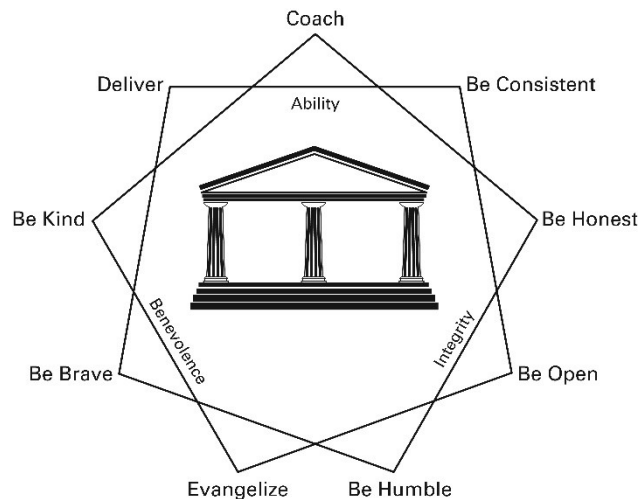# The Trusted Executive

CEO/Senior Leader Trustworthy Behaviours and Their Role in Promoting Organisational Trustworthiness

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The global financial crisis, and subsequent corporate scandals, have undermined trust in organisations (Bass & Bass, 2008; O'Mahony, 2013; Society, 2013). In response to this challenge, CEOs/senior leaders are in a unique position to build organisational trustworthiness due to their leadership authority, media profile and wider influence (Agle, Nagarajan, Sonnenfeld, & Srinivasan, 2006; Hambrick, 2007; Waldman, Javidan, & Varella, 2004; Waldman & Yammarino, 1999; Yukl, 2006). This challenge is further influenced by a shifting context for trustworthiness which has generated greater organisational transparency (Borgia, 2005).

Against this backdrop, the objective of this research was to explore the question 'How do CEOs and senior leaders build organisational trustworthiness?', particularly in a more transparent environment where it is harder to conceal or obfuscate. It was hypothesised that, consistent with upper echelons theory (Hambrick, 2007), leaders influence organisational trustworthiness through their own behaviours. The research tested this hypothesis and identified the specific behavioural habits that CEOs/senior leaders need to demonstrate to inspire trust in others. The resultant Nine Habits model was used to develop and verify a new measurement scale for CEO/senior leader trustworthy behaviours which has a greater behavioural granularity than current models (Dietz & den Hartog, 2006).

The research involved a three-stage, mixed-methods design. The first study involved interviewing twenty CEO/senior leaders on the topics of organisational trustworthiness, governance and trustworthy behaviours. In the second stage, a new Nine Habits scale for CEO/senior leader trustworthy behaviours was developed. A third quantitative study took place, utilising a cross-sectional survey, to verify the new measurement scale, as well as to test specific hypotheses in the conceptual model.

This research has quantified the critical importance of CEO/senior leader behaviours in building organisational trustworthiness and provided a new measurement scale for assessing those behaviours. The research has also led to the practitioner book, 'The Trusted Executive', which was shortlisted for the Chartered Management Institute book of the year.

Key words: trust, leadership, organisational trustworthiness, CEO trustworthiness, CEO leadership

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Chapter 1 - Introduction

1.1 Research Problem

Leaders can no longer trust in power; instead, they rely on the power of trust'

– Charles Green (Green, 2012 p. 1)

Charles Green's quote captures the essence of this research. His words allude firstly to the importance of trust in organisational leadership and, secondly, to a shift in the context of that leadership – a context in which traditional notions of strong, authoritarian leadership are being increasingly challenged by diverse, technology-empowered stakeholders (Huey & Sookdeo, 1994). This new generation of business stakeholders expects trust, not power, to be at the core of modern leadership (Green, 2012).

This introductory chapter will seek to unpack Charles Green's words to describe the status of trust in organisational life. It will suggest that trust has always been critical to organisational success and that this is increasingly so in a transparent world where nothing can be hidden. Further, it will propose that the individual trustworthy behaviours of the CEO and their senior leadership team are prime determinants of organisational trustworthiness, though they are not typically recruited, developed or assessed with these behaviours in mind. These challenges will then lead directly to the development of the research questions, objectives and contribution. In line with the nature of the research as a professional doctorate (DBA), each of these characteristics will be analysed at both an academic and practitioner level. Note that in this research, the term 'CEO/senior leader' is used to refer to those organisational leaders whose position occupies one of the top three levels in the organisational hierarchy, as opposed to more junior managers and team leaders.

At the time of this research, the topic of organisational trustworthiness had been brought to the fore by several recent events. First, the global financial crisis of 2007-2008, considered by many economists to be the worst financial crisis since the Great Depression of the 1930s (Shah, 2009), seriously damaged organisational trustworthiness in the financial services sector (Earle, 2009). Due to a number of factors, including excessive risk-taking on behalf of a number of financial institutions, government bail-outs were required to prevent the global financial system from collapsing (Crotty, 2009). This crisis then triggered a global economic depression between 2008 and 2012 and the European debt crisis that continued from 2009 up until the present time. The popular perception of the global financial crisis was that 'greedy bankers' had gambled with the economic security of the nation-state to maximise their own personal returns. Hence, trust in

the financial services sector in particular was gravely damaged (Earle, 2009; Gillespie, Hurley, Dietz, & Bachmann, 2012).

In an atmosphere of heightened public sensitivity, a further series of corporate failures and scandals occurred in the period 2011-2016 (Flournoy, 2011; Martin & Cullen, 2006; Rhee, 2009; Rowley, 2012) and these led to a broader deterioration of trust in business sectors beyond financial services. High profile incidents included:-

- the Deepwater Horizon oil spill of 2010 which led to the resignation of BP CEO, Tony Hayward (Walt, 2010)
- the £284.4m fine of Barclays Bank in 2015 for its role in rigging the LIBOR inter-bank lending rate (Commission, 2012)
- the 2015 resignation of Volkswagen (VW) CEO, Martin Winterkorn, following admission by VW that it had fitted 11,000 emission cheating software devices to its vehicles around the world (Oldenkamp, van Zelm, & Huijbregts, 2016)
- the 2017 out of court settlement of £129m by the global retailer, Tesco, for over-stating its profits by £326m in the period 2011-2014 (Kukreja & Gupta, 2016)

These, and many other business scandals around the world, were widely reported by a sceptical media and led to increasing concern that business corporations were out of touch with the public mood and expectation.

Given this recent history, the trustworthiness of business organisations continues to suffer. Prior to the global financial crisis, declines in organisational trustworthiness ranging from 11% to 36% had been recorded in 2004 and 2005 across the countries of Germany, Turkey, Canada and Spain (Bass & Bass, 2008, p. 258). In 2013, 'The Future of Britain' report commissioned by media group OMD revealed that only 7%, 6% and 5% of the 2,000 Britons surveyed trusted banks, utility companies and insurance firms respectively (O'Mahony, 2013). In 2016, the global business ethics survey reported that unethical behaviours in business were rife across many countries. In particular, the report highlighted that 22% of employees in the US reported witnessing lying to stakeholders a figure that rose to 28% in Italy and 33% in India (Initiative, 2016).

A 2013 paper from the Council on Business & Society summed up the gathering mood when it stated:-

> 'Society's trust in corporations and their executives is dismally low, with the crisis in leadership fuelled by a relentless media cycle and a growing consumer influence through the global spread of information and viewpoints over the internet.'(Society, 2013 p. 10).

Most recent of all, the results from the 2017 Edelman Trust Barometer make for disturbing reading (Barometer, 2017). This annual survey of 33,000 people across 28 countries has been conducted since the year 2000. The 2017 findings revealed that trust in business had fallen to record lows with only 52% of those surveyed trusting business 'to do the right thing' and only 37% considering company CEOs to be credible spokespeople – a figure that had fallen 12 percentage points since 2016. The survey's founder, Richard Edelman, commenting on the 2017 results, said that business was 'teetering on the edge' and was the 'last retaining wall of trust', compared to other institutions such as government and media where trust was regarded as having already 'imploded'.

Why does this loss of trust matter? One answer to this question can be found in the PriceWaterhouseCoopers white paper titled 'Trust: The Overlooked Asset' (PriceWaterhouseCoopers, 2010) where the authors comment:-

> 'In an era of increasing connectivity and intensifying public scrutiny, trust is the lifeblood of any organisation – a critical asset in ensuring a business's long-term survival. The aftermath of the recent financial crisis has demonstrated both the vital importance of trust and the severe consequences to economic prosperity when it is undermined by perceived untrustworthy behaviour' (PriceWaterhouseCoopers, 2010 p. 2).

The organisation Trust Across America supported this focus upon the business impact of trust when it reported in 2014 that America's most trustworthy organisations had delivered an 81.6% financial return in the period 2009-2013, compared to 46.3% for the 500 largest companies in the US in that same period (Kimmel, 2015). Likewise, Kiel reported in 2015 that, following a survey of 84 CEOs over a seven-year period, it was found that high integrity CEOs had a multi-year return of 94% compared to the 1.9% return over the same period from low integrity CEOs (Kiel, 2015). Most recently, in 2017, Zak reported that, compared to employees of low trust organisations, employees of high trust organisations recorded 74% less stress, 50% higher productivity, 13% fewer sick days and 76% more engagement (Zak, 2017). The business case for trust has been demonstrated repeatedly in the literature and yet these findings remain at odds with the popular perception of the falling trustworthiness of business and its leaders.

Turning to the role of CEOs and the senior team in meeting this challenge, a number of studies have shown that the values, beliefs and leadership style of senior leaders have a primary influence on the performance of the organisation and the behaviours of the employees they lead (Agle et al., 2006; Hambrick, 2007; Waldman et al., 2004; Waldman & Yammarino, 1999; Yukl, 2006). According to Hambrick (Hambrick, 2007 p. 334):-

'If we want to understand why organisations do the things they do, or why they perform the way they do, we must consider the biases and dispositions of their most powerful actors – their top executives.'

This notion that the actions and behaviours of an organisation's CEO and senior team directly influence a number of strategic organisational outcomes is referred to as upper echelons theory (Hambrick & Mason, 1984). Reinforcing this perspective, Yukl states, 'the potential influence of a CEO on organisational performance is much larger when major changes in the environment threaten to undermine the effectiveness of existing strategy' (Yukl, 2006, p. 400). CEOs and their senior team are the 'bellwether' individuals within their own organisations. If they focus upon building organisational trustworthiness then it is reasonable to assume they will influence employee behaviour throughout the organisation (Bass, Waldman, Avolio, & Bebb, 1987; Yammarino, 1994).

In the business scandals highlighted earlier, it was the CEO who was the focus of media attention and it was the CEO who was held responsible for the organisation's actions thus leading to the resignation of a number of high profile incumbents (Oldenkamp et al., 2016; Walt, 2010). This fixation on the role of the CEO has been exacerbated by the significant and increasing rewards paid to such individuals in terms of salary, bonuses and share options (Eaton & Rosen, 1983). At the time of the BP Deepwater Horizon disaster, CEO Tony Hayward was being paid £1.7m per year and had a pension provision of £17m (Flournoy, 2011). Similarly, over the period in which Bob Diamond was CEO of Barclays Bank he earnt a total of £62m, whilst leaving the bank with a fine of £284.4m from the FCA (Turner, 2009). Unsurprisingly, these headline-grabbing numbers have focussed attention upon the ethical standards of CEOs and increasingly subjected those individuals to a harsh media glare.

If there is now a greater focus on the trustworthiness of CEOs and their senior teams, we might ask how such leaders are being recruited, developed and assessed regarding their trustworthiness. Whilst trust is often a core value of many organisations, this research will reveal that leaders have typically received little or no training focussed upon how they inspire trust in others. Trustworthiness behaviours are unlikely to be featured directly as part of annual appraisal and leadership development frameworks, nor included specifically in the recruitment criteria for specific leadership roles. Furthermore, despite a lack of specific research in the literature, anecdotal experience suggests few organisations measure trustworthiness directly at an individual, team or organisational level. Despite recognising the importance of trust to their diverse stakeholders, most organisations rely upon proxy measures for trust such as customer satisfaction, employee retention and share price fluctuations. This measurement challenge is

further complicated by a lack of clarity and consistency in the definition of trust and a lack of convergence upon a commonly accepted formula for trustworthiness, which is underpinned by measurable behavioural leadership attributes (Dietz & den Hartog, 2006; Whitener, Brodt, Korsgaard, & Werner, 1998). There is a popular phrase in business that states that 'what gets measured gets done'. The lack of consistent, rigorous measurement of trustworthiness at individual, team and organisational levels prevents CEOs/senior leaders from implementing clear plans for the improvement of trustworthiness which can then also be reflected in the policies and procedures for the recruitment, development and assessment of individual leaders.

Regardless of their own trustworthy behaviours, CEOs and their senior teams operate in a wider context that can influence perceptions of their trustworthiness. This context can have many dimensions and together these factors create an ethical climate inside the organisation. Researchers have referred to the ethical climate of organisations as a term to describe the collective attitudes inside an organisation that determine the norms for ethical behaviours and the associated impact on perceptions of organisational trustworthiness (Martin & Cullen, 2006; Shin, 2012; Victor & Cullen, 1987). This ethical climate is influenced by both internal and external factors. A significant internal factor is the governance theory underpinning the organisation and a significant external factor is the wider societal norm and expectation of leadership. By looking at the role of the CEO and senior team, combined with governance and societal expectations, we can see how the context of trustworthy behaviour is as important as the actual behaviour itself (Mayer, Davis, & Schoorman, 1995). Hence, in any research on this topic, due regard needs to be given to understanding that context and exploring its impact on the trust-building challenge (Searle, Nienaber, & Sitkin, 2018).

For example, the governance context will create an environment in which trustworthy behaviours are either assumed, encouraged and supported or they are challenged, controlled and thwarted (Ghoshal, 2005; Kuppelwieser, 2012). Traditionally, Anglo-Saxon commercial organisations have operated in a governance environment grounded in agency theory (Jensen & Meckling, 1976). In the agency theory world, the role of the executive leader is to be an untrustworthy agent and, unfortunately, as Ghoshal has pointed out, these governance paradigms can be self-fulfilling (Ghoshal, 2005). In contrast, there has been more recent research focussing upon an alternative governance context referred to as stewardship theory (Davis, Schoorman, & Donaldson, 1997; Donaldson & Preston, 1995; Hernandez, 2007). Stewardship theory sits in contrast to agency theory as an alternative model for governance design. Stewardship theory assumes that the executive leader is responsible, socially aware and

trustworthy (Davis et al., 1997). A model that starts with an assumption of trust will tend to produce more trusted leaders. Trust begets trust. As Whitener put it, 'managers' actions and behaviours provide the foundation for trust and it is... management's responsibility to take the first step and initiate trusting relationships' (Whitener et al., 1998 p. 514). In this way, we can see that alongside the role of the CEO and the senior team, the governance context of the organisation may also be a factor in the emergence, or otherwise, of trustworthy behaviours throughout the organisation.

In the same way that the governance context of an organisation influences perceptions of trustworthiness, the wider societal context in which businesses operate can also influence these perceptions. For example, a further factor in examining the falling trust in CEOs and their organisations is the shifting expectations of ethical behaviour amongst the public at large. The converging trends of globalisation, new technology, diversity and Gen Y have conspired to create an increase in transparency regarding what has been referred to as the 'opaque lives of corporations' (Armour, 2005; Borgia, 2005; Brammer, Millington, & Pavelin, 2007; Cox, 1994; Emeagwali, 2011; Prensky, 2001). Transparency leads to increased accountability since CEOs and senior leaders are now operating in a world where nothing can be hidden. The impact of such transparency can be gleaned from the 2016 global ethics summit where 49% of the attendees agreed that the immediacy of social media has had an 'extreme impact' on company accountability. Similarly, 84% of the attendees claimed that millennial workers were willing to pay more for goods and services from a company that is recognised as a good corporate citizen (Ethisphere, 2016). The wider societal context is shifting to create an environment in which there are higher expectations of trustworthy behaviour in leadership and this then influences the ethical climate inside the organisation.

In summary, the global financial crisis and subsequent corporate scandals have led to a loss of trust in corporate organisations and their leaders (Barometer, 2017; O'Mahony, 2013; PriceWaterhouseCoopers, 2010; Society, 2013). The impact of this loss of trust can be measured in both the financial performance of organisations as well as the associated impacts on the ability to attract and retain top talent, maintain loyal customer relationships and secure a positive brand reputation (Kiel, 2015; Kimmel, 2015; Zak, 2017). These events have coincided with a period in which the role of the company CEO and senior team have come under greater media scrutiny and increased focus in the academic literature (Agle et al., 2006; Hambrick, 2007; Waldman et al., 2004; Waldman & Yammarino, 1999; Yukl, 2006). CEOs and senior leaders are held accountable for the trust failures of organisations, often losing their jobs because of the

various scandals. Equally, CEOs and senior leaders are rewarded handsomely for both success (and failure) in business which creates the impression that there is something specific to these roles that is critical to the performance of the wider organisation (Eaton & Rosen, 1983).

However, CEOs and senior leaders may fairly claim that they have received little training in trustworthiness throughout their careers. They may also claim that trustworthiness was not a formal criterion in their appointment and it is not something against which they are routinely assessed. Additionally, as will be revealed by this research, they work in organisations that typically do not measure trustworthiness directly at the individual, team or organisational level and operate in a wider business environment that remains confused as to the definition of trust and unclear about how it is best measured.

Alongside the individual behaviours of CEOs and senior leaders, the context of organisational life is a key influencer of trustworthiness perceptions. The ethical climate inside an organisation is influenced by both internal and external factors. Internally, the governance context of business has come under scrutiny with some commentators suggesting that the traditional agency theory model of corporate governance is partly responsible for creating untrustworthy leaders (Ghoshal, 2005). Alternative governance theories, notably stewardship theory, have gained popularity in response to these concerns (Davis et al., 1997). Externally, the societal context of business is shifting in response to stakeholders who are increasingly global, diverse and technology-empowered (Huey & Sookdeo, 1994). The expectations of such stakeholders regarding ethical behaviours appear to have increased in line with the level of transparency that has become available (Ethisphere, 2016). Amidst this landscape, CEOs and their senior teams appear as well-paid and yet lonely and confused actors, grappling to regain trust for themselves and their organisations amidst sceptical 21st-century stakeholders. If CEOs and senior leaders are to inspire trust in a world where nothing can be hidden they will need to be better equipped both conceptually and behaviourally. The purpose of this research is to focus directly upon that challenge from both an academic and practitioner perspective.

1.2 Overall Research Aim

The aim of this research is to examine which behaviours of CEOs and senior leaders inspire individual trustworthiness and explore how these behaviours then influence organisational trustworthiness, whilst taking note of the organisational, societal and governance context of the organisation.

1.3 Research Objectives

To answer the above research questions, the research has the following sets of objectives:-

Theory Objectives

- To explore, from a CEO/senior leader perspective, the role of CEOs and senior leaders in promoting organisational trustworthiness
- To explore, from a CEO/senior leader perspective, the key antecedents of organisational trustworthiness
- To develop a new behavioural measure for CEO/senior leader trustworthiness
- To test, from a multi-stakeholder perspective, upper echelons theory as a theoretical lens for understanding the relationship between stakeholder perceptions of CEO/senior leader trustworthiness and organisational trustworthiness
- To investigate what role governance and the organisational and societal context play in influencing the relationship between CEO/senior leader trustworthiness and organisational trustworthiness

Practice Objectives

- To publish a practitioner book based on the research which will help CEOs and senior leaders understand, assess and build trustworthiness at both the individual and organisational level
- To produce measurement and diagnostic tools based on the research which will allow management teams to assess and monitor levels of individual trustworthy behaviour and organisational trustworthiness
- To engage relevant professional bodies, CEOs and senior leadership teams on the topic of organisational trustworthiness through the delivery of conference keynotes and workshops based on the research

1.4 Research Contribution

According to Phillips and Pugh, the purpose of a PhD is 'to make an original contribution to knowledge' (Phillips & Pugh, 2010). They emphasise that such a contribution 'does not mean an enormous breakthrough that has the subject rocking on its foundations', but instead involves 'teasing out difficulties and puzzles that are not yet sufficiently well explained'. In the Aston University Regulations for Degrees by research, professional doctorates such as the DBA are distinguished from PhD qualifications via several criteria, including that 'the research leads to the production of a thesis or portfolio which makes a substantial original contribution to knowledge within the student's area of professional practice and of direct relevance to it'. Hence, for the purpose of this thesis, the research contribution will be considered from both a theoretical and a practitioner perspective.

Theoretical Contributions

- This research extends upper echelons theory by exploring the mechanism through which the behaviour of CEOs/senior leaders can cascade through other managers and employees to influence collective outcomes such as organisational trustworthiness (Hambrick, 2007).

The idea that actions and behaviours at the top of the organisation 'trickle down' through various layers of management is a well-accepted notion. Authors such as Mayer et al (Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009) and Ayree and colleagues (Kernan, Watson, Fang Chen, & Gyu Kim, 2011) have shown this effect to occur for ethical leadership and abusive supervision respectively. This concept of 'trickle down' is at the heart of upper echelons theory and explains how behaviour flows from senior leaders to other managers and employees (Mayer et al., 2009). A similar 'cascading effect' has been proposed by other researchers (Bass, Waldman, Avolio, & Webb, 1987), but has not been applied directly to the concept of trustworthiness and how role-modelling by the CEO and senior team influences organisational trustworthiness. Hence, this research extends the scope of upper echelons theory into the field of trust and provides new empirical data regarding the extent to which CEOs and senior leaders can influence organisational outcomes.

Empirical Contributions

- A contribution of this research is investigating trust dynamics at the CEO/senior leader level of the organisation. Insights and knowledge at this level of the hierarchy are typically

rare. As such, it is of significant value empirically to examine well known concepts with this unique sample.

One of the objectives of this research was to 'aim high' by focussing upon the role of the CEO/senior leader in building organisational trustworthiness. Although a large body of research exists which explores the dynamics of trust and leadership, the findings obtained typically are located at the lower levels of the organisational hierarchy (DeChurch, Hiller, Murase, Doty, & Salas, 2010) As such, there currently exists a paucity of research looking at organisational phenomena such as trust at the highest level of management. This is due largely to the difficulties inherent in gaining access to this sample. Consequently, the research design focussed upon engaging CEOs and senior leaders (top three tiers in the organisational structure) both qualitatively and quantitatively. The findings of this study therefore will complement other trust research which garners its insights from lower levels of management and allow for comparisons across the leadership levels to be more easily made.

This is meso-level research i.e. it is focussed upon the impact of one actor, the CEO/senior leader, on the total organisation. This contrasts with micro-level research which focusses upon the relationship between the CEO and his/her immediate stakeholders. It is also in contrast to macro-level research which focusses upon aggregated data at the organisational level alone. Many commentators have urged for more meso-level research to be conducted in the field of leadership (Bass & Bass, 2008, p. 1199). Specifically, in the field of trust, more meso-level research has been recommended into how senior leaders influence organisational trustworthiness and how top-level leaders ultimately impact other levels of the organisation through their personal behaviours (Legood, 2013; Waldman & Yammarino, 1999)

Methodological Contributions

- This research has created a new behavioural measurement scale for CEO and senior leader trustworthy behaviours. This new measurement scale has greater behavioural granularity than current models which rely upon general trustworthiness beliefs such as ability, integrity and benevolence (Mayer et al., 1995; Whitener et al., 1998). In addition, the new scale provides a balanced assessment of ability, integrity and benevolence behaviours in contrast to other trustworthiness measurement scales which lack such balance (Dietz & den Hartog, 2006).

Dietz and den Hartog conducted a thorough analysis of the different measures of trust in 2006 (Dietz & den Hartog, 2006). They found that, consistent with wider confusion in the literature

between trust and trustworthiness, most of the measures were not of trustworthiness behaviours but of trustworthiness beliefs. These beliefs lead to an intention to act in a trustworthy manner through specific risk-taking behaviours (Dietz & den Hartog, 2006). Based on their findings, Dietz and den Hartog concluded the following:-

> '..of further interest…is whether the intention to act is translated into actual risk-taking behaviours. This gap is ripe for research. Better still, therefore, might be measures tapping actual trust-informed, risk-taking behaviours, an example being "I rarely check X's work for accuracy' (Dietz & den Hartog, 2006 p. 572)

Dietz and den Hartog also noted that trustworthiness measures can be expected to differ depending upon the referent of the trust i.e. who is being trusted. As such, there is little research into the appropriate measure of trustworthy behaviours where the referent is the CEO or senior leader in the organisation, as opposed to a manager or team leader (Dietz & den Hartog, 2006). This research constitutes one of the first studies to empirically identify the specific trustworthy behaviours where the referent is the CEO/senior leader and thus extends the theory of trust in this area.

Finally, the review of 14 trust measurements scales by Dietz and den Hartog found a wide disparity in the coverage of each of the trustworthiness components – ability, integrity and benevolence. Their review highlighted that integrity was the most frequently assessed component followed by benevolence. They noted a 'marginalisation' of the ability component in most measurement scales, with it not being assessed at all in some scales and only indirectly in others (Dietz & den Hartog, 2006). The new measurement scale in this research provides a balanced measure across all three components and so builds the library of trust measurement tools in this important area.

Practical Contributions

- This research led to the publication of the book 'The Trusted Executive: Nine leadership habits that inspire results, relationships and reputation' in April 2016 by Kogan Page (Blakey, 2016)

The book was informed by the literature review, the qualitative study in the research (study 1) and the author's practical experience as an executive coach and business leader. The book's foreword was written by Paul Polman, CEO of Unilever, and its contents have been featured as part of Forbes magazine, Inc. Magazine, Huffington Post and on the BBC2 'Daily Politics' programme. The book was subsequently shortlisted as the 2016 Chartered Management Institute book of the year and the author was named by Trust Across America as one of the top thought

leaders on trust in both 2016 and 2017. By July 2018, over thirty workshops had been delivered to senior leaders on the topic of the book. Most of these were in the UK with a small number overseas in countries such as Hungary, Estonia, Slovakia, the US and Canada.

- This research has led to the creation of new tools, techniques and models which help current CEOs and senior leaders build their trustworthy behaviours and understand how these impact on organisational trustworthiness

Examples of such tools are an online 360 feedback tool to measure perceptions of individual trustworthiness, an online survey to measure perceptions of CEO, line manager and organisational trustworthiness and a top management team workshop that educates CEOs and their teams on the trustworthiness challenge. All these tools utilise the models of trust, new Nine Habits measurement scale and associated behaviours that have been identified through this research (see http://johnblakey.co.uk/journey-trust-leadership-development-programme-high-trust-culture/).

- This research has led to the founding of The Trusted Executive Foundation, a not-for-profit organisation which is committed to raising standards of leadership and organisational trustworthiness

In 2016, the researcher worked with MBA student, Alex Drago, at Aston Business School to develop a business plan for the Trusted Executive Foundation. The plan was published in September 2016 and led to the formation of a new company, The Trusted Executive Foundation Ltd. The Foundation has since partnered with the Academy of Executive Coaching in the UK to offer the 'Journey of Trust' leadership development programme. The Journey of Trust features the IP, tools and models associated with this research. Similar partnership arrangements are being pursued in Slovakia, Hungary and Estonia (see http://www.aoec.com/consulting/developing-trusted-leaders/).

Chapter 2 - Literature Review

Having summarised the research problem and stated the research questions and objectives, this chapter will focus on reviewing the relevant academic literature using a thematic structure (Lee & Lings, 2008, p. 100). The research is focussed in the domain of organisational behaviour and is primarily concerned with the theory of trustworthiness. Hence, the relevant literature is that which focusses upon both individual and organisational trustworthiness. However, trustworthiness must always be considered in relation to the context in which it is being applied (Mayer et al., 1995). With this in mind, the literature on leadership theory, upper echelon theory and organisational governance is also relevant and will be briefly reviewed. Finally, organisations operate in the wider context of social norms and values hence it is relevant to assess the literature regarding the societal expectations of business and how this context is changing to influence the trust-building challenge. The chapter closes with a summary of the literature findings and the development of a conceptual model and associated hypotheses.

First, the concept of trustworthiness will be introduced. The difference between trust, propensity to trust and trustworthiness will be specified. The concept of organisational trustworthiness, its importance and how it can be measured will be examined. Next, the evolution of leadership theory will be reviewed. Leadership theories will be categorised as heroic or post-heroic, and the difference between these categories explored, including their relationship with trustworthiness. The specific role of the CEO and the senior team will be reviewed and how upper echelon theory suggests that CEOs and the senior team influence employee behaviours and organisational outcomes. The final section on the context of the organisation includes a review of the governance models of agency theory and stewardship theory, together with an assessment of the impact of external society trends which are creating an environment characterised by greater organisational and leadership transparency.

2.1 Trustworthiness

Trust, Propensity to Trust and Individual Trustworthiness

There are many definitions of trust and, over the years, it has proven to be a nebulous concept that is tricky to define in a consistent manner (Colquitt, Scott, & LePine, 2007). This disparity regarding the definition of trust contrasts with the consistent and unanimous view amongst researchers as to the critical importance of trust in human affairs. Blau described trust as 'essential for stable social relationships' (Blau, 1964). Weber argued that business 'is possible only on the basis of far-reaching personal confidence and trust' (Weber, 1968), whilst other researchers have concluded that trust is the most important variable in the influence of interpersonal and group behaviour (Ferrin, Bligh, & Kohles, 2008; Golembiewski & McConkie, 1975).

Given this importance, it is surprising that trust and its associated constructs have proven difficult to define (Gambetta, 1988). On the one hand, Hurley defined trust as, 'a judgement of confident reliance on a person, organisation or system, when there is an element of risk and uncertainty' (Hurley, 2006). On the other, Mayer defined trust as, 'the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party' (Mayer et al., 1995 p. 712). Over the past forty years, many other researchers have created definitions that are a variation on these themes but there is no current consensus as to the definition of trust (Lewicki, McAllister, & Bies, 1998; McAllister, 1995; Whitener et al., 1998; Zand, 1972).

However, upon close examination, the various definitions of trust do reveal three common characteristics. First, there must be an element of risk involved. Second, there are confident, positive expectations about the other party's trustworthiness. These expectations represent the likelihood that the other party will not let you down i.e. it is not a case of blind hope on the one hand or absolute certainty on the other (Dietz & Gillespie, 2011). Finally, there is an instrumental and a social component of trust. In other words, trust is partly a rational computation of risks and also a moral duty or commitment that arises over time through identification with a particular social group (Kramer & Tyler, 1996, p. 5). Consistent with these characteristics, trust is a calculation of the likelihood of future cooperation. As trust decreases, people become increasingly unwilling to take risks, they demand greater protection against the possibility of betrayal and they

insist on costly sanctioning mechanisms to defend their interests (Kramer & Tyler, 1996, p. 4; Williamson, 1993).

Hence, we can see that trust is the intention by an individual to make themselves vulnerable by engaging in risk-taking behaviour and this decision is a subjective calculation in the mind of the person doing the trusting i.e. the trustor (McEvily, Perrone, & Zaheer, 2003). In this sense, we can understand why Rousseau described trust as a 'psychological state' in the mind of the trustor (Rousseau, Sitkin, Burt, & Camerer, 1998). Having considered these varying perspectives, it was Mayer's definition of trust referred to earlier that was adopted for the purpose of this research i.e. 'the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party' (Mayer et al., 1995 p. 712).

If trust is a psychological state that is the pre-cursor of risk-taking behaviour then what are the antecedents of trust? This question was the focus of the work by Mayer et al. who sought to bring greater conceptual clarity to trust and its associated constructs via the articulation of their Integrative Model of Organisational Trust (Mayer et al., 1995). Mayer et al proposed that propensity to trust and trustworthiness were antecedents of trust with the former a personality attribute of the trustor (Rotter, 1967) and the latter a behavioural attribute of the trustee i.e. the party to be trusted (Gabarro, 1978).

When placed in a leadership context this means that 'trust is a belief or perception held by the follower, and is measured accordingly; it is not a property of the relationship or the leader per se' (Dirks & Ferrin, 2002). This work of Mayer et al. helped in differentiating trust from the associated constructs of propensity to trust and trustworthiness. These constructs had previously been conflated in the literature, partly due to the everyday use of the word 'trust' that tends to combine both the psychological state of the trustor and the behavioural habits of the trustee (Dietz & den Hartog, 2006; Mayer & Davis, 1999; Solomon & Flores, 2001). Indeed, Kramer commented that 'much of the literature on trust hardly mentions trustworthiness, even though much of it is primarily about trustworthiness, not about trust' (Hardin, 1992 p. 29).

The concept of trustworthiness is defined as a state in which an individual is worthy of the trust of others (Barney & Hansen, 1994). What is more, trustworthiness can be demonstrated; it can be established with reasons and with evidence, whereas trust is more dependent upon the experience and attitudes of the trustor rather than on any set of behaviours of the trustee (Solomon & Flores, 2001). In the context of the definitions of trust stated earlier, a trustworthy

individual will not exploit the vulnerabilities of the other party. In the words of Flores and Solomon, 'In the ideal case, one trusts someone because he or she is trustworthy, and one's trustworthiness inspires trust' (Solomon & Flores, 2001 p. 205).

Having identified trustworthiness as an attribute of the trustee, researchers have sought to define the behavioural components of trustworthiness. Initially, Gabarro argued that trustworthiness resulted from the ability and character of the trustee with ability defined as the skills and knowledge to be successful in the required role and character comprising two further attributes of integrity and benevolence (Gabarro, 1978). Later, Butler and Cantrell put forward a related set of five characteristics of trustworthiness – integrity, competence, consistency, loyalty and openness (Butler Jr & Cantrell, 1984). These can be readily mapped to the Gabarro model where it can be argued that consistency and openness are aspects of integrity whilst loyalty is an aspect of benevolence. Similarly, through the nineties, other researchers sought to further determine the characteristics of trustworthiness and their conclusions are summarised in the table below (Burke, Sims, Lazzara, & Salas, 2007 p. 614):-

Table 2.1: Trust Characteristics

Authors	Focus	Ability	Benevolence	Integrity
Butler (1991)	Managerial Trust	Competence	Loyalty, openness, receptivity, availability	Consistency, discreetness, fairness, integrity, promise, fulfilment
Mishra (1996)	Trust in organization. Trust in leadership	Competence	Caring, openness	Reliability, openness
Sitkin and Roth (1993)	Trust in organization	Ability	No	Value congruence
Whitener et al. (1998)	Managerial trustworthy behaviour	Communication, sharing & delegation of control, perceived competence.	Demonstration of concern	Behavioural consistency, behavioural integrity, perceived similarity
Williams (2001)	General trust/groups	Ability, affect	Benevolence, affect	Integrity, affect
Dirks and Ferrin (2002)	Trust in leadership	Unmet expectations. Perceived organisational support	Interactional justice, perceived justice, participative decision making, transformational leadership, unmet expectations, perceived organisational support	No

As the table reveals, most characteristics of trustworthiness can be mapped to the three over-arching components of ability, integrity and benevolence which also formed the basis of Mayer et al's Integrative Model of Organisational Trust (Mayer et al., 1995). Ability is defined as the expertise, skills and competence that an individual brings to the role or task. Ability is, therefore, domain specific. Integrity is defined as the extent to which the trustee adheres to sound moral and ethical principles through showing fairness, justice and promise-fulfilment. Integrity is not considered to be domain specific but may be influenced by circumstances and context. Benevolence is the extent to which a trustee does good for the trustor, independent of the profit motive, by showing loyalty, care and support. Benevolence is relationship-specific (Butler Jr & Cantrell, 1984; Colquitt et al., 2007; Mayer et al., 1995). There is some debate in the literature as to whether the aspects of integrity and benevolence are separable factors in determining

trustworthiness. However, for the purpose of this research, the view of Schoorman et al. is adopted whereby they are treated as independent and distinct variables (Schoorman, Mayer, & Davis, 2007).

Due to these three components, trustworthiness is earned or lost over time as the trustor observes the behaviour of the trustee (Gillespie, 2003). This is particularly the case with the aspect of benevolence which is typically judged over a longer timescale than integrity and ability (Schoorman et al., 2007). Further, it can be seen that the components of trustworthiness comprise cognitive as well as emotional, or affective, components (McAllister, 1995). Ability and integrity are typically regarded as rational judgements (Lind, 2001), whilst benevolence can create an emotional attachment to the trustee supplementing cognition-based judgements (Lewis & Weigert, 1985; Rousseau et al., 1998; Solomon & Flores, 2001). In other words, if ability and integrity are the 'can do' of trustworthiness then benevolence is the 'will do' (Colquitt et al., 2007).

With the emergence of the Integrated Model of Organisational Trust and its trustworthiness components of ability, integrity and benevolence, the conceptual understanding of trust has become clearer. However, there are still models of trust that do not incorporate all three components. For example, the Transformative Model of Trust Development uses a different type of language to differentiate between calculus-based trust, knowledge-based trust and identification-based trust (Lewicki & Bunker, 1996; Shapiro, Sheppard, & Cheraskin, 1992). These components map loosely to the components of ability and integrity but, compared to the Integrative Model of Organisational Trust, the model has seldom been tested. The Integrative Model of Organisational Trust has become influential in the literature with its principles being verified by a number of subsequent researchers (McKnight, Cummings, & Chervany, 1998; Ross & LaCroix, 1996; Williams, 2001). For both this reason and its relative simplicity, the concepts and structure of the Integrative Model of Organisational Trust were adopted for this research.

The relative importance of the three components of trustworthiness has been debated in the literature with inconsistent findings. Mayer et al's original research found evidence to support all three components (Mayer & Davis, 1999), whereas Davis et al found evidence to support integrity and benevolence as components of trustworthiness but little support for ability (Dirks & Skarlicki, 2004). It seems clear that for a person to be trustworthy more than one component must be present, but the precise loading of the three different factors is likely to be dependent upon the circumstances and context of the situation (Schoorman et al., 2007). For this research, it has been assumed that each component has equal significance in the trust-building challenge.

When researchers have used the Integrative Model of Organisational Trust to generate measurement scales for individual trustworthiness they have tended to assess people's beliefs about the other person rather than assessing specific behaviours (Dietz & den Hartog, 2006; Schoorman et al., 2007). The model has been criticised for its failure to be specific about the behaviours of trustworthiness as opposed to the beliefs of trustworthiness (Burke et al., 2007; Legood, 2013). Indeed, Mayer et al recognised themselves that the measurement of trustworthiness was the most problematic aspect of their own model (Mayer et al., 1995).

