Psychology Today

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Published on August 22, 2011

# Regaining Trust in the Workplace

Trust in the workplace is eroding

The 1930s' Great Recession created economic hardship and chaos in the workplace. One tragic outcome was distrust--of employers, government institutions and ordinary people. The recent recession has rekindled that loss of trust.

Today, according to the 2010 Ethics & Workplace Survey by Deloitte LLP, shows that 30% of working Americans plan to look for a new job when the economy gets better, and of this group, 48% cite a loss of trust in their employer as the reason. The survey also reports 65% of Fortune 1000 executives believe that trust will be a factor in the potential increases in voluntary employee turnover in the near future.

What has caused this decline in trust? Dennis Reina and Michelle Reina, co-authors of "Rebuilding Trust in the Workplace," and "Trust and Betrayal in the Workplace," contend "Major betrayals in the workplace--from corporations grossly mismanaging worker layoffs to CEOs committing crimes and misdemeanors can make headlines--[but other betrayals such as] finger-pointing or taking credit for others' work, erode trust over time." What's more, they argue, according to their research, 90% of employees report that they feel the effects of eroded trust daily.

DDI International, an American consulting company reissued a white paper, "The Psychological Contract of Trust," originally published in the 1990s. The authors of the paper, President of DDI Robert Rogers and the Vice-President, Sheryl Riddle, argue that the level of employee trust in their organizations and their senior leaders is at an all-time low. Making it worse are events and revelations beyond the business world that have left today's workers wondering who they can believe outside of work as well.

The U.S. Congress has tried to legislate integrity through the Sarbones-Oxley act. Articles, speeches and stories on trust and ethical behavior have become hot topics everywhere, particularly after the Wall Street meltdown, which has exposed the greed and questionable behavior of financial institutions and their executives.

Rogers and Riddle contend organizations that prosper over the long run commit to fundamental integrity in their products and services, their processes and systems, and their people. They "walk their talk," even in the toughest of times. They based their interactions with clients and workers on all principles of honesty, integrity and partnership. They hold their leaders and employees accountable for modeling the highest ethical business practices in every aspect of their work. They keep their promises and follow through on commitments.

Many leaders both in the private and public sector fail to realize the power behind being perceived as having high integrity and being trustworthy. They also fail to understand that these perceptions affect business results. Leaders fail to understand that developing and maintaining trust with their employees is an even more powerful leadership tool than any strategic marketing or sales plan.

Despite the power of trust in organizations, many MBA programs either ignore or downgrade the significance of teaching business ethics. Marjorie Kelly, writing in the Business Ethics Journal, comments "In the wake of recent ethics scandals, one might imagine that business schools would be deepening their attention to business ethics. But at many schools, the reverse is happening." Why? It would appear that many (although not all) business schools and MBA curricula are focusing on quantitative stuff and placing "far less emphasis on business being an institution of society whose final end is to serve the common good." One need only chat with recruiters and executive head hunters to learn that the mostly commonly sought after CEO candidates have finance or accounting backgrounds, which are seen as the fundamental requirement for leadership, rather than candidates who are steeped in the knowledge and experience of ethics, philosophy and human behavior.

The current economic woes in the world can be traced to and result in far more than the decline of financial markets or unemployment. An underpinning lack of trust for our leaders may be the single most important issue, and one that needs to be addressed before any kind of stability returns.