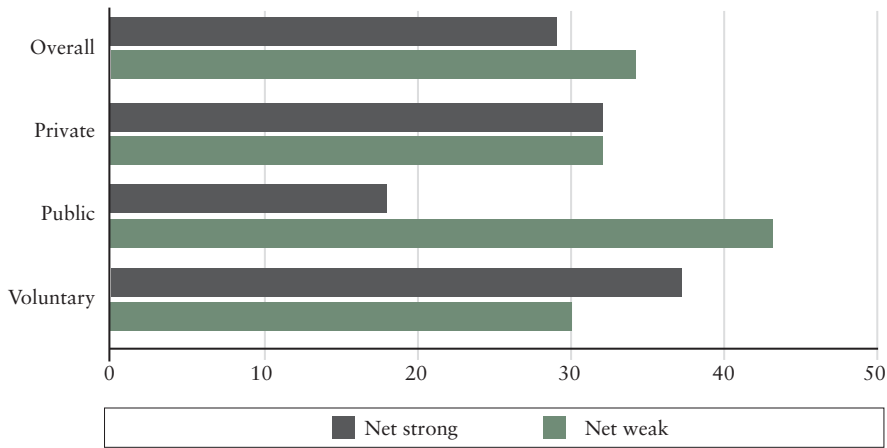

Legend: Net strong, Net weak

Figure 2: How would you rate the overall level of trust between employees and senior management currently in your organisation? (by employee seniority) (%)
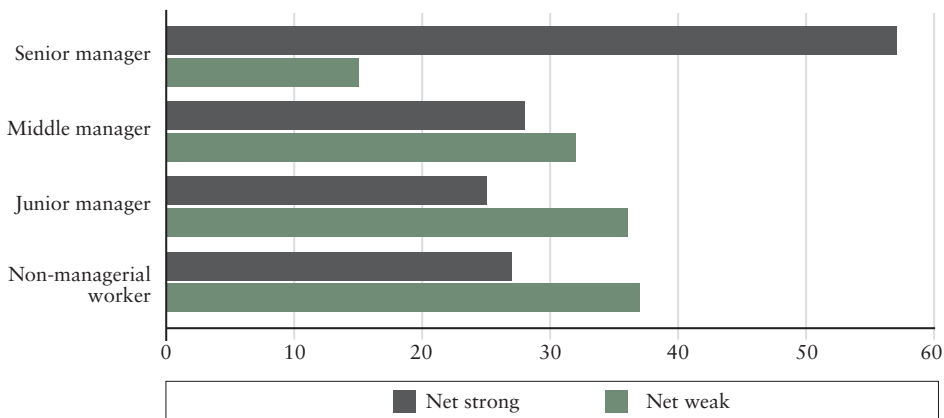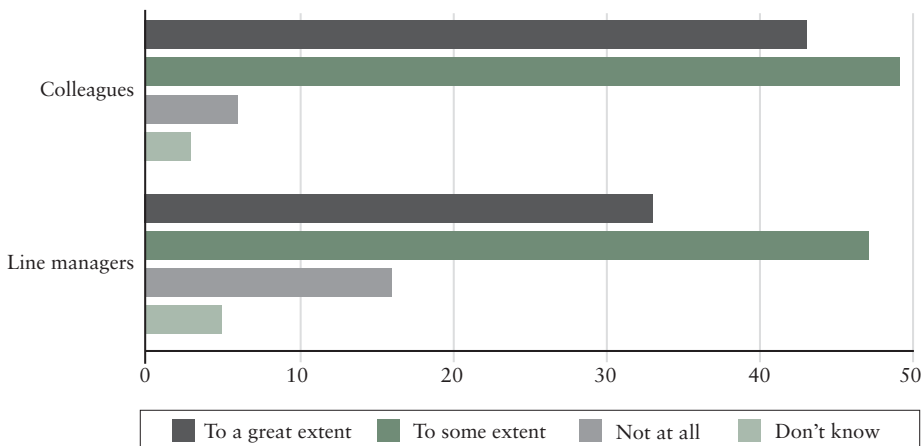

Legend: Net strong, Net weak

Figure 3: To what extent do you trust your… (%)

Legend: To a great extent, To some extent, Not at all, Don't know

3 Selecting trustworthy leaders

88%
When asked whether trust should be a factor in the selection of senior managers, 88% believed it should.