From a practitioner perspective, and given the objectives of this research, this creates a problem. Specifically, the Integrative Model of Organisational Trust helps answer the question 'What is trustworthiness?' but it does not answer the question, 'How do I demonstrate trustworthiness?' This lack of sufficient behavioural definition is a barrier in helping practising leaders build their trustworthiness, as well as an under-researched aspect of the trust literature. Whitener et al. recognised this gap and specifically commented, 'little is known about what causes managers to behave in a trustworthy manner and consequently what managers can do to build trust' (Whitener et al., 1998). Whitener at al. sought to fill the gap by proposing five dimensions of managerial trustworthy behaviour; behavioural consistency, behavioural integrity, demonstrating concern, sharing and delegating control and openness in communication (Whitener et al., 1998). The Whitener model remains largely untested and it does not align directly with the three dimensions (ability, integrity, benevolence) of the Integrative Model of Organisational Trust (Legood, 2013). It remains the case that there is a paucity of research on the behaviours that demonstrate trustworthiness (Burke et al., 2007). It is therefore one of the main focusses of this research to generate and validate a new behavioural measurement scale for trustworthiness that aligns with the Integrative Model of Organisational Trust and extends it use in this important direction.

In the Integrative Model of Organisational Trust, Mayer et al propose two antecedents of trust. One of these is the trustworthiness of the trustee and the other is the propensity to trust of the trustor (Mayer et al., 1995). The model suggests that each individual has a distinct propensity to trust i.e. upon meeting an unknown individual we will all have a different starting point with regards to how much we trust that person based on our personalities and past experiences (Mayer et al., 1995; McKnight et al., 1998). This propensity to trust has been described as 'how much trust one has for a trustee prior to data on that particular party being available' (Mayer et al., 1995 p. 715). Propensity to trust has been shown to vary not just from individual to individual but according to country culture (Hofstede, Hofstede, & Minkov, 1997; Rotter, 1967). However,

subsequent studies have questioned the significance of propensity to trust in a leadership context, particularly when information about the trustee's trustworthiness is available (Dirks & Ferrin, 2002; Gill, Boies, Finegan, & McNally, 2005).

One of the implications of the above definitions for trust, trustworthiness and propensity to trust is that trust is a dynamic construct that varies over time, is dependent upon the task that is under focus and is dependent upon the context in which the task is taking place. Therefore, when we are asked 'Do you trust this person?' we should always seek to clarify 'Trust them to do what, when and in what situation?' (Mayer et al., 1995 p. 729). This is particularly the case when considering trust in an organisational context. Hence, later sections of the literature review will focus upon the major contextual factors associated with trust in an organisational setting. These are specifically the task of leadership, the role of the CEO/senior leader, the governance environment of the organisation and the wider societal context in which the organisation is operating. Each of these contextual factors can be expected to influence the trust-building challenge. However, prior to looking at the wider context of trust, this review will explore the associated construct of organisational trustworthiness.

Organisational Trustworthiness

The focus of this research is the topic of how CEOs and senior leaders build organisational trustworthiness hence it is important to understand how organisational trustworthiness is defined and measured, as distinct from others forms of trustworthiness such as individual trustworthiness. First, let us consider the value of organisational trustworthiness before reviewing its conceptualisation and measurement in the literature.

Organisations with a strong reputation for trustworthiness enjoy a valuable source of sustainable competitive advantage because powerful bonds of trust cannot easily be imitated or replicated by competitors (Barney & Hansen, 1994; Gillespie & Mann, 2004). An organisation's trustworthiness can attract top talent, retain customer loyalty, build valuable supplier partnerships, win and retain critical contracts and limit the negative impact when things go wrong (Burke et al., 2007). One study showed that 'high trust' firms (defined as those who ranked in the top 100 on the Great Place to Work Institute's trust index) outperformed the market and their peers (Filbeck & Preece, 2003). A separate study found that a one-eighth point improvement in a hotel's score on line manager trustworthiness, as assessed by employees, resulted in a 2.5% increase in the organisation's profitability; a result that prompted the researchers to conclude 'No other single aspect of manager behaviour that we measured had as large an impact on profits.' (Simons, 2002). Similarly, the costs of losing organisational trustworthiness are well documented. It is

important to recognise that as well as the specific, short-term cost of trust failures, in terms of fines, insurance claims, share price drops and lost sales, the impact on a company's long-term brand value is harder to measure yet potentially more damaging to the company's future prospects (Delgado-Ballester & Munuera-Alemán, 2005).

Many studies of trust have focussed upon the conceptualisation and measurement of individual trustworthiness (Burke et al., 2007; Dirks & Ferrin, 2002; Gillespie, 2003; Searle, Weibel, & den Hartog, 2011) but, despite its perceived importance, much less research has been conducted into organisational trustworthiness (Legood, 2013). In part, this has been due to difficulties and ambiguities in the conceptualisation of organisational trustworthiness. The notion that an organisation exists as a distinct entity with its own attributes, characteristics and behaviours has been contested in the literature. Such anthropomorphism of the organisation is a convenient construct at a lay level, but it raises deeper questions for academic researchers (Coyle-Shapiro & Shore, 2007; Guest, 1998). For example, when individuals are asked questions about an organisation's trustworthiness, what is the referent they are using to answers such questions? Is it the behaviour of their line manager, or a summation of the managers with whom they have regular contact, or a more abstract perception based on broader perceptions gathered from their own experience, the experience of others and third-party data (Child & Rodrigues, 2004; Searle et al., 2011; Vanhala & Ahteela, 2011).

Others have argued that organisational trustworthiness does exist as a distinct concept (Carnevale, 1995). This view rests upon the idea that an organisation exists as an entity that is more than the sum of the individuals within it. It has a consciousness and a character. It is a system with a life of its own (Greenwood & Van Buren III, 2010; Maguire & Phillips, 2008; Treviño, Weaver, & Reynolds, 2006). For this research, this latter view of the organisation will be adopted i.e. the concept of organisational trustworthiness is considered to be a distinct construct apart from the individual trustworthiness of any of the actors within the organisation. However, many of the findings associated with the conceptualisation of individual trustworthiness may equally apply to organisational trustworthiness (Cummings & Bromily, 1996). For example, it has been suggested that organisational trust is influenced by identical antecedents to individual trust, specifically the propensity to trust of the trustor and the organisational trustworthiness of the trustee (Schoorman et al., 2007; Searle et al., 2011). Similarly, the notions of risk, vulnerability and positive expectations are associated with the concept of organisational trust in the same fashion as they are associated with individual trust. However, it has been argued that when the trust referent is an organisation, rather than an individual, then the risk and vulnerability is

disproportionately skewed towards the individual trustor due to the power differential that favours the organisation (Legood, 2013).

Following this line of thought, organisational trustworthiness can be broken down into the same constituent components of ability, integrity and benevolence that characterise the Integrative Model of Organisational Trust (Mayer et al., 1995). With regards to trusting an organisation, we tend to trust organisations that operate effectively (i.e. ability), conduct themselves according to sound principles of ethics and fairness (i.e. integrity) and act with due concern for the interests of their stakeholders (i.e. benevolence) (Dietz & Gillespie, 2011; Schoorman et al., 2007; Searle et al., 2011). At this macro level, the notions of ability and integrity are well established, though the aspect of benevolence is more novel since the profit motive drives much of organisational behaviour (Schoorman et al., 2007). The various measurement scales for organisational trustworthiness reflect this breakdown. For example, Dietz and Gillespie used systems theory to identify six elements that contribute to an organisation's trustworthiness using their Organisation-Level Trust Framework (Gillespie & Dietz, 2009 p. 131):-

Table 2.2: The Organisation-Level Trust Framework

Leadership and management practice
Authentic, ethical leadership helps to encourage staff trustworthiness and builds a positive organisational reputation
Example Interventions – role modelling ability, benevolence and integrity, communicating regularly with openness and candour
Culture and climate
An ethical culture and a healthy workplace climate support and facilitate organisational trustworthiness
Example Interventions – using cultural images, stories and behavioural norms to communicate, reinforce and 'make real' the organisation's values around trustworthiness and ethical principles
Strategy
Organisational strategies with a firm ethical underpinning positively influence employees' values and behaviours, and organisational trustworthiness
Example Interventions – setting targets for and allocating resources to trustworthy conduct and CSR
Structures, policies and processes

	Operational and HR-related structures and processes constrain or incentivise employee behaviours
	Example Interventions – using compliance procedures, codes of conduct and performance management processes to promote and reward trustworthiness and deter unethical conduct
External governance	
	External governance may encourage trustworthiness and punish deviant practice. Companies that voluntarily endorse ethical regulations and codes of conduct enhance their own reputation.
	Example Interventions - gaining external awards and accreditations for trustworthy conduct or appointing independent and non-executive directors to represent diverse stakeholder groups
Public reputation	
	A company's public reputation reflects upon the employees; a positive reputation induces pride and loyalty, while a negative reputation can bring shame and embarrassment
	Example Interventions – CRS and branding efforts to enhance the company's public reputation

Other measures for organisational trustworthiness have been proposed by Pirson, Cummings & Bromily and Mishra (Cummings & Bromily, 1996; Mishra, Kramer, & Tyler, 1996; Pirson, 2007). Pirson carried out a comprehensive study of the measurement and building of organisational trustworthiness (Pirson, 2007). Following a survey of 2,053 respondents from four organisations and 32 semi-structured interviews with stakeholder groups, Pirson developed the Integrated Stakeholder Trust Management Framework (ISTMAF). ISTMAF breaks down the concept of organisational trust into the following categories – managerial competence, technical competence, reliability, transparency, integrity, benevolence, reputation and identification.

Cummings and Bromily developed a measurement scale known as the Organisational Trust Inventory (OTI) (Cummings & Bromily, 1996). OTI was based on a definition of trust that included cognitive, affective and intent components. Upon further analysis, the researchers reduced the number of items in the scale to produce both a long-form (62 items) and a short-form version (12 items). Mishra developed a theoretical framework for organisational trustworthiness that included dimensions of competence, openness, concern and reliability (Mishra et al., 1996). This framework was later extended to include the dimension of honesty and to replace the dimension of concern with benevolence (Searle et al., 2011; Shockley-Zalabak, Ellis, & Winograd, 2000).

Despite the evidence that organisational trustworthiness is critical to organisational performance (Dirks & Ferrin, 2002; Gould-Williams, 2003), and the attempts to develop various measurement scales for it, there is relatively little research on how to build organisational trustworthiness (Legood, 2013; Searle et al., 2011). In particular, a number of researchers have highlighted a gap in the literature regarding how inter-personal trustworthiness and organisational trustworthiness relate to each other (Grey & Garsten, 2001; Rousseau et al., 1998; Zaheer, McEvily, & Perrone, 1998). Research has found that individuals are able to make a distinct assessment of the trustworthiness of different referents at the same time (Mayer & Gavin, 2005; Whitener et al., 1998). In other words, individuals can hold different assessments of their line manager's trustworthiness alongside their assessment of the organisation's trustworthiness. However, the precise nature of the interplay between individual trustworthiness and organisational trustworthiness is not understood (Legood, 2013; Legood, Thomas, & Sacramento, 2016). Hence, it is an objective of this research to explore the relationship between CEO / senior leader trustworthy behaviour and organisational trustworthiness. In so doing, the research will contribute to the understanding of how micro-level variables influence macro-level outcomes.

In summary, trust at both an individual level and an organisational level is widely regarded as a critical ingredient in effective leadership and sustainable organisational performance. Multiple studies have shown that trustworthiness influences a number of valuable organisational outcomes such as performance, profitability, talent retention, customer loyalty, brand value and resilience in the face of trust failures (Barney & Hansen, 1994; Burke et al., 2007; Filbeck & Preece, 2003; Simons, 2002). Despite this, research in this field has been hampered by challenges in the effective definition and conceptualisation of trust and its associated constructs (Burke et al., 2007; Dirks & Ferrin, 2002; Searle et al., 2011). Some consensus has emerged in the literature that the antecedents of trust are trustworthiness and propensity to trust (Mayer et al., 1995). It is also clear that trust is highly dependent upon the context of the role and the task and that trust varies over time as a relationship is built and maintained (Mayer et al., 1995; McAllister, 1995).

Trustworthiness is a characteristic of an individual or organisation that influences trust. However, trust is also influenced by a trustor's propensity to trust which is independent of the trustee's control (Mayer et al., 1995). Trustworthiness has therefore emerged as a characteristic of both individuals and organisations, although the terms 'trust' and 'trustworthiness' continue to be used interchangeably in some areas of the literature (Dietz & den Hartog, 2006). The value of focussing upon trustworthiness rather than trust is that it is an objective behavioural characteristic of the trustee rather than a subjective psychological state of the trustor (Rousseau et al., 1998; Solomon

& Flores, 2001). Trustworthiness comprises both cognitive and affective components and has typically been broken down into constituent components of ability, integrity and benevolence, though there are ongoing debates as to the relative importance and precise nature of these characteristics (Dietz & den Hartog, 2006; Mayer et al., 1995; Mayer & Gavin, 2005; Schoorman et al., 2007). Various measurement scales have been developed for both individual and organisational trustworthiness which have provided a greater understanding of the constructs and associated conceptual models (Cummings & Bromily, 1996; Dietz & Gillespie, 2011; Mayer et al., 1995; Pirson, 2007; Searle et al., 2011).

Organisational trustworthiness is a comparable construct to individual trustworthiness having the same locus i.e. the trustor, but a different referent. Despite the debate as to the nature of the organisation as an anthropomorphic entity, there is sufficient evidence that organisational trustworthiness as a construct is worthy of study distinct from individual trustworthiness (Carnevale, 1995). It shares a similar relationship with risk, vulnerability and positive expectations as does individual trustworthiness and its components can be mapped to the three aspects of ability, integrity and benevolence (Cummings & Bromily, 1996).

It has been noted that the literature is weak in the following areas:-

- The nature of the relationship between individual trustworthiness at the CEO/senior leader level and organisational trustworthiness (Grey & Garsten, 2001; Zaheer et al., 1998)
- The process through which organisational trust is built over a period of time (Legood, 2013; Searle et al., 2011)
- The specific trustworthiness behaviours, as opposed to trustworthiness beliefs, that generate CEO / senior leader trustworthiness in an organisational context (Burke et al., 2007; Legood, 2013; Whitener et al., 1998)

It is in these three areas that this research will focus to achieve the stated objectives and deliver the expected contribution at a theoretical level.

2.2 The Context of Trustworthiness

As noted in the previous section, the topic of trustworthiness must be considered within a specific context. As Mayer et al. commented, when someone asks you if you trust someone or something you are best to respond, 'Trust them to do what, when, where and in what context?' (Mayer et al., 1995 p. 729). For example, someone with a life-threatening heart condition assesses the trustworthiness of a heart surgeon in the context of needing a critical operation with appropriate after-care and within the context of ethical best practice. Likewise, in assessing the trustworthiness of CEOs, senior leaders and organisations, the trustor takes due regard of the context. Specifically, the most relevant aspects of the context are as follows:-

- the task
- the role
- the institutional environment
- the societal environment

The trustor is assessing the task of the effective leadership of the organisation i.e. the ability of the organisation to deliver successful outcomes for its stakeholders. They are also assessing the role of the CEO and senior leaders as individual actors in the delivery of the task – roles that have specific responsibilities and associated authority. The roles and the task are being performed in an institutional environment which is governed by set policies, procedures, rewards, objectives and boundaries i.e. a governance context. Finally, the organisation itself is operating within a wider societal environment which has developed accepted norms of behaviour. Some of these norms of behaviour are prescribed legally, but others are generated by the moral tone of the day and looser group norms that shift over a period of time (Hansen, Dunford, Alge, & Jackson, 2016; Victor & Cullen, 1987).

Due to these contextual factors, any assessment of the trustworthiness of a CEO, senior leader or organisation can vary over time because the trustor's expectations of what constitutes trustworthy behaviour also vary over time (McAllister, 1995). One example of this shifting context would be the topic of corporate social responsibility (CSR). CSR would not have been a societal expectation of business in the 1970s, yet it is now considered to be an essential component of the strategy and effectiveness of organisational life (Fernandez-Feijoo, Romero, & Ruiz, 2014). Similarly, the role of CEO has become the focus of much greater media attention over the past 20 years as the pay and profile of the role has increased dramatically to create the phenomenon of 'celebrity' CEOs, such as Bill Gates, Steve Jobs and Richard Branson (Lovelace, Bundy, & Hambrick, 2016). The relative power of different stakeholder groups (owners, employees, suppliers,

politicians, activist groups) has also waxed and waned in business life in the past generation (Verbeke & Tung, 2013). Finally, expectations of the task of leadership itself have changed with factors such as Gen Y, diversity, technology and globalisation bringing new pressures and perspectives into the modern workplace (Huey & Sookdeo, 1994). With these factors in mind, the following sections will review the literature for the relevant fields of leadership (the task), the CEO/senior leader (the role), governance (the institutional environment) and the wider societal context.

Leadership Theory

There are different ways of classifying leadership research. For example, theories can be grouped by key variable (characteristic of leader, follower or situation), by the level of conceptualisation (individual, dyadic, group, organisation) or by whether they are universalist or contingent in nature (Borgmann, Rowold, & Bormann, 2016; Yukl, 2006). In this brief review of the leadership literature, leadership theories will be grouped according to whether they are heroic or post-heroic i.e. the extent to which they subscribe to the heroic mindset versus the alternative post-heroic mind-set (Borgatta, Bales, & Couch, 1954; Organ, 1996). The key distinction between heroic and post-heroic leadership is a shift from the leader as the centre of focus, with all intervening variables circulating around one powerful and charismatic individual, to a leadership mindset that places the organisational system as the centre of focus with all variables, including the leader, revolving around and serving the system's purpose (Bradford, 1998). As Bradford and Cohen remark 'Most organisations find themselves in a painful and inconclusive transition between eras of heroic and post-heroic leadership'(Bradford, 1998 p. 45).

Essentially, this grouping is a categorisation by leadership paradigm (Kuhn, 1970). According to Lee & Lings, theories within a paradigm are considered to be 'logically self-consistent models or frameworks that describe and explain how related phenomena behave' (Lee & Lings, 2008). In grouping leadership theories in this way, it is intended to show that leadership theories are becoming increasingly post-heroic in nature as the context of leadership shifts to one where trust, empowerment, diversity and collaboration are increasingly important (Fletcher, 2003; Huey & Sookdeo, 1994).

First, let us consider the 'heroic paradigm of leadership. According to this perspective, the leader is the one who has either the power or the authority to command others (Manz & Sims Jr, 1991). As such, this is the traditional notion of leadership in the western world, reinforced by heroic figures from history such as Alexander, Caesar, Napoleon, Washington and Churchill. In this context, a hero is someone who, according to the popular dictionary, is defined as 'a person,

typically a man, who is admired for their courage, outstanding achievements, or noble qualities' (Soanes & Hawker, 2014). The heroic leadership paradigm reflects the values of the western culture in which the bulk of business research has been conducted; individuality, masculinity and rationality (Yukl, 2006, p. 494). These values rest on a belief system which assumes the existence of a singular, all-powerful, heroic, masculine leader. Such a theme can be detected in the leadership myths of the culture ranging from 'lone cowboys' to 'secret agents' who singlehandedly save the world from legions of 'bad guys' (Yukl, 2006, p. 495). In the context of business, the heroic leader is the person who:-

- knows more than anyone else
- has greater technical expertise than any subordinate
- can solve any problem faster and better than anyone in the organisation
- takes primary responsibility for everything that the organisation or the department did or failed to do (Bradford, 1998)

Within the 'heroic leader' paradigm, leadership theories have focussed upon the characteristics of the leader first and foremost since this is consistent with a worldview in which one individual leader exerts the most influence on the desired performance outcomes (Calder, 1977; Pfeffer, 1977; Vroom & Yetton, 1973). Examples of leadership theories in this category have included:-

- The trait approach – this consists of a body of research that focussed on identifying the personal attributes (skills, values, motives, needs) of successful leaders (Stogdill, 1948).
- The behaviour approach – following on from the trait approach researchers started to focus on how managers spend their time and what they actually do. In some studies, the purpose was simply to describe the nature of leadership work (Mintzberg, 1973) and in others, its purpose was to identify effective leadership behaviour (Bass & Bass, 2008).
- The power-influence approach – research that examined the processes through which leaders influence other people. An example of such research was the work by French and Raven that led to the five power types – reward, coercive, legitimate, expert and referent (French & Raven, 2001).

Whilst the above theories have led to a number of indicators of leadership effectiveness they have largely failed to generate universal behaviours that could guarantee success (Meindl, Ehrlich, & Dukerich, 1985a). The main failing of such theories has been the exclusion of intervening variables in the causal chain that conspires to add complexity and uncertainty to the leader's situation. The presence of such diverse and largely hidden variables undermines attempts to

predict the effectiveness of static leadership qualities on driving organisational performance (Yukl, 2006, p. 496). In the practitioner-oriented words of Bradford and Cohen – 'The assumptions of heroic leadership contribute to a mutually reinforcing system that causes and perpetuates the leadership trap of control and passivity' (Bradford, 1998). As a result, heroic leadership sets up a vicious circle in which the follower becomes ever more passive and the heroic leader takes ever greater control in a cycle that operates independently of whether it actually delivers optimum performance (Meindl, Ehrlich, & Dukerich, 1985b).

In contrast to heroic leadership, the post-heroic leadership paradigm presents a new perspective for a technology empowered, multi-cultural, increasingly feminine business context (Crevani, Lindgren, & Packendorff, 2007; Fletcher, 2003). In this paradigm, 'post-heroic leaders don't expect to solve all the problems themselves. They realise no one person can deal with the emerging and colliding tyrannies of speed, quality, customer satisfaction, innovation, diversity, and technology' (Dutton, 1996; Huey & Sookdeo, 1994 p. 45). In support of this perspective, evidence from a variety of research suggests that shared responsibility and empowerment of subordinates is more effective than leadership by a single individual (Crevani et al., 2007). Similarly, it is widely acknowledged that the context of leadership is important with situational variables influencing the effectiveness of leadership outcomes (Yukl, 2006, p. 497). According to Fletcher, 'New models of leadership recognize that effectiveness in knowledge-based environments depends less on the heroic actions of a few individuals at the top and more on collaborative leadership practices distributed throughout an organisation' (Fletcher, 2003 p. 42). Yet it is still the case that few research studies focus upon the context of leadership as opposed to the singularity of specific personalities and specific relationships (Lyman & Grace, 2006).

In recent years several leadership theories have arisen to respond to this post-heroic context of leadership:-

-   Implicit leadership Theory

    Implicit leadership theory emerged from the field of psychology in the seventies as an extension of implicit personality theory (Rush, Thomas, & Lord, 1977). In this theory, the focus is not on the individual leader and their traits/behaviour but on the collective system of stakeholders and their expectations of leadership as generated by internally-held stereotypes relating to effective leadership. Such stereotypes are developed and refined over time as a result of actual experience, individual beliefs, values and

personality and the collective or systemic shared belief and values about leadership in the prevailing culture (Kenney, Blascovich, & Shaver, 1994).

- Leader-Member Exchange Theory (LMX)

LMX focusses upon the hypothesis that leaders vary their behaviour depending upon the specific subordinate relationship (Liden, Sparrowe, & Wayne, 1997). Therefore, LMX recognises that influence is a two-way process with the follower influencing the leader alongside the more heroic notion of the leader influencing the follower (Yukl, 2006, p. 235). Since relationships are built and maintained over time, LMX recognises that the leader and the follower are involved in a progressive exchange of mutual commitments and benefits (Wayne, Shore, & Liden, 1997). This mutual exchange contrasts with the heroic style of leadership where an authoritarian leader simply uses positional authority to force compliance with little regard for the needs of the individual follower.

- Authentic, transformational and ethical leadership

The common thread running through authentic, transformational and ethical leadership theories is the belief that a leader's long-term effectiveness is judged by many different stakeholders using complex criteria that involve trade-offs between often conflicting goals (Yukl, 2006, p. 333). This contrasts with the heroic notion of a leader maximising short-term financial returns for all-powerful owners. In authentic leadership, the consistency of a leader's words, actions and values are emphasised as the guiding premise for decision-making in a complex, shifting context (Yukl, 2006, p. 345). In transformational leadership, the leader 'asks followers to transcend their own self-interests for the good of the group, organisation or society' (Bass & Bass, 2008, p. 50). In ethical leadership, leaders are expected not only to have a high standard for their own personal integrity but also to influence those around them to behave according to those standards and so raise awareness of the moral context of business transactions (Brown & Treviño, 2006).

- Servant Leadership

Servant leadership theory was originally conceived by Robert Greenleaf (Greenleaf, 1977) and is characterised by the leader placing their primary focus upon the needs and desires

of their followers, as opposed to the performance outcomes of the organisation as a whole. In this respect, servant leadership represents an extreme example of a post-heroic leadership theory. Success for a servant leader is measured by the growth of the people they lead which is then assumed to result in increased performance outcomes for the business itself. To genuinely aspire to servant leadership the leader needs to adopt a selfless attitude in which short-term personal gain is sacrificed and egotistical agendas are put to one side (Dienesch & Liden, 1986).

The post-heroic context of leadership continues to receive attention in the academic and practitioner communities as a response to the global financial crisis and recent corporate scandals (Grint, 2010).

The table below summarises the key differences between the heroic leadership and post-heroic leadership theories that have been discussed in this section (Crevani et al., 2007 p. 43):-

Table 2.3: Comparison of Heroic vs Post-Heroic Leadership

Traditional Heroic Leadership	Post-Heroic Leadership	Supporters
One single accountable leader	Participation of co-workers to leadership is recognised	Collinson (2005), Eicher (2006), Fletcher (2004), Huey (1994), Knights and Willmott (1992), Pearce & Manz (2005), Vanderslice (1988)
Focus on visible positional heroes		
Subordinates are seen as inferiors, interchangeable drones	Co-workers take responsibility and gain knowledge	
All wisdom is concentrated in the leader	Leaders encourage innovation and participation	
Leader needs to keep up his or her appearance	Consensus in decision-making	
Vulnerability for the organization if the leader leaves	Leader becomes dispensable	
Individualism, control, assertiveness and skills of advocacy and domination are important for leadership	Empathy, vulnerability and skills of enquiry and collaboration become important for leadership	
Dominant logic of effectiveness: how to produce things	Dominant logic of effectiveness: how to grow people	
Doing masculinity	Doing femininity	
Focus on individuals	Focus on actions and interactions	
Static roles	Dynamic collective construction processes	

A number of studies in the literature have found a correlation between post-heroic styles of leadership and trust. For example, a relationship has been proposed between servant leadership and trust. Greenleaf himself stated that 'trust is at the root of servant leadership' (Greenleaf, 1977), a view that was also shared by later researchers in the field (Dannhauser & Boshoff, 2006; McGee-Cooper, 2003; Vitello-Cicciu, 2002). McGee-Cooper states 'the most precious and intangible quality of servant leadership is trust' (McGee-Cooper, 2003, p. 13). Since the definitions of trust cited earlier deal with characteristics such as vulnerability and reliability, this relationship between servant leadership and trust should not come as a surprise. Reinke found a correlation of .84 between servant leadership and trust in management in a sample of civil servants, whilst Dannhauser and Boshoff reported a correlation of 0.86 for the same relationship among South African car salesmen (Dannhauser & Boshoff, 2006; Reinke, 2004). Similarly, transformational leaders build trust in their followers by demonstrating care and concern in the follower relationship (Kirkpatrick & Locke, 1996; Podsakoff, MacKenzie, Moorman, & Fetter, 1990). Trust is an element of LMX theory (Schriesheim, Castro, & Cogliser, 1999) whilst Brown and Trevino found that ethical leadership is positively related to affective trust in the leader (Brown & Treviño, 2006). Given this strong relationship between post-heroic leadership styles and trust, one of the core objectives of this research was to understand the specific CEO/senior leader behaviours that inspire trust in this post-heroic context of leadership.

The Role of the CEO/Senior Leader

Following a review of the various definitions of leadership, Yukl came to the conclusion that 'most definitions of leadership reflect the assumption that it involves a process whereby intentional influence is exerted over other people to guide, structure, and facilitate activities and relationships in a group or organisation' (Yukl, 2006, p. 21). Similarly, Bass states 'Successful leaders influence their followers and bring about changes in their follower's attitudes and behaviours' (Bass & Bass, 2008, p. 400). The people over whom the leader has influence are deemed to be the followers. In the case of an organisation, the followers of the CEO and senior leaders are the employees of the organisation. In this context, the term 'CEO/senior leader' refers to the three most senior leadership levels in an organisation. Different leaders may influence their employee's behaviour through different leadership styles, through rational argument, through implementing structure and processes, rewards and incentives, through charisma and emotional intelligence or many other means (Bass & Bass, 2008; Yukl, 2006). However, it is an inevitable outcome of this definition of leadership that CEOs and senior leaders influence employee behaviours in an organisational context.

The bulk of the leadership literature focusses upon how leaders influence their immediate subordinates which has been termed direct leadership (Hunt, 1991). However, a distinction has been drawn between direct and indirect forms of leadership to explain how a senior leader, such as a CEO, can influence employee behaviour without having direct interaction with them (Lord & Maher, 2002; Yammarino, 1994). With reference to direct techniques, a CEO/senior leader can influence employees through writing emails, holding company meetings, writing blogs, video clips and conference calls. Indirectly, CEOs and senior leaders influence employee behaviour through three typical means – cascading, defining structures, systems and processes and defining the shared beliefs and values of the organisation (Yukl, 2006).

For example, cascading refers to the situation where the direct influence of the CEO/senior leader on their immediate subordinates is further transmitted through the authority structure of the organisation. This is particularly relevant to the idea of the CEO/senior leader role-modelling trustworthy behaviours and so influencing similar behaviours at lower levels in the organisation (Bass et al., 1987; Waldman & Yammarino, 1999). A number of studies have provided evidence for such modelling taking place across different layers of the management structure (Bowers & Seashore, 1966; Ouchi & Maguire, 1975; Stogdill & Shartle, 1955). CEOs/senior leaders are typically in a position of authority whereby they can determine the structure of the organisation, they can determine key organisational processes regarding recruitment, promotion and incentives and they can establish rules through which employees will be managed (Hunt, 1991; Lord & Maher, 2002). CEOs/senior leaders may also influence the culture and values of the organisation through their own internal and external communication, their involvement in the selection of people for key appointments and their sponsorship, or otherwise, of specific culture-shaping initiatives (Creed & Miles, 1996; Giberson, Resick, & Dickson, 2005; Schein, 2006; Trice & Beyer, 1991).

The notion that the actions and behaviours of an organisation's CEO and senior leaders directly influence a number of strategic organisational outcomes is known as upper echelons theory – a term first coined by Hambrick et al. (Hambrick & Mason, 1984). This is in contrast with the alternative notion that organisations are swept along by random events over which the CEO and senior leadership have little control (Lieberson & O'Connor, 1972; Pfeffer, 1977). The original research of Hambrick et al. into upper echelons theory focussed upon demographic variables such as age and background, but other researchers later explored the relationship between the CEO's character and behaviours and a range of organisational outcomes (Finkelstein, 1992; Marks & Mirvis, 1998; Miller & Dröge, 1986). Waldman & Yammarino suggested that upper echelons

theory operated via the role-modelling of behaviours via the CEO and senior leadership which then cascaded to lower levels of the organisation (Waldman & Yammarino, 1999). Other researchers suggested that this effect is further amplified via a process of 'social contagion' i.e. the tendency for individuals to conform to group behavioural norms (Avolio & Gardner, 2005).

These findings are also consistent with the assumptions of social learning theory (SLT) and social exchange theory (SET). According to SLT, the CEO is a significant role model due to their role, status and power to influence behaviours. Other employees learn from the CEO, partly through copying their behaviours and also through noticing the behaviours the CEO rewards or punishes (Bandura & Walters, 1977; Brown, Treviño, & Harrison, 2005; Mayer et al., 2009). SLT suggests that when there are role models in the work environment, individuals will copy these role models and ensure that their behaviour is in line with accepted behavioural norms (Bandura & Walters, 1977). SET is based on an expectation of reciprocity (Cropanzano & Mitchell, 2005; Gouldner, 1960) i.e. 'I'll scratch your back if you'll scratch mine'. This reciprocal arrangement can be transactional (e.g. money) or it can socio-emotional (e.g. trust) (Blau, 1964). According to SET, trustworthy leaders can inspire trustworthy behaviour in others through socioemotional exchange because their own behaviour triggers a reciprocal response in those they lead (Brown & Treviño, 2006). As these behaviours are cascaded through the organisation, it leads to a net positive impact on the level of organisational trustworthiness. An equal and opposite effect would be generated by untrustworthy leaders.

There is a substantial literature on the relationship of trustworthiness and leadership in the context of leader-follower interactions (Burke et al., 2007; Dirks & Ferrin, 2002). However, there is less research available regarding the relationship between organisational trustworthiness and the CEO/senior leader. In other words, research that answers the question, 'how significant are the behaviour, actions and attitudes of the company's CEO and senior leaders on the perception of organisational trustworthiness?' (Bass & Bass, 2008, p. 1199). Given the benefits of building trustworthiness cited earlier, this gap seems surprising. After all, the senior leaders of an organisation act as role models and spokespeople. Additionally, they communicate expectations of employee behaviour both internally and externally. When reviewing the six components of Gillespie and Dietz's organisation-level trust framework cited earlier, it could be argued that the CEO and senior leadership team are in a prime position to influence all six factors other than external governance (Dietz & Gillespie, 2011). For example, CEOs/senior leaders have the positional power to initiate culture change programmes, establish and implement a strategy, reorganise structures and allocate resources to trust building initiatives such as CSR (Gillespie &

Dietz, 2009). As Miles and Creed pointed out, 'managerial philosophies are the mechanisms that serve to focus expectations about people and so shape trust in organisations' (Creed & Miles, 1996 p. 21).

Whilst the research on the potential of CEOs/senior leaders to build organisational trustworthiness is relatively sparse, there are some high profile, real-world examples of the ability of CEOs to damage trustworthiness through their actions and words. For example, on May 30th 2010, Tony Hayward, ex-CEO of BP plc, was quoted in the press as saying that he 'wanted his life back' following the Deepwater Horizon oil spill disaster (Walt, 2010). Such a comment, with the associated global press coverage, dealt further damage to organisational trustworthiness in BP whose ability, integrity and benevolence were called into question by diverse stakeholder groups. A similarly infamous remark was made by Ratners CEO, Gerald Ratner, at the Institute of Directors in 1991 when he quipped that some of the company's jewellery products were 'cheaper than an M&S prawn sandwich but probably wouldn't last as long.' This comment provoked a public backlash that resulted in the value of the Ratner Group plummeting by £500m (Holme, 2008) as individuals re-appraised their perception of the integrity of such an organisation.

In summary, this brief review of leadership theory has categorised leadership theories as either heroic or post-heroic in nature (Crevani et al., 2007). In so doing, it has been suggested that the paradigm of leadership is shifting in response to a 21st-century leadership context that is increasingly diverse, global, feminine and technology-enabled (Fletcher, 2003; Huey & Sookdeo, 1994). In the post-heroic paradigm, issues of empowerment, collaboration and trust are increasingly critical to the legitimacy and effectiveness of leadership (Crevani et al., 2007). Leaders influence their followers (Bass & Bass, 2008; Yukl, 2006) and CEOs/senior leaders influence the behaviour of their employees through a number of direct and indirect techniques (Hunt, 1991; Lord & Maher, 2002; Waldman & Yammarino, 1999). The notion that CEOs and senior leaders influence macro-level organisational outcomes is known as upper echelons theory (Hambrick & Mason, 1984). Despite the recognised influence of the CEO/senior leader, the well-publicised examples of CEO behaviours that have damaged organisational trustworthiness (Holme, 2008; Walt, 2010) and the extensive literature on the relationship between leadership and inter-personal trust (Dannhauser & Boshoff, 2006; Podsakoff et al., 1990; Reinke, 2004; Schriesheim et al., 1999), there is little research assessing the role of CEO and senior leader behaviour in building organisational trustworthiness.

Governance Theory

According to Caldwell et al., governance theories are concerned with how an organisation optimises performance, creates goals and values, develops leadership relationships and formally applies leadership principles (Caldwell & Karri, 2005). Businesses commonly choose forms of governance as a trade-off between the need for bounded rationality on the one hand and opportunism on the other (Barney & Hesterly, 2006), whilst it is well recognised that the form of governance substantially impacts both leader behaviours and organisational culture (Thomsen, 2005). This section of the literature review compares and contrasts two alternative theories of governance, agency theory (Jensen & Meckling, 1976) and stewardship theory (Davis et al., 1997), with a view to assessing the impact of such forms of governance on the context of organisational trustworthiness.

Agency theory has its roots in the economic models of Adam Smith whereby it is considered that:-

> 'economic values guide choice, and choices are rational and utility maximizing. In neoclassical theory, the goal of Smith's economic man is to maximise the wealth of the firm and is based on contractual duties owed to owners' (Key, 1999 p. 319).

This legacy is further highlighted by Schoorman and Donaldson when they state 'The model of man underlying agency and organisational economics is that of the self-interested actor rationally maximising their own personal economic gain (Davis et al., 1997). The agency theory model is individualistic and is predicated upon the notion of an inbuilt conflict of interest between owner and manager' (Davis et al., 1997). Hosmer reinforced this point by commenting, 'one of the central assumptions of transaction cost economics is the belief that the agent in any agent/principal relationship is not to be trusted.'(Hosmer, 1995 p. 380)

Hence, in agency theory, the primary stakeholder of a company is the shareholder or owner and the agent, i.e. the CEO/senior leader, needs to be monitored, controlled and rewarded to ensure alignment of their personal interests with those of the owners. Without such controls and incentives, it is expected that the agent will act opportunistically to satisfy their own personal needs (Jensen & Meckling, 1976; Schepers, Falk, Ruyter, Jong, & Hammerschmidt, 2012). Even if the agent could be trusted, agency theory argues that it is better to be prudent and impose controls since it is not possible to know in advance which agents can be trusted and which cannot (Williamson, 1985).

Therefore, the generalisability of agency theory relies on two conditions. First, there needs to be a dominant stakeholder, i.e. the owner, who solely defines the purpose and goals of the organisation. Second, there needs to be an agent who is motivated to pursue a set of goals that

suit their own personal needs rather than those required by the owners. When these two factors are present, the cost of implementing the necessary control, monitoring and incentive policies may be considered justified and effective (Davis et al., 1997). Nevertheless, in a 21st-century business environment, these conditions are increasingly rare. It is now recognised that the diverse goals of both internal stakeholders (staff, managers, suppliers, customers) and external stakeholders (public, regulators, government, shareholders, media) need to be taken into account (Key, 1999). In addition, the emergence of post-heroic leadership theories, such as transformational leadership, authentic leadership and servant leadership, assume an environment in which the leader subjugates short-term personal interest in favour of longer term, collective outcomes (Yukl, 2006). In such a context the cost of agency theory governance models, including the use of extravagant stock option pay schemes, is questionable. This is a debate that has intensified since the global financial crisis (Society, 2013).

