Chapter 25
Trust and Organizational Leadership

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ABSTRACT

Trust is a fundamental part of life. It also remains an essential exchange that fosters a relationship between a leader and employees and between other leaders. Without trust, it is nearly impossible for an organization to be successful. Organizational leaders must facilitate an environment based on trust to navigate the organization successfully. Without trust, organizations tend to derail from their vision and future possibilities. The world begins and ends with leadership, as John Maxwell once said, and leadership begins and ends on trust. Trust requires years of building and nurturing. Without trust, it is nearly impossible for organizations to build relationships or work successfully across cultures and borders. Working in the global economy we know we must act with the understanding that trust is an intricate ingredient when working effectively with global organizations, global teams, and international clients.

INTRODUCTION

Trustworthy leaders, especially those who have loyalty from others, tend to excel because their word has value. They have earned respect and trust for their hard work, dedication, and commitment to the organization and its people. When top-down management is seen as trustworthy, loyalty flourishes, which in turn helps the organization efficiently manage its resources, time, and energy. Without trust, as previously mentioned, organizations will not have a competitive advantage and most likely fail. If the core of an organization is not centered around trust, the organization will tend to depreciate, because the company's value will not be sustained.

Why is trust an issue in today's workplace? Trust is the foundation for any organization, and without trust, the organization is unlikely to succeed. Trust is essentially the glue that holds all parts of the organization together. However, most organizations experience issues with trust because of a lack of transparency and leaders withholding information (Manning, 2018; Maxwell, 2008). There have been multiple well known scandals with organizations with trust issues, which will be discussed later.

Leaders need to understand that trust is a practical leadership competency. Boutros and Joseph (2007) pointed out that "one must be mindful that, as with a house, trust must be carefully built, lovingly maintained, and steadfastly renovated as needed" (p. 28). Just as the quotation suggests, trust takes time. It may have been built with love and care but then it must be continually nurtured. To continuously build upon trust, the CEO and other leaders need to work collaboratively and develop their employees as well. A recent survey conducted by PwC reported that "55% of CEOs think that a lack of trust is a threat to their organization's growth" (Zak, 2017, p. 1) another survey conducted by Twaronite (2016) indicated that employees reported little to no trust in their senior leadership due to a lack of transparency and growth opportunities.

Furthermore, a recent study conducted by Murphy (2017) indicated that "only 20% of people strongly trust the top management of their organization, 36% moderately trust their top management, while the remaining 44% range from not trusting to strong distrusting upper management (para. 2)".

The chapter aims to provide context about the importance of trust, developing trust, and maintaining trust, additionally, it offers solutions and strategies to help build trust in organizations. In this chapter, I will discuss the critical issues associated with how employees and the public lose trust in organizations, the importance of building trust, developing trust, and maintaining trust and I will review the existing literature on trust as well. Finally, based on the current literature, a new framework has been created as a potential guide for developing and maintaining trust.

Statement of the Problem

A study conducted by Twaronite (2016) surveyed 9,800 full-time workers from a wide range of countries which included Brazil, China, Germany, India, Mexico, Japan, and the UK. The study indicated that "only 46% place a great deal of trust in their employers, and 15% report 'very little' or 'no trust at all', the rest, 39% say they have some trust which is not completely pessimistic but does want for enthusiasm" (p. 3) Additionally, Murphy (2017) states, "approximately 32% of a worker's desire to stay or go is the result of feeling or not feeling trust towards their boss" (para 5). These statistics are alarming and have been a continuous problem and debate. These statistics showcase why additional research and modalities are needed for building trust in organizations.

Trust is necessary for the development of the company and its people. What does trust mean? Trust means reliance, honesty, conviction, care, and even protection. Trust is absolutely a fundamental aspect and need in our lives. In business, trust is a necessary quality that can foster a relationship specifically between a leader and employees. According to Mineo (2014), "trust is the glue which binds the leader to his or her followers" (p. 1).

Organizational and global leaders require trust among themselves in order to navigate their organizations in a successful manner (Mineo, 2014). When trust is developed, productivity in organizations increases, and—importantly—employee satisfaction will be at its peak. With the COVID-19 pandemic, trust is needed more than ever because without it, the countries, companies, organizations, and current relationships cannot develop and maintain essential and necessary ties that are currently centered around trust and connectivity. When an employee feels valued, trust increases. Most organizations (local and global) currently have relationships with national and international companies based on trust and motivation; companies can work across cultures, collaborate, and build on these relationships.

Companies worldwide are growing, and industries are developing, and there has developed an intersection of organizational leadership and global leadership (Griffith & Dunham, 2015). Most leaders

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