Is trust a factor when selecting senior managers, and should it be?
In the light of the low scores for trust in senior management, it is interesting to see that more than two-fifths (42%) believe that trust is a factor taken into account when selecting senior managers. Respondents in the private sector are more likely to report that trust is a factor (46%) than those in the voluntary (42%) and in particular the public (29%) sector.

Further, when asked for their opinion on whether trust should be a factor in the selection of senior managers, 88% believe it should. Respondents in the public (90%) and private (89%) sectors are more likely to say this than those in the voluntary (81%) sector – perhaps because distrust in senior management is much less of an issue for that sector.

Table 3: Is trust a factor when selecting senior managers? (%)

	All	Private sector	Public sector	Voluntary sector
Yes	42	46	29	42
No	31	28	44	28
Don't know	27	27	27	30

Table 4: Do you think trust should be a factor when selecting senior managers? (%)

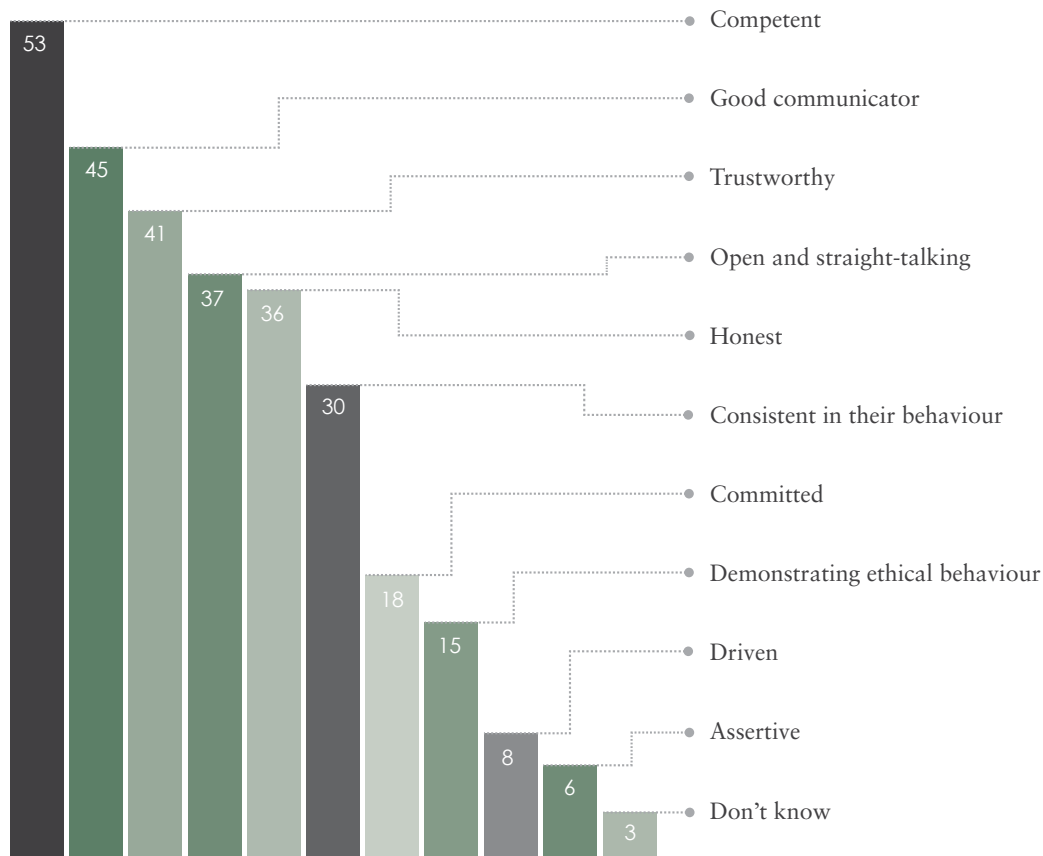|	All	Private sector	Public sector	Voluntary sector
Yes	88	89	90	81
No	3	3	3	6
Don't know	9	9	7	13

Which are the most important senior management attributes?

When it comes to important senior management attributes, competency (53%) is rated above all others. Being a good communicator (45%) is next on the wish list, with trustworthiness (41%) rated as the third most important attribute. Other attributes associated with trust are also seen as important by more than a third of employees, such as openness and straight-talking (37%) and honesty (36%).