The relationship between agency theory and corporate scandals was explored by Ghoshal in his paper 'Bad Management Theories are Destroying Good Management Practices'(Ghoshal, 2005). Ghoshal states:-

> 'Many of the worst excesses of recent management practices have their roots in a set of ideas that have emerged from business school academics over the last 30 years. In courses on corporate governance grounded in agency theory, we have taught our students that managers cannot be trusted to do their jobs' (Ghoshal, 2005 p. 75).

This quotation highlights how a culture of distrust lies at the heart of the agency theory mindset. Further, Ghoshal proceeds to argue that theories in the social sciences can become self-fulfilling, unlike their counterparts in the pure sciences which are subject to natural laws. Referring to agency theory he states, 'a theory that draws prescriptions on corporate governance on the assumption that managers cannot be trusted can make managers less trustworthy' (Osterloh & Frey, 2003). This point is further reinforced by Schoorman et al. when they note that:-

> 'If there is a very strong system of controls in an organization, it will inhibit the development of trust. Not only will there be few situations where there is any remaining perceived risk but trustworthy actions will be attributed to the existence of the control system rather than to the trustee (cf. Strickland, 1958). Thus, a trustee's actions that should be interpreted as driven by benevolence or by integrity may be viewed simply as responses to the control systems. The use of control systems is how agency theory proposes dealing with risk management, and this does not foster the development of trust.' (Schoorman et al., 2007 p. 712)

Considering these criticisms and concerns regarding the deep-seated influence of agency theory on management behaviours and the shifting social context of business, researchers have sought alternative governance theories which may respond better to the challenge of building

organisational trust in a 21st-century business context. One of the most promising of these alternative theories is stewardship theory. Generically, the term stewardship is defined as 'a person who manages another's property or financial affairs; one who administers anything as the agent of another or others' (Flexner & Hauck, 1987). In the context of business, the above definition is particularly relevant since business literature has often distinguished between the role of an agent and the role of a steward (Davis et al., 1997). In contrast to agency theory, stewardship theory assumes individuals to be pro-organisational, collectivist and trustworthy. Stewardship theory defines situations in which managers are not motivated by individual goals, but are stewards whose motives are aligned with the objectives of the owners (Donaldson & Preston, 1995). Importantly, their motivation for doing this is not an act of self-sacrifice but simply a trade-off between maximising short-term and longer-term goals (Caldwell & Karri, 2005). The steward engages in 'delayed gratification' to maximise organisational outcomes in the short term believing that in so doing they will also meet their own personal needs in the longer term. It can be seen that this distinction between steward and agent goes deep into the belief systems of the organisational world and drives many resulting policies such as performance-related pay schemes, board governance structures and levels of empowerment (Ghoshal, 2005). Schoorman et al. sum up this distinction when they comment, 'one of the major distinctions between agency theory and stewardship theory is the use of trust versus control systems to manage risk' (Schoorman et al., 2007 p. 348).

For example, with regards to levels of empowerment, in a stewardship governance context, control mechanisms can be relaxed since a trusted steward will respond positively to high levels of discretion and authority. In contrast, policies that foster facilitation and empowerment will be effective (Donaldson & Davis, 1991). In this sense, stewardship theory represents a situation where the owner takes a calculated risk at the outset of the relationship with the manager. The risk represents a leap of faith whereby the owner makes themselves vulnerable by assuming that the manager is trustworthy. Referring to Ghoshal's earlier observation that social science theories can be self-fulfilling, this starting point of the relationship, which defines the nature of the covenant between the owner and manager, represents a pivotal decision on which the future culture of the organisation will be built (Ghoshal, 2005). If trust is defined as a 'willingness to take risk' (Mayer et al., 1995) then the onus is on the leader to make the first move and so initiate the cycle of trust-building interactions. In so doing they shift from an agency theory mindset to a stewardship-theory mindset. As Whitener et al. comment 'Manager's actions and behaviours provide the foundation for trust and it is …management's responsibility to take the first step and initiate trusting relationships' (Whitener et al., 1998 p. 514).

A further characteristic of stewardship is the consideration of the interests of a broader set of stakeholders than simply the owners or principals. Donaldson and Preston defined the steward as 'one who rises above the level of an agent and is committed to the welfare of all stakeholders' (Donaldson & Preston, 1995). In this regard, stewardship theory shares some common features with stakeholder theory (Key, 1999). A steward assesses the needs of different internal and external stakeholders and seeks to balance these, whilst upholding societal and ethical norms. However, in stewardship theory, the needs of future stakeholders, as well as current stakeholders, are considered (Caldwell & Karri, 2005).

Hernandez explored the psychological underpinnings of stewardship (Hernandez, 2012) and noted that the bulk of research on the topic consists of contrasting agency theory and stewardship theory at a strategic and governance level rather than advancing an understanding of stewardship at a behavioural and psychological level. Other commentators have noted that the bulk of stewardship research to date has focussed upon start-up and family-owned companies rather than publicly-owned companies on the assumption that the owners of such companies are more likely to identify with the company at a personal level (Kuppelwieser, 2012).

Hernandez explored the role of the covenantal relationship in stewardship citing that such social contracts generate a mutual obligation to protect the interests of all the stakeholders involved. This line of thought led Hernandez to define stewardship as 'the extent to which an individual willingly subjugates his or her personal interests to act in protection of others' long-term welfare'. Hernandez further differentiated stewardship from altruism by highlighting that altruism is triggered by a feeling of empathy towards a personally connected, single beneficiary in the short term which can sometimes undermine the collective good. In contrast, stewardship is an ideological response in which the beneficiaries may be distant from the steward both temporally and inter-personally (Hernandez, 2012 p.174).

The concept of stewardship has been further popularised by Block (Block, 1993 p. 29). Block defined stewardship as 'to hold something in trust for another' and 'the willingness to be accountable for the well-being of the larger organisation by operating in service, rather than in control, of those around us.' Block recognised that a pre-requisite of stewardship involves the re-thinking of traditional power structures within organisations. Such political reform would create inter-dependency between business stakeholders replacing control and caretaking structures with collaborative networks in which demands and requirements flow both ways based on reciprocal commitments.

Despite its potential to contribute towards the trust-building challenge, stewardship theory remains a young and relatively unexplored approach with respect to how it works, its components and its behavioural determinants (Hernandez, 2007). Hernandez states both that 'the underlying mechanism that determines how leaders model and, in turn, engender stewardship in their followers is unclear' and 'organisational researchers have failed to empirically investigate the particular leadership behaviours that engender stewardship' (Hernandez, 2007, p. 15-16). This observation aligns well with the objectives of this research to assess the degree to which CEO/senior leader trustworthy behaviours can influence organisational trustworthiness and, if so, which specific behaviours deliver this impact.

In summary, an overview of the differences between agency theory and stewardship theory is shown in the table below (Davis et al., 1997, p. 37):-

Table 2.4: Comparison of Agency Theory vs. Stewardship Theory

	Agency Theory	**Stewardship**
Model of Man	Economic man	Self-actualizing man
Behaviour	Self-serving	Collective serving
Psychological Mechanisms		
Motivation	Lower order-economic need (physiological, security, economic)	Higher order needs (growth, achievement, self-actualization)
	Extrinsic	Intrinsic
Social Comparison	Other managers	Principal
Identification	Low value commitment	High value commitment
Power	Institutional (legitimate, coercive, reward)	Personal (expert, referent)
Situational Mechanisms		
Management Philosophy	Control-oriented	Involvement oriented
Risk Orientation	Control mechanisms	Trust
Time Frame	Short term	Long-term
Objective	Cost Control	Performance Enhancement
Cultural Differences	Individualism	Collectivism
	High power distance	Low power distance

In this section, we have seen that the form of governance chosen by an organisation influences many aspects of the firm's leadership, policies, structure and culture. Agency theory is a well-

established theory of governance that is deeply-rooted in the organisational context. Whilst agency theory has led to several practices considered to be beneficial to governance it is founded upon an assumption of lack of trustworthiness in the organisation's leaders (Ghoshal, 2005). This lack of trust at the heart of agency theory tends to permeate the culture of an organisation. In contrast, stewardship theory is a more recent innovation that has not yet been readily taken up by the commercial sector (Davis et al., 1997). Whilst it remains relatively unproven, stewardship theory is founded upon an assumption that the organisation's leadership is trustworthy and it is interesting to speculate on the impact of such an assumption on the wider leadership practices and cultures of commercial organisations. This relationship between governance and trust is neatly summarised by Creed and Miles when they state:-

> 'In society at large, broad patterns of values and norms embedded in governance and economic institutions shape a general baseline of trust – a shared set of expectations and predispositions. In organisations, we contend the predisposition to trust or distrust is embedded in managers' philosophies and has been displayed throughout time in the different organisational structures and mechanisms that their philosophies prescribe and/or accommodate' (Creed & Miles, 1996 p. 19)

One of the objectives of this research was to explore the role of different governance structures and how these influence the relationship between CEO/senior leader trustworthy behaviours and organisational trustworthiness.

The Social Context

As noted in the previous section, in the past twenty years the traditional owner-centred perspective of business purpose has come under pressure, partly due to the shifting societal context of business (Donaldson & Davis, 1991; Donaldson & Preston, 1995). Stakeholders are increasingly challenging the purpose and practices of organisations and setting higher standards and expectations of leadership behaviour (Yukl, 2006). When these increased expectations are not met on a consistent basis then the trustworthiness of individual CEOs and their organisations has suffered (Barometer, 2017; PriceWaterhouseCoopers, 2010). In the literature, this trend has been mirrored by the emergence of new fields of study on the topics of the ethical climate and ethical culture of business (Hansen et al., 2016; Victor & Cullen, 1987). It is pertinent to ask what factors have been driving these changes in the societal context of business.

The following section assesses the impact on the societal context of four converging trends; globalisation, technology and new media, Generation Y and diversity. These trends are then linked to an over-arching theme of increasing transparency in business life i.e. the notion that these trends are creating a world in which nothing can be hidden (Borgia, 2005). Transparency

enables diverse stakeholders to access data and information about the inner workings of organisations and their leaders which was previously unavailable beyond an inner circle of power-brokers (Tapscott & Ticoll, 2003b). Unfortunately, that increased transparency has led to the exposure of a variety of business scandals across different sectors and this has then had an associated impact on the ethical climate of business (Flournoy, 2011; Martin, 2013; Rhee, 2009). Let us first examine the macro trends operating in society at large:-

- Globalisation

There are differing views on the definition of globalisation. Albrow defined the term as follows, 'Globalisation refers to all those processes by which the peoples of the world are incorporated into a single world society.' (Albrow & King, 1990). Cox provided a more comprehensive definition:-

> 'The characteristics of the globalisation trend include the internationalising of production, the new international division of labour, new migratory movements from South to North, the new competitive environment that accelerates these processes, and the internationalising of the state [...] making states into agencies of the globalizing world.' (Cox, 1994 p.212)

Globalisation involves taking a global perspective on problem-solving rather than looking to maximise the interest of one national state at the expense of another. Globalisation relies upon collaboration and the sharing of information, resources and expertise to create efficiencies and effectiveness beyond those achievable by the nation-state alone (Peck, 2002). Globalisation has, in part, arisen as a response to the emergence of global challenges such as climate change, poverty and terrorism (Lange, 2004). In business, the globalisation trend has facilitated the emergence of large, multi-national business enterprises such as Unilever, Nike, Shell, Apple and Coca-Cola. Whilst globalisation has led to an increase in the economic living standards in many countries of the world, there have also been growing concerns that the trend is creating greater inequality between the rich and the poor and weakening some traditional aspects of social cohesion (Prasad, Rogoff, Wei, & Kose, 2005).

- Technology / New Media

Tim Berners-Lee would have had scant understanding of the full implications of his work when he developed the first internet protocols in the early nineties (Berners-Lee, Masinter, & McCahill, 1994). The subsequent rise of the internet has spawned not just the world-wide web but also the software platforms that gave birth to social media. Parallel developments in hardware technology led to the development of the PC, the tablet and the smartphone such that by 2004 40% of the

world's population was estimated to have access to the internet compared to less than 1% in 1995 (Guillén & Suárez, 2005). This unprecedented and instant ability to both create and consume information has led to a situation where it has become much more difficult for traditional institutional authorities (governments, business, NGO's, mainstream press) to control the flow of information across the population. In 2016, the terms 'fake news' and 'post-truth' were popularised to describe the phenomenon whereby propaganda can be published by any and all parties purporting to represent authentic information (Kucharski, 2016). The degree to which this trend has undermined trust in leadership institutions was highlighted in the 2017 Edelman global trust barometer which found that 60% of the respondents were likely to find 'a person like me' extremely credible compared to only 37% who would say the same of a company CEO (Barometer, 2017).

- Generation Y / Millennials

Though there is no universal definition, Generation Y is a term that has been used to describe people born between the period 1981 and 1999 (Aksoy et al., 2013), whilst millennials are referred to as the people born between 1977 and 1997 (Meister & Willyerd, 2010). These terms were created to generalise the behaviours and attitudes of people who had grown up in a society with changed norms from those of their parents' generation. Most significantly, these generations are sometimes referred to as 'digital natives' since they were the first generations to have lived their entire lives in the internet age (Prensky, 2001). This exposure to digital information, together with enhanced levels of education and more open, informal relationships with those in authority has led many commentators to suggest that this cross-section of the population is entering the workforce with markedly different expectations than previous generations (Armour, 2005; Emeagwali, 2011; Kowske, Rasch, & Wiley, 2010). Millennials 'demand choice, authenticity and value' (Tapscott & Ticoll, 2003a). The stark difference in their attitudes was summed up by Bob Moritz, US Chair of PriceWaterhouseCoopers (PwC) as follows:-

> 'When I was coming up, we knew what we were doing, but we didn't ask why we did it…[Back then] I would have been astonished that PwC's Millennials don't only demand to know the organisation's purpose…but are [also] prepared to leave the firm if that purpose doesn't align with their own values.'(Moritz, 2014 p. 42).

- Diversity

Traditionally, diversity referred to the creation of equality across age, gender and ethnicity. However, it is a term that has been extended to include 'all the ways in which we differ' (Robinson & Dechant, 1997). The focus on diversity arose as a reaction to the domination of leadership life in

all institutions by white, Anglo-Saxon males of a certain age. For example, in 1995 only 1% of top UK company executive directors were female (Singh & Vinnicombe, 2003) and only 13% of the 463 firms surveyed by Brammer et al. in 2007 had a non-white director (Brammer et al., 2007). As a result of such statistics, many governments and businesses have created initiatives to foster more diverse leadership populations in business (Shen, Chanda, D'netto, & Monga, 2009). The introduction of more diverse leadership teams has been shown to improve business performance, as well as reduce risk in organisational decision-making as broader perspectives are input to the decision-making process (Hunt, Layton, & Prince, 2015).

Each of the above trends (globalisation, technology, Gen Y, diversity) has represented a significant shift in the societal context of business over the past twenty years. Additionally, each interacts with the other to create what has been referred to as a 'fusion of economics, technology and socio-political changes' (Tapscott & Ticoll, 2003a). These converging trends have combined to dramatically shift the balance of power between institutions and individuals by making more information available to broader sets of stakeholders who are then empowered to express their needs, expectations and opinions (Shirky, 2011). This transparency of information is the catalyst that has shifted the societal context of business to one where business is expected to serve its context by creating sustainable benefit for a broad range of stakeholders, rather than exploit its context by maximising short-term profit for its owners alone (Maak & Pless, 2006).

Tapscott & Ticoll defined transparency as 'the accessibility of information to stakeholders of institutions, regarding matters that affect their interests' (Tapscott & Ticoll, 2003a), whilst Borgia comments that this transparency is 'eroding the secret, opaque lives of corporations' and likens the transparency phenomenon to a self-fuelling drive on the part of the public to expose all and any transgression of ethical behaviour in organisational life (Borgia, 2005). Under the increased scrutiny of this transparency, several business scandals have emerged in recent years and these have subsequently been broadcast around the world, thus undermining the ethical reputation of business as a whole (Barometer, 2017).

The 2017 case of United Airlines, and its handling of an over-booked flight, capture the risks of operating in a transparent world where nothing can be hidden (Benoit, 2018). In this example, a Chinese airline passenger was physically removed from an overbooked United Airlines flight. In the process of being manhandled off the plane, the passenger suffered concussion and facial wounds. A few passengers on the plane captured the incident on their mobile phones and the subsequent video footage went viral. The initial reaction of the CEO of United Airlines, Oscar Munoz, was to publicly describe the injured passenger as 'difficult and belligerent'. However, 24

hours later, once the video footage had been watched by over 210 million people in China alone, the CEO belatedly issued an apology. By this time, the share price of United Airlines had dropped 6% costing the shareholders of the company an estimated $1.4 billion (Benoit, 2018). In this case study we can see how a global company is being held to account for its ethical standards via diverse, social-media empowered stakeholders. The response of the CEO reveals a lack of awareness of this shifting ethical climate of business and therefore leads to a loss of confidence in the company.

The United Airlines case study highlights how transparency is shifting the social context and ethical climate of business. This phenomenon was first subject to academic study in the late eighties when Victor & Cullen developed the ethical climate framework (Victor & Cullen, 1987). The ethical climate of an organisation was positioned as one of many work climates that collectively capture the behavioural norms and conventions of the organisation (Martin & Cullen, 2006; Reichers & Schneider, 1990). As stated by Martin & Cullen, 'ethical climate is the perception of what constitutes right behaviour and thus becomes a psychological mechanism through which ethical issues are managed' (Martin & Cullen, 2006 p. 182).

Ethical climate theory developed ethical constructs that were first identified by Kohlberg and colleagues as components of moral development (Kohlberg, Levine, & Hewer, 1983). In the ethical climate framework, these constructs were referred to as egoism, benevolence and principle (Victor & Cullen, 1987). Egoism refers to the degree that organisational behaviour is self-serving rather than collective-serving. Benevolence aligns with the benevolence component of the Integrative Model of Organisational Trust and refers to organisational behaviour that takes care of needs of other stakeholders in the wider organisational system (Simha & Cullen, 2012; Victor & Cullen, 1987). Principle refers to the use of institutional rules, policies and procedures designed to create a stable and consistent operating environment that serves the declared goals and vision of the organisation. In this sense, principle aligns with the topic of governance discussed in the previous section. The interaction of these three components of ethical climate with the different 'loci' of focus (individual, organisational, societal) then creates the scope for nine different ethical climate types and this model is summarised in the table below (Victor & Cullen, 1987). In this model, Victor & Cullen used the term 'local' to refer to the organisational loci of focus and 'cosmopolitan' to refer to the societal loci of focus:-

Table 2.5: Ethical Climate Types

Locus of Analysis

		Individual	Local	Cosmopolitan
	Egoism	Self-Interest	Company Profit	Efficiency
	Benevolence	Friendship	Team Interest	Social Responsibility
Ethical Theory	**Principle**	Personal Morality	Company Rules and Procedure	Laws and Professional Codes

The literature has studied the impact of ethical climate on a variety of employee outcomes such as job satisfaction, turnover and organisational commitment (Simha & Cullen, 2012). Other researchers have focussed upon the antecedents of ethical climate including the organisational characteristics of age, leadership style, structure and history (Hansen et al., 2016). The studies regarding the link between ethical leadership and ethical climate are particularly relevant to this research since these show that the role-modelling of ethical behaviours by senior leaders has a strong influence upon the resulting ethical climate (E. Rupp, 2011; Mayer, Kuenzi, & Greenbaum, 2010b; Shin, 2012). Equally relevant to this research are the studies that have been conducted investigating the link between ethical climate and unethical or dysfunctional behaviours. A number of studies have demonstrated that benevolent ethical climates lead to an increase in ethical and functional behaviours (Hansen et al., 2016; Mayer, Kuenzi, & Greenbaum, 2010a; Shin, 2012). Indeed, Hansen et al state, 'most scholars agree that employee ethical climate perceptions…are a function of the overall contextual environment in which employees are embedded' (Hansen et al., 2016 p. 657). From this, we can infer that organisations with a benevolent and principled ethical climate are more likely to generate increased individual and organisational trustworthiness and those organisation with egoistic ethical climates are more likely to destroy trust over time. However, the author is not aware that either of these hypotheses has been empirically tested in the literature.

The risks of egoistic and principled climates driven by self-interest, profit, rules and regulations were clearly highlighted via the experience of global multinational, BP, which found itself embroiled in the 2010 Deepwater Horizon disaster. This catastrophic oil spill in the Gulf of Mexico cost 11 people their lives and resulted in 4.9 million barrels of oil being pumped into the ocean following an explosion aboard a BP-owned oil rig (Balmer, Powell, & Greyser, 2011). In the short term, the public backlash towards this perceived breach of social responsibility resulted in a 10-40% drop in gas sales across BP's US network and cost the BP CEO, Tony Hayward, his job. In the

longer term, the disaster is estimated to have cost $37.2bn in lost sales, fines and associated reputational impacts. Overall, between 2010 and 2013, BP dropped from 2nd to 4th in terms of the market value ranking of the major oil companies (Balmer et al., 2011). The BP case study is a good example of the failure to anticipate the shift in ethical climate from the egoistic and principled to the benevolent. BP was portrayed by the media as a self-interested company taking greater and greater risks with other stakeholder interests in its relentless drive for efficiency; a company prepared to break the rules and compromise standards of personal morality in its blind pursuit of profit. In sum, a company bereft of benevolence.

The United Airlines and BP case studies, and others like them, highlight that transparency has changed the ethical climate of business (Borgia, 2005; Tapscott & Ticoll, 2003b) and created a societal context in which the ethical component of benevolence is assuming greater significance. In relation to individual and organisational trustworthiness, transparency has raised the bar on expectations of leadership behaviour. Using the language of the Integrative Model of Organisational Trust, transparency has reduced the propensity of trust of the stakeholders of business (Mayer et al., 1995). Whereas in the past the authority of the CEO /senior leader and the authority of the large, global corporation commanded trust both can now be perceived as inherently untrustworthy by a sceptical and cynical public (Barometer, 2017).

2.3 Summary

The intention of the conceptual model proposed later in this chapter is to provide a visual summary of the theoretical arguments that have been explored via the literature, as well as providing the basis for a research design that will test the empirical fit of these arguments to the real world. Before proceeding, let us summarise the theoretical arguments stated thus far:-

Trustworthiness

- Trust is a psychological state that exists in the trustor that can be influenced by the trustworthiness of the trustee (Rousseau et al., 1998) and the propensity to trust of the trustor (Rotter, 1967).
- Trustworthiness comprises of the ability, integrity and benevolence of the trustee and is an attribute of both individuals and organisations. This conceptualisation of trustworthiness is referred to as the Integrative Model of Organisational Trust (Colquitt et al., 2007; Gabarro, 1978; Mayer et al., 1995).
- Measurement scales for trustworthiness have tended to focus on measuring the beliefs of the trustor rather than the behaviours of the trustee (Burke et al., 2007; Legood, 2013). Hence,

one of the main objectives of this research is to generate a new measurement scale for trustworthy behaviours where the trustee is the CEO/senior leader of the organisation.

- Despite its perceived importance, there is less research on organisational trustworthiness compared to individual trustworthiness (Legood, 2013). This is partly due to academic debate as to the nature of the organisation as a distinct entity with its own attributes, characteristics and behaviours (Coyle-Shapiro & Shore, 2007; Guest, 1998).

- This research adopts the position that the organisation is a distinct entity and that organisational trustworthiness can be measured via a number of different measurement scales (Cummings & Bromily, 1996; Dietz & Gillespie, 2011; Pirson, 2007; Searle et al., 2011).

The Context of Trustworthiness

- Perceptions of both individual and organisational trustworthiness are influenced by the context in which these behaviours take place (Mayer et al., 1995). With respect to the scope of this research, the most relevant aspects of this context are the prevailing leadership and governance theories operating inside the organisation and the broader societal expectations imposed upon it from outside.

- Leadership research is evolving from heroic theories to post-heroic theories in which trust is regarded as a critical component to enable collaboration, empowerment and performance in diverse, technology-enabled cultures (Crevani et al., 2007; Fletcher, 2003; Huey & Sookdeo, 1994).

- Post-heroic leadership theories, such as servant leadership, transformational leadership, ethical leadership and LMX have been shown to positively influence the challenge of building trust between the leader and follower (Brown & Treviño, 2006; Dannhauser & Boshoff, 2006; Greenleaf, 1977; Kirkpatrick & Locke, 1996; McGee-Cooper, 2003; Podsakoff et al., 1990; Schriesheim et al., 1999; van Dierendonck, 2011; Vitello-Cicciu, 2002), though little research exists as to the impact of CEO and senior leadership behaviour on building organisational trustworthiness.

- Leadership is an act of influencing other people's behaviour. In an organisational context, the CEO and senior leaders influence employee behaviours through a variety of direct and indirect leadership interventions (Bass & Bass, 2008; Bowers & Seashore, 1966; Giberson et al., 2005; Hunt, 1991; Lord & Maher, 2002; Schein, 2006; Trice & Beyer, 1991; Yammarino, 1994; Yukl, 2006).

- CEOs and senior leaders are in a unique leadership position to build or damage organisational trustworthiness due to their authority, media profile and influence on the wider culture (Agle

et al., 2006; Hambrick, 2007; Waldman, Siegel, & Javidan, 2006; Waldman & Yammarino, 1999; Yukl, 2006). The disproportionate influence of CEOs and senior leaders on macro organisational outcomes is referred to as upper echelons theory (Hambrick & Mason, 1984). It is an objective of this research to explore the interplay between the trustworthy behaviours of the CEO/senior leader and organisational trustworthiness.

- Typically, CEOs and their senior teams operate in a governance environment defined by agency theory (Jensen & Meckling, 1976) which inherently assumes that the agents, i.e. the leaders of the organisation, lack trustworthiness and such an assumption then pervades the wider organisational culture (Ghoshal, 2005).

- Stewardship theory is a relatively new theory of governance which assumes leaders are trustworthy, pro-organisational and collectivist (Davis et al., 1997; Donaldson & Preston, 1995; Hernandez, 2012). Such a governance environment can generate trustworthy behaviour throughout the wider organisation (Ghoshal, 2005).

- The philosophy of agency theory and heroic leadership share a worldview which is predominantly competitive, individualistic and exploitative. In contrast, the concepts of stewardship and post-heroic leadership share a worldview which is predominantly partnership-based, collective and egalitarian (Caldwell & Karri, 2005).

- The converging trends of globalisation, technology, Gen Y, new media and diversity have significantly changed the social context of business over the past twenty years (Tapscott & Ticoll, 2003a). In particular, these trends have created dramatically new levels of transparency regarding the policies, behaviours and attitudes of organisations and their CEOs/senior leaders (Borgia, 2005).

- One of the impacts of greater organisational transparency has been to influence the ethical climate of organisational life. Specifically, the ethical construct of benevolence is assuming a greater importance relative to the ethical constructs of egoism and principle (Hansen et al., 2016; Victor & Cullen, 1987).

Given the review above, and the current uncertainty surrounding the roles of the CEO and these various contextual factors in promoting organisational trustworthiness, this research asks the following questions:

- What are the specific CEO/senior leader trustworthiness behaviours that inspire trust in others?
- What is the role of CEOs/senior leaders in promoting organisational trustworthiness?

2.4 The Hypothesised Model

In line with the above research questions that have been generated from the literature review, it is the intention of this research to use upper echelons theory to develop and test a model exploring the relationship between CEO/senior leader trustworthy behaviours and organisational trustworthiness. In such a model, the key variables are as follows:-

- CEO and senior leader trustworthy behaviours – according to upper echelons theory, organisational outcomes are partially predicted by the behaviours and characteristics of the top management team in an organisation. Hence, CEO and senior leader trustworthy behaviours are positioned as the independent variables in this research with senior leader trustworthy behaviours additionally positioned as mediating variable between CEO trustworthy behaviours and organisational trustworthiness

- Organisational trustworthiness – the organisational outcome of interest to this research is employee perceptions of organisational trustworthiness. This is hypothesised to be predicted by CEO/senior leader trustworthy behaviours, via senior leader trustworthy behaviour. Hence, organisational trustworthiness is positioned as the dependent variable in the research model

The original conceptual model that was developed following the initial literature review is shown below:-

Figure 2.1: Original Conceptual Model Prior to Study 1
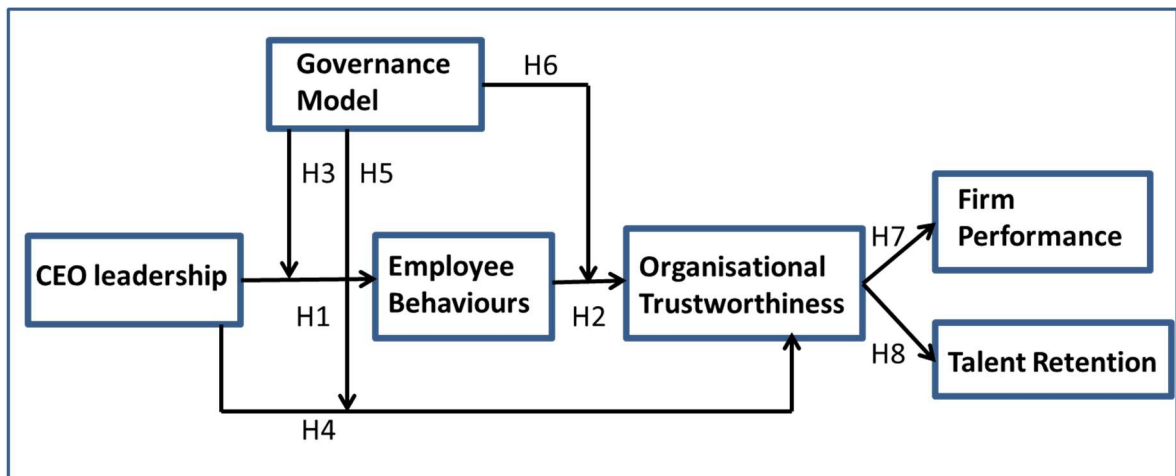
However, following the qualitative study in this research and a further reflection on the literature, this model was refined and updated due to the following findings:-

- the original 'governance' moderating variable was expanded to reflect the greater importance of societal and organisational factors. These potential moderating variables were removed from the updated conceptual mode since they were not measured in the quantitative studies of this research. However, these contextual factors were explored in the qualitative study.

- the original mediating variable of 'employee's behaviours' was replaced with 'senior leadership trustworthy behaviours' to refine both the level and precise nature of analysis prior to the quantitative studies

- the original independent variable 'CEO leadership' was replaced with 'CEO trustworthy behaviours' to clarify the precise nature of this variable

- the dependent variables of 'firm performance' and 'talent retention' were removed from the model to simplify the scope of the research

The updated conceptual model which was then used as the basis for the quantitative studies in this research is shown below:-

Figure 2.2: Revised Conceptual Model
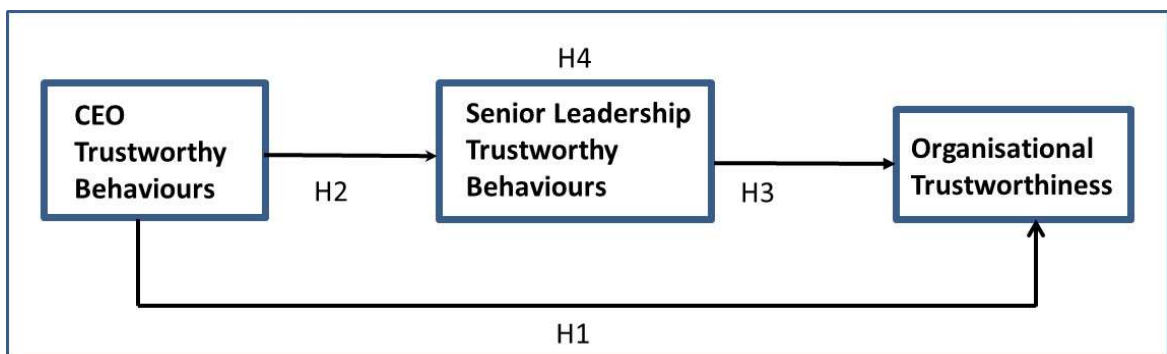
Taking the research questions and applying these to the key variables in the above model generates the following hypotheses:-

Hypothesis 1 – CEO trustworthy behaviours positively influence organisational trustworthiness

Hypothesis 2 - CEO trustworthy behaviours positively influence senior leader trustworthy behaviours

Hypothesis 3 – Senior leader trustworthy behaviours positively influence organisational trustworthiness

Hypothesis 4 – Senior leadership trustworthy behaviour mediates the relationship between CEO trustworthy behaviour and organisational trustworthiness

In this chapter, the literature regarding trust and the context of trustworthiness have been explored in relation to the research problem and research objectives described in chapter 1. The literature is consistent in highlighting the importance of trust, yet equally inconsistent in defining trust as a construct (Gambetta, 1988; Hurley, 2006; Whitener et al., 1998). Related constructs such as trustworthiness and propensity to trust were introduced prior to exploring the nature of organisational trustworthiness in more detail, both in terms of its value and its measurement (Dietz & den Hartog, 2006; Mayer et al., 1995; Solomon & Flores, 2001). The role of the CEO/senior leader in the trust-building challenge was explored from the perspective of upper echelons theory noting that, according to this theory, CEOs/senior leaders have a disproportionate influence on organisational outcomes due to their profile, authority and direct/indirect means of influencing other stakeholders (Hambrick & Mason, 1984). Clear gaps in the literature were noted with respect to the relationship between CEO/senior leader behaviour and organisational trustworthiness, together with the identification of specific CEO/senior leader trustworthy behaviours that might influence this relationship. The context of trustworthiness was explored from three different perspectives. First, the context of leadership paradigm was considered and it was noted that leadership theories are shifting from a heroic to a post-heroic paradigm in which the role of trust is becoming increasingly critical to sustainable business success (Fletcher, 2003; Huey & Sookdeo, 1994). Next, the context of governance was explored, noting that the traditional agency theory governance model assumed that the CEO/senior leader would adopt the role of untrustworthy agent and so the governance model needs to adapt to accommodate this reality (Ghoshal, 2005; Jensen & Meckling, 1976). In contrast, the alternative governance model of stewardship theory assumes that the CEO/senior leader will adopt the role of trusted steward and this creates a different starting point in relation to the context of trustworthiness (Davis et al., 1997). Finally, the societal context of trustworthiness was explored using the theory of ethical climates as a means of assessing the degree to which external trends are influencing the trust-building challenge (Victor & Cullen, 1987). In particular, it was noted that the converging trends of globalisation, technology, diversity and Gen Y are creating a transparent world which then puts the purpose and leadership behaviours of business life under increased scrutiny (Borgia, 2005; Tapscott & Ticoll, 2003b). Each of these insights from the literature has been related to the objectives and desired contribution for this research. As a result, four hypotheses have emerged from the literature review which will become the focus for developing the conceptual model and research design in chapter 3.

Chapter 3 - Research Design

In this chapter, a research design will be developed based on mapping the findings of the literature review, the conceptual model and the hypotheses developed in chapter 2. After exploring and identifying the research philosophy, the research design will be presented and justified comprising a three-stage, mixed-methods approach that seeks to maximise the complementary benefits of both qualitative and quantitative methodologies.

3.1 Research Philosophy

Research is a way of 'linking together the theoretical world and the real world' (Lee & Lings, 2008) with the aim of either creating new knowledge or adding evidence to existing knowledge. The research problem described in chapter 1 is rooted in the real world. In contrast, the literature review of chapter 2, and the conceptual framework detailed in this chapter, seek to describe relevant aspects of the theoretical world. The research questions and objectives of chapter 1 describe how the linkage between the real world and the theoretical world will be explored to create new knowledge and evidence associated with the research problem. In the final section of this chapter, a research design will be proposed that will describe how this linkage between the real and theoretical worlds will be explored to achieve the research objectives.

All such mediation between the theoretical world and the real world is conducted within an overall scientific philosophy. At one extreme, the philosophy of rationalism places great faith and trust in pure reason and thought as captured in Descartes famous saying 'I think therefore I am' (Scruton, 1981). Rationalism questions the validity of observed phenomena since our physical senses are notoriously unreliable (Lee & Lings, 2008). At the other extreme lies the philosophy of empiricism which places trust in that which can be observed and that all thoughts and ideas are inevitably preceded by observed phenomenon. John Locke was a key proponent of empiricism arguing that the human mind was at birth a 'tabula rasa' or 'blank slate' which is then stimulated by observed phenomenon (Woolhouse, 1988). The debate between empiricism and rationalism as the basis of the nature of truth continues until the present day.

An evolution of empiricism associated with the Vienna Circle of scientists is termed logical positivism. In logical positivism, ideas are only considered valid if they are verifiable through empirical observation. Similarly, realism emerged as development of the rationalist philosophy and its proponents argues that even concepts that could not be directly observed, such as many constructs within the social sciences, could still be usefully measured and analysed. Realism

introduced the idea that our observations are always 'theory-laden' i.e. a single underlying reality mat still exist but our observation of it is always influenced by our pre-existing conceptual thinking (Niiniluoto, 1999). Realism has become the dominant research philosophy within the social sciences and it is this approach that allows researchers to adopt the hypothetico-deductive approach i.e. a research approach where review of the theory generates conceptual hypotheses and models which are then subject to empirical measurement and subsequent analysis. The findings of such research are then generalisable back into the theory from which they were first hypothesised (Lee & Lings, 2008).

In the 20th century, traditional scientific approaches based on the philosophy of realism were challenged by the rise of a contrasting approach which became known as interpretivism. Interpretivists disputed the notion that there was an underlying objective reality and proposed that all knowledge was subjective and subject to interpretation depending upon the context and the participants (Walsham, 1995). They argued that reality was co-created and dynamic social construction and therefore not subject to generalisation. The interpretivists argued that even language itself was an active component in the definition of reality rather than independent of what it describes. Interpretive approaches to research are more likely to involve qualitative methods with no prior 'theory-laden' hypothesis development. Instead of the hypothetico-deductive approach of the realists, interpretivists adopt an inductive approach to data collection and analysis whereby the data that is collected is not structured via any specific conceptual model or suggestion of causality (Lee & Lings, 2008). In its extreme, the interpretivist worldview has developed into the concept of postmodernism – a philosophy that is sceptical of modern science and the technology and social transformation it has wrought on a global scale. Postmodernism suggests that, either consciously or subconsciously, the development of scientific 'truths' have served the interests of those in positions of power (Annells, 1996).

An alternative scientific philosophy to that of either realism or interpretivism is pragmatism. Pragmatism emerged in the late nineteenth century and sought to bridge the divide between rationalism and empiricism by showing that 'knowing and doing are part of the same process' (Van de Ven, 2007 p.54). Pragmatism is characterised 'by the relation of theory and praxis and specifically in the predetermined outcomes of an inquiry' (Van de Ven, 2007). Pragmatism rests on a view that 'the function of beliefs is to commit us to action' (Peirce, 1877). Thus pragmatism is secured by avoiding the extreme abstraction of rationalism on the one hand and the particularism of empiricism on the other. Pragmatism is related to the scientific philosophy of realism. However, for a realist truth is simply that which is factually correct, whereas for a pragmatist that

which is factually correct is subservient to that which is a useful truth (Cherryholmes, 1992). Pragmatism sidesteps the argument about whether scientific theories are true or false by assessing them via their practical impact and their subsequent large-scale adoption by the scientific community. Alongside the terms deduction and induction, which were associated with realism and empiricism respectively, pragmatists introduced the concept of abduction which is an approach whereby a hypothesis is adopted to solve a specific problem and becomes iterative dependent upon subsequent problems that need to be solved. William James captured the essence of pragmatism when he said:-

> 'You want a system that will combine both things, the scientific loyalty to facts and willingness to take account of them…but also the old confidence in human values and the resultant spontaneity whether of the religious or romantic type' (James, 2003 p.9)

With pragmatism, truth becomes an instrument of action that evolves based on the effectiveness of its problem-solving capability over time. Pragmatism, like other research philosophies, has splintered over time into various sub-schools of thought which each adopt a subtly different stance on the nature of the truth and the definition of a pragmatic approach (Van de Ven, 2007).

Having briefly reviewed the history of research philosophies and the emergence of realism, interpretivism and pragmatism, a stance needs to be adopted for the research philosophy underpinning this thesis. Consistent with the positioning of this research as part of a DBA, rather than a PhD, this research is charged with making a contribution to management practice as well as management theory. In this sense, there is an inevitable bias towards a philosophy of pragmatism since the findings of the research will be judged by the practitioner community on the degree to which they help solve practical problems. Should the findings from this research become adopted by the practitioner community then they will also evolve over time through interaction and refinement. The pragmatist approach also supports the chosen research methods which combine both qualitative and quantitative studies to create multiple perspectives on a complex reality. However, adoption by practitioners is not the sole measure of the impact of a DBA. There must also be a clear contribution to scientific theory and in this manner, this research will also adopt a realist philosophy in so much as it assumes there is an underlying objective reality which can be explored further via theory-laden, hypothetico-deductive approaches, whilst accepting that all such undertakings are limited to some extent by the prevailing values and partialities of the researcher and his/her context.

3.2 Overview of Research Design

This section details the research design that was created to explore the above conceptual model. In the research cycle, the research design captures the means by which the theoretical concepts, propositions and hypotheses will be tested by gathering data from the real world (Lee & Lings, 2008). The research design needs to address the following questions:-

- What is the research methodology?
- What is the purpose of this research?
- Who are my research participants (sample)?
- How am I going to do my research (approach)?
- How will I analyse the data from my research?

The research methodology is the 'philosophy or general principle' that will guide the research (Dawson, 2009). There are two broad methodologies in academic research. First, there is qualitative research which explores attitudes, behaviours and experiences via methods such as interviews or focus groups. Typically, qualitative research tends to generate in-depth data from a smaller number of participants. In contrast, quantitative research explores the statistical significance of data via methods such as surveys or experiments. Quantitative research tends to generate broad data sets from many participants.

Research methods have traditionally been linked to the various research philosophies discussed earlier in this chapter. For example, quantitative research is associated with a realist perspective on the nature of truth. It relies upon there being an underlying objective reality that can be independently observed via the research process. The findings of such research are then believed to be generalisable across time and differing contexts since truth is believed to be a consistent and reliable entity (Lee & Lings, 2008). In contrast, qualitative research aligns well with the philosophical assumptions of interpretivism where truth is considered to be a subjective, socially constructed phenomenon that varies across time and context and is moderated by the values and prejudices of the researcher (Walsham, 1995). Such a stance favours the deep, personal analysis of localised data that arises from qualitative research techniques such as interviews, ethnography and focus groups. Given that the quantitative vs. qualitative research methods are rooted in such different assumptions about the nature of reality, it is no surprise that they are viewed by some as inherently incompatible and not to be mixed within one research design. This tension is captured well by Guba – 'accommodation between paradigms is impossible ... we are led to vastly diverse, disparate, and totally antithetical ends' (Guba, 1990, p. 81).

However, the research philosophy of pragmatism, which underlies this research design, affords a different perspective on these apparently diametrically opposed positions. Since pragmatism is focussed upon defining the truth as that which leads to the most desirable practical consequences, then a pragmatic research design can accommodate both qualitative and quantitative studies without triggering a metaphysical dilemma in the mind of the researcher (Van de Ven, 2007). In other words, the pragmatic researcher will choose those research methods and techniques that generate the most superior and workable outcome as opposed to only those research methods and techniques that conform to the metaphysical demands of the realist or interpretivist position. By shifting the philosophical stance in this way, the mixed-methods research method, combining both qualitative and quantitative approaches, becomes a worthwhile option to be evaluated alongside other more purist positions. A mixed-methods approach then sits on a continuum between the quantitative and qualitative extremes of research design and has an associative mix of the advantages and disadvantages of both approaches (Fine & Elsbach, 2000; Lee & Lings, 2008). Given the pragmatist philosophy underpinning this research, a mixed-methods approach was adopted for the research design since this enabled a complementary approach which exploited the benefits of both the qualitative and quantitative approaches to problem solving.

Within the overall mixed-methods approach there are different ways of combining both qualitative and quantitative studies (Johnson & Onwuegbuzie, 2004). For example, quantitative and qualitative studies can be conducted sequentially or concurrently. Also, the differing approaches can be equal status in the research design or one can be more dominant than the other. The precise choice will be driven by the research questions and objectives. In this case, the research objectives of developing a new behavioural CEO/senior leader trustworthiness measure and the desire to test upper echelons theory to understand the relationship between CEO/senior leader trustworthy behaviours and organisational trustworthiness both required a quantitative research design since they involved an assumption of an underlying objective reality that could be defined and then generalised to produce consistent, reliable models and instruments.

On the other hand, the objective of exploring the role of CEOs/senior leaders in promoting organisational trustworthiness and exploring the key antecedents of organisational trustworthiness lent themselves to a qualitative research design since these objectives involved generating a deep understanding the subjective perceptions of key stakeholders. Given this balance, it was decided that the quantitative/realist perspective would be given the dominant position in the research design and that the qualitative research would be conducted first in order

to give this exploration a maximum opportunity to influence the conceptual model and research design of the further studies. In this way, the initial qualitative research would maximise the probability that the subsequent quantitative research would be aimed, focussed and designed in an optimal fashion.

As a result of this deliberation, the overall research design adopted a mixed-methods approach involving three distinct studies, the first qualitative in nature followed by two quantitative studies Study 1 was a qualitative piece of research whereby twenty CEOs/senior leaders were interviewed on the topic of CEO trustworthy behaviours, organisational trustworthiness and the context of trustworthiness. The purpose of study 1 was the generation of rich, unstructured information that informed the creation of a fully-developed theoretical model with associated constructs, boundary conditions and measurement scales. Via the analytical process of thematic analysis, study 1 also led to the identification of the nine behavioural habits of CEO/senior leader trustworthy behaviours (Braun & Clarke, 2006). Study 2 had the aim of developing and piloting a new behavioural measurement scale for CEO/senior leader trustworthiness using the thematic output from study 1. A standard approach to summated rating scale development was utilised involving four stages – construct definition, scale design and pilot, administration and item analysis and scale validation (Spector, 1992). A sample of 168 UK-based employees was used to assess the pilot design with the results being analysed via a variety of statistical techniques, including exploratory factor analysis, confirmatory factor analysis, Cronbach alpha and inter-item correlations. The new measurement scale from study 2 and the updated conceptual model arising from study 1 were then both used in study 3 - a quantitative, cross-sectional survey administered to a representative sample of CEOs and senior leaders across three diverse organisations. A total of 559 survey responses were received and analysed with the aim of testing the specific hypothesis in the conceptual model and the further verification of the new Nine Habits measurement scale. Similar statistical analyses to study 2 were used to analyse the scale reliability and validity whilst linear regression techniques were used to test the four hypotheses. A separate ethics submission was approved for each study in line with the appropriate University rules and regulations. Note that throughout the three studies the target level of analysis was the CEO/senior leader as represented by leaders operating in the top three levels of the organisational hierarchy, rather than more junior line managers and team leaders.

In summary of the above discussion, a number of factors influenced the choice of this research design:-

- A mixed-methods research design seeks to overcome the inevitable trade-offs involved in successful theory building (Fine & Elsbach, 2000). Its aim is to optimise the balance between accuracy, simplicity and generalisability, which Weick identified as a framework for assessing the value of all theory-building ventures (Weick, 1979).

- A mixed-methods approach allows for triangulation i.e. the ability to approach the research problem from different angles and therefore gain a more accurate overall understanding (Hammersley, 2002). Additionally, it allows for a complementary approach in which the potential weaknesses of either qualitative or quantitative research are offset (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

- An initial qualitative study generates rich, unstructured information which can be used to refine conceptual models, hypotheses, boundary conditions and measurement scales that are then employed within the subsequent studies (Lee & Lings, 2008, p. 380). Nevertheless, there is a risk that qualitative interviews are subject to bias and social desirability, particularly given the sensitive nature of the topics being discussed (Bryman & Bell, 2007). Hence, a subsequent quantitative study can validate, or refute, the qualitative findings.

- Study 1, the qualitative interview process, played to the strengths of the researcher as an experienced and qualified executive coach working with senior business leaders on sensitive topics. Being an effective coach relies upon the ability to build trust quickly, listen carefully, ask powerful open questions and focus the conversation during a limited time-span. All of these skills were critical to the success of this study. In this way, the skills of an experienced executive coach are similar to those of an effective interviewer (Bryman & Bell, 2007; Kvale & Brinkmann, 2009).

- Establishing the level of analysis as CEOs/senior leaders utilised the researcher's strong position to access data. The researcher has an extensive network of senior plc and SME leaders built over a business career of thirty years. This network includes board level executives in a range of organisations across many sectors. Additionally, the researcher's business credibility as a proven entrepreneur, author and corporate leader was used to create introductions with new contacts at a senior level.

In this chapter, research philosophies have been reviewed and the philosophy of pragmatism has been justified and adopted for this research undertaking. The research design choices have been carefully reviewed resulting in a three-stage, mixed-methods research design. Within a predominantly quantitative stance, an initial qualitative study was used to guide and inform the design of two subsequent quantitative studies to achieve the research objectives, including the

development of a new behavioural measurement scale for CEO/senior leader trustworthy behaviours. The next three chapters of the thesis capture the approach, findings and conclusions of each of the three distinct studies, commencing with the semi-structured interviews and thematic analysis of study 1.

Chapter 4 – Study 1: Semi-Structured Interviews

In this chapter, the first qualitative study is introduced and its findings reported. The objectives of this study, in line with the research questions posed in chapter 1, were to explore from a CEO perspective, the role of CEOs in promoting organisational trustworthiness and to explore, from a CEO perspective, the key antecedents of organisational trustworthiness. An overview and justification of the choice of research method (semi-structured interviews) are provided, prior to a detailed exploration of the thematic analysis approach that was used to examine the interview transcripts and why this was chosen relative to other qualitative analysis techniques. Each of the five stages involved in thematic analysis is documented in detail to give the reader a thorough exposure to the underlying data and how this data was processed, through an iterative cycle of coding and categorisation, to discern several over-arching themes. The conclusion of the chapter focusses upon the nine themes emerging from the study associated with the trustworthy behaviours of CEOs/senior leaders as well as a broader discussion on the relevance of contextual factors such as governance, societal and organisational factors. These outcomes then became the basis for the resultant quantitative research design of studies 2 and 3.

4.1 Data Collection and Analysis

In line with qualitative research principles (Bryman, 2012; Silverman, 2011), the aims of this study were:-

- The generation of subjective data from key actors relating to the research questions under study. Such data is flexible, 'thick' and emergent in character and can subsequently be used to test theory (Glaser & Strauss, 1967a).
- The extension and refinement of the concepts under study, namely CEO and senior leader trustworthy behaviours, organisational trustworthiness and the context of trustworthiness
- The use of thematic analysis to identify the core behavioural habits of CEO and senior leadership trustworthy behaviours and the core themes associated with the context of organisational trustworthiness (Braun & Clarke, 2006)
- The collection of data through a formal and systematic method
- The refinement of the boundary conditions of the research i.e. specifying which type of organisations would be used as the target sample for the quantitative research phase.

Access & Sample

With regards to the sampling approach for study 1, it is important to distinguish between sampling in a qualitative and a quantitative context. Lee & Lings propose that, for qualitative research, rather than a large, random selection of cases, a small number of 'purposive' cases is preferable (Lee & Lings, 2008, p. 212). The reason for this is that the aim of qualitative research is to generate 'thick' data from a small number of cases rather than 'thin' data from a large number of cases. Purposive sampling involves choosing a small number of participants who are highly relevant to the research questions (Lee & Lings, 2008). In the context of this research, it was considered that a purposive sample would involve a small number of highly experienced executives who were operating at CEO/senior leader level in a variety of different organisational contexts. Such individuals would have direct, immediate experience of the challenge of inspiring trustworthiness in themselves, their senior leadership teams and their organisations, so were in an excellent position to input to the study. With this in mind, a sample of twenty senior executives from a broad range of industry sectors was chosen. It was agreed with the supervisory team that a total of twenty interviews would provide sufficient breadth and depth of qualitative data to achieve the objectives of this stage of the research. Ten of these executives were former colleagues, business partners or clients of the researcher from different business roles over a twenty-year period. Nine of the executives were more casual acquaintances of the researcher who were approached as part of a LinkedIn campaign in which approximately fifty first-degree contacts were invited to be part of the study. The final participant was a direct referral from one of the earlier interviewees.

Interview Schedule Design

In line with the ethics approval, prior to each interview, the participant was sent a list of the interview questions, a consent form and a research briefing document. Copies of each of these documents are shown in Appendix 2. The interviewee was given a choice as to whether to hold the interview face-to-face or over the phone. All the interviews were recorded digitally using the researcher's iPhone/iPad. Recording each session had the advantage of aiding researcher concentration during the interview and providing a verbatim transcript. The consent form requested permission to record the interview and the confidentiality of the exercise was stressed at the beginning of each interview to reassure the participants that no sensitive data would be shared inappropriately.

In the interview itself, a semi-structured approach was used (Bernard, 1988). All participants were asked the questions listed below, plus there was some flexibility to pursue specific lines of

thought which occurred spontaneously in each interview. The standard questions that were asked of each interviewee had been reviewed and refined with the supervisory team and were finalised as follows:-

1. What does organisational trustworthiness mean to you?
2. How can organisations build organisational trustworthiness?
3. What is your role in building organisational trustworthiness?
4. What is your employees' role in building organisational trustworthiness?
5. How has this challenge been influenced by the global financial crisis and recent business scandals?
6. How is this challenge affected by the expectations of the owners of your company?
7. How do you see this challenge developing over the next 5-10 years?

It was felt that seven open questions on the topic were a realistic number given the 45 minutes of time available for each interview. The flow of the questions was intended to commence with a consideration of the dependent variable of organisational trustworthiness (Questions 1 & 2) and then move to a consideration of the executive's own role and the role of others in building organisational trustworthiness (Questions 3 & 4). The final three questions addressed the context of organisational trustworthiness in relation to societal trends and governance.

The advantage of the semi-structured interview approach was that, on the one hand, it capitalised on the one-off opportunity of speaking to the interviewee by providing some flexibility to pursue spontaneous lines of thoughts and, on the other hand, it provided some consistent data from the standard questions that could be compared across interviews. It is true that a semi-structured interview imposes a pre-existent worldview on the interviewee due to the questions chosen (Lee & Lings, 2008), but the risk of an unstructured interview at CEO/senior leader level, with executives who are time–constrained and opinionated, is that the interview becomes rapidly fragmented and disorganised. It could have been argued that using a focus group would have had all the benefits of a semi-structured interview together with enabling a richer peer group discussion to compare and contrast ideas. However, the practicalities of bringing together CEOs/senior leaders for this purpose was considered prohibitive given the demands on their time and schedules (Warren & Karner, 2005). Additionally, the topic of trust is a sensitive one and CEOs/senior leaders may have felt more guarded in their expressions on the topic if speaking in front of their peers.

Research Ethics

On this theme, prior to the interviews, it had been identified in the ethics submission that one of the risks of the approach was that CEOs/senior leaders may regard the topic of trust as too sensitive and be reluctant to speak openly for fear of compromising themselves or their organisations. In practice, all participants were candid and open with their thoughts with no one expressing any reservations or objections to any of the topics that were explored. The mitigation of this risk is attributed to a number of factors. Specifically, all the interviewees were either close contacts, acquaintances or trusted referrals of the researcher. Secondly, the researcher had a long and highly credible track record as an executive coach operating at board level and so was well-equipped to conduct the interviews. Finally, the University's comprehensive ethics approval process ensured that all documentation was thorough, professional and communicated in a timely fashion.

Qualitative Analysis

Thematic analysis was the chosen qualitative analysis approach and this involved a number of iterative stages (Braun & Clarke, 2006). Initially, open codes were inductively applied to the phrases and paragraphs used in the interviews. A graphical summary of the codes applied to a sample of interviews, together with some examples quotes, are included in this chapter to enable the reader to obtain a good grasp of the underlying data-set. The remaining interview coding summaries, with accompanying quotations, are shown in Appendix 1. The codes were subsequently grouped into categories of logically similar entities. Each category was analysed with respect to the frequency and number of interview sources for each code. The most frequently cited code in each category was then explored further via the use of example quotes. Finally, the categories were mapped to the theoretical world of concepts, constructs and models to generate a small number of pervasive themes. Nine themes emerged to capture the trustworthiness behaviours of CEOs/senior leaders, alongside three themes associated with the context of CEO trustworthiness. These themes were subsequently reviewed and discussed in further detail via the completion of 'analytical memos', prior to the forming of a specific set of conclusions that then informed the design and execution of the second quantitative study of the research design.

Throughout the analysis, the Nvivo 10 software was used to review the transcripts, generate the codes, assign categories and document themes. It was also used to explore the data to produce the reports, supporting quotations and models that have been used throughout this chapter. The Nvivo 10 software aids and accelerates the thematic analysis cycle, but it does not replace the role of the researcher in making the key decisions in how the data is organised, interpreted and

presented. Importantly, the software provides a transparent audit trail which can be used to verify the analysis process (Fielding, Lee, & Lee, 1998).

Prior to reviewing the findings of the analysis, the next section justifies the choice of thematic analysis as the methodology for this study and explores its various stages in detail.

4.2 Thematic Analysis Methodology

Qualitative Analysis Methods

There are several recognised qualitative analysis methodologies. These all have their advantages and disadvantages depending upon the aims of the study and the underlying research philosophy (Taylor, Bogdan, & DeVault, 2015). For example, grounded theory is a 'bottom-up' inductive approach in which the researcher does not impose any 'a priori' theory on the collected data (Glaser & Strauss, 1967b). Grounded theory studies begin with a question and then data is collected allowing concepts to emerge from the data in a progressive, iterative process. Grounded theory has been criticised on the basis that it is impossible for the researcher to adopt a completely impartial and theory-free perspective in collecting and analysing social science data (Thomas & James, 2006). In this research design, grounded theory was not a feasible methodology since, following the literature review and conceptual modelling, a clear theoretical framework was being applied to the data collection and analysis process.

Content analysis is a different qualitative analysis methodology that involves the detailed assessment of data to deliver micro-level assessments, often involving the use of frequency counts to generate a quantitative view of data that is initially captured in qualitative form (Ryan & Bernard, 2000). Content analysis is an effective methodology where the aim is to use statistical methods to analyse patterns of content. Since this was not the aim of this research then content analysis was not chosen as the dominant methodology, although it should be noted that the content analysis process contains some steps that overlap with the chosen methodology of thematic analysis. Discourse analysis, on the other hand, is a qualitative methodology that focusses upon analysing the linguistics of verbal and written communication. Discourse analysis focusses upon different dimensions of communication such as sentence structure, intonation, gestures and how these influence power, interaction and cognition in different arenas such as business, politics and education (Brown & Yule, 1983). This technique requires specialist skills not available to the researcher in this study. Further, the aim of this study was not to examine the detailed structure of the interview transcripts linguistically.

As the name implies, narrative analysis involves focussing upon the story-telling component of qualitative data (Riessman, 1993). Narrative analysis focusses upon the subjective aspects of stories in the sense that these are personally meaningful, as opposed to the idea that such stories are factual or represent the truth. Whilst semi-structured interviews are often used in conjunction with narrative analysis, this research study was primarily focussed upon exploring a hypothesised conceptual model rather than exploring individual life stories, hence narrative analysis was rejected as the method for this research.

The chosen qualitative methodology for this research was thematic analysis and this technique is described in detail in the next section together with the rationale for its adoption in this study.

Thematic Analysis

Thematic analysis is the most commonly used method of analysis in qualitative research (Guest, MacQueen, & Namey, 2011; Thomas & Harden, 2008) and is used for identifying, analysing, and reporting themes within data (Braun & Clarke, 2006). This approach was chosen for this study because thematic analysis strikes a powerful balance between an inductive 'bottom-up' coding process which is then used to generate themes that align with the research conceptual model. The approach fits with a mixed methods research design were a literature review and conceptual modelling exercise have already taken place prior to the study, In addition, thematic analysis does not require the researcher to have specialist technical analysis skills in areas such as linguistics.

Thematic analysis has been criticised due to its reliance upon the researcher's subjective interpretation as the means to create and analyse the themes arising from the research. To some extent, this risk was mitigated in this research by the involvement of a specialist thematic analysis expert, Dr Ben Meehan, who reviewed the process and outcomes at each stage (Guest et al., 2011). In addition, thematic analysis relies upon the presentation of themes supported by participant quotes as the primary form of analysis, rather than anything more quantitatively rigorous (Bazeley, 2009). However, given that this is a mixed-methods research design with a subsequent quantitative analysis phase, the lack of a more objective analysis in this stage of the research was of less concern.

Thematic analysis is a systematic process that involves six stages (Braun & Clarke, 2006). First, there is the familiarisation with the data whereby the interviews are transcribed, read, re-read, annotated and imported into the Nvivo 10 data analysis software. Next, a process of open coding is conducted. Open coding involves the inductive deconstruction of the interview data into a series of non-hierarchical codes (Morehouse & Maykut, 2002). These codes are referred to as

'units' (Lincoln & Guba, 1985) or 'incidents' (Glaser & Strauss, 1967a) and comprise meaningful words, phrases and sentences highlighted in the interview transcripts. For example, the phrase 'In a large organisation you have to delegate some of the communication requirement down to the next levels' would be coded to the term 'delegation'. If words and phrases occur in other interview transcripts that also refer to delegation these would be coded to the same term. A code is more than a label and the process is neatly described by Saldana as 'essence-capturing' (Saldaňa, 2009). As well as organising and simplifying the data, coding prompts the researcher to continue to reflect upon the data as patterns and inter-relations emerge from the transcripts.

Braun & Clarke refer to the next stage as 'searching for themes' and this involves collating codes into logical categories (Braun & Clarke, 2006). This is an iterative process whereby the grouping of codes prompts their further clarification, re-labelling and merging as the data is reconstructed into categories. For example, in this study, the codes of 'hard work', 'commitment' and 'keeping promises' were assigned to the category of 'delivery'. In some cases, sub-categories are identified to create a further hierarchical ordering of the data.

In the fourth stage of the process, the inductively generated categories are reviewed in relation to the deductive thinking that arose from the literature review and led to the development of the conceptual model. This prompts the consolidation of categories into a smaller number of more abstract, literature-based themes. For example, in this study, the categories of 'deliver', 'coach' and 'being consistent' were mapped to an overall theme of 'ability', which related to Mayer at al's Integrative Model of Trustworthiness (Mayer et al., 1995). The fifth stage involves reviewing the themes, annotating each one with 'analytical memos' that capture key aspects of what was said and how what was said relates to the 'storyboard' of the themes i.e. the relevant aspects of the literature review. This process further maps the data to the literature, highlighting where the data reinforces or challenges current thinking as well as identifying gaps for further exploration. In this study, this stage of the cycle generated much of the content that was then expanded, structured, organised and edited to generate the 'Trusted Executive' management book.

The final and sixth stage in the Braun & Clarke model involves 'writing the report' (Braun & Clarke, 2006). A range of outputs is available from the Nvivo 10 software to support the report writing stage, ranging from graphical coding hierarchies, interview analysis tabulations and the ability to extract specific interview phrases and statements to illustrate the categories and themes. Throughout this process of deconstructing the data through inductive coding and then reconstructing it into categories and themes, thematic analysis seeks to identify patterns that are relevant to the theoretical world, whilst staying true to the concrete, real-world experience of the

interviewee as revealed through the transcript (Maykut, Maykut, & Morehouse, 1994). Taylor and Bogdan capture the overall thematic analysis cycle using the following words:-

> 'using this method, the researcher simultaneously codes and analyses data in order to develop concepts; by continually comparing specific incidents in the data, the researcher refines these concepts, identifies their properties, explores their relationships to one another, and integrates them into a coherent explanatory model' (Taylor et al., 2015 p. 126)

4.3 Thematic Analysis Stage 1: Interview Transcripts

The interviewee characteristics of each participant are shown below in table 4.1. It can be seen from the table that the sample of interviewees had the following characteristics:-

- Three of the interviewees were female and seventeen were male
- The sectors represented by the interviewees were property, telecoms, public relations, market research (x2), technology (x4), consultancy (x2), retail, financial services (x3), travel, insurance, mining and marketing
- The job titles of the interviewees were CEO (x13), Chair (x5), Managing Director (x1) and Vice President (x1)
- The governance context of the organisations represented by the interviewees included plc (x6), private company (x10), not-for-profit (x1), public-private partnership (x2), limited liability partnership (x1)
- The headquarter locations of the organisations represented in the sample were UK (x13), Canada (x1), Austria (x1), Norway (x1), US (x2), Netherlands (x1) and Switzerland (x1)
- The size of the companies represented in the sample was 0-100 employees (x8), 100-1,000 employees (x5), 1,000-10,000 employees (x3), 10,000+ employees (x4)
- The age range of the interviewees was 30-65

Table 4.2 summarises the characteristics of the data uploaded into the Nvivo 10 software which was then subsequently transcribed and coded. As can be seen, the twenty interviews took place in the period July 2014 to April 2015. Fifteen of the interviews were uploaded into Nvivo 10 as audio transcripts and five were uploaded as document transcripts - this decision was made purely based on the most convenient means of transcription available to the researcher at the time. However, it was found that the use of audio transcripts helped in reviewing the tone and style of the interviewee's comments and this would be the preferred method for any future studies. Both means of transcription enabled the researcher to become fully absorbed in the data and to reflect in-depth on the interview statements (Bazeley & Jackson, 2007; King & Horrocks, 2010). The

document transcripts ranged from 3,871 words to 6,642 words and the audio transcripts varied in duration from 32 minutes 31 seconds to 1 hour and 5 minutes.

Each transcript, whether audio or document, was analysed in the same manner with open codes inductively assigned to specific words and phrases. It can be seen from table 4.2 that the interviews were not transcribed and analysed in a sequential manner. Some scholars recommend that 'between-interview' transcription and coding takes place in order to allow the researcher to pursue emerging themes as the interviews proceed (Bazeley & Jackson, 2007). Such an approach was not practical in this instance due to the timetabling of the interviews to meet the needs of the target audience of CEOs/senior leaders. However, the researcher's informal interview notes helped to re-cap on each interview and pursue further interesting lines of discussion. This overall approach to the handling of the transcripts was consistent with the first phase of the thematic analysis approach adopted for this study (Braun & Clarke, 2006).

Table 4.1: Study 1- Participant Characteristics

Date	Interviewee Name	Business Type	Gender	Job Title	Organisation	Sector
24/03/2015	Participant 1	PLC	Male	CEO	Organisation 1	Mining
26/08/2014	Participant 2	Owner Managed	Male	CEO	Organisation 2	Public Relations
24/07/2014	Participant 3	Owner Managed	Male	CEO	Organisation 3	Technology
22/08/2014	Participant 4	Private Limited	Male	CEO	Organisation 4	Financial Services
30/10/2014	Participant 5	PLC	Male	CEO	Organisation 5	Market Research
20/03/2015	Participant 6	PLC	Male	MD	Organisation 6	Property
10/04/2015	Participant 7	Public Private	Female	CEO	Organisation 7	Telecoms
12/08/2014	Participant 8	Private Limited	Female	CEO	Organisation 8	Market Research
22/08/2014	Participant 9	Not for Profit	Female	Chairperson	Organisation 9	Technology
18/08/2014	Participant 10	Private Limited	Male	Chairperson	Organisation 10	Consultancy
18/10/2014	Participant 11	LLP	Male	Chairperson	Organisation 11	Consultancy
18/08/2014	Participant 12	Owner Managed	Male	CEO	Organisation 12	Retail
21/08/2014	Participant 13	Private Limited	Male	Chairperson	Organisation 13	Financial Services
10/10/2014	Participant 14	Public Private	Male	CEO	Organisation 14	Travel
10/04/2015	Participant 15	Owner Managed	Male	CEO	Organisation 15	Technology
08/08/2014	Participant 16	Private Limited	Male	CEO	Organisation 16	Financial Services
31/07/2014	Participant 17	Private Limited	Male	Chairperson	Organisation 17	Financial Services
17/02/2015	Participant 18	PLC	Male	CEO	Organisation 18	Insurance
15/08/2014	Participant 19	PLC	Male	CEO	Organisation 19	Marketing
22/08/2014	Participant 20	PLC	Male	Vice President	Organisation 20	Technology

Table 4.2: Interview Transcript Details

Interviewee Name	Source Type	Date Created	No. of Words	Duration
Participant 1	Audio	27/10/2014		00:39:27
Participant 2	Audio	27/10/2014		00:53:45
Participant 3	Audio	27/10/2014		00:53:29
Participant 4	Audio	27/10/2014		01:05:00
Participant 5	Audio	27/10/2014		00:33:58
Participant 6	Audio	27/10/2014		00:37:11
Participant 7	Audio	27/10/2014		00:51:43
Participant 8	Audio	27/10/2014		00:41:01
Participant 9	Audio	27/10/2014		00:43:37
Participant 10	Audio	27/10/2014		00:54:17
Participant 11	Audio	27/10/2014		00:35:13
Participant 12	Audio	27/10/2014		00:44:39
Participant 13	Audio	27/10/2014		00:45:58
Participant 14	Audio	27/10/2014		00:37:32
Participant 15	Audio	31/10/2014		00:32:31
Participant 16	Document	04/12/2015	5,321	
Participant 17	Document	04/12/2015	3,919	
Participant 18	Document	04/12/2015	6,642	
Participant 19	Document	04/12/2015	5,115	
Participant 20	Document	04/12/2015	3,871	

4.4 Thematic Analysis Stage 2: Open Coding

In line with the recommendations of King, the researcher did not start the coding process with an extensive list of 'a priori' codes as this defeats the object of the inductive, interpretative nature of this stage of the analysis (King, 2004) Instead, the researcher spontaneously generated each code as each meaningful unit of data was analysed line-by-line in the transcript. As each interview was coded, the number of codes expanded and it was found that, in some cases, codes were re-used for subsequent interviews as interviewees spoke of common topics and issues.

Richards refers to the 'coding trap' whereby the researcher gets too close to the data and generates ever more elaborate codes that are not relevant to the subsequent analysis (Richards, 2014). This risk was mitigated in the analysis through two means. First, the coding list was reviewed several times with an external expert, Dr Ben Meehan. Secondly, the coding list was reviewed by the researcher after each interview analysis to merge similar codes and rationalise codes that were redundant to the scope of the study. Occasionally, this led to the re-coding of an interview to ensure a consistent approach was adopted. In practice, it was found that the generation of codes followed the Pareto Principle whereby 80% of the codes had been generated following analysis of the first 20% of the interviews.

In some research studies of this type, multiple coders are used i.e. more than one person coding the same interview transcript and then comparing the outcome of each coding cycle to generate a final coding position. The benefit of this approach is that it can increase the reliability of the coding when there is an objective 'a priori' list of codes that are being applied to well-structured transcripts (Miles & Huberman, 1994). However, in this situation, where the interview transcripts were semi-structured, with no 'a priori' list of codes and a need for the coder to have a theoretical grasp of the literature, multiple coders risks creating a random level of complexity in the process that then becomes difficult to harmonise. This risk is captured well by Meadows and Morse who comment that other coders than the principal researcher 'may not have the same theoretical background, knowledge of the literature, or intimate knowledge of the interviews and time to reflect on them as has the principal researcher' (Meadows & Morse, 2001).

A summary of the open codes used for the first three interviews, together with their frequency of use, is shown via the figures below. Each chart is followed by explanatory text, including examples of the quotes used by the interviewee for their most frequently cited code. These examples give the reader an illustration of how the coding process worked in practice. The coding charts and associated quotations for the remaining seventeen interviews are captured in Appendix 2. Following these illustrations, the subsequent section summarises the major open codes captured

and the associated quotes organised by interview question. The intention of this section is to provide a rich description of the empirical data prior to the subsequent process of grouping the codes into categories and themes:-

Example Interview Coding Charts and Supporting Quotes

Figure 4.1: Participant 1 – Summary of Interview Coding
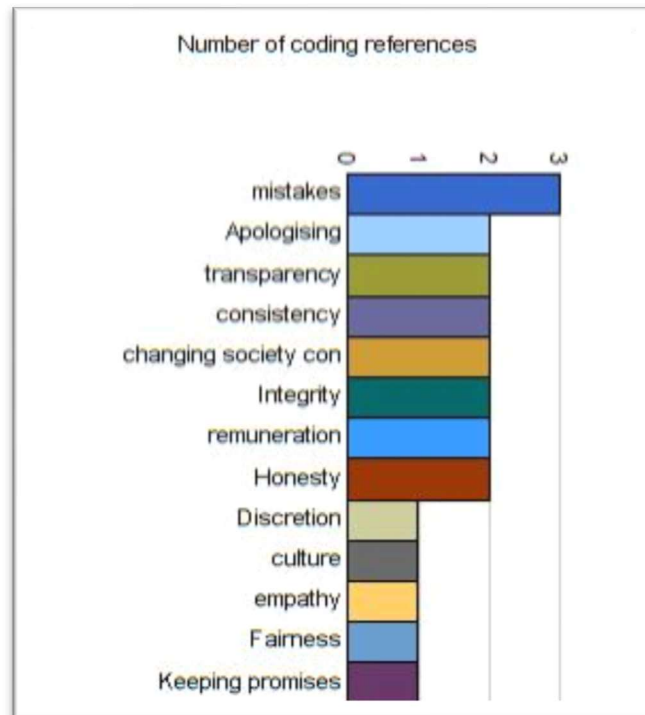
The most frequently cited code in this interview is that associated with the label 'mistakes'. This arose from a follow-up question that the researcher asked following question five of the interview ('how has this challenge been influenced by the global financial crisis and recent business scandals?'). The follow-up question was, 'What would your advice be to someone who wakes up one morning and realises that they've made a big mistake, they've damaged trust? How would you suggest they, as a CEO, should go about recovering that situation?' In response, the interviewee discussed a few examples from his experience where mistakes had been made and then recovered:-

> 'I think you want to then send to your customers a very clear explanation as to what you did to prevent this problem, not only apologise, you get a new car or you get it repaired free of charge and maybe you get a thousand dollar bonus on your next car.'

> 'Whereas if you came out and … you know, maybe … I'm just thinking aloud here, right, maybe by a lottery, inviting some of those people to the plant and saying 'We'd like to … you as a valued customer, invite you to look with your own eyes what we have done to prevent this problem. And you know, out of a thousand people that apply, you invite ten

and you pay for a trip to Tokyo or wherever and you invite them and you see with your own eyes how this works. I mean that can go a long way.'

'From the moment he found out there was a problem, probably at 10 am, [the CEO] at the gate and stayed there ever since. This was a Sunday, the Sunday before Christmas, stayed there until the problem was solved'

Figure 4.2: Participant 2 – Summary of Interview Coding
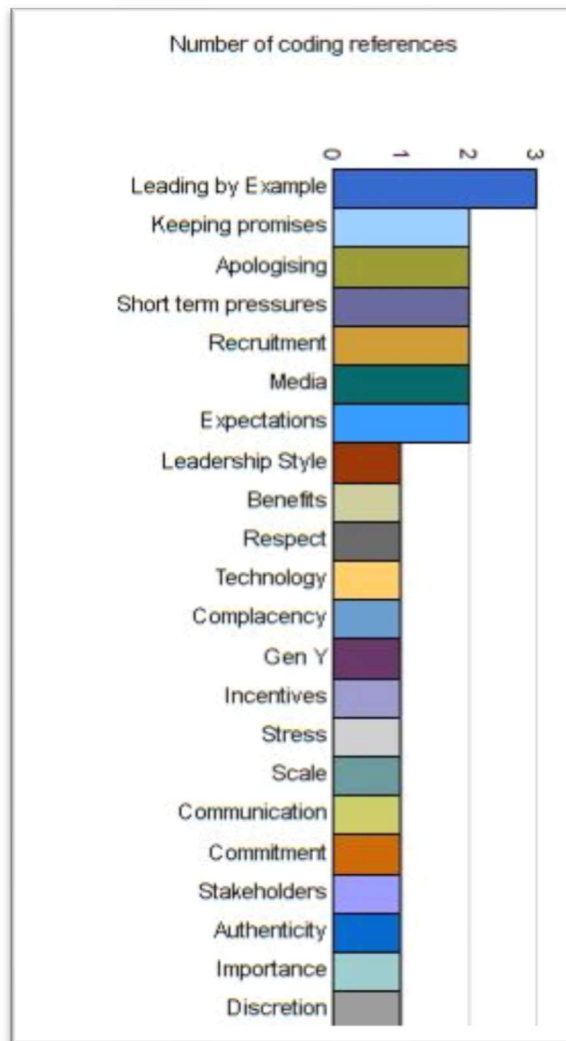
The most frequently cited code in this interview is that associated with the label 'leading by example'. In answering question three of the interview ('what is your role in building organisational trustworthiness?'), this interviewee focussed upon the role of leading by example using the following quotes and examples:-

'It goes back to the leadership of the organisation. If its someone who is not straight or honest at the top then that is going to be reflected in the behaviours of the entire organisation'

'In the BBC interview, Malky Mackay said I'm a leader of people. It's not acceptable what I

have done and I need to take responsibility for that.'