Gender differences show that male employees are more likely to choose competency than female employees (60% vs. 47%) and female employees are more likely to choose good communicator (50% vs. 40%). Competency, communication and trustworthiness are the top three attributes chosen by employees in both the public and the private sectors, while in the voluntary sector competency, communication and consistency of behaviour are the top three (perhaps again because trustworthiness is less of an issue for this sector).

> **Competency, communication and trustworthiness are the top three attributes chosen by employees in both the public and the private sectors.**

Figure 4: In your opinion, which THREE of the following are important attributes for senior management to possess? (Please tick the three most important) (%)

Attribute	%
Competent	53
Good communicator	45
Trustworthy	41
Open and straight-talking	37
Honest	36
Consistent in their behaviour	30
Committed	18
Demonstrating ethical behaviour	15
Driven	8
Assertive	6
Don't know	3

What do trustworthy leaders do to create a climate of trust?

The good news is that creating a climate of trust is not rocket science. On the whole employees point to a fairly simple and common-sense style of leadership to engender and create a climate of trust. As illustrated in the word cloud in Figure 5, employees talk about 'approachable', 'competent' and 'consistent leaders' who 'act with honesty and integrity' and 'lead by example'. They admire leaders who 'admit mistakes', 'consultation on major decisions and ask for employee opinions' and 'treat staff fairly and with respect'. Open communication was seen to be paramount and other respondents underlined the importance of 'adherence to ethical and professional standards'. A selection of respondents' verbatim quotes are included below:

'As I work for a small company, trust and respect is everything. We are all honest and open with each other and help each other out where we can. We have great directors who want to do everything they can to see us succeed.'

'[Our senior leader] asks the opinions of employees on important matters; takes into account how changes within the firm will affect staff and tries to think of ways to boost morale.'

'Building trust requires an understanding of risk, on political, emotional and rational dimensions, earning trust requires understanding that risk and mitigating it with intimacy and credibility.'

'Communicates and lives our core values.'

'Dealing fairly and consistently with people; keeping their word; listening to those they are responsible for.'

'Do what they say they will do.'

'Enable people to speak up without fear of retribution so that genuine ideas for improving the organisation are considered.'

'Honesty and direct communication to all staff, no hidden agenda, no second-guessing.'

'Keeping us up to date on how we're performing, boosting our morale.'

Figure 5: What do trustworthy leaders do to create a climate of trust?

ethical confidential
communicate respectful fair deliver
competent respectful equal listening honest
listening discuss open deliver trust approachable
feedback consulting clear confidential available competent
honest consistent equal admit communicate
fair clear respect respectful fair equal
feedback open deliver consulting
discuss available trust confidential ethical
competent listening consistent
approachable confidential honest

'Makes everyone feel like they are "in the same boat", "in it together", "a team".'

'Our CEO regularly updates colleagues with a blog providing very honest thoughts and views about the current state and direction of our organisation.'

'They work as a team to do the best for the people who work at the firm. Making sure we have the best facilities, sensible working hours, fair remuneration, and a comfortable and safe working environment.'

'This would be someone who actively cares for the customers, who make the organisation. They demonstrate a genuine interest in the customer, actively look for ways to help the customer with their issue and promote services that are relevant and useful for the customer.'

'Treats people fairly, equally and with respect. They need to be straight-talking and be able to have a 360-degree outlook on issues related to all aspects of the job in hand, meaning they should be able to see things from not just their point of view. The use of corporate "b******t" is a no-no. They must be able to communicate with people in real, honest ways without blurring or distortions.'

Conclusion

The results of this special *Employee Outlook* focus on the current state of trust in leaders makes for some interesting discussions. Trust is clearly spoken about in organisations more than you might think, but how meaningful are those discussions given the weakness of trust between employees and senior management? And how come there is not more discussion of trust in the private sector, which has experienced a high degree of trust scandals in numerous areas such as finance, energy, retail and more?

The findings here support our wider tracker of employee trust in their leaders. Trust is weak between employees and senior management and particularly so in the public sector. And what is worse, there seems to be a real lack of awareness of this amongst more senior managers, who rate trust levels much higher than more junior employees. If senior managers are in denial or burying their heads in the sand on this agenda, how is change ever going to be achieved?

Trust, on the other hand, is much stronger in colleagues and line managers. A silver lining for the public sector in particular is that trust in colleagues is the strongest across the three sectors. But is this leading to an unhelpful 'them and us' mentality when it comes to employees and senior managers?