'You cut corners, you do deals behind the scenes and you cheat to get what you want. Led to a poisonous atmosphere in the business. Some choose to drink from the devil's cup and fit in with this style.'

The reference to Malky Mackay refers to the ex-Cardiff City football manager whose racist and homophobic text messages were leaked to the press in August 2014 (http://www.bbc.co.uk/sport/football/28904368). The final quote refers to a business leader the interviewee had previously worked for who he believed had 'poisoned' the culture of the whole organisation through his personal behaviour which was then copied by others in the organisation.

Figure 4.3: Participant 3 – Summary of Interview Coding
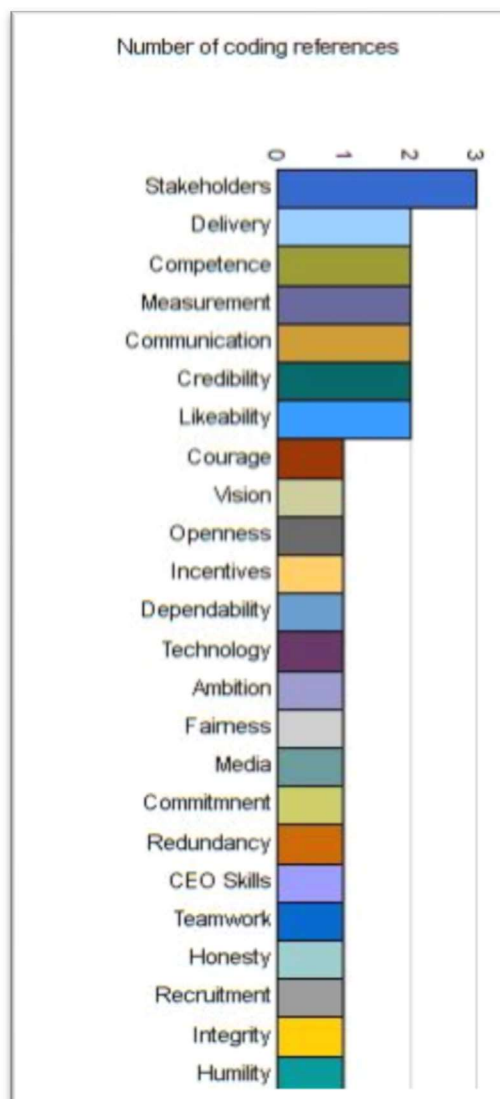
The most frequently cited code in this interview is that associated with the label 'stakeholders'. In answering question six of the interview ('how is this challenge affected by the expectations of the

owners of your company?'), this interviewee focussed upon the role of different stakeholders in this challenge using the following quotes and examples:-

> *'What are the drivers for shareholders? Typically, in my environment, it is to head for an exit rather than pay dividends.'*

> *'It's a depressing, draining process to go through an exit. It challenges trustworthiness.'*

> *'I can only imagine what it is like in a plc environment'*

This interviewee is commenting upon the different goals of stakeholders and the drive for shareholders to maximise the value of their investment through the sale of a business ('exit'). They believe this singular focus on shareholder returns negatively affects the trustworthiness with other stakeholder groups e.g. employees. The final statement compares the situation in a private company with that in a public limited company with the interview implying that the shareholder focus would be even more intense in the plc governance environment.

For more discussion and analysis of each interview on a participant by participant basis, the reader is referred to Appendix 2. However, in the next sections the overall code book is detailed followed by an analysis of the participants' responses on a question by questions basis. By so doing, the open coding topics will be illustrated via specific quotations. The open coding topics that are explored in more detail are those which appeared most frequently in the interview transcripts and those where patterns and trends were most noticeable and worthy of further analysis.

Code Book

The twenty interviews generated a total number of 152 open codes. These codes, known in Nvivo 10 as the 'code book', are listed in the table below, together with the frequency with which they occurred across the various interviews:-

Table 4.3: Study 1 - Code Book

Open Code Name	Number of Source Interviews	Number of code references
communication	11	25
leading by example	13	22
measurement	15	20
scale	11	19
stakeholders	11	17
media	10	17
delivery	11	17
integrity	9	15
transparency	9	15
culture	7	13
values	8	13
technology	8	12
honesty	8	12
ownership	8	12
regulation	6	11
remuneration	7	11
expectations	5	9
incentives	8	9
care	7	9
changing society context	4	8
ethics	5	8
evangelism	4	8
leadership style	5	7
benefits	4	7
openness	6	7
reputation	5	7
mistakes	4	7
Gen Y	5	6
vision	5	6
empathy	5	6
change	4	6
social media	4	6
recruitment	4	5
courage	4	5
diversity	4	5
responsibility	4	5
consistency	4	5
cynicism	4	5
importance	4	4
apologising	2	4
commitment	4	4
keeping promises	3	4
respect	4	4
teamwork	3	4
humility	3	4

complexity	4	4
authority	2	4
hard work	3	4
vulnerability	2	4
financial crisis	3	4
short-term pressures	2	3
authenticity	3	3
credibility	2	3
competence	2	3
globalisation	3	3
processes	3	3
personal life	3	3
corporate social responsibility (CSR)	2	3
sectors	2	3
discretion	2	2
likeability	1	2
fairness	2	2
curiosity	1	2
challenge	2	2
failure	2	2
board governance	2	2
survey data	1	2
competitive advantage	2	2
passion	2	2
risk	2	2
reporting	2	2
losing trust	1	2
human nature	2	2
accountability	1	2
emotional maturity	2	2
success	2	2
delegation	2	2
intimacy	2	2
standards	1	2
perception	2	2
emotional intelligence	2	2
denial	1	2
shareholders	2	2
engagement	2	2
stress	1	1
complacency	1	1
dependability	1	1
ambition	1	1
redundancy	1	1
CEO Skills	1	1
self-awareness	1	1
crisis management	1	1
knowledge	1	1
structures	1	1

inequality	1	1
job security	1	1
humour	1	1
customer focus	1	1
professionalism	1	1
adaptability	1	1
brand	1	1
consumer sophistication	1	1
leadership	1	1
character	1	1
fragile	1	1
takes time	1	1
talent management	1	1
investment	1	1
bullying	1	1
relationships	1	1
education	1	1
clarity	1	1
flexibility	1	1
little things	1	1
independence	1	1
review	1	1
Chief Marketing Officer	1	1
personalisation	1	1
customer power	1	1
asking for help	1	1
selfishness	1	1
agreement	1	1
power	1	1
gut feeling	1	1
goals	1	1
decision-making	1	1
winning	1	1
story-telling	1	1
business cycle	1	1
benevolence	1	1
legislation	1	1
coaching	1	1

Major Open Coding Topics and Supporting Quotes by Interview Question

1. **What does organisational trustworthiness mean to you?**

Stakeholders

Participant 19 focussed upon the role of different stakeholders in this challenge using the following quotes and examples:-

> *'It means operating in the best interests of your clients, your shareholders and your employees without compromise or dubious practice or illegality' (Participant 19)*

> *'It's difficult. During the economic downturn, advertising can be one of the first things that gets hit. The pressure to grow the business becomes greater. This financial pressure could lead to a negative impact on your people and/or the client. So organisational trustworthiness is about the balance across the key stakeholders. We are a people business - we have a building and we have people and that's it. So, things that call into question our trustworthiness with our people could have a massive impact.'(Participant 19)*

> *'For us, we have to balance the financial objective with our human capital and with the best interests of our clients. Sometimes that creates conflict. Trust is hard to learn and easy to lose. It only takes one issue to create a lot of collateral damage.' (Participant 19)*

The interviewee is proposing that trust across different stakeholders (staff, owners, clients) must be balanced throughout the economic cycle. There can be a conflict between the needs and goals of different stakeholder groups which the CEO has to navigate so that no one stakeholder bears the brunt of any necessary difficult decisions. One of the factors in the context of organisational trustworthiness is, therefore, the economic cycle with each stage of the cycle bringing different trust challenges.

Communication

Participant 7 focussed upon the role of communication in this challenge using the following quotes and examples:-

> *'First of all, you could say that we haven't delivered according to expectations, so our ability to deliver hasn't been good enough, although the purpose has been good. So, of course, we have to do something about that ability. But just as important is really the fact on how do we work with expectations I think and how do we communicate.' (Participant 7)*

> *'And I think one of the really, really important parts of both the CEO role and the leadership role is how you spend time in communicating transparently.' (Participant 7)*

> *'I just think that communication and transparency are still the most important words. And those are also the ones that when you see that a company really has made a mistake for example in the public and something has gone very wrong' (Participant 7)*

'[Make sure you] are fully transparent and then communicate often and well on what you're doing to regain trust. I think that's the most important thing.' (Participant 7)

This interviewee had recently experienced a breakdown in trust in a key client relationship. They attributed this breakdown not only to a lack of delivery but to a lack of sufficient timely and transparent communication. They go on to recommend that transparent communication is the key to regaining trust when mistakes have been made.

Participant 11 focussed upon the role of communication in this challenge using the following quotes and examples:-

'A healthy dose of realism is necessary to rebuild trust. It's partly what you say but it is also how you say it. I always have to remind myself to be better at this communication and to make that transition from rebuilding trust in the boardroom to rebuilding it on the shop floor.' (Participant 11)

'As a Chair going into a company, I get an instinct about the CEO. It's really important what my gut feeling says about their trustworthiness. I'm testing it out all the time. I'm watching how open they are, do they share of themselves'(Participant 11)

'I build trust through communication, communication, communication. Usually, the starting point in a distressed business is to tell people the truth because often the truth has not been told.' (Participant 11)

This interviewee discusses the role of both the level of the communication in the business and the openness of that communication. They highlight the role of the CEO is leading by example in the communication challenge, particularly in situations where the business is struggling and there is a temptation to hide the true nature of difficulties from employees.

Business Benefits

Participant 18 focussed upon the role of the business benefits of organisational trust in this challenge using the following quotes and examples:-

'In particular, there's many reasons, life insurance business, of course, it's built on this value Because without trustworthiness, without reliability, without these values, it's impossible for me to build and develop successful business in life insurance because I have a long-term business and I am not selling something that could be evaluated right after being sold.' (Participant 18)

'If somebody or some company or alliance of companies, will show people and organisations that trustworthiness could be profitable, then it's possible in … trustworthy right now helps my company not only to survive but to work, even if you're in crisis.' (Participant 18)

This interviewee is operating in Ukraine – a country where trust has been shattered by a civil war and political corruption. Hence, their context for organisational trustworthiness is different from that of other countries in the sample. This difference shows in the increased emphasis that trust must be shown to deliver competitive business benefits for it to be adopted by a sceptical Ukrainian workforce.

2. How can organisations build organisational trustworthiness?

Honesty

Participant 1 focussed upon the perceived importance of organisational trustworthiness. This interviewee focussed upon the importance of 'honesty' in client and staff relationships using the following quotes and examples:-

> 'That is also of course extremely important and especially if you're a company like we are, we are selling trust … at all times need to be honest of course and I always say to myself that the pain goes with it you should not oversell, you should always see the point of view of your client.' (Participant 1)

> 'We should not maximise in each and every moment more … to give honest advice about what you think would be both better in the long-term and maybe … yeah, maybe this time we won't earn as much money but they will call you back then.' (Participant 1)

> 'I think transparency and then a clear communication and also honesty so that people feel When you're honest. And I think what we have done here is totally sensing the mindset of how we as management have communicated to the [staff] and I think we have got the people on board and they're really … I think that they trust me and the rest of the management. And I also feel that as we've already talked about we have reduced staff turnover dramatically and we've got very good evidence on that.' (Participant 1)

In client relationships, the interviewee is stressing the importance of honesty for longer-term benefits even it is means sacrificing short terms gains. In staff relationships, the interview highlights honest communication as the key to staff engagement and reducing staff turnover.

Delivery

Participant 12 focussed upon the role of delivery in this challenge using the following quotes and examples:-

> 'In my game, if you don't deliver good work then that is going to create issues with trustworthiness.' (Participant 12)

> 'Delivering something that we said we were going to do. Not over-promising. Getting the price right and providing people who are nice to work with. Enabling you to buy in the way you want to buy. Checking it has all happened as the customer expected.' (Participant 12)

Delivery refers to the fulfilling of the organisation's promise to its stakeholders – doing what you say you are going to do and honouring, or exceeding, expectations. This interviewee is highlighting the importance of delivery in building trust with customers and clients and yet it can also apply to other stakeholders in the business e.g. employees, owners, suppliers.

Measurement

Participant 20 focussed upon the topic of measurement in meeting this challenge using the following quotes and examples:-

> *'There are a lot of different measures for trustworthiness ranging from compliance to legislation such as Sarbanes-Oxley, legal acts and compliance to ethics policies. Ethics policies can be audited. There is data protection which can also be audited. There is a whole range of regulatory measurements of trustworthiness.' (Participant 20)*

> *'We have to report to corporate HQ on what percentage of our staff have completed the security awareness training, how many have read the annual report and have signed that they have read and understood the ethics policy of the organisation. There's a whole raft of internal policy that is delivered by electronic training and subject to an annual check.' (Participant 20)*

> *'Most business is reliant upon relationships so processes and procedures are not enough. If the customers believe you are over-charging or being duplicitous then it doesn't matter what procedures you have followed to ensure trustworthiness. Customer satisfaction measures can gauge this relationship and need to ask specific questions to assess the perception of trustworthiness. The hardest part of this is the subjective nature of their perceptions.' (Participant 20)*

This interviewee is proposing that 'what gets measured gets done' and extolling the benefits of finding direct and indirect measures for organisational trustworthiness, such as compliance audits, staff training checks and customer satisfaction surveys. They acknowledge that one of the challenges with measuring trustworthiness is the subjective nature of people's perceptions.

3. **What is your role in building organisational trustworthiness?**

Authority

Participant 5 focussed upon the role of authority in this challenge using the following quotes and examples:-

> *'29% people say the people in charge know best. This is falling and each successive generation is less deferent than the last.' (Participant 5)*

> *'Some people thought I was a cocky shit on my rise up the greasy pole but as soon as I became CEO people deferred to the post rather than the individual and I was no longer a cocky shit; I was a wise and sensible person. Sadly, these people are an increasing minority and the rest have to be persuaded'(Participant 5)*

'When I joined people wouldn't be able to cheek someone like me, they would probably have been fired whereas I try to encourage it because it is about what sort of culture you want and what sort of culture people will give their best in'(Participant 5)

The interviewee refers both to survey results and their own personal experience to highlight that deference to authority is on the decline in organisational life. They link this factor the emergence of younger generations who have a different attitude towards those in authority. The implication is that CEOs who wish to build trustworthiness in this new climate need to adopt a different style and behaviour to achieve this because they can no longer rely upon the power of their authority alone.

4.   What is your employees' role in building organisational trustworthiness?

Integrity

Participant 10 focussed upon the role of integrity in this challenge using the following quotes and examples:-

'An organisation has many stakeholders - customers, staff, alumni, suppliers, regulators, tax authorities. Corporate trust is very simple - you do as you say, you say as you do' (Participant 10)

'You cannot undertake senior level strategic work on a global basis if you don't have integrity - it's an oxymoron. If you cannot keep confidentiality or be honest with your clients and stakeholders you will not keep the sort of people that McKinsey needs to attract. You will be rejected by the McKinsey alumni if it is discovered that you have breached integrity'(Participant 10)

'I would expect integrity of every employee'

'The question about integrity is probably the most important one when it comes to checking references for a new employee - 'do you have any reason to question the integrity of this individual?'(Participant 10)

The interviewee stresses the central nature of integrity to the definition of organisational trustworthiness and then links this to the client-facing values of one of their previous employers, McKinsey Consulting, and to their expectations of what they look for in future employees. In this way, the interviewee places integrity at the heart of the trust-building challenge. This is consistent with the view of integrity as one of the three aspects of organisational trust in Mayer's Integrative Model of Organisational Trust discussed in chapter 2 (Mayer et al., 1995).

5. **How has this challenge been influenced by the global financial crisis and recent business scandals?**

Scale

Participant 9 focussed upon the role of scale, i.e. size of organisation, in this challenge using the following quotes and examples:-

> *'The scale of return for bad behaviour has increased with the creation of global multi-national companies'(Participant 9)*

> *'Maybe the whole thing was more personal [in the old days]? If you're running a big multi-national like Enron it's all a bit anonymised, isn't it? Whereas when you were running the local widget factory you knew everybody and everybody knew you.' (Participant 9)*

> *'With large companies, it is harder to engender trustworthiness but not impossible - look at IBM' (Participant 9)*

The interviewee's comments highlight that she regarded organisational trustworthiness as harder to deliver the larger an organisation becomes. This is partly attributed to the increased scope for significant short-term financial gain arising from untrustworthy behaviours in large organisations, e.g. Enron, and, partly, attributed to the lack of personalisation in larger companies which means that the impact of untrustworthy behaviour is not felt by those with whom the leader has a personal relationship, but by others who are distant and remote.

Ethics

Participant 13 focussed upon the role of ethics in this challenge using the following quotes and examples:-

> *'I think the world has changed. I started my life working in Lloyds of London and there was a saying 'my word is my bond'. If you shook hands on a deal then that is what you did. Nobody would have thought of going back on that handshake. Over the last 15 years, I think that attitude has eroded. There has been a far greater emphasis on a personal drive to succeed and if that means you screw someone else then tough. I think there is something really sad about that. I don't know whether it is greed or fear of failure but something has changed.' (Participant 13)*

> *'With a group of people, I set up an organisation called 'trusted'. It's a small group of us who have absolute implicit trust in each other. We have all been horrified about how few people we could include into that team.' (Participant 13)*

> *'I find it staggering that business schools have to teach courses on ethics'(Participant 13)*

This interviewee is claiming that the context of organisational trustworthiness has changed in recent years with regards to the ethical values of individuals. They believe that the drive for individual success has undermined collective trust and that ethical values that used to be an

accepted norm in society now must be taught to leaders in business schools. For them, this last fact is a measure of the scale of the trust crisis in organisational leadership. These issues relate to the discussion on ethical climate referred to in chapter 2 (Victor & Cullen, 1987).

Media

Participant 14 focussed upon the role of the media in this challenge using the following quotes and examples:-

> *'Most people think that organisations are untrustworthy which is as a result of a number of scandals across a number of organisations; whether it is a parliament, whether it's banks, whether it's scams that have occurred. You name a field or an organisation and there is someone who has done something wrong and then the press are looking for news and blow it up into a situation where everyone and everything is untrustworthy.'* (Participant 14)

> *'You're the first port of call. You're the first point of failure. The moment you're above the radar with that failure, you're dead meat. If I say an in-opportune thing like Tony Hayward [ex-CEO of BPP] then it's over so you're always on your guard. When you're talking to the press you have someone there who is making sure that what you say is kosher.'* (Participant 14)

> *'It would be highly unusual for you to see a photo of me with a drink in my hand. I might have a glass of champagne in my hand when we are toasting an aeroplane but I won't drink it. It won't be at my lips. If I am at a social do and the photographer wants to take a snap of us saying 'cheers' I won't be there. Because I know if there is an incident in the airport then it will that photograph not a more serious one that will be used by the press and it will bring the organisation down.'* (Participant 14)

Again, this interviewee's comments highlight an aspect of the changing context of organisational trustworthiness. The influence and role of the press are brought into focus. The press is assumed to be cynical and negative; proactively seeking bad news stories that undermine organisational trustworthiness and targeting the CEO as the public face of the organisation.

Remuneration

Participant 15 focussed upon the role of executive remuneration in this challenge using the following quotes and examples:-

> *'We have now again some salary increases or bonuses of ABN Amro and AIG which are being discussed at the higher-level politics and people feel very, very angry about those guys. Yeah, it's not good, if you put your money on a counter you can't trust that you're going to get the right interest when you see that the chief executive is giving himself ten million euros* **of bonus**.*'* (Participant 15)

> *'Yeah, what I see is that in the Netherlands there is a lot of media coverage about the amount of money that those chief executives of corporates are taking. So, their annual*

salary, their bonuses, their stocks and options and things like that too, their remuneration. I think it's been started in the financials [financial services sector] but now every chief executive is under criticism of grabbing money.' (Participant 15)

'Like for example the chief executive at KPN which is a telecom operator, he decided to give his bonus of 400,000 euros back because it was a lot of comments in society about his bonus. He got it because he sold part of KPN because … and he got an extra bonus of half a million but the society was really angry about it.' (Participant 15)

These comments focus upon the public reaction to perceived excessive remuneration for senior executives in publicly quoted companies, such as AIG, KPN and ABN Amro, in the Netherlands. The context of organisational trustworthiness is such that the public has lower levels of tolerance to this perceived greed and inequality, particularly in the aftermath of the global financial crisis. The target for this anger was initially the financial services sector but now it has extended to senior executives across a range of large organisations.

6. **How is this challenge affected by the expectations of the owners of your company?**

Ownership

Participant 17 focussed upon the role of different ownership structures in meeting this challenge using the following quotes and examples:-

'Look at private equity acquisitions. In the first year, more than half the CEOs get fired. What is that all about? These people founded successful businesses and then within a year, the private equity people think they know better. The minute you kill the CEO then the trust is the organisation is gone. You create 'survival-ism' and people behave differently'(Participant 17)

'I don't see the ownership model as the issue'(Participant 17)

'In theory, shared ownership models should help build trust but I don't have experience of that'(Participant 17)

This interviewee sends contradictory messages regarding the role of ownership in the trust-building challenge. On the one hand, they bemoan the role of private equity owners and their disregard for destroying organisational trust through firing successful CEOs. On the other hand, they state that they don't see the ownership model as the issue and feel they lack the experience to comment on the impact of shared ownership models. This stance was reflected in several other interviews, where the role of ownership structures on organisational trustworthiness was contested with some arguing it was a significant factor and others arguing it was a 'red herring'. This topic will be re-visited in the later discussion.

7. How do you see this challenge developing over the next 5-10 years?

Technology

Participant 4 focussed upon the role of technology in this challenge using the following quotes and examples:-

> *'Pharmaceutical companies are hugely mistrusted, but technology is going to change profoundly how they deliver their products to market' (Participant 4)*

> *'Can we exploit technology to create sufficient jobs to replace those that will be displaced by technology?' (Participant 4)*

> *'We're in a radical period where technology is shifting the structure and nature of businesses. This will create challenges for trustworthiness because of the pace of change.' (Participant 4)*

The interviewee highlighted good examples of the changing context of organisational trustworthiness. They mention the role of technology as one factor that is changing this context and suggest that technology threatens to undermine organisational trustworthiness by accelerating the pace of change and by displacing jobs. The suggestion is that when people are faced with macro-level issues beyond their control they are increasingly likely to feel insecure and mistrust those who are making decisions on their behalf.

Regulation

Participant 8 focussed upon the role of regulation in this challenge using the following quotes and examples:-

> *'It is now more difficult to hide things but to think they have not always been going on is naive. It is shame that things haven't got better but I don't think they have got worse'(Participant 8)*

> *'I am not sure it is 'business as usual', but I am sure that so long as we rely upon regulation then there has not been a sea-change because we are still relying upon fear of consequences rather than positive action.' (Participant 8)*

> *'Nobody ever un-invents regulation so layer 93 of regulation is a layer that starts micro-managing things that don't really matter, rather than focussing upon the original principles.' (Participant 8)*

This interviewee alludes to the role of regulation as a surrogate for organisational trustworthiness. They propose that additional regulation is not the answer to improve organisational trustworthiness because it removes responsibility from leaders to do the right thing in the first place, rather than waiting to be monitored and checked. This challenge lies at the heart of the agency theory paradigm discussed in chapter 2 (Donaldson & Davis, 1991).

Change

Participant 16 focussed upon the role of change in meeting this challenge using the following quotes and examples:-

> *'People's typical reference point is their previous employer not what they read in management guru books. Sometimes that lowers our ambition around what is possible. But everything I know about change is that it takes time and you must be careful that you don't start implementing top-down what you have just read in a book which was all about empowerment. That's the leadership dilemma. How do you implement this stuff without becoming exactly the sort of leader you didn't want to become? There's a delicious irony in it all.' (Participant 16)*

> *'If you go back 100 years most industrialists were pretty nasty people. We've come a long way and I'm optimistic about the future. The financial crisis has shaken all of this up. Change starts with awareness and understanding and I think that is the stage of the cycle we are at. The gurus are pointing to a new way of doing things but I don't think it will be until parents and schoolteachers are lighting candles saying 'this is the way forward' that it really starts to change. But I am sure it will come.' (Participant 16)*

This interviewee is suggesting that a change in the attitude towards organisational trustworthiness will take time and that how to lead that change effectively is a key leadership challenge. The role of education in facilitating this change is highlighted whether that be through 'gurus', writing management books or children learning in schools. Change takes time but the interviewee is confident that it will come.

4.5 Thematic Analysis Stages 3: Identifying Themes

In the next phase of the data analysis, the open codes were reviewed, re-labelled and, where appropriate, merged to create a more refined data-set. The codes were then grouped into logical sub-categories and categories. The choice of sub-categories and categories was informed principally by the interviewees' own words and phrases i.e. through the abstraction of the original empirical data. However, this process is inevitably influenced by the original conceptual model since the researcher cannot divorce themselves entirely from the prior conceptual reasoning that has already taken place. Hence, the categories combine both the conscious inductive reasoning arising from the open coding process and the sub-conscious deductive reasoning arising from the conceptual model (Lincoln & Guba, 1985). In this way, categories occupy the 'middle-ground' between the real world of the data and the theoretical world of the abstract model.

34 sub-categories were identified from the original 152 open codes. As an example, the open codes 'expectations', 'hard work', 'competence', 'credibility' and 'customer focus' were grouped under the category 'delivery'. Similarly, the codes 'remuneration', 'ethics', 'Gen Y', 'customer power' and 'society' were grouped under the category 'changing societal context'. Inevitably, this

process of coding and categorisation is iterative as it prompts a closer examination of the original data and a refinement of the factors and how they relate to each other. In some cases, the same section of data was assigned to multiple codes and to different categories since it contained multiple meanings and references (Braun & Clarke, 2006). The full list of categories and their associated open codes is shown in Appendix 3.

The sub-categories were further consolidated to create four categories. Specifically, they were labelled 'CEO/Senior Leader Trustworthy Behaviours', 'The Context of Trustworthiness – Society', 'The Context of Trustworthiness – Organisational' and 'The Context of Trustworthiness – Governance'. The identification of these categories was largely an inductive process arising from recognising patterns in the coding and yet the labelling of these categories was chosen to reflect the findings of the literature review, where the context of trustworthiness was positioned as the moderating variable in the conceptual model. The resulting hierarchical model of categories and sub-categories is shown in table 4.2 below:-

Table 4.4: Study 1 – Category Listing

Category / Sub-Category	Description	Number of Source Interviews	Number of References
CEO/Senior Leader Trustworthy Behaviours	**Sub-categories that describe a CEO/senior leader behaviour**	**20**	**263**
delivery		17	55
evangelise		15	45
leading by example		17	27
honesty		14	22
humility		8	19
care		12	18
integrity		9	16
openness		10	15
values		8	13
consistency		7	10
coaching		5	9
emotional intelligence		6	9
courage		4	5
Context of Trustworthiness – Societal	**Sub-categories that describe the societal context of trustworthiness**	**20**	**152**
changing societal context		18	67
media		11	23
transparency		9	17
technology		8	12
economic factors		7	12
regulation		6	11
global issues		6	10
Context of Trustworthiness - Organisational	**Sub-categories that describe the organisational context of trustworthiness**	**20**	**119**
culture		11	21
measurement		15	20
scale		11	19
brand		8	13
leadership style		8	11
incentives		8	9
talent management		5	9
processes		6	8
structures		3	6
sectors		2	3
Context of Trustworthiness - Governance	**Sub-categories that describe the governance context of trustworthiness**	**17**	**57**
stakeholders		11	19
ownership		12	18
the board		10	14
reporting		4	6

In the next section, an overview of each category is provided, together with a summary of how each relates to the empirical data gathered via the interview process. The most detailed focus is placed on category 1 – CEO-senior leader trustworthy behaviours as this is at the core of the research objectives. Categories 2-4 are more holistic categories associated with the context of trustworthiness.

Category 1: CEO/Senior Leader Trustworthy Behaviours

Figure 4.4: CEO/Senior Leader Trustworthy Behaviours
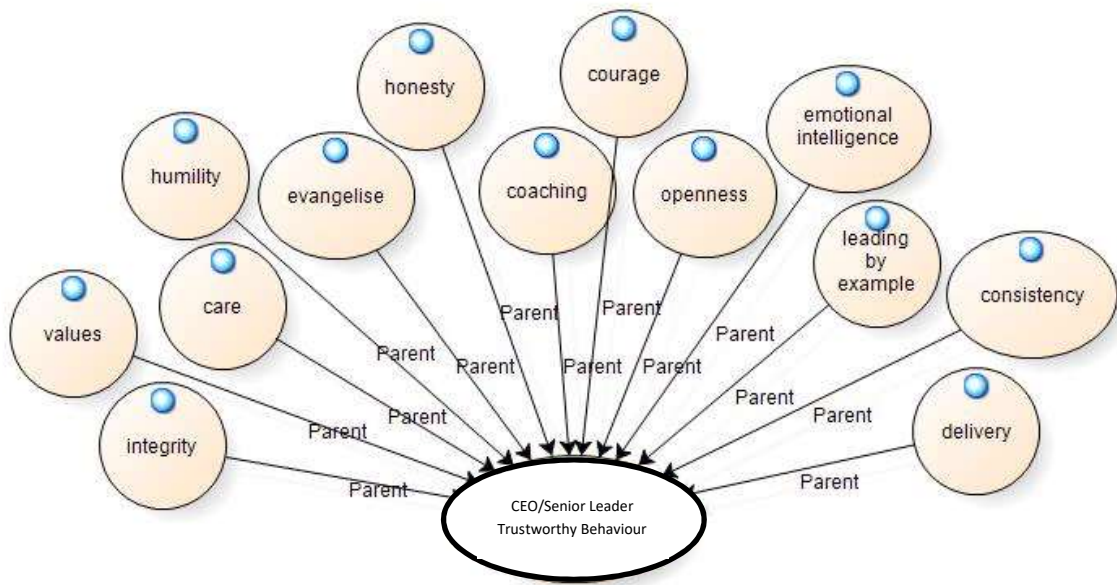
Thirteen distinct categories of CEO/senior leader trustworthy behaviour were identified by grouping associated open codes. In table 4.4, the categories are listed in order of descending frequency of occurrence in the interviews. 'Delivery', the most frequently cited behaviour, had more than six times the number of occurrences of 'coaching' which is the least cited behaviour in the list. The word map below provides a pictorial representation of the relative frequency of each category in the interviews:-

Figure 4.5: Trustworthy behaviour categories word map

This sample of interview quotations for the 'delivery' sub-category serves to provide a richer understanding of this most frequently cited topic:-

> *'I'd like to champion the low-profile engineering company that has delivered on time to every customer without fail for the past 5 years, that has always paid its invoices on time and that has never defaulted on a loan with the bank. That's a trustworthy business.'(Participant 2)*

> *'Don't let your customer down. Make sure that the person who answers the phone, or sends the package or pays the invoice, knows how important that customer is'(Participant 3)*

> *'There is always a distrust of government because they make promises that they can't deliver and many businesses are the same'(Participant 4)*

> *'Trust is about doing what you say on the tin'(Participant 8)*

> *'McKinsey does not just go the extra mile they go the extra 1,000 miles'(Participant 10)*

The second most cited category 'evangelise' was chosen to represent various behaviours associated with inspiring communication since the wording used to describe these behaviours had an emotive focus i.e. communicating from the heart with story-telling, passion and vision, rather than a more factual and literal form of communication. Evangelism as a word means to 'talk about how good you think something is' (Landau, 2000). Kawasaki comments that 'In the social age evangelism is everyone's job' (Kawasaki, 2015). The reason this is an important task in the leader's role in building trustworthiness is that the traditional press and social media are spreading bad

news about business organisations 24 hours a day and 7 days per week. CEOs/senior leaders are required to counter that negative and cynical agenda by voicing an inspiring and positive vision for their organisation's mission and values. The following interviewee quotes capture the importance of this challenge in building trustworthiness:-

> *'Getting people to tell their story. Brilliant to hear the world telling someone else your story'(Participant 3)*

> *'I had a CEO who turned up for every meeting and said, 'This is where were going. This is the goal. Everybody remember it. This is who we are. This is why you're doing what you're doing' – people engage with that'(Participant 3)*

> *'External communication is also good internally, because people like to see their CEO on television; it makes the organisation seem important and therefore that the job is worthwhile'(Participant 5)*

> *'When you try to communicate the good news, it's hard but you have to keep trying'(Participant 9)*

> *'Once upon a time' is really quite important. Employees deserve an interesting story'(Participant 17)*

Leading by example is the third most frequently cite behaviour and this is described as a distinct theme, with associated interview quotes, in the next section. The next most cited behaviour was 'honesty' with interviewees' commenting on this behaviour in the following ways:-

> *'Trustworthiness - don't lie! Yet people do it every day in business'(Participant 3)*

> *'I expect total honesty of the CEO'(Participant 17)*

> *'I wrote-off £2bn in profit at [company x] due to accounting fraud. Two directors were fired but a lot of others weren't fired and they got away with it.' (Participant 11)*

It was highlighted that, in a transparent world, CEOs/senior leaders are one click away from exposure. Everything about them is captured, catalogued and archived. There is nowhere to hide and many felt that the bar on honesty was rising - yesterday's cheeky exaggeration is today's blatant lie; yesterday's playful gamesmanship is today's headline cheat. Interviewees noted that we are all tempted to be dishonest, particularly if we are ambitious and competitive, and leaders need to be asked tough questions that hold them to account. The earlier those questions are asked, the less the damage will be. As one of the interviewees put it, *'every town needs a sheriff'*.

In some senses, it was surprising to find that 'humility' was the next most cited behaviour as there are many examples of arrogant CEOs/senior leaders who have been successful. However, Collins identified being humble as a critical aspect of what he termed 'level 5 leadership' (Collins, 2001).

The most impactful conclusion of his research into the most successful US companies was that, whilst level 5 leadership was not the only factor, it was an essential factor if a company was to transform 'from good to great'. In his own words, 'Good-to-great transformations don't happen without Level 5 leaders at the helm. They just don't.' (Collins, 2001).

The interviewees shared stories of humble leaders who had influenced them at critical points in their own leadership development. Whenever they did this, their tone of voice changed and they spoke with some reverence about the humility they had witnessed. The following words from one interview were typical of the sentiment they expressed:-

> *'I worked for a Permanent Secretary when I first went to 'Revenue & Customs' who fell on his sword as a result of the scandal when tax-payers' data was lost. It was nothing to do with him and I found it emotionally very moving that he should stand down. He was a man of intense integrity. Your belief in the system is bolstered by somebody doing that and you think, 'Crikey, I'd rather some other people fell on their swords as well'(Participant 8)*

In other interviews, there were further glimpses of the role of humility in trustworthy behaviour:-

> *'To be a CEO you have to have a high degree of self-confidence but you're never fully in charge. It's not black and white. It's a balance of probabilities. You can skew these in your favour but you can't always be right, you can't always have the answer.' (Participant 4)*

> *'We have a tendency to say that if we do better than the average then it is down to our skill and if we do worse than the average then it is down to bad luck That attitude doesn't do anyone any good'(Participant 9)*

The categories of 'care' and 'emotional intelligence' are closely related and are both part of the benevolence aspects of trustworthy behaviours. It could be argued that 'emotional intelligence' is not a behaviour but rather a personality characteristic that summarises a number of behaviours that together generate a perception that someone is emotionally intelligent. This anomaly in the thematic headings was corrected in the next stage of the thematic analysis when the themes were reviewed. Example quotes from the interviews referring to these behaviours included:-

> *'We have put all 600 staff through a week-long course in the skills of empathy. It's an expensive programme but we've done it so that we can convince the consumer that we care.' (Participant 14)*

> *'The CEO doesn't need to do everything but they do need to care about everything'(Participant 8)*

> *'My three Cs are clarity, consistency and care'(Participant 8)*

> *'A lack of care for the principal stakeholders destroys trustworthiness'(Participant 10)*

> *'Every customer that complains gets a letter back from the CEO. Those customers go straight on social media and cry "Hallelujah! This company cares about me". And let's be honest, in this country that is quite unusual.' (Participant 12)*

One of the participants interviewed for the research was a former Non-Executive Director of a major retailer who came onto the interview call ten minutes late. She apologised and proceeded to explain that she had been trying to resolve a query on her utility bill with the organisation's customer care centre. She graphically summarised the lack of kindness in her experience as follows:-

> *'After 45 minutes on the phone, [I gave them my number] and I was put on hold for five minutes and then I was cut off. And she didn't call me back. SHE DIDN'T CALL ME BACK! IT'S A CUSTOMER CARE CENTRE! IT'S INCREDIBLE!' (Participant 9)*

The category of 'integrity' is considered in the next section as it is one of the three components of the ability, integrity, benevolence model of trustworthiness (Mayer et al., 1995), rather than a specific behaviour in its own right. 'Openness' was the eighth most cited behaviour associated with the following interview quotes:-

> *'The first way to build trustworthiness is through open communication. Consistent, open communication builds a belief that you are being told everything you need to be told'(Participant 13)*

> *'Having a healthy mutual respect between the leader and the top team is crucial [to trustworthiness]. The CEO needs to 'give of themselves' to achieve this.' (Participant 11)*

> *'As a Chair going into a company, I get an instinct about the CEO. It's really important what my gut feeling says about their trustworthiness. I'm testing it out all the time. I'm watching how open they are.' (Participant 11)*

> *'I have a 1-2-1 with everyone in the team at least once a quarter. We have 'stand-ups' every Monday morning to talk about what we are working on. I try to be as open as possible.'(Participant 12)*

The remaining behaviours with the least citations were 'values', 'coaching', 'consistency' and 'courage'. As for 'emotional intelligence', it could be argued that 'values' is not a behaviour but rather a judgement on a number of behaviours that together generate a perception that someone has 'strong values'. This anomaly in the thematic headings was corrected in the next stage of the thematic analysis when the themes were reviewed. A sample of quotations for each of these is shown below:-

- Values

> *'Managers need to understand the three or four values that are important to the organisation. If there isn't a fit with those values it's unlikely that you can change them at a*

personal level'(Participant 11)

- Coaching

  'You are part of a team and your job is to make sure the team does what it said it was going to do not just do what you said you were going to do.' (Participant13)

- Consistency

  'The key to this is consistency. Nobody every trusted anyone who was not consistent. At least people know then where you stand. 'Tigger' bosses are the worst to work for, they may be enthusiastic but everyone is always off balance around them' (Participant 8)

- Courage

  'There are very few people who have the balls to walk into a corporate environment and risk their own situation to rock the boat.' (Participant 12)

Further details on all these categories, including additional interview quotations, are included in the analytical memos in Appendix 4.

Category 2: The Context of Trustworthiness – Societal

Figure 4.6: The Context of Trustworthiness- Societal
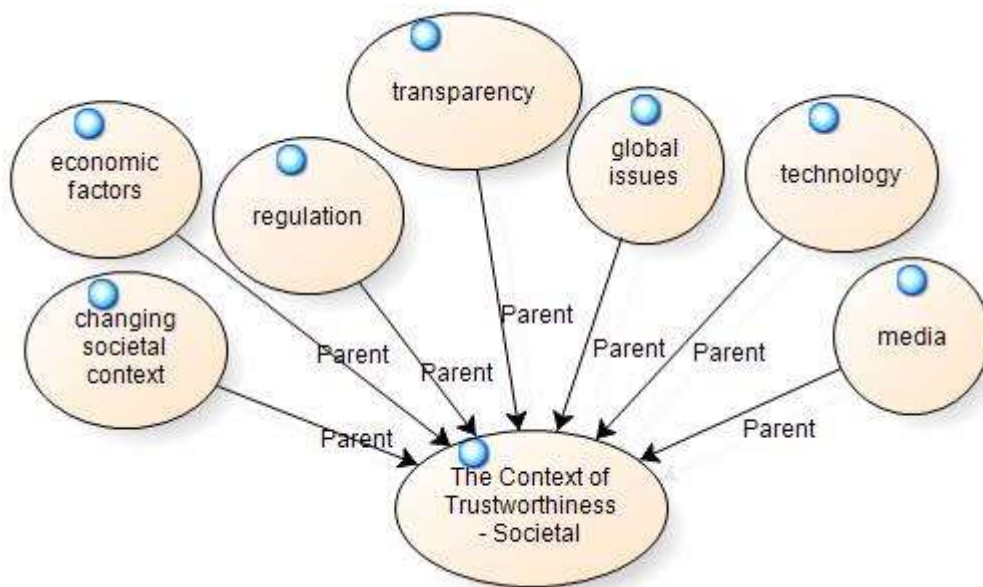
Seven categories that captured the societal context of organisational trustworthiness were identified. 'Changing societal context' was the most frequently cited factor which registered over six times more occurrences than the least cited factor, 'global issues'. 'Changing societal context' included for such codes as 'remuneration', 'Gen Y', 'diversity', 'consumer sophistication' and

'respect for authority'. The word map below provides a pictorial representation of the relative frequency of each category in the interviews (the word size corresponds to the relative frequency of the coding topic):-

Figure 4.7: The Context of Trustworthiness- Societal – Word Map

This sample of interview quotations for the 'changing societal context' subcategory serves to provide a richer understanding of this most frequently cited topic:-

 'I think there is a generation coming into the workforce that has an expectation of what is due to them that is often totally unrealistic. My colleague in the office regards some of the things I say as unacceptable because that generation has quite a different view of what you can say and what you can't say'(Participant 2)

'Human nature hasn't changed but society has changed, technology has changed and the way human nature is interacting with society is constantly evolving.' (Participant 4)

'We have more women in the workforce and this has created more diverse thinking in the industry which is good for ethics'(Participant 4)

'Society is becoming more fractured and diverse. In 1951, 98% of us voted for 2 parties. In 2015 it will probably be 63% voting for two parties. There is more uncertainty and anxiety'(Participant 5)

'I often talk to my son about this because he and his friends think that all business is evil. The only respectable thing to do is work for a charity or become a teacher.' (Participant 9)

'When I left University, I picked a leaflet promoting jobs at Barclays and it read 'Don't worry about competition for senior roles from women because they remain tellers in the branches'(Participant 9)

Further details on all these categories, including additional interview quotations, are included in the analytical memos in Appendix 4.

Category 3: The Context of Trustworthiness – Organisational

Figure 4.8: The Context of Trustworthiness - Organisational
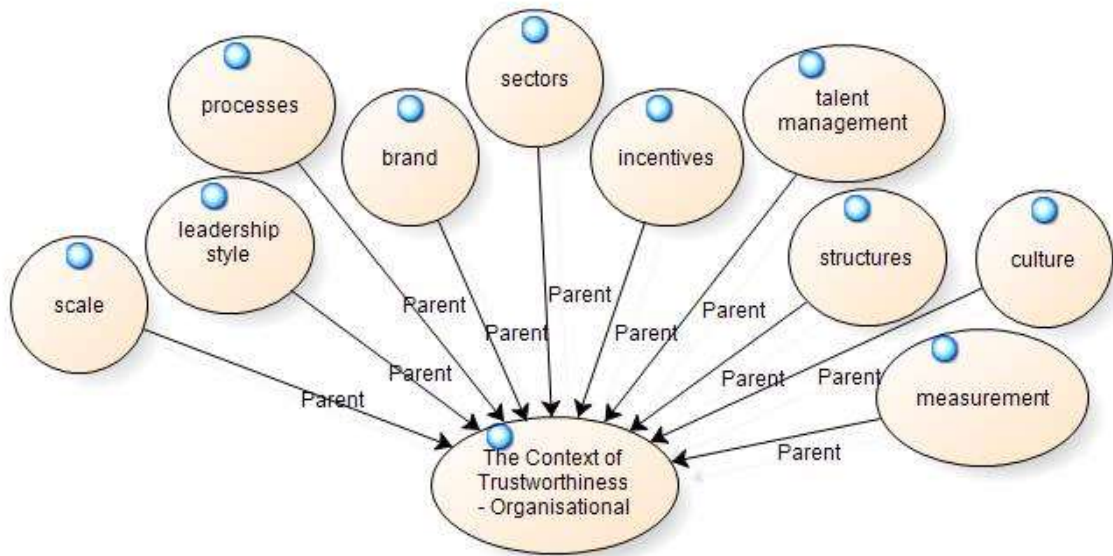
Ten categories were identified that captured the organisational context of organisational trustworthiness. The most frequently cited category 'culture' occurred seven times more than the least cited, 'sectors'. The word map below provides a pictorial representation of the relative frequency of each category in the interviews:-

Figure 4.9: The Context of Trustworthiness - Societal – Word Map

This sample of interview quotations for the 'culture' sub-category serves to provide a richer understanding of this most frequently cited topic:-

> *'There needs to be a code of behaviour and a code of values. We have to enforce those but ultimately we want a culture that is self-enforcing.' (Participant 5)*

'Part of how this CEO works is that he builds a specific culture piece that focuses upon belief, trust, faith and community then uses other people to deliver that.' (Participant 13)

'What we have sought to do is say 'you can make mistakes'. It's not a blame culture, it is a learning culture. But when you have had conditioning for 50-60 years saying this is a public sector organisation and 'you're wrong', no matter what you say, 'you're wrong', it takes an awful lot of change to take that out'(Participant 14)

'As a firm, we have gone through an exercise to agree cultural behaviours and trust and integrity are at the top of that list. We then have to live up to those principles every day, every week, every month and every year'(Participant 14)

'I set up this company partly to create a different culture to the big banks that I had worked for previously. Typically, that's possible in partnership structures even if we may not be as profitable. We can run a business model where it's better to have a hole in our team than an arse-hole in our team. That's not possible in a plc environment.' (Participant 16)

The category of 'scale' refers to the organisation's size, whilst 'sectors' refers to the different industry sectors in which organisations operate. 'Incentives' refers to the means of rewarding and recognising leaders in the organisation.

Further details on all these categories, including additional interview quotations, are included in the analytical memos in Appendix 4.

Category 4: The Context of Trustworthiness – Governance

Figure 4.10: The Context of Trustworthiness - Governance
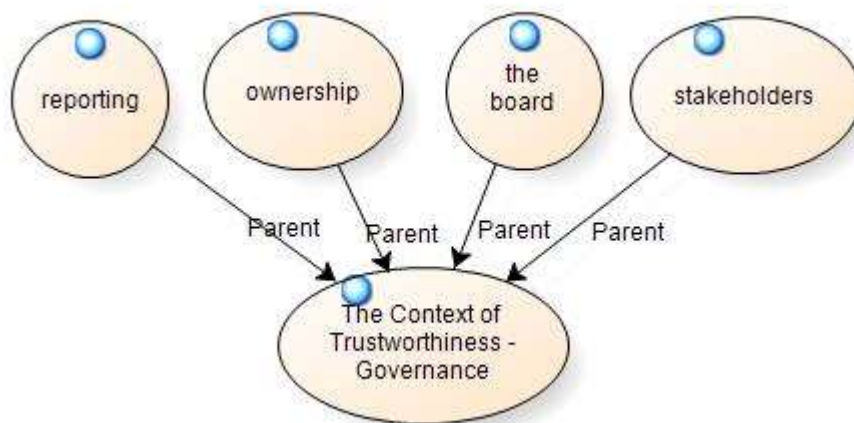
Four categories were identified that captured the governance context of organisational trustworthiness. The most cited category 'stakeholders' occurred three times more frequently

than the least cited, 'reporting'. The word map below provides a pictorial representation of the relative frequency of each category in the interviews:-

Figure 4.11: The Context of Trustworthiness – Governance – Word Map

This sample of interview quotations for the 'stakeholders' sub-category serves to provide a richer understanding of this most frequently cited topic:-

> *'It depends which audience we are talking about because they each use different criteria to assess trustworthiness. The punter wants to know they are getting good value, the investor wants something completely different'(Participant 5)*

> *'You can't have partial organisational trustworthiness. You can't say we're going to be trustworthy with this group of people and then be sneaky with these other stakeholders. It doesn't work. The sneakiness bleeds into how you deal with the other categories.' (Participant 9)*

> *'Can you be a trustworthy organisation if you are good with the tax authorities, very good with your suppliers but you screw your customers and your staff? In my mind, the answer is no. It's a reputation issue.' (Participant 10)*

> *'Once the consumers start to lose trust then it spills over into the staff and then into the shareholders. It becomes a self-fulfilling cycle. Getting out of that nasty cycle takes a lot of hard work and there's only one person who can make sure that is stopped and that is the CEO'(Participant 14)*

> *'For us, we have to balance the financial objective with our human capital and with the best interests of our clients. Sometimes that creates conflict. Trust is hard to learn and easy to lose. It only takes one issue to create a lot of collateral damage'(Participant 19)*

> *'I don't things will change because I don't think that is what the shareholders are seeking. CEOs are appointed by chairmen and I have never met a chairman yet who would even consider trustworthiness as a criteria for the CEO appointment.' (Participant 17)*

The category 'reporting' refers to the topic of financial reporting policies and procedures, whilst 'board' refers to the role of the board members and board governance.

Further details on all these categories, including additional interview quotations, are included in the analytical memos in Appendix 4.

4.6 Thematic Analysis Stage 4: Reviewing Themes

Themes: The Nine Behaviours of CEO/Senior Leader Trustworthiness

In the final phase of the data analysis, the categories were related to the theoretically-driven conceptual model and the associated literature review (Braun & Clarke, 2006). It was at this point in the process that the 'a priori' structure of the theoretical world was consciously mapped to the emergent categories of the empirical data. This stage was particularly relevant to the category of 'CEO/senior trustworthy behaviours' since this construct was the independent variable in the conceptual model. Through the literature review, the researcher had adopted Mayer et al.'s model of trust, the Integrative Model of Organisational Trust, as the theory underpinning the research (Mayer et al., 1995). In this model, trustworthiness is considered to have three components; ability, integrity and benevolence (Mayer et al., 1995). Hence, the theory would suggest these three aspects would map to the sub-categories within 'CEO/senior leader trustworthy behaviours'. Similarly, the central hypothesis of the research is that CEO/senior leader trustworthy behaviours lead to organisational trustworthiness and hence this maps to the theme of 'leading by example' i.e. the idea that the role-modelling of trustworthy behaviours by the CEO/senior leader influences others in the organisation to behave in the same way and so impacts the overall level of organisational trustworthiness:-

The sub-categories inductively derived from the data analysis in Nvivo 10 were therefore mapped to the theoretical constructs to generate the following thematic model:-

Figure 4.12: Themes – CEO/Senior Leader Trustworthy Behaviour
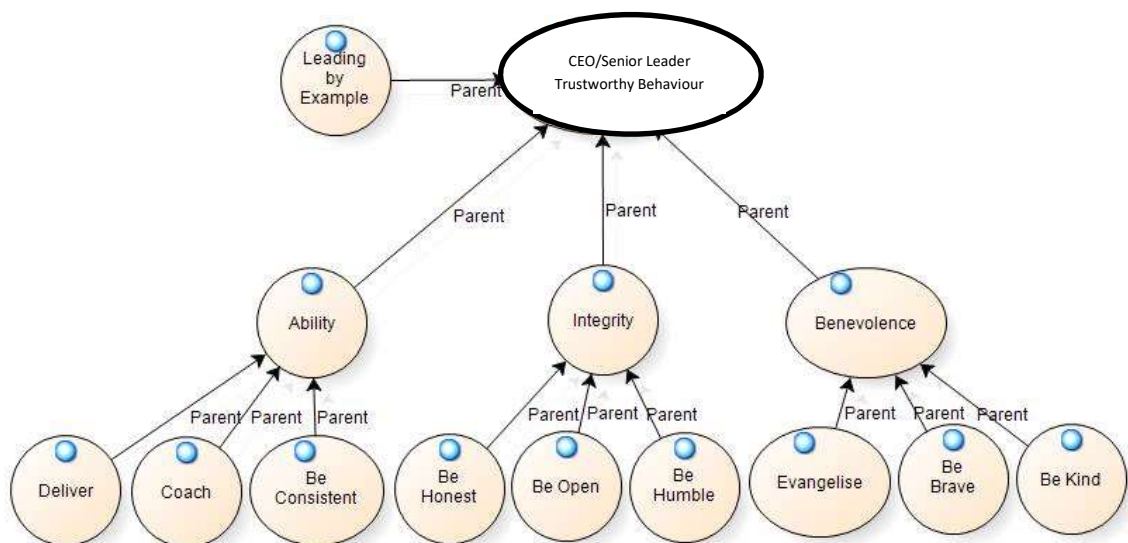
In this model, the original thirteen sub-categories associated with the category 'CEO/senior leader trustworthy behaviours' shown in Figure 4.4 have been reduced to nine themes relating to the aspects of ability, integrity and benevolence. An additional theme, 'leading by example', has been associated with the overall theme of 'CEO/senior leader trustworthy behaviours'. For parsimony, the sub-categories of 'values' and 'consistency' were merged into a single theme labelled 'be consistent'. The justification for the merging of these two themes was partly that 'values' as a thematic heading is not a behavioural description as noted in the earlier section. Also, when re-examined the interview quotes relating to the theme of 'values' corresponded to a theme of consistency of behaviour underpinned by clarity of personal and organisational values. Example quotes supporting this conclusion included:-

> *'Managers need to understand the three of four values that are important to the organisation'(Participant 11)*

> *'It is about making sure the values are aligned – reliability, morality, best-practice, etc.' (Participant 19)*

> *'We've had several employees who have not demonstrated the right qualities or values and I've recognised you have to act on that fast before it infects the rest of the organisation.' (Participant 19)*

> *'You need to ensure that all people are aligned on many of the same values and the entire organisation therefore reflects that.' (Participant 7)*

> *'We would expect that employees live up to our values'(Participant 20)*

> *'To do the values that you are convinced about and act in the same way towards your customers and your staff, I think that is very important'(Participant 15)*

These quotes reveal that the interviewees assumed that common values would lead to consistent behaviours and that aligning of values across leaders to staff to customers would generate a perception that there was a consistent standard of behaviours throughout the organisation.

Likewise, the sub-categories of 'care' and 'emotional intelligence' were merged into a single theme of 'be kind'. As noted earlier, 'emotional intelligence' is not a behavioural description and the word 'care' can be interpreted both as a personal behaviour ('I care') and as an institutional process ('care homes', 'customer care programmes'). In contrast, being kind is an active, personal behaviour that is not associated with institutional responsibilities in the way that the word 'care' often is. In the original open coding process the category of care comprised the open codes of 'empathy', 'fairness' and 'selflessness', whilst the category of 'emotional intelligence' included the codes of 'emotional maturity', 'EQ', 'gut feeling' and 'likeability'. It would be reasonable to

conclude that an empathetic, fair, likeable and selfless individual would be regarded as kind and these characteristics are included in many of the popular definitions of the word 'kind'. When interviewees spoke of emotional intelligence, emotional maturity and EQ they used the following words:-

> *'People need the emotional maturity to stand back, assess risks and still do the right thing'(Participant 11)*

> *'Emotional stability is very important, so just losing your temper I don't think that... you have to control your temper'(Participant 15)*

> *It requires a whole new level of emotional intelligence which is only just beginning to emerge in the mainstream of business.'(Participant 16)*

> *'Emotional maturity is not an age thing. It involves understanding how people react in given situations... Emotional maturity is tested in crisis times.' (Participant 11)*

The above quotes reveal that the interviewees considered there to be a strong emotional component of trustworthiness which aligns to the benevolence component in the Mayer model. However, the quotes do not specify specific behaviours that would generate such perceptions. These behaviours were revealed through the category of 'care' and its sub-categories of 'empathy', 'fairness' and 'selflessness':-

> *'It's an expensive programme but we have done it so that we can convince the customer that we care'(Participant 14)*

> *'It's not about proving to the world how clever you are, it is about being a reasonable person'(Participant 3)*

> *'The most powerful eroder of trust is when you feel that the person is acting in their own best interest and not in yours'(Participant 16)*

> *'It entails spending quality time with people, taking them seriously, sincerely listening and being interested'(Participant 1)*

> *'I think it is important people don't have to worry about being stabbed in the back' (Participant 15)*

Through these range of words and phrases, interviewees describe an environment in which leaders recognise there is an emotional, benevolent component of inspiring trust in others and they describe a selfless, caring, likeable and fair set of behaviours which can be summarised in the act of being kind.

The sub-category of 'humility' was re-labelled as 'be humble' and the sub-category of 'courage' was re-labelled 'be brave'. Again, the revised wordings focussed upon an active personal

behaviour rather than a more abstract personal characteristic. Finally, the sub-category of 'integrity' was absorbed into the theme of 'integrity' rather than shown as a separate entity.

The nine themes of trustworthy behaviour were mapped to the three aspects of the Integrative Model of Organisational Trust via the following reasoning:-

- The theme of ability comprises the behaviours of delivering results on a consistent basis and helping others do the same ('deliver' + 'coach' + 'be consistent'). The assumption is that if the leader delivers results on a consistent basis and helps others do the same then they will be regarded as competent at their job. This mapping is consistent with the definition of 'ability' provided by Mayer et al. in their model i.e.' the expertise, skills and competence that an individual brings to the role or task' (Mayer et al., 1995).

- The theme of integrity involves the behaviours of being 'honest', 'open' and 'humble'. The assumption is that if the leader is honest and does not hide anything then this will be perceived as showing integrity. Being humble involves expecting of yourself exactly what you expect of others since you see yourself as subject to the same norms and rules as those who you lead. This represents a further aspect of demonstrating integrity in line with the Mayer et al definition i.e. 'the extent to which the trustee adheres to sound moral and ethical principles through showing fairness, justice and promise-fulfilment' (Mayer et al., 1995)

- The theme of benevolence involves the behaviours of demonstrating passionate, inspiring communication, showing courage to put the interest of others ahead of your own and showing care and compassion for those that you lead ('evangelise' + 'be brave' + be kind'). Benevolence is characteristic of the heart, i.e. emotion, rather than a characteristic of the head i.e. rational. To believe someone to be benevolent it is assumed that the follower needs to feel the passionate vision of the leader, to feel their bravery to sacrifice their own self-interest and to feel their compassion through demonstrating acts of kindness to others. This is consistent with the definition of benevolence provided by Mayer et al i.e. 'the extent to which a trustee does good for the trustor, independent of the profit motive, by showing loyalty, care and support' (Mayer et al., 1995)

In mapping the behavioural themes to the three components of the Integrative Model of Organisational Trust, it was recognised that some behaviours may apply to more than one of the three dimensions of ability, integrity and benevolence. For example, given the definitions provided, the behaviour of 'deliver' could be mapped to the dimension of integrity since it represents an act of promise-fulfilment. Likewise, the behaviour of 'coach' could be mapped to the dimension of benevolence since coaching involves providing a level of care and support.

Finally, the behaviour of 'evangelise', i.e. the communication of a passionate and inspiring vision, could be an aspect of a leader's ability as well as their benevolence. Hence, it was decided for the purpose of the Nvivo 10 modelling to map each of the nine behaviours to that dimension which was considered most representative of its characteristics. This relationship could then be further tested and verified as part of the quantitative research in studies 2 and 3.

A significant outcome of the study 1 analysis was the ability to define CEO/senior leader trustworthiness via a set of nine behavioural habits, as opposed to the belief-based definitions that have characterised earlier definitions of leadership trustworthiness (Dietz & den Hartog, 2006). Defining trustworthiness behaviourally enables practising leaders to understand how to demonstrate trustworthiness as a practical skill, as opposed to how to understand trustworthiness as an intellectual concept. The creation of a behavioural definition for CEO trustworthiness was a key objective for this research and is considered to fill a gap in the theory of trust that has been highlighted by previous researchers (Dietz & den Hartog, 2006). Having identified the nine behavioural themes of CEO trustworthiness in study 1, this created the foundation for developing and validating a new behavioural measurement scale for CEO trustworthiness in study 2 of the research design.

The nine themes of CEO/senior leader trustworthy behaviour create a richer and deeper understanding of the components of leadership trustworthiness than has previously been attempted in other trust models. As an example, the Integrative Model of Organisational Trust identified three components of trustworthiness i.e. ability, integrity and benevolence (Mayer et al., 1995). The nine themes arising from this study enable us to understand that each of these components arises from nine distinct CEO/senior leader behaviours. Theoretically, this allows for a more specific conceptualisation of CEO/senior leader trustworthiness whilst, practically, it creates the opportunity for the measurement, development and assessment of trustworthy behaviours at an individual, team and organisational level.

Themes: Leading by Example and the Context of CEO/Senior Leader Trustworthy Behaviours

The central tenet of this research is that the individual behaviours of the CEO/senior leader influence the trustworthiness of the organisation and that this relationship is moderated by the context in which organisational trustworthiness is taking place. Consequently, it was an objective of the qualitative research to explore the impact of context on CEO/senior leader and organisational trustworthiness via questions 5-7 of the semi-structured interviews. The researcher was alert to any interviewee comments related to these topics which were then captured through the coding process and grouped into appropriate categories.

The relationship between CEO/senior leader trustworthy behaviours and organisational trustworthiness was referred to as 'leading by example' as a category within the thematic analysis process and it was referred to directly by many interviewees as a key component of organisational trustworthiness:-

> *'It goes back to the leadership of the organisation. If its someone who is not straight or honest at the top then that is going to be reflected in the behaviours of the entire organisation'(Participant 2)*

> *'If the CEO has the wrong personality - bullying, micro-managing, controlling - then they can quickly damage the trustworthiness [of the organisation]' (Participant 4)*

> *'The only way you get this [trustworthiness] into an organisation's blood is if the top leaders of the organisation have it in their blood.' (Participant 9)*

> *'You lead from the top - it's difficult to lead from the bottom. You can get away with it for a while (untrustworthy leadership) but eventually the organisation will implode'(Participant 10)*

> *'Lost trust at the C-suite level splinters its way down throughout the organisation to its roots'(Participant 11)*

> *'The trustworthiness of a business comes from the person leading the business. I don't know too many businesses where the culture isn't impacted heavily by the person who runs it or the board that runs it' (Participant 12)*

> *'My role [as CEO] is fundamental. People talk about 'walk the talk' and it is very true. If you're a corrupt CEO the organisation will be corrupt. You have to be whiter than white.' (Participant 2)*

> *'Authentic leadership says it is ok to say, 'I don't know the answer''. It is ok to be vulnerable. It is difficult to set that tone if you do not set that tone at the top.' (Participant 16)*

> *'If our politicians and business leaders are perceived to be untrustworthy then it is very difficult for others to think they should behave any differently.' (Participant 16)*

> *'I personally believe the CEO's behaviour is the most important factor in this is leading from the front, particularly in a human capital organisation. People take their cues from the leadership and the management team in a way that I did not expect when I first took on this role five years ago, not only in terms of moral code, demeanour, ethics, best practice but also the limits of acceptability and appropriate behaviours. People look to that particularly in times of crisis.' (Participant 19)*

The frequency of the comments on this aspect of 'leading by example' emerged as a theme in the research and lent support to the central hypothesis of the research. Specifically, it provided strong

grounds from which to continue to explore the precise nature of this relationship quantitatively in studies 2 and 3.

The moderating variable from the conceptual model, i.e. 'the context of trustworthiness', was also identified as a theme and mapped to the following three categories:-

Figure 4.13: Themes – The Context of Trustworthiness
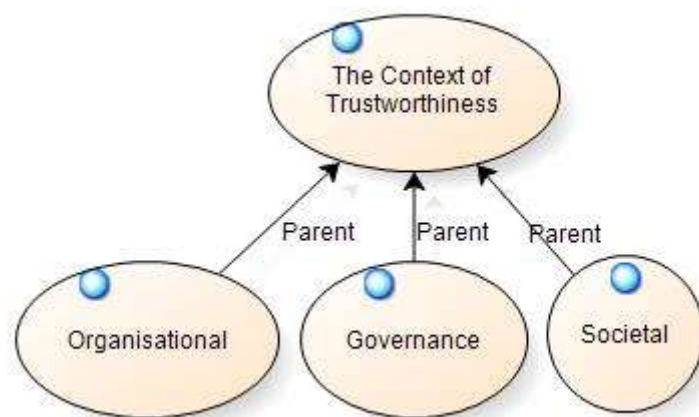
The earlier exploration of the most frequently cited codes in the interviews and categories has already highlighted many examples where these three aspects of the context of organisational trustworthiness were discussed by the interviewees. The findings of this qualitative study led to a refinement of the original conceptual model regarding the precise nature of the moderating variables. These changes and refinements are further discussed in the concluding section if this chapter.

4.7 Thematic Analysis Stage 5: Analytical Memos

The remaining activity in the thematic analysis cycle was to write 'analytical memos' relating to each of the themes. The purpose of the analytical memo is to summarise the content and empirical findings of the relevant categories. The analytical memos captured for this study are contained in Appendix 4. For each identified theme the following questions were used to further test, expand upon and validate the findings:-

- What was said exactly in the interviews and by whom?
- How did the findings for each theme relate to the existing literature?
- How did the findings for each theme relate to the researcher's own experience as a senior leader in business over a 20-year period?
- What gaps in the literature did this analysis reveal?
- What possible models and proposals would fill the gaps in the literature?

In this case, the analytical memos arising from study 1 became the basis of the subsequent practitioner book 'The Trusted Executive – Nine leadership habits that inspire results, relationships and reputation'. The themes arising from study 1 became the chapter structure of that book, preceded by a popularised version of the literature review. The nine behaviours arising from study 1 were termed the Nine Habits in the book and used as the backbone structure to help practising leaders understand how to demonstrate trust as well as how to understand trust. In the book, the nine behaviours and their association with the three attributes of ability, integrity and benevolence were depicted using the following diagram:-

Figure 4.14: The Nine Habits of CEO/Senior leader Trustworthy Behaviour
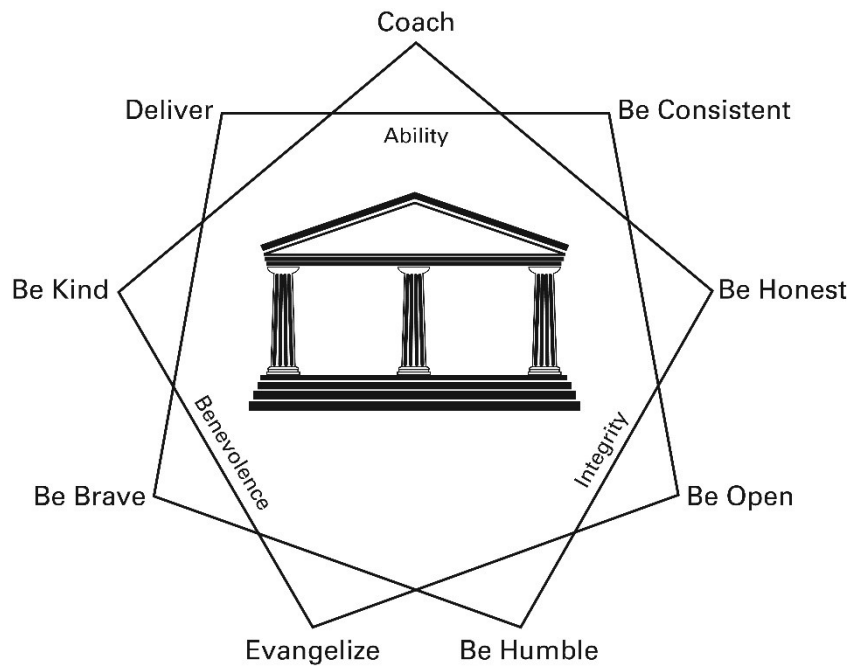
Care was taken in the above diagram to depict the association of the Nine Habits to ability, integrity and benevolence using a loose association rather than a fixed, empirically proven relationship. The book contained a chapter on each of the nine habits in which each habit was explored in detail and brought to life through case studies, exercises, anecdotes and analysis.

The book also contained several interview transcripts which were used to bring to life the various themes through real-life case studies. A major challenge in writing the book was to preserve the underlying academic rigour of the research whilst adapting the style and format of the writing to appeal to a board-level practitioner audience. In reviewing the analytical memos in Appendix 4, the reader will note how this different writing style starts to emerge and is further refined in the text of the book. The use of personal anecdotes, metaphors, colloquialisms and the first-person narrative creates an engaging style of writing, yet this needs to be balanced with the risk of diluting, simplifying or inappropriately generalising the results of the research.

 In the cycle of the research, the doctoral study was paused for one year to allow the book to be written. Whilst this was a period in which no academic study took place, the writing of the book allowed the researcher to refine, consolidate and further reflect upon the findings from study 1. As the book was written, each chapter was reviewed by the following experts:-

- The supervisory team at Aston Business School
- The editorial team at Kogan Page Publishing
- A panel of five senior executives chosen for their experience and track-record at board level
- Seven additional senior executives and two external academics reviewed the final draft of the book and provided high-level feedback.

This feedback was invaluable, not only in refining the book, but in informing the remainder of the doctoral research and the design and implementation of studies 2 and 3.

In summarising the thematic analysis of the twenty semi-structured interviews, the process involved the initial inductive open coding of the transcripts to generate 152 open codes. These open codes were then grouped into 34 sub-categories and 4 categories to create a coding hierarchy. In the final step, the categories and sub-categories were mapped to the conceptual model and the theoretically-driven constructs. The central hypothesis of the research was mapped to the theme of 'leading by example'. The three principles of trustworthiness from Mayer's Integrative Model of Organisational Trust (ability, integrity and benevolence) were mapped to nine themes of CEO leadership behaviour (Mayer et al., 1995). Finally, the moderating variable form the conceptual model, i.e. the context of trustworthiness, was mapped to the three categories relating to the different societal, organisational and governance factors that make for the overall context.

4.8 Theoretical Contribution

The central hypotheses of the revised conceptual model were that there was a positive association between both CEO and senior leader trustworthy behaviours and the trustworthiness of the organisation. In other words, the trustworthy behaviours of the CEO/senior leader influence the trustworthy behaviours of others in the organisation and the cumulative impact of this effect is to influence the perceived trustworthiness of the organisation as a whole.

The results of study 1 suggest that the CEOs and senior leaders' perceptions align to this proposition, principally through the frequency and variety of interview sources for the theme of 'leading by example'. The thematic analysis revealed that this topic was referred to by 17 of the 20 interviewees and there were a total of 27 occurrences of the theme. Specific quotes relating to this theme were explored in the earlier sections of this chapter. This qualitative research phase allowed the hypothesis to be explored in more detail and to generate rich and deep descriptive data related to the relationship between CEO/senior leader trustworthy behaviours and

organisational trustworthiness. However, by its nature, the qualitative research could not specify the statistical nature of the correlation between two related constructs. Hence, the hypothesis was retained as the fundamental relationship within the conceptual model for the purposes of study 3 and one of the objectives of study 3, as a quantitative cross-sectional survey, was to specify the statistical relationship between the two constructs.

A second significant outcome of this study 1 is the generation nine behavioural themes for CEO/senior leader trustworthy behaviours. These nine themes were identified as follows:-

- Deliver
- Coach
- Be consistent
- Be honest
- Be open
- Be humble
- Evangelise
- Be brave
- Be kind

Many commentators have highlighted that the existing literature relies upon belief-based definitions of trustworthiness rather than behavioural definitions (Dietz & den Hartog, 2006). For example, the Integrative Model of Organisational Trust identifies three beliefs regarding the ability, the integrity and the benevolence of the trustor which are held in the mind of the trustee, but the model goes no further in identifying the underlying trustor behaviours which generate these beliefs in the mind of the trustee (Mayer et al., 1995). This represents a gap in the research on trust which restricts both the more detailed theoretical understanding of the construct and the ability to help practising leaders understand how they improve their own trustworthiness and that of the organisations that they lead (Dietz & den Hartog, 2006). The nine themes of CEO/senior leader trustworthy behaviour arising from study 1 provide the basis for the development of a new behavioural measurement scale for CEO/senior leader trustworthy behaviour. Hence, this became a key objective for study 2 of the research design i.e. the creation of a new measurement scale using the nine themes via creating appropriate scale items for each theme. Additionally, a further objective of study 3 was to test the validity of this new measurement scale against an existing, proven belief-based measurement scale for individual trustworthiness.

Perhaps more significantly in relation to existing theory, these nine behaviours can be mapped onto the three components of the Integrative Model of Organisational Trust. This produces a model in which three behaviours were associated with each component as follows:-

- Ability
    - Deliver
    - Coach
    - Be consistent
- Integrity
    - Be honest
    - Be open
    - Be humble
- Benevolence
    - Evangelise
    - Be brave
    - Be kind

However, it was noted in the discussion that this represents a loose, subjective mapping only. The mapping can be further explored via studies 2 and 3 to gauge the statistical relevance, or otherwise, of the relevant associations using the technique of factor analysis.

4.9 Conclusions

Having analysed and discussed the results of study 1, this section will assess the reliability of the research findings and summarise the conclusions arising from this stage of the research. The impact of the findings of study 1 on the design and implementation of studies 2 and 3 will be explored.

In assessing the reliability of the study 1 findings, typically the value of qualitative research is assessed against four criteria:

- credibility
- transferability
- dependability
- confirmability (Lincoln & Guba, 1985; Miles & Huberman, 1994)

In effect, these criteria are assessing the trustworthiness of the research. Credibility is the equivalent of internal reliability in quantitative research and is concerned with ensuring the 'truth

value' of the research i.e. is the research a plausible and correct interpretation of the interviewees' original views? In this study, the use of a rigorous thematic analysis process underpins the credibility of the research, particularly when the analysis has been conducted using a software tool, Nvivo 10, in which all the research steps are fully auditable by external third parties. The credibility was also boosted by the involvement of an external supervisor with an expertise in qualitative research, Dr Ben Meehan. This created an element of triangulation in the process.

The transferability of the research refers to the degree to which the findings of this research can be transferred to other contexts or settings involving other respondents (Thomas & Magilvy, 2011). Transferability is a question relating to the generalisability of the research. This assessment can only be made by the reader of the research if there is sufficient 'thick description' of the context in which the data was collected. In this study, the conceptual model included the context of trustworthiness as a moderating variable and so a great deal of data was collected regarding the societal, governance and organisational context of the interview data. This context was later expanded through the analytical memos and captured in the book, 'The Trusted Executive'. In this sense, it is considered that the reader has been given a significant opportunity to assess the transferability of the research to other domains e.g. political leadership, parenting, personal relationships, etc.

Dependability and confirmability refer to the stability of the research findings over time and the degree to which the findings of the research can be replicated and confirmed by other researchers in the field (Sandelowski, 1986). Effectively, both dependability and confirmability require there to be a rigorous audit trail for the research. Such an audit trail can allow other experts to validate the interpretation of the raw data (confirmability) and to replicate the analysis process on different sets of data to assess if similar findings are obtained (dependability). It is in this area where the use of the Nvivo 10 software tool, allied with a rigorous thematic analysis process, provides reassurance on the dependability and confirmability of study 1. The interpretation of the data and the rigour of the process was reviewed in the study by an external Nvivo 10 and qualitative analysis expert, Dr Ben Meehan. The data and process can also be reviewed in the future by other researchers through the various files, data displays and textual annotations that have been captured in the software.

Study 1 revealed a range of factors associated with the context of organisational trustworthiness. Societal and organisational factors were identified in each of the 20 interviews with 152 and 119 references respectively. Interestingly, and despite specific prompting from the interview

questions, the topic of governance emerged as a less critical factor in the eyes of the interviewees. It was mentioned in 17 of the interviews with a total number of 57 occurrences. The discussion highlighted some references to governance which questioned the relevance of this factor to the challenge of building organisational trustworthiness, as well as other comments which disagreed with this stance. It was concluded that the governance factor was less critical in the context of organisational trustworthiness than was originally envisaged following the literature review. It was clear from study 1 that interviewees considered that the context of trustworthiness was a strong moderating variable in the relationship between CEO trustworthiness and organisational trustworthiness. The subjective conclusion would suggest that societal factors, in particular, were creating an ethical climate in which it was more difficult for CEOs and organisations to generate a reputation for trustworthiness. However, none of these potential moderating variables of the context of trustworthiness were included as part of the scope of study 2 or study 3.