Highly rated senior management attributes are competency, communication and trustworthiness. Our findings also show gender differences in what attributes employees value most, with male employees having a preference for competency and female employees highlighting the importance of good communication. This underlines the message that leaders need to be mindful of the diverse preferences of their employees and suitably flexible to adapt their style to support trustful relationships.

When it comes to selection, quite a high proportion of employees already think that trust is a factor when selecting senior leaders within their organisations. But are they getting this process right in the light of such poor trust scores between employees and senior management? Alternatively, is this a relatively new development prompted by many of the trust crises in society and so has not filtered down yet in their organisations? Whatever the case, many more think trust should be a factor when it comes to senior leadership selection. Selecting and developing trustworthy leaders is a complex area and one that we are investigating in further detail through our collaboration with the University of Bath.

And what do trustworthy leaders do to create a climate of trust? The good news is it's not rocket science – the majority of employees point to simple and effective practices, as illustrated by the word cloud (Figure 5), such as: 'approachable' , 'competent' and 'consistent leaders' who 'act with honesty and integrity' and 'lead by example'. They admire leaders who 'admit mistakes', 'consult on major decisions and ask for employee opinions' and 'treat staff fairly and with respect'.

So what are the implications of these findings? We believe that leaders need to respond swiftly to this climate of distrust by placing values at the heart of what they do and embedding them throughout their organisations. They also need to pay attention to the practices highlighted above for creating a climate of trust. We also believe that meaningful change is needed in the way organisations identify and develop ethical and trusted leaders. The CIPD is therefore currently working with the University of Bath to undertake case study research, building on the existing knowledge we have of the vital role of leaders in issues of ethics and trust and culture.

Method

YouGov conducted this online survey for the CIPD of 2,918 UK employees in September 2013.

This survey was administered to members of the YouGov Plc UK panel of more than 350,000 individuals who have agreed to take part in surveys. The sample was selected and weighted to be representative of the UK workforce in relation to sector and size (private, public, voluntary), industry type and full-time/part-time working by gender.

Size of organisation was classified in the following way: sole trader (one-person business), micro business (2–9), small business (10–49), medium (50–249) and large (more than 250).

Emails were sent to panellists selected at random from the base sample. The email invited them to take part in a survey and provided a generic survey link. Once a panel member clicked on the link, they were sent to the survey that they were most required for, according to the sample definition and quotas. The sample profile is normally derived from census data or, if not available from the census, from industry-accepted data.

Net scores refer to the proportion of people agreeing with a statement minus those disagreeing.

Reference

HOPE-HAILEY, V., SEARLE, R. and DIETZ, G. (2012) *Where has all the trust gone?* London: Chartered Institute of Personnel and Development.

CIPD Outlook Series

The *Employee Outlook* provides a regular update on the attitudes of employees in the UK and the HR challenges facing employers, as well as periodic focus reports on topical issues. It regularly covers attitudes towards management, work–life balance, workload and pressure, communication, and bullying and harassment.

Others in the series
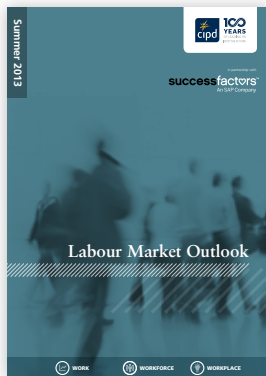
Labour Market Outlook

The *Labour Market Outlook,* published in partnership with SuccessFactors, provides a quarterly update on key HR, economic and labour market statistics. The aim of the survey is to produce an industry-valued benchmark of key HR statistics that can be used by CIPD members, as well as those in government, policy and wider business circles.
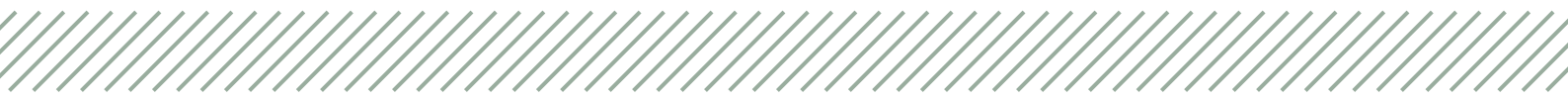
cipd.co.uk/labourmarketoutlook

HR Outlook

The *HR Outlook* provides valuable insight and expert commentary on the HR profession. It explores the size and shape of HR functions, comments on the capabilities of HR professionals and outlines emerging trends and future priorities.

cipd.co.uk/hroutlook