Regarding the mediating role of senior leadership behaviours in the relationship between CEO trustworthy behaviours and organisational trustworthiness, this role is implied by the earlier discussion on 'leading by example'. However, it was not possible in a quantitative study to measure the extent of this mediating effect in the model. Similarly, the interview questions did not specifically explore the role of senior leadership trustworthy behaviours as opposed to those of employees. In hindsight, the questions would have been more targeted if it had specifically explored the role of senior leaders e.g. 'what is the role of your senior leadership team in creating organisational trustworthiness?' To be more precise in exploring the role of senior leadership behaviours in the mediating role, an objective of study 3 became to discern the statistical nature of this mediating role.

In summarising the conclusions of the study 1 data analysis, it is useful to revisit the objectives for this study stated in chapter 4:-

- The generation of subjective data from key actors relating to the research question(s) under study. Such data is flexible, 'thick' and emergent in character and can subsequently be used to test theory (Glaser & Strauss, 1967a).
- The extension and refinement of the concepts under study, namely CEO and senior leader trustworthy behaviour, organisational trustworthiness and the context of trust
- The collection of data through a formal and systematic method
- The refinement of the boundary conditions of the research i.e. specifying which type of organisations would be used as the target sample for the quantitative research phase.

Study 1 generated subjective data pertinent to the original conceptual model shown in chapter 2 via the 20 semi-structured interviews that were transcribed and uploaded into the Nvivo 10 software platform. This data was reviewed systematically and formally via the thematic analysis approach and this led to the extension and refinement of the original conceptual model. Most significantly, the independent variable of CEO trustworthy behaviours was explored through the generation of nine behavioural themes. Armed with the refined conceptual model, the objectives for study 3 were updated to provide a more precise test of theory via a quantitative cross-sectional survey. Due to the nine behavioural themes identified from study 1, the mixed-methods approach created the opportunity to develop a new behavioural measurement scale for CEO/senior leader trustworthy behaviours as part of the scope of study 2. Through this interplay between the outcomes of study 1 and the subsequent updating of the scope and objectives for studies 2 and 3, this research provides a good example of the 'triangulation' benefits of the mixed methods approach (Hammersley, 2002).

Chapter 5 – Study 2: Scale Development

In this chapter, the focus is on the quantitative development of a new behavioural measurement scale for CEO/senior leader trustworthy behaviours which builds upon the qualitative thematic analysis of the previous chapter. The type of scale being created is known as a summated rating scale that is commonly used in the social sciences to assess attitudes, opinions, personalities and behaviours (Hinkin, 1995). A summated rating scale must contain multiple statement items which are then collated to assess the constructs under study. In addition, each statement item must be measurable on a quantitative continuum e.g. 'never', 'sometimes', 'always' and have no right or wrong answer. Finally, a summated rating scale must contain statement items that are rateable by questionnaire respondents (Spector, 1992). The advantages of summated rating scales are that they are relatively easy to develop, can have good reliability and validity and are readily completed by respondents. The disadvantages of summated rating scales are that they require a minimum level of literacy on behalf of the respondents and they can be prone to errors in development which then limit their usefulness (Churchill Jr, 1979; Hinkin, 1995). At a more practical level, good scales have clear, well-written statement items that are readily understood and do not trigger defensiveness or other forms of bias in the target audience (DeVellis, 2003, 2016; Spector, 1992).

A standard approach to summated scale development was pursued comprising the following distinct stages (Churchill Jr, 1979; Spector, 1992):-

- Define construct: care is taken to ensure the construct is adequately defined and refined
- Design scale & pilot test: initial drafting of the scale format, response choices, instructions and items followed by a review of the scale with a small number of experts
- Administration and item analysis: full use of the scale with 100-200 respondents with subsequent statistical analysis focussing upon the reliability of the scale
- Validate and norm: full use of the refined scale with several sample populations with subsequent statistical analysis focussing upon the validity of the scale

Building upon the strong theoretical foundations of study 1, the constructs had been clearly defined and this enabled a measurement scale to be developed and tested on a pilot sample of respondents.

5.1 Construct Definition

According to Spector, many scales prove to be unfit for purpose because the 'developer overlooked the importance of carefully and specifically delineating the construct' (Spector, 1992). To reduce this risk in the current study, the research adopted a deductive approach to the construct definition. In other words, the development of the scale was preceded by a thorough literature review, a qualitative study and a subsequent refinement of the conceptual model and associated hypotheses. This approach ensured that the scale development process was grounded in theory prior to scale item generation. In contrast, an inductive approach would have commenced with the proposed scale respondents being asked open questions from which a classification and definition of the construct emerges without a deep, prior reference to the literature and theory (Schwab, 1980). The risk of an inductive approach to scale development is that the correlation of statement items can lead the researcher to generate factors and constructs which are more 'apparent than real' (Spector, 1992).

Using semi-structured interviews based on a clear conceptual model, combined with the subsequent thematic analysis of the interview transcripts, enabled the constructs under study to be clearly defined and differentiated. The construct of trustworthy behaviour has been developed into the three components (ability, integrity, benevolence) and nine sub-components as detailed in chapter 4. It is these three components and nine sub-components that provided the conceptual framework for the scale development exercise. To use Hinkin's terminology, the three components and nine sub-components act as an immediate and well-researched 'classification schema' for the construct of trustworthy behaviour (Hinkin, 1995). Each of the components and sub-components can be regarded as different facets of trustworthy behaviours for which items need to be generated in the next stage of the scale development process.

5.2 Scale Design & Pilot Test

Having ensured that the construct was thoroughly defined, the next step in the scale design involved agreeing on the number and nature of response choices, the development of the item statements and instructions for using the scale. Typically, response choices are either based on agreement (agree/disagree), frequency (rarely/sometimes/most of the time) or evaluation (terrible/passible/excellent) (Spector, 1992). In addition, the number of response choices typically varies from five to nine (Nunnally, 1978). For this scale, it was decided to use seven response choices with an agreement format (strongly disagree/disagree/somewhat disagree/neither agree nor disagree/somewhat agree/agree/strongly agree). The agreement format is appropriate to behavioural item statements where the precise frequency of behaviour, or the value judgement

of that behaviour, are less important. Seven response choices balances the parsimony of five choices with the richer analytical granularity of a nine-choice scale and hence balances these two competing drivers.

In drafting the initial item descriptions, attention was paid to ensure each statement abided by the following rules (Spector, 1992):-

- Each item to express one and only one idea
- Avoidance of colloquialisms, jargon and technical expressions
- Wording pitched appropriately to the target audience of senior organisational leaders
- Avoiding using negative words such as 'not' or 'no' as these can easily be missed by respondents and so generate incorrect responses
- Using specific, declarative statements, e.g. 'my line manager is careful when making promises' so that the respondent can assess a specific behaviour consistent with the agreement format
- Avoiding the use of the word 'trust' in any of the item statements in line with the recommendations of Dietz and den Hartog in their review of trust measurement scales (Dietz & den Hartog, 2006)

Thought was also given to the inclusion of negatively worded statements alongside positively worded statements. Some commentators advocate the use of both positively and negatively worded item statements in the same scale to reduce potential respondent acquiescence bias (Spector, 1992) i.e. the tendency of some respondent to always agree or disagree with statements. However, acquiescence bias has been shown not to be an issue with summated rating scales (Rorer, 1965). In addition, the use of both positively and negatively worded items has been shown by some researchers to reduce the validity of questionnaire responses and to introduce systematic error into a scale (Jackson, Wall, Martin, & Davids, 1993; Schriesheim & Hill, 1981). This risk may be particularly acute for a measurement scale for trustworthy behaviours since trust and distrust are not necessarily opposites i.e. low distrust does not necessarily imply high trust (Dietz & den Hartog, 2006). Therefore, a negatively worded scale item may be tapping into the related and yet distinct construct of distrust, rather than measuring low trust. Due to the mixed views in the literature and the increased complexity of using negatively worded statements in the specific context of trustworthy behaviours, it was decided to only use positively worded statements in this scale design.

Regarding the number of items to include in a scale, a balance had to be struck between parsimony, a thorough exploration of the construct under focus (Cronbach & Meehl, 1955) and ensuring a balanced coverage of the three trustworthiness components of ability, integrity and benevolence. There is evidence to suggest that short scales minimise response bias (Schmitt & Stults, 1986; Schriesheim & Eisenbach, 1990) and yet also evidence to suggest that scales with too few items lack validity, consistency and reliability (Jum, 1978; Kenny, 1979). Hinkin analysed 277 single-construct scales and found that these varied from one-item scales to scales with 46 items, though only 24 of these had greater than 10 items (Hinkin, 1995). For this scale, it was decided to develop three items for each of the nine behavioural themes that arose from the qualitative analysis, except for the theme of being open for which there were two items. Use of three items per theme was expected to increase the validity and reliability of the scale, whilst still creating a scale that was relatively quick to complete by the target respondents at CEO/senior leadership level.

One of the outcomes of the thematic analysis in chapter 4 was to align three behavioural habits with each of the three trustworthiness components of ability, integrity and benevolence as follows:-

- Ability
    - Deliver
    - Coach
    - Be consistent
- Integrity
    - Be honest
    - Be open
    - Be humble
- Benevolence
    - Evangelise
    - Be brave
    - Be kind

Since the new measurement scale contained three item statements for eight of the nine habits and two for the ninth habit, this also generated a scale that had a good balance of items covering the three trustworthiness components. Of the total of 26 item statements, 8 aligned with the ability component, 9 with the integrity component and 9 with the benevolence component. This is a significant advantage of this new trustworthy behaviours measurement scale since previous

researchers have found a lack of such a balance in other established scales (Dietz & den Hartog, 2006). Specifically, the review of 14 trust measurements scales by Dietz and den Hartog found a wide disparity in the coverage of each of the trustworthiness components. Their review highlighted that integrity was the most frequently assessed component followed by benevolence. They noted a 'marginalisation' of the ability component in most measurement scales, with it not being assessed at all in some scales and only indirectly in others (Dietz & den Hartog, 2006).

The final survey also included the following proven measurement scales and demographic variables:-

- **Organisational Trustworthiness**

Organisational trustworthiness was measured using 8 items from the scale by Searle et al. (Searle et al., 2011). An example item is 'This organisation is capable of meeting its responsibilities'.

- **Individual Trustworthiness**

Individual trustworthiness was measured using the 11 items of the scale by Mayer et al (Mayer et al., 1995). An example item is 'My line manager tries hard to be fair in their dealings with others'.

- **Propensity to trust**

Propensity to trust was measured using 5 items from the scale by Costa and McCrae (Costa & McCrae, 1992). An example item is 'I think most of the people I deal with are honest and trustworthy'.

- **Demographic data**

Several demographic details were included as control variables. These were gender, age range, level of education, ethnicity, management level and organisation tenure

The resulting scale was reviewed with the researcher's supervisory team, as well as a small number of close associates operating in senior leadership positions. As a result of this review, no changes were made to the response choices, instructions or the number of item statements in the new measurement scale. However, the wording of some item statements was refined to ensure the items were written in plain English and focussed upon one specific behaviour alone. The resulting questionnaire is shown in Appendix 5.

5.3 Procedure and Item Analysis

The survey was administered to a sample of respondents that were sourced by the online survey organisation, Qualtrix. Qualtrix were initially asked to obtain 150 survey responses from UK employees of private sector organisations. The respondents were asked to use the new Nine Habits scale to assess the trustworthy behaviours of their immediate line manager. A survey information sheet was provided to the respondents to the survey and this is shown in Appendix 5. These survey instructions created a context for the survey, reassured the respondents of the ethical framework and ensured a positive consent decision was obtained. This sample size and distribution were chosen in line with the recommendations of Spector who suggested 100 to 200 respondents from a population that is as 'representative as possible' of the target population (Spector, 1992). This population chosen was the closest match available to the target audience for the study i.e. CEOs and senior leaders. Whilst these pilot respondents were assessing the behaviours of their immediate line manager, rather than the CEO/senior leader, they were still in a good position to understand the concept of trustworthy behaviours that underpinned the research. In that sense, their responses to the survey provided an excellent testing ground. In practice, Qualtrix secured 168 pilot responses over the period 26-27th September 2016 and provided the data in a format that could be uploaded directly into SPSS for subsequent analysis.

Upon uploading to SPSS, the data was cleansed with two responses identified as outliers and eliminated. The Mayer et al. trustworthiness scale had been included in the survey to benchmark the new Nine Habits scale against an existing, proven trustworthiness scale. The descriptive statistics arising from the survey for the two scales were as follows:-

Table 5.1: Study 2 – Descriptive Statistics

Scale	Mean	Median	Range	Std. Deviation	Skewness	Kurtosis
Line Manager Trustworthiness – Mayer at al. Scale	3.07	2.91	5.91	1.33	0.41	0.34
Line Manager Trustworthy Behaviours – New Nine Habits Scale	3.13	3.13	5.85	1.07	0.62	-0.18

Whilst inter-item correlation is the prime measure of a scale's reliability, the descriptive statistics also offer an opportunity for an initial assessment of the scale. Typically, a high variance and a mean that is close to the central point of the scale are considered desirable (Churchill Jr, 1979). A

high variance demonstrates that the scale spans the full range of perceptions of the construct and the mid-point mean shows that the scale has not provoked any unnecessarily skewed responses. In this instance, the mean and range of the scale comply with the guidelines and align well with the corresponding values from the existing, proven scale. The skewness and kurtosis scores differ significantly from the existing scale revealing that the new scale has different characteristics when it comes to these subtler statistical measures.

Approach to Factor Analysis

The uses and relative merits of exploratory (EFA) and confirmatory factor analysis (CFA) in scale design have been debated in the literature over many years (Hurley et al., 1997; Reise, Waller, & Comrey, 2000). According to most researchers, to be effective CFA requires a strong theory to underpin the proposed model (Long, 1983). For others, EFA is the preferred tool for scale development purposes because CFA does not show how items load onto non-hypothesised factors (Hurley et al., 1997). EFA is often considered to be a preliminary measure of the reliability and validity of a scale with CFA utilised as a secondary and more sophisticated assessment (Sharma, 1996). Others adopt a more pragmatic stance and believe that both methods can contribute in different ways to the refinement and testing of a new measurement scale, since both help with understanding the number of factors in the scale i.e. its dimensionality and with assessing the adequacy of individual items (Gerbing & Hamilton, 1996).

Given this backdrop of contrasting views, it is important to consider the context of this research in order to define an effective approach to factor analysis. The first contextual factor to highlight is that this research intended to develop a new measurement scale based on a strong theoretical foundation that had arisen, partly, from the literature review and the emergence of the Integrated Model of Organisational Trust and, partly, from the qualitative study that had generated nine themes of CEO/senior leader trustworthy behaviour. On the one hand, the strong theoretical foundation of the Integrative Model of Organisational Trust would suggest that a CFA approach to factor analysis would be the most effective course of action. On the other hand, the emergence of the new Nine Habits model from the qualitative study and the need to assess the adequacy of individual items in a new scale lends itself to study via EFA (Henson & Roberts, 2006).

Given this dual nature of the context of the research, it was decided to utilise both EFA and CFA as part of the scale development process. The objective of the EFA step would be to assess the dimensionality of the scale i.e. was the scale measuring one and only one construct i.e. trustworthy behaviours and to assess the adequacy of individual items. In the EFA step, the results of the analysis of the new Nine Habits scale would be compared to those found from the

same sample using an existing scale for individual trustworthiness (Mayer et al., 1995). This benchmarking of the EFA findings with those from an existing scale would enable further assessment of the relative merits and characteristics of the new scale. The objective of the CFA would be to assess the relative fit of the three different models of trustworthy behaviour involving either a single factor, the three-factor model of the Integrative Model of Organisational Trust and the nine-factor model of the Nine Habits from study 1. In this way, the research adopted the approach of Reise et al. who stated 'Factor analytic-based model revision should be an iterative process where data inform construct definition and refinement' (Reise et al., 2000 p288).

Prior to conducting the factor analyses, it was important to clarify the expectation of the findings based on the literature review and study 1. The literature review would suggest that trustworthiness is a single construct with three different facets of ability, integrity and benevolence (Mayer et al., 1995). In the assessment of the existing measurement scales for trustworthiness, there have been mixed results as to whether the three facets of ability, integrity and benevolence are separate factors i.e. sub-constructs with their own sub-scales, or whether all the measurement items are subsumed under one over-arching construct of trustworthiness (Legood, 2013). This aspect could be further explored via the EFA step of the analysis. Study 1 suggested that CEO/senior leader trustworthy behaviours has nine themes. These nine themes could again be nine separate factors as part of trustworthy behaviours with their own sub-scales of measurement items, or they could simply be nine facets of one underlying construct i.e. trustworthy behaviour. In both the EFA and CFA steps these hypotheses could be tested by assessing the dimensionality of the scale with EFA and testing the different model fit results of a one factor, three-factor and nine-factor solution via CFA.

In summary, given that the assessment of existing measurement scales for trustworthiness had not consistently demonstrated the existence of three sub-constructs of ability, integrity and benevolence and that the nine themes from study 1 had not been theoretically derived from the existing literature, the expectation of the findings of the factor analyses was that the new measurement scale would prove to be unidimensional with all items measuring the single construct of trustworthy behaviour.

Exploratory Factor Analysis

A further aspect of scale development involves the dimensionality of the scale. It is assumed that a summated rating scale is unidimensional i.e. that the items strongly correlate with each other and represent a single construct (Churchill Jr, 1979; Spector, 1992). In this case, the new Nine

Habits scale was assumed to be measuring the single construct of trustworthy behaviour. However, this assumption needed to be tested via a statistical assessment using exploratory factor analysis (EFA). EFA is a statistical technique used for understanding the underlying structure of a latent variable through the examination of the clustering of large correlation coefficients in a data-set (Field, 2009). As the inter-correlation of the items in the scale increases, they will produce factors that contain more and more of the variance between the items. This degree of variance is measured via the eigenvalue of the factor. If all the items are perfectly correlated they will produce one factor which has an eigenvalue equivalent to the total number of items in the scale and all other eigenvalues will be zero (Spector, 1992).

An EFA (in this case principal component analysis) was conducted on the 26 items of the new Nine Habits scale with orthogonal rotation (varimax). The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis, KMO = 0.953. Bartlett's test of sphericity generated a Chi-square = 3618.975, d.f. = 325, Sig. < 0.001 indicating correlations between items were sufficiently large for factor analysis. An initial analysis was run to obtain eigenvalues for each component in the data. Three components had eigenvalues over Kaiser's criterion of 1 and in combination explained 66.18% of the variance. The first component accounted for 56.51% of the variance and this was further highlighted in the associated scree plot where a single inflexion point justified retaining only one component. The un-rotated component matrix showed all items loading onto one factor at > 0.65 other than the following two items:-

- 'My line manager holds people to account when they notice minor slips in honesty' (0.544)
- 'My line manager holds people accountable if they act with negligence to any of our stakeholders' (0.561)

The rotated component matrix showed items loading onto three components. The first eight items, associated with the ability facet of trustworthy behaviour, loaded onto the first component. However, four of these items also cross-loaded onto the second factor and one cross-loaded onto the third factor. The next nine items, associated with the integrity facet of trustworthy behaviour, loaded onto a second component, except for the following item which loaded onto the third component:-

- 'My line manager holds people to account when they notice minor slips in honesty'

Furthermore, amongst these nine items, three of them cross-loaded onto the first component and one cross-loaded onto the third component. For the remaining nine items, associated with the

benevolence facet of trustworthy behaviour, all of these loaded onto the first component except for the following item which loaded onto the third component:-

- 'My line manager holds people accountable if they act with negligence to any of our stakeholders'

Furthermore, amongst these final nine items, three cross-loaded onto the second component and one cross-loaded onto the third component.

The full loadings are shown in the table below:-

Table 5.2: Study 2 – Rotated Component Matrix

	Component		
	1	2	3
Ability Items			
Q1_1 – My line manager is careful when making promises	.684		
Q1_2 – My line manager monitors and tracks the delegation and execution of tasks	.624		.414
Q1_3 – My line manager goes above and beyond what is expected in their key stakeholder relationships	.649		
Q1_4 – My line manager listens to people more than he or she talks to them	.693	.404	
Q1_5 – My line manager asks questions of everyone they meet	.556		
Q1_6 – My line manager believes in people's potential more than they believe in it…	.636	.528	
Q1_7 – My line manager makes decisions based on a clear set of personal values	.661	.471	
Q1_8 – My line manager seeks out feedback on the impact of their personal values o…	.536	.605	
Integrity Items			
Q1_9 – My line manager holds people to account when they notice minor slips in hon…			.826
Q1_10 – My line manager can identify the situations in which people are tempted to…		.404	.667
Q1_11 – My line manager seeks out challenging feedback regarding their level of hon…		.711	
Q1_12 – My line manager shares personal thoughts and feelings when communicating with staff at work		.715	
Q1_13 – My line manager praises people who show vulnerability at work		.750	
Q1_14 – My line manager is willing to risk embarrassment by being open with others		.799	
Q1_15 – When things go well my line manager is willing to let others take the praise	.546	.572	
Q1_16 – When things go badly my line manager is willing to take personal responsibility	.672	.425	
Q1_17 – My line manager networks with senior leaders in our organization who are modest and humble	.585	.448	
Benevolence Items			
Q1_18 – My line manager demonstrates a consistent belief in an inspiring vision	.676		
Q1_19 – My line manager bounces back quickly from disappointments	.722		
Q1_20 – At work, it is clear to others that my line manager loves what he or she des	.541		.487
Q1_21 – My line manager stands up and speaks out when necessary	.721		
Q1_22 – My line manager has the courage to act against the status quo rather than c…	.667		
Q1_23 – My line manager praises people in the workplace who stand up for their principles	.597	.495	
Q1_24 – My line manager practices random acts of kindness in the workplace	.401	.662	
Q1_25 – My line manager focuses on the 'little things' to demonstrate to their stakeholders that they care	.409	.562	
Q1_26 – My line manager holds people accountable if they act with negligence to any…			.699

Finally, upon examination of the factor communalities, all items recorded a value > 0.4 in line with the recommendation of Hair et al (Hair, Black, Babin, Anderson, & Tatham, 1998).

In summary, the results of the exploratory factor analysis of the new Nine Habits scale supported that it was a unidimensional measure of a single latent variable. This finding was supported by the analysis of the scree plot and the large percentage of the variance accounted for by the first component (56.51%). Whilst the analysis of the rotated component matrix did show the presence of three components, the loading of the items onto these three components did not map to either a three-factor or a nine-factor model with multiple cross-loadings and no clear pattern of association that aligned with either the findings of the literature review or the findings of study 1. These results were carried forward to the later re-wording of the item descriptions and further analysis of the validity of the scale.

An identical exploratory factor analysis was conducted for the existing Mayer et al. trustworthiness scale. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis, KMO = 0.951. Bartlett's test of sphericity generated a Chi-square = 2055.826, d.f. = 55, Sig. < 0.001 indicating correlations between items were sufficiently large for factor analysis. An initial analysis was run to obtain eigenvalues for each component in the data. Only one component had an eigenvalue over Kaiser's criterion of 1 and this component explained 74.84% of the variance. The associated scree plot, showing a single inflexion point, justified retaining only one component. The un-rotated component matrix showed all items loading onto one factor. All items loaded onto this factor at > 0.79. Since there was only one component there was no value in further analysis via a rotated component matrix. Finally, upon examination of the factor communalities, all items recorded a value > 0.4 in line with the recommendation of Hair et al (Hair et al., 1998).

In summary, the results of the exploratory factor analysis of the existing Mayer et al. trustworthiness scale supported that it was a unidimensional measure of a single latent variable of trustworthiness, but it did not support the existence of any further sub-constructs associated with the model of ability, integrity and benevolence. These results further reinforced the findings of the EFA analysis of the new Nine Habits scale in confirming that trustworthiness and trustworthy behaviours are both unidimensional constructs that do not have distinct sub-constructs of ability, integrity and benevolence.

Confirmatory Factor Analysis

To further explore the competing models of a one factor, three-factor or nine-factor solution, confirmatory factor analysis (CFA) was utilised in SPSS using the Amos add-on software module. CFA is a related statistical technique to exploratory factor analysis (EFA) in that both techniques examine the observed item measures collected from the research questionnaire to assess the extent to which these are related to a smaller set of latent variables or factors (Long, 1983). CFA requires a strong conceptual model to enable the specification and assessment of the factor model. As noted in the earlier section, in the context of scale development, EFA is often considered to be a preliminary measure of the reliability and validity of a scale with CFA utilised as a secondary and more sophisticated assessment (Sharma, 1996).

In this research, a strong conceptual model existed based on an examination of the trust literature where it was proposed that trustworthiness has three elements of ability, integrity and benevolence. In addition, the thematic analysis of study 1 had generated nine themes of trustworthy behaviour and these may have a theoretical foundation as distinct sub-constructs. Hence, to test these hypotheses, three CFA measurement models were created – a one-factor model with all items loading onto a single construct of trustworthy behaviours, a three-factor model with the relevant items loading onto the three possible sub-constructs of ability, integrity and benevolence and a nine-factor model with the relevant items loading onto nine possible sub-constructs aligned with the nine themes arising from study 1. In the questionnaire utilised for the pilot sample, items 1-8 relate to the ability factor encompassing habits 1-3, items 9-17 relate to the integrity factor encompassing habits 4-6 and items 18-26 relate to the benevolence factor encompassing habits 7-9. These relationships give rise to the following assumed CFA measurement models, or path diagrams, for the three models with oval shapes depicting factors or latent variables and rectangular boxes depicting observed variables:-

Figure 5.1: Study 2 – CFA Path Diagrams (1 factor vs 3 factor vs 9 factor)
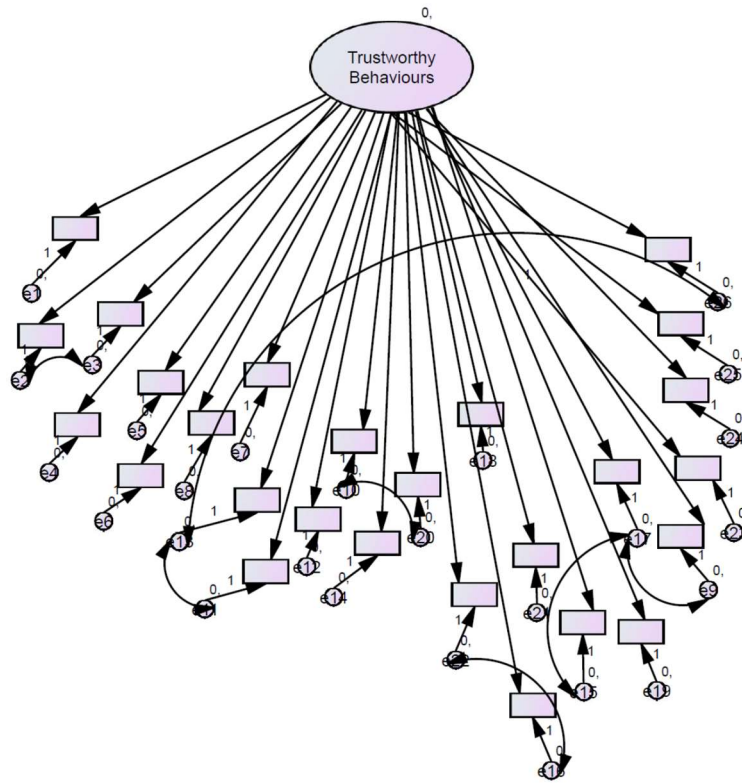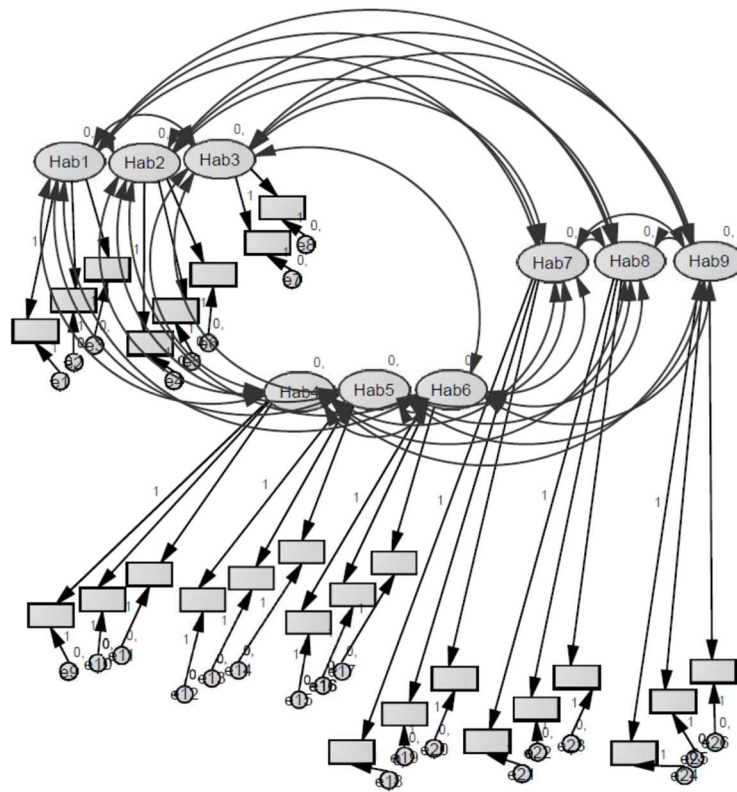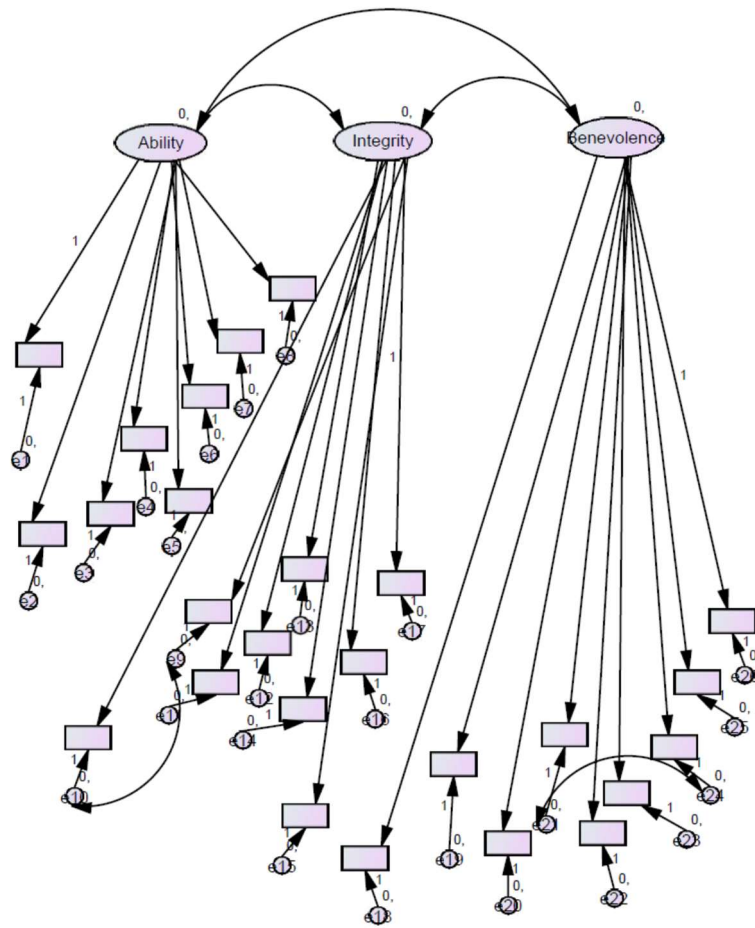
In these path diagrams, each observed variable has an associated unique variance (e1-e35). The unique variance is the variance in the habit that cannot be accounted for by the factor (Long, 1983). The ability to examine the unique variances of the observed items is an additional advantage of CFA over EFA. Due to methods effects, a degree of co-variance was expected between various observed items as shown on the path diagrams for the three-factor and nine factor solutions where the unique variances have been co-varied where these occur for items in the same factor e.g. in the three -factor path diagram, the unique variances e9 and e10 have been co-varied. No co-variances across unique variances were applied to the nine-factor solution since the model statistics did not justify such a step. A method effect is an additional covariation that has resulted from the fact that the items have been assessed by a common method i.e. the same questionnaire. An example of a method effect would be bias introduced by the reading difficulty or social desirability of the items concerned (Long, 1983) The step of co-varying the unique variances is in line with the recommendations of Brown and Gerbing who noted that shared method variance is an acceptable justification for such a step when the rules for adopting such an approach are applied consistently across samples and models (Brown, 2014; Gerbing & Hamilton, 1996). In these models, the inter-factor correlations have been constrained to unity in order to enable a statistical comparison between the hypothesised models and the observed covariance matrix.

Having created the above path diagrams, using the Amos software module in SPSS, the CFA was conducted and the results analysed to assess the fit of the data to the three hypothesised models. The Amos software automatically verifies whether the model is identified i.e. whether the parameters of the model are uniquely determined. In this case, the software did not identify any identification issues. In terms of model fit, there is no single measure that best describes the overall fit. Instead, several 'goodness to fit' measures are assessed in parallel to create an overall guide.

The 'goodness to fit' measures utilised in this analysis are summarised below:-

Table 5.3: Study 2 – Goodness to Fit Measures

Measure	Description
CMIN/DF	CMIN/DF is the minimum discrepancy of the model (Chi-Square statistic) divided by its degrees of freedom
IFI	Bollen's Incremental Fit Index
TLI	Tucker-Lewis Coefficient
NFI	Normed Fit Index
PNFI	Parsimony Normed Fit Index
RFI	Relative Fit Index
RMSEA	Root Mean Square Error of Approximation
CFI	Confirmatory Fit Index

The following table summarises the basket of measures, their threshold values and the CFA results for the three path diagrams:-

Table 5.4: Study 2 – Goodness to Fit Analysis

Measure	CMIN/DF	IFI	TLI	NFI	PNFI	RFI	RMSEA	CFI
Threshold Value	1-5	>0.9	>0.9	>0.9	>0.5	>0.9	<0.08	>0.9
1 Factor Model	2.27	0.90	0.88	0.83	0.74	0.81	.0.09	0.90
3 Factor Model	2.34	0.90	0.88	0.82	0.74	0.80	0.09	0.89
9 Factor Model	2.32	0.90	0.88	0.84	0.68	0.80	0.09	0.90

As can be seen from the table, the three competing models scored very similarly on the range of 'goodness to fit' measures. All three models satisfied the CMIN/DF, IFI, PNFI measures and failed the TLI, NFI, RFI, RMSEA and CFI measures. It would appear from this CFA analysis that all three models are an equally good fit, though none satisfy all 'goodness to fit' measures. However, this finding would be further assessed once the items statements had been updated and the models applied to further samples from the required target audience in study 3. These findings are reported in the next chapter.

Discussion and Conclusion from the Factor Analysis

As was noted in the earlier section, there are various competing views as to the relative merits of different factor analysis approaches in scale development dependent upon the specific context of the research (Brown, 2014; Gerbing & Hamilton, 1996; Henson & Roberts, 2006; Hurley et al., 1997; Reise et al., 2000). In this research design, it was decided to use both EFA and CFA approaches on the pilot sample since there was a dual objective to test both a three-factor model of trustworthy behaviour that had arisen from the literature findings and to test a new nine-factor model that had arisen from study 1. It was also decided to benchmark the new measurement scale against an existing, proven measurement scale for trustworthiness as part of the EFA

analysis. Prior to conducting the analyses, based on the findings of previous factor analysis of existing measurement scales for trustworthiness, it was expected that the scale would prove unidimensional.

In practice, the EFA results supported the view that both the new Nine Habits measurement scale and the existing Mayer scale were unidimensional. The new Nine Habits scale showed some presence of a three-factor solution on the rotated component matrix, but these three factors did not map to the theoretically derived model of ability, integrity and benevolence and, with multiple cross-loading of items, presented a confusing picture that did not, on its own, challenge the view that a single factor solution was the most parsimonious solution. Similarly, the CFA results showed that the single factor, three-factor and nine-factor models had very similar 'goodness to fit' measures and no model emerged as having a particularly better fit than any other. This finding also supported adopting a single factor solution as the most parsimonious solution and this finding was carried forward both to the remaining analyses of the pilot sample and the subsequent testing of the new scale with three different organisational samples in study 3.

Cronbach's alpha

The internal reliability of a measurement scale is typically measured using the statistical assessment known as Cronbach's alpha (Cronbach & Meehl, 1955; DeVellis, 2003). The Cronbach alpha value represents 'the proportion of a scale's total that is attributable to a common source, presumably the true score of the latent variable' (DeVellis, 2003). It is a direct function of the number of items in a scale and their degree of inter-correlation. The higher the value of Cronbach's alpha, the more reliable the scale, with values ranging from 0 to 1. According to DeVellis, the ideal Cronbach alpha score is in the range 0.8 - 0.9 as scores greater than 0.9 would prompt the researcher to consider shortening the scale (DeVellis, 2003). A minimum acceptable value would be 0.7 (Nunnally, 1978). Cronbach's alpha is sensitive to the number of items in the scale with large numbers of items increasing the value, hence it is recommended that the reliability of a scale is also cross-checked using other measures (Spector, 1992). For example, an extension of the process of using Cronbach's alpha is to review the item-total correlation of each item i.e. the extent that an individual item correlates with the sum of the entire scale. Items with low item-total correlations would be candidates for deletion from the scale. The literature suggests that corrected item-total correlation is used for this purpose – this version of the measure correlates the individual item to the entire scale, with the item itself excluded from the total scale measure (DeVellis, 2003).

The Cronbach's alpha value for the new Nine Habits scale for trustworthy behaviours (26 items) was found to be 0.969 and this compared to the Cronbach alpha score of 0.965 for the existing Mayer et al. scale of trustworthiness (11 items). Reviewing the item total statistics in more detail, revealed that the deletion of any one item would not have a significant influence on the original Cronbach's alpha score. Additionally, reviewing the corrected item-total correlations for the Mayer et al. trustworthiness scale revealed no items with corrected item-total correlations less than 0.7. In contrast, the new Nine Habits scale contained 6 items with scores lower than 0.7, specifically: -

- 'My line manager holds people to account when they notice minor slips in honesty' (0.516)
- 'My line manager holds people accountable if they act with negligence to any of our stakeholders' (0.533)
- 'My line manager shares personal thoughts and feelings when communicating with people at work' (0.658)
- 'My line manager can identify situations in which people are tempted to be dishonest' (0.665)
- 'My line manager asks questions of everyone they meet' (0.686)
- 'At work, it is clear to others that my line manager loves what he or she does' (0.690)

The above results of the reliability analysis of the scale were carried forward to the review of the item descriptions discussed later in this chapter and resulted in the re-wording of several item statements in the scale.

Review of Item Statements

Having completed the item analysis using Cronbach's alpha and factor analysis techniques, the findings were used to review the item statements in the new Nine Habits scale with the supervisory team. The option of removing items that had not met the required statistical criteria was considered. This would have reduced the overall length of the scale and may have generated an optimum Cronbach alpha in the range 0.8 - 0.9. However, it would also have reduced the scope to adequately measure the facets of ability, integrity and benevolence and the associated nine habits. For example, some facets would have more items than others and some of the nine habits would have only one item statement. It was considered that one of the unique advantages of the scale relative to others in the field was its potential to provide a balanced assessment of ability, integrity and benevolence in a way that Dietz and den Hartog identified was lacking in other similar scales (Dietz & den Hartog, 2006).

As an alternative approach, and following several supervisory team meetings, it was decided to keep the same number of items, but use the analysis of the pilot data to re-word items based on the following criteria:-

- Major re-wording for item statements that had not met the statistical thresholds in the above analysis
- Minor re-wording item statements that, according to feedback from respondents, could be phrased in a clearer and simpler way

Items re-worded as a result of the statistical analysis are shown in the table below:-

Table 5.5: Study 2 – Item Statement Re-wording (due to statistical analysis findings)

Item No.	Item Description in Pilot	Item Description Post-Pilot
9	My line manager holds people to account when they notice minor slips in honesty	My line manager expects people to be ruthlessly honest at work
10	My line manager can identify the situations in which people are tempted to be dishonest	My line manager demonstrates exceptional standards of personal honesty
17	My line manager networks with senior leaders in our organisation who are modest and humble	People would describe my line manager as a very humble person
26	My line manager holds people accountable if they act with negligence to any of our stakeholders	My line manager expects others to show care and kindness at work
12	My line manager shares personal thoughts and feelings when communicating with people at work	My line manager is very open to share personal thoughts and feelings at work
16	When things go badly my line manager is willing to take personal responsibility	When things go badly my line manager has the humility to take personal responsibility

Items re-worded to create simpler and clearer statements are shown in the table below:-

Table 5.6: Study 2 – Item Statement Re-wording (simpler, clearer statements)

Item No.	Item Description in Pilot	Item Description Post-Pilot
13	My line manager praises people who show vulnerability at work	My line manager praises people who show openness and vulnerability at work
14	My line manager is willing to risk embarrassment by being open with others	My line manager is willing to risk embarrassment by being totally open with others
15	When things go well my line manager is willing to let others take the praise	When things go well my line manager has the humility to let others take the praise
18	My line manager demonstrates a consistent belief in an inspiring vision	My line manager promotes a passionate and inspiring vision
21	My line manager stands up and speaks out when necessary	My line manager is brave to speak out for the wider good when necessary

| 22 | My line manager has the courage to act against the status quo rather than compromise on their principles | My line manager has the courage to act against the status quo when necessary |
| 23 | My line manager praises people in the workplace who stand up for their principles | My line manager praises others in the workplace who are brave to challenge the status quo |

The following item statements had corrected item-total correlation scores of < 0.7 but were not re-worded:-

- ‘My line manager practices random acts of kindness in the workplace (0.682)
- ‘My line manager asks questions of everyone they meet’ (0.686)
- ‘At work, it is clear to others that my line manager loves what he or she does’ (0.690)

The reason these statements were retained was partly that the statistical analysis generated a borderline result (> 0.68) and partly that each statement was considered to measure a distinct behaviour that the qualitative analysis suggested was an essential component of the required trustworthy behaviours. Hence, these statements were carried forward to the next iteration of the scale used in study 3, at which time the inter-item correlations would be re-assessed.

5.4 Scale Validation

In testing the validity of a measurement scale we are assessing the degree to which the scale measures the construct of trustworthy behaviours and not some other related construct (Churchill Jr, 1979; DeVellis, 2003). This can only be done by using the new measurement scale within a set of hypothesised relationships in a conceptual model that includes trustworthy behaviours as one of the constructs (Spector, 1992). For this study, the focus was upon the conceptual model below with its associated hypotheses (H1-H4):-

Figure 5.2: Study 2 – Conceptual Model
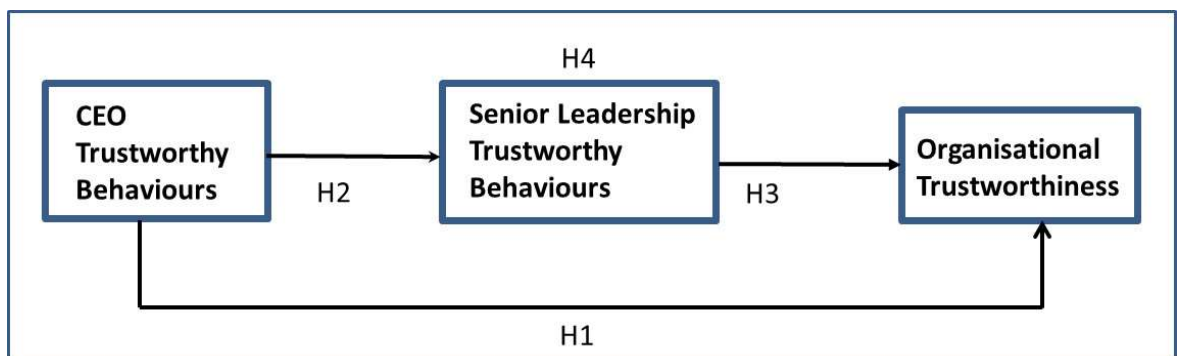
However, for the pilot data sample, line manager trustworthy behaviour was the only independent variable since no data was collected regarding CEO/senior leader trustworthy behaviours. Hence, for the pilot sample the conceptual diagram is more accurately represented as follows:-

Figure 5.3: Study 2 – Pilot Conceptual Model
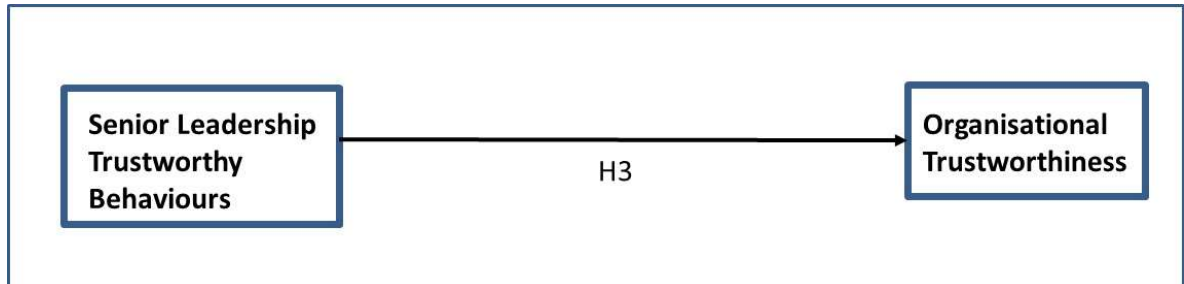
If the new scale is used to test the hypotheses in the above model and it is shown to be empirically sound then this supports the new scale's validity. Given that all respondents completed the questionnaire concurrently, the following validity tests were possible:-

- Convergent/Discriminant validity –it is expected that data collected for the new Nine Habits scale for line manager trustworthy behaviour will correlate weakly with the propensity to trust construct and correlate strongly with line manager trustworthiness construct, as measured by the existing Mayer et al. measurement scale (Hair et al., 1998).
- Criterion-related validity – this aspect of validity involves the testing of hypotheses about how the new scale relates to other variables. Specifically, in this pilot study, we are concerned with the relationship between line manager trustworthy behaviour and organisational trustworthiness (H3) (Carmines & Zeller, 1979; Churchill Jr, 1979; DeVellis, 2003).
- Concurrent validity – this aspect of validity involves the simultaneous collection of data from a sample of respondents using the new scale and using existing proven scales in the same questionnaire. The correlation between the data arising from the use of both scales then becomes the basis for supporting the validity of the new scale, or otherwise (Spector, 1992).

Convergent and Discriminant Validity Tests

The relevant correlation matrix is shown in the table below:-

Table 5.7: Study 2: Correlation Table (Mayer Scale vs Nine Habits Scale)

Variables	Propensity to Trust	Nine Habits Trustworthy Behaviours	Mayer Trustworthiness
Propensity to Trust			
Nine Habits Trustworthy Behaviours	.229**		
Mayer Trustworthiness	.183*	.901**	

$** p < .01$ $* p < .05$

Upon examination of the pilot data, it was found that there was a strong, positive correlation between line manager trustworthy behaviour, as measured using the new Nine Habits scale, and line manager trustworthiness as measured by the existing Mayer et al scale, r = 0.901, p < 0.01. This finding was in line with theoretical expectations since both scales are measuring highly similar constructs in terms of trustworthiness and trustworthy behaviours. Trustworthiness is defined as being worthy of someone's trust (Colquitt et al., 2007), whilst trustworthy behaviour is defined as the behaviours that inspire trust in others (Solomon & Flores, 2001). It could be argued that trustworthy behaviours lead to trustworthiness but, in the perception of others, the two variables are largely equivalent hence we would expect them to correlate strongly in the above analysis.

In contrast, there was a weak correlation between line manager trustworthy behaviours and the propensity to trust construct, r = 0.23, p = 0.003. The equivalent correlation between the existing Mayer et al. line manager trustworthiness and the propensity to trust construct was similarly weak, r = 0.18, p = 0.017. This finding was in line with theoretical expectations since both scales are measuring highly similar constructs in terms of trustworthiness and trustworthy behaviours. These results supported the concurrent and convergent/discriminant validity of the new measurement scale.

Descriptive Statistics and Correlations

As per table 5.1, the descriptive statistics for the pilot sample are shown again in the table below:-

Table 5.8: Study 2 – Descriptive Statistics

Scale	Mean	Median	Range	Std. Deviation	Skewness	Kurtosis
Line Manager Trustworthiness – Mayer at al. Scale	3.07	2.91	5.91	1.33	0.41	0.34
Line Manager Trustworthy Behaviours – New Nine Habits Scale	3.13	3.13	5.85	1.07	0.62	-0.18

Prior to conducting the linear regression, correlation matrices were run to assess the degree of correlation between the demographic variables, propensity to trust and the dependent variable of organisational trustworthiness. The results are shown in the table below:-

Table 5.9: Study 2 – Correlation Table (Control Variables)

Variable	Gender	Age	Education Level	Ethnicity	Organisation Tenure	Management Level	Propensity to Trust	Organisational Trustworthiness
Gender								
Age	-.084							
Education Level	-.171*	-.290**						
Ethnicity	-.093	-.197**	.128					
Organisation Tenure	-.037	.299**	-.139	-.081				
Management Level	-.250**	.020	.383**	-.002	-.152			
Propensity to Trust	.032	.123	-.205**	-.029	.105	-.107		
Organisational Trustworthiness	-.005	.133	-.059	.079	.101	-.074	.111	

** $p < .01$ * $p < .05$

None of the demographic variables (age, gender, education level, ethnicity, management level and organisational tenure), nor the variable of propensity to trust, were significantly correlated with the dependent variable of organisational trustworthiness. Hence, none of these variables were included in the linear regression analysis.

Model Testing

The results of the linear regression demonstrated that line manager trustworthy behaviours, as measured by the new Nine Habits scale, significantly predicted organisational trustworthiness, (β = 0.68, $p < 0.001$, adjusted R^2 = 0.52). The equivalent findings for the existing Mayer et al. scale was that line manager trustworthiness also significantly predicted organisational trustworthiness, (β = 0.51, $p < 0.001$, adjusted R^2 = 0.47). The detailed coefficients for both regressions are shown in the tables below:-

Table 5.10: Study 2 - Linear regression for the pilot sample (Nine Habits scale)

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Line Manager Trustworthy Behaviours	.535	.166		3.219	.002
	.679	.050	.724	13.515	.000

Table 5.11: Study 2 - Linear regression for the pilot sample (Mayer et al. scale)

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Line Manager Trustworthiness	1.098	.142		7.742	.000
	.512	.042	.686	12.182	.000

These results supported the criterion-related validity of the new measurement scale. These initial tests on the pilot data provided encouraging support for the validity of the new scale. However, further exploration of this aspect will take place in the next chapter which focusses upon the use of the revised Nine Habits scale with three samples drawn directly from the target population.

Discussion and Conclusions

In summary, this chapter has detailed the process through which a new measurement scale for trustworthy behaviours has been created. Commencing with a strong theoretical foundation emerging from the literature review and study 1, the scale was constructed according to best practice guidelines (Churchill Jr, 1979; DeVellis, 2003; Spector, 1992). Examination of the dimensionality of the new scale revealed that the new scale was a unidimensional measure of the single construct of trustworthy behaviours. The confirmatory factor analysis (CFA) was utilised to further assess the relative merits of a single factor, a three-factor or a nine-factor solution. No clear support was provided for a three-factor or nine-factor solution, therefore, in the interests of parsimony, a single factor solution was maintained and carried forward to study 3 of the research.

An initial assessment of the new scale's validity was completed using linear regression. The results of this analysis supported the validity of the scale, though more work was required to further test the scale validity with the target population and taking account of the revised wording of several of the item statements. Subsequent statistical analysis of the pilot data focussed upon testing the reliability of the scale using a variety of techniques. Overall, the scale was found to meet the criteria for a reliable scale, though several individual item statements required re-wording. In the next chapter, the dimensionality, validity and reliability of the revised scale will be further assessed using multiple samples from the target population, alongside with the hypothesis testing of the conceptual model.

Chapter 6 – Study 3: Revised Scale Assessment and Hypothesis Testing

Study 3 provided an opportunity to further test the reliability and validity of the revised Nine Habits scale which had been initially developed via the pilot study in chapter 5. Consistent with the objectives of the research, the aim of study 3 was to test the hypotheses in the conceptual model arising from study 1 i.e. to explore the extent to which CEO/senior leader trustworthy behaviours influence organisational trustworthiness and the degree to which this relationship is mediated by senior leadership trustworthiness.

Sample

A convenience sample was considered acceptable for this study i.e. a sample comprised of 1,040 CEOs and senior leaders who could be practically accessed by the researcher (Lee & Lings, 2008, p. 270). In practice, this sample comprised three organisations and their CEOs operating in different governance environments. Two of the organisations were selected following a LinkedIn campaign to the researcher's first-degree contacts. The third organisation was sourced after a conference presentation by the researcher, following which several local authority organisations were invited to be part of the research. The final three organisations included in the sample were as follows:-

- *Organisation 1*: a global advertising agency listed on the German stock exchange comprising several hundred employees located in four regions around the world
- *Organisation 2:* a local authority organisation with over 2,000 staff operating in England
- *Organisation 3*: a pharmaceutical membership body representing thousands of community pharmacies throughout the UK

Despite being a convenience sample, the sample sought to focus on participants who could provide highly credible data relevant to the research hypothesis i.e. CEOs and senior leaders of large, complex organisations.

Measures

A cross-sectional survey was chosen for study 3 because this approach can achieve high levels of external validity dependent upon the quality of the sample population. Similarly, dependent upon a strong theoretical model, cross-sectional surveys can enable the collection of data on a broad set of variables (Bryman & Bell, 2007). Alongside the revised Nine Habits scale, the survey

included the same measurement scales as used in study 2 i.e. existing measurement scales for organisational trustworthiness (Searle et al., 2011), propensity to trust (Costa & McCrae, 1992) and individual trustworthiness (Mayer et al., 1995). This version of the survey also contained additional demographic questions to study 2 regarding the respondent's perception of the importance of trust to key organisational outcomes, their length of tenure with their existing line manager and the amount of training they had received in their career on the topic of trust. The resulting survey is shown in Appendix 6.

Procedure

Prior to administering the questionnaire in the three organisations, an initial discussion was held with the CEO and HR support staff to brief them on the use of the questionnaire and to check the mapping of the survey's language to their own organisational structure and culture. Minor changes were agreed to the wording of the questionnaire items to ensure that it would be readily understood by the target participants. For example, reference to different management levels was adapted to match the specific organisation structure of each organisation. Also, given that the three organisations represented different governance environments, certain words in the questionnaire were changed to reflect this. The questionnaire was administered via the online Qualtrics platform and the participant briefing sheet and survey consent form were built into the design, such that participants were fully briefed and had the option to decline to take part in the survey. Following administration of the questionnaire in each organisation, the results were analysed and presented back to the CEO/HR support staff via a PowerPoint presentation. An example of such a PowerPoint presentation is included in Appendix 7.

Analysis

In the analysis stage, to re-test the reliability and validity of the revised Nine Habits scale the data samples from Organisation 1 and Organisation 2 were merged to create a composite sample of responses (N = 408). In this composite sample, the reliability and validity of the Nine Habits scale were assessed via analysing the data associated with senior leadership trustworthy behaviours since this generated the largest sample size. The data from Organisation 3 was excluded because in that sample there was no assessment of senior leader trustworthy behaviours, only an assessment of CEO trustworthy behaviours.

The analyses conducted on the merged data set to assess the reliability, dimensionality and validity of the revised Nine Habits scale followed the same sequence as that applied to the pilot data set. For the assessment of the core hypotheses of the conceptual model and the mediation

effects, each data set was analysed independently to take account of the different governance contexts of the three samples. Hierarchical linear regression was used with various demographic variables being controlled for as appropriate. The SPSS add-on programme PROCESS was used to conduct the mediation analysis.

6.1 Dimensionality & Scale Reliability of the Revised Nine Habits Scale

The merging of data from Organisation 1 and Organisation 2 created a total sample size of 408 responses where participants evaluated the trustworthy behaviours of their immediate line manager using both the revised Nine Habits scale and the established Mayer et al. measurement scale (Mayer et al., 1995). The Mayer et al. scale was used as a benchmark scale for leadership trustworthiness against which to assess the new scale. The descriptive statistics for the two scales for this merged data-set, compared to those generated by the pilot sample, were as follows:-

Table 6.1: Study 3 – Merged Data-Set Descriptive Statistics

Scale	Mean	Median	Range	Std. Deviation	Skewness	Kurtosis
Revised Scale						
Senior Leader Trustworthiness – Mayer Scale	5.06	5.36	6	1.38	-0.92	0.42
Senior Leader Trustworthy Behaviours – Nine Habits Scale	4.77	4.91	6	1.22	-0.78	0.44
Pilot Scale						
Line Manager Trustworthiness – Mayer Scale	3.07	2.91	5.91	1.33	0.41	0.34
Line Manager Trustworthy Behaviours – New Nine Habits Scale	3.13	3.13	5.85	1.07	0.62	-0.18

In this instance, the mean and range of the revised Nine Habits scale comply with the guidelines and align well with the corresponding values from the existing, proven scale. The skewness and kurtosis scores are also similar to the existing scale. These results were comparable to those found from analysing the pilot sample, other than that the values for skewness and kurtosis of the two scales were in greater alignment.

Exploratory Factor Analysis

An EFA was conducted on the 26 items of the revised Nine Habits scale whilst constraining the model to a single factor solution. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis, KMO = 0.972 (pilot sample KMO = 0.953). Bartlett's test of sphericity generated a Chi-square = 9333.515, d.f. = 325, Sig. < 0.001 indicating correlations between items were sufficiently large for factor analysis (pilot sample Chi-square = 3618.975, d.f. = 325, Sig. < 0.001). The single factor component had an eigenvalue of 15.64 and explained 60.15% of the variance. The associated scree plot showed a single inflexion point justifying retaining the single component. The un-rotated component matrix showed all items loading onto the single factor at > 0.6. Finally, upon examination of the factor communalities, all items recorded a value > 0.4 in line with recommendations in the literature (Hair et al., 1998).

An identical exploratory factor analysis was conducted for the existing Mayer et al. trustworthiness scale. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis, KMO = 0.947. Bartlett's test of sphericity generated a Chi-square = 5646.604, d.f. = 55, Sig. < 0.001 indicating correlations between items were sufficiently large for factor analysis. An initial analysis was run to obtain eigenvalues for each component in the data. Only one component had an eigenvalue over Kaiser's criterion of 1 and this component explained 77.42% of the variance. The associated scree plot showed a single inflexion point justified retaining only one component. The un-rotated component matrix showed all items loading onto one factor. All items loaded onto this factor at > 0.8. Finally, upon examination of the factor communalities, all items recorded a value > 0.4 in line with the recommendation in the literature (Hair et al., 1998).

In summary, as for the pilot sample, the results of the EFA of the revised Nine Habits scale and the existing Mayer et al. scale supported that both were a unidimensional measure of a single latent variable.

Confirmatory Factor Analysis

To further explore the relative merits of a single factor, three-factor or nine-factor solution and compare the revised scale with the pilot scale, confirmatory factor analysis (CFA) was utilised in SPSS using the Amos add-on software. These relationships gave rise to the following measurement models, or path diagrams, utilising the same procedure as described in the pilot analysis in chapter 5:-

Figure 6.1: Study 3 – CFA Path Diagrams (1 factor vs 3 factor vs 9 factor)
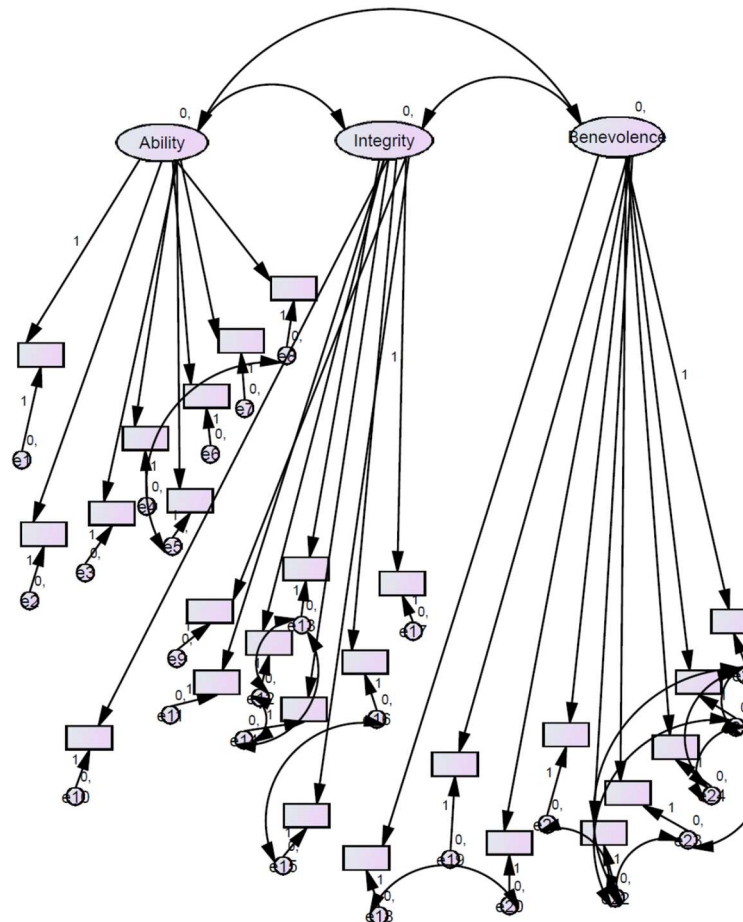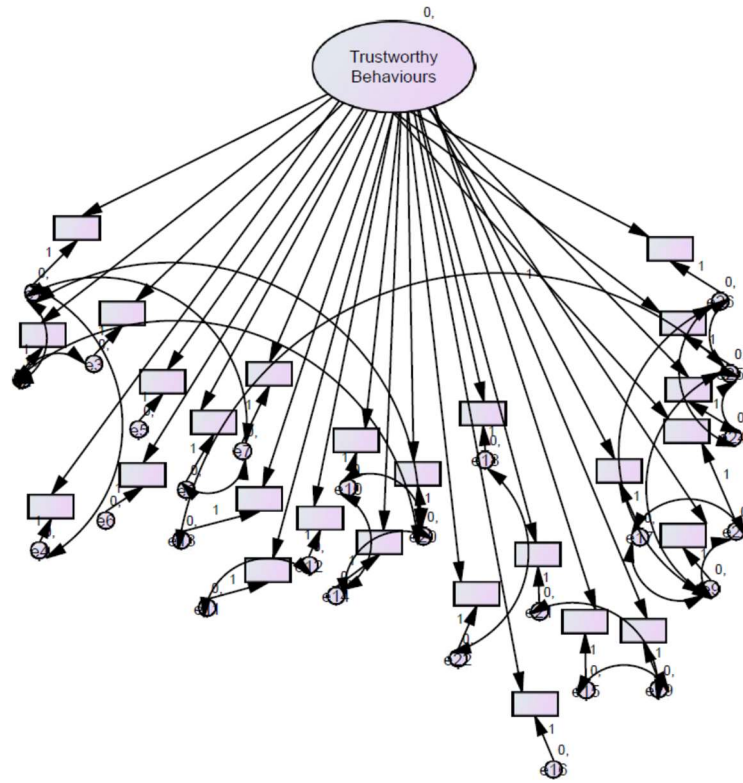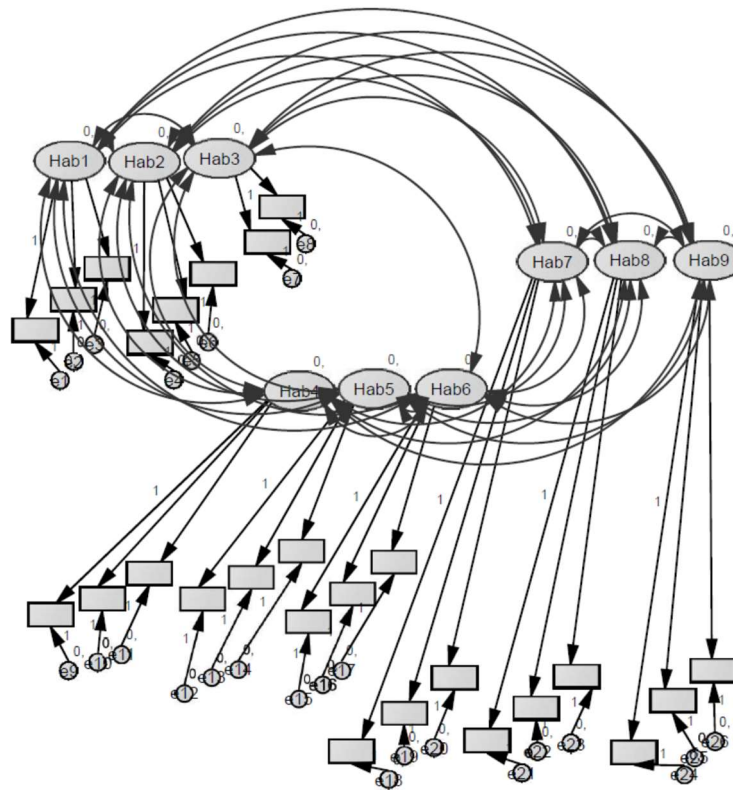
The following tables summarises the basket of measures, their threshold values and the CFA results for the revised scale vs the pilot scale and the results for the three competing solutions:-

Table 6.2: Study 3 – CFA 'Goodness to Fit' Pilot Scale vs Revised Scale

Measure	CMIN/DF	IFI	TLI	NFI	PNFI	RFI	RMSEA	CFI
Threshold Value	1-5	>0.9	>0.9	>0.9	>0.5	>0.9	<0.08	>0.9
Piot Scale – Analysis Result	2.27	0.90	0.88	0.83	0.74	0.81	.0.09	0.90
Revised Scale - Analysis Result	2.64	0.95	0.94	0.92	0.78	0.91	0.06	0.95

As can be seen from the table, the revised Nine Habits satisfied all 'goodness to fit' measures and the fit scores had improved for all measures compared to the pilot scale. On the basis that the scale satisfied all eight 'goodness to fit' measures, it was considered an acceptable fit. Further analysis was conducted to compare the 'goodness to fit' of the revised, unidimensional Nine Habits scale to both a three-factor solution (ability, integrity and benevolence) and a nine-factor solution. The following table summarises the 'goodness to fit' results for each model:-

Table 6.3: Study 3 – CFA 'Goodness to Fit' Single Factor vs Three Factor vs Nine Factor

Measure	CMIN/DF	IFI	TLI	NFI	PNFI	RFI	RMSEA	CFI
Threshold Value	1-5	>0.9	>0.9	>0.9	>0.5	>0.9	<0.08	>0.9
1 Factor Model	2.64	0.95	0.94	0.92	0.78	0.91	0.06	0.95
3 Factor Model	3.01	0.94	0.93	0.91	0.79	0.90	0.07	0.94
9 Factor Model	2.72	0.95	0.94	0.93	0.75	0.91	0.07	0.95

The CFA demonstrated that all three models satisfied the eight 'goodness to fit' measures and all would be considered an acceptable fit to the data. All three models are a broadly identical fit to the data. From a perspective of parsimony, the single factor model is preferred based on these results.

Finally, a first order model was created as follows:-

Figure 6.2 :First Order Model Path Diagram
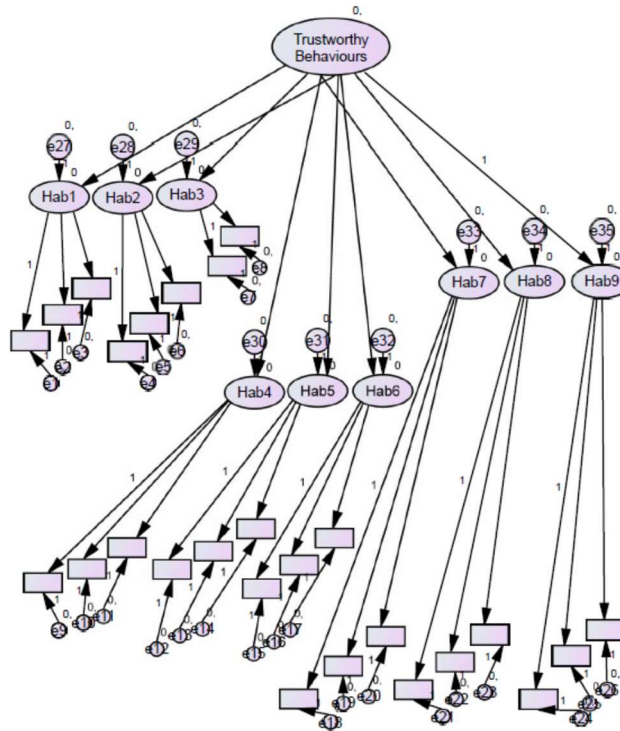
The 'goodness to fit' of this model relative to the single factor model are shown in the table below:-

Table 6.4: Study 3 – CFA 'Goodness to Fit' Single Factor Model vs First Order Model

Measure	CMIN/DF	IFI	TLI	NFI	PNFI	RFI	RMSEA	CFI
Threshold Value	1-5	>0.9	>0.9	>0.9	>0.5	>0.9	<0.08	>0.9
1 Factor Model	2.64	0.95	0.94	0.92	0.78	0.91	0.06	0.95
First Order Model	2.98	0.94	0.93	0.91	0.81	0.90	0.07	0.94

As can be seen from the table, the 'goodness to fit' scores for the two competing models are very similar. The single factor model scores marginally better on the IFI, TLI, NFI, RFI, RMSEA and CFI measures, whilst the first order model score marginally better on the PNFI measure. Both models could be considered acceptable, but again from a perspective of parsimony the single factor model is preferred.

Cronbach's alpha

The Cronbach's alpha value for the revised Nine Habits scale (26 items) was found to be 0.973 and this compared to the Cronbach alpha score of 0.970 for the existing Mayer et al. scale of trustworthiness (11 items) and 0.969 for the original Nine Habits scale in the pilot sample. Reviewing the item total statistics in more detail, revealed that the deletion of any one item in the revised Nine Habits scale would not significantly increase the Cronbach's alpha score. However, the scale contained 4 items with scores lower than 0.7, specifically: -

-   'My line manager monitors and tracks the delegation and execution of tasks' (0.608)
-   'My line manager expects people to be ruthlessly honest at work' (0.616)
-   'My line manager is willing to risk embarrassment by being totally open with others' (0.672)
-   'People would describe my line manager as a very humble person' (0.686)

These findings compared to a total of six items with scores lower than 0.7 in the pilot sample, two of which had values < 0.6. Therefore, all these items were retained and the revised scale appeared to be a minor improvement on the pilot version.

In summary, the results of analysing the revised Nine Habits scale with this merged set of data demonstrated that the 'goodness to fit' of the revised scale was considerably improved from the 'goodness to fit' of the pilot scale. In addition, the reliability of the scale had improved compared to the pilot scale. This improvement was evidenced via the improved Cronbach alpha score (0.973 vs 0.969) and improved corrected item-total correlations. The comparison of the single factor, three-factor, nine-factor and first order solutions revealed that there was no appreciable

difference in the 'goodness to fit' measures across the four competing models. Therefore, the single factor model was preferred on the basis of parsimony.

## 6.2 Scale Validation of the Revised Nine Habits Scale

As per the pilot scale validation tests, a similar approach was adopted for the revised Nine Habits scale utilising the conceptual model below with its associated hypotheses (H1-H4):-

Figure 6.3: Conceptual Model
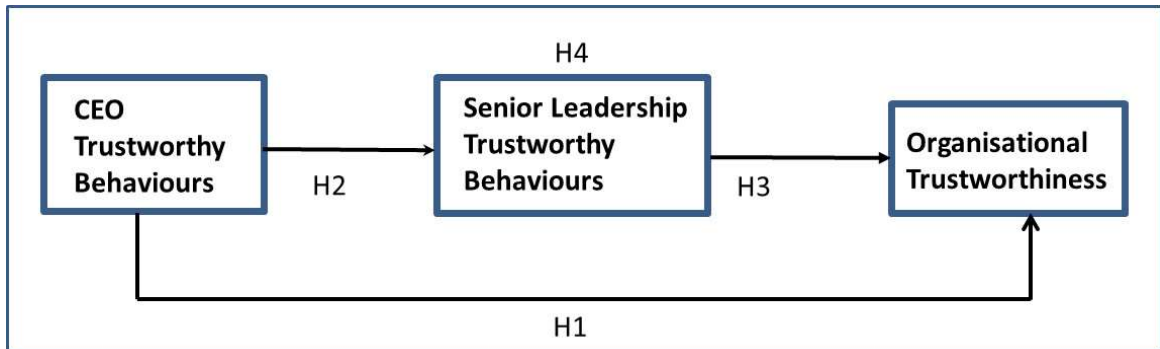
Senior leadership trustworthy behaviours was the only independent variable in the merged data set so, for this sample, the conceptual diagram is more accurately represented as follows:-

Figure 6.4: Conceptual Model for Merged Data-Set
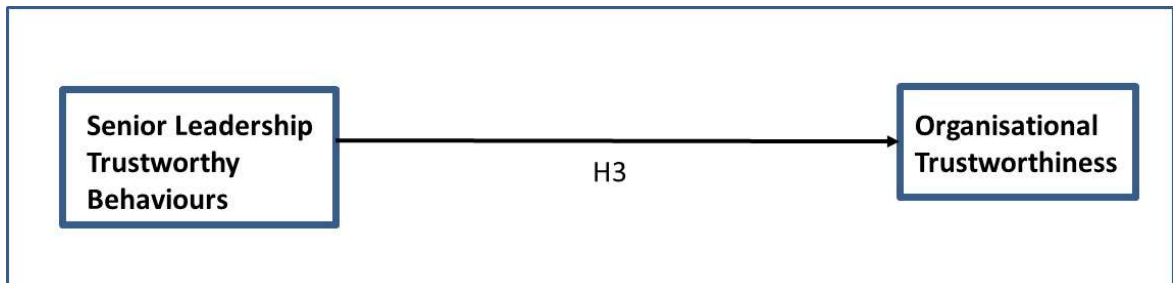
The full correlation table for the merge data-set is shown below:-

Table 6.5: Study 3 - Correlation Table for Merged Data-Set (Control Variables)

Variable	Gender	Age	Education Level	Ethnicity	Tenure	Line Manager Tenure	Organisational Trustworthiness	Propensity to Trust
Gender								
Age	-.071							
Education	.001	.047						
Ethnicity	-.021	-.162**	-.097					
Tenure	.058	.438**	.055	-.306**				
Line Manager Tenure	.061	.085	.015	.082	.029			
Organisational Trustworthiness	-.067	.032	-.004	.128*	-.115*	.167**		
Propensity to Trust	.027	.149**	.130**	-.058	.068	.050	.333**	

$** \, p < .01 \quad * \, p < .05$

Upon examination of the merged sample data, it was found that there was a significant positive correlation between senior leadership trustworthy behaviour as measured using the revised Nine Habits scale and senior leader trustworthiness as measured by the existing Mayer et al scale, r = 0.91, p < 0.01. There was a non-significant correlation between senior leadership trustworthy behaviour as measured using the revised Nine Habits scale and the propensity to trust construct, r = 0.126, p > 0.01. The equivalent correlation between the existing Mayer et al. senior leader trustworthiness construct and the propensity to trust construct was similarly non-significant, r = 0.162, p > 0.0. These results supported the concurrent and convergent/discriminant validity of the Nine Habits scale since the scale performed as expected in relation to other variables in the conceptual model and in line with the existing, proven scale.

Hierarchical linear regression was then conducted. Senior leader trustworthy behaviour, as measured by the revised Nine Habits scale, was found to significantly predict organisational trustworthiness in a positive direction, (β = 0.35, p < 0.001, adjusted R^2 = 0.29). The control variables accounted for 16% of the effect with senior leader trustworthy behaviour accounting for a further 12%. The equivalent findings for the existing Mayer et al. scale were that senior leader trustworthiness also significantly predicted organisational trustworthiness, (β = 0.30, p < 0.001, adjusted R^2 = 0.27). The control variables accounted for 17% of the effect with senior leader trustworthiness accounting for a further 11% (1% less than for the revised Nine Habits scale). These results supported the criterion-related validity of the revised Nine Habits scale by showing that the scale performed similarly in relation to the dependent variable of organisation trustworthiness as did the existing, proven scale. The detailed model summary and coefficients are shown below:-

Table 6.6: Study 3 – Hierarchical Linear Regression for the Merged Data Sample (Revised Nine Habits Scale)

Model Summary & Coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig F Change
1	.412	.170	.159	1.11065	.170	15.916	5	389	.000
2	.541	.293	.282	1.02642	.123	67.459	1	388	.000

Table 6.7: Study 3 - Hierarchical Linear Regression for the Merged Data Sample (Mayer et al. scale)

Model Summary & Coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig F Change
						Change Statistics			
1	.412	.170	.159	1.11065	.170	15.916	5	389	.000
2	.532	.284	.272	1.03312	.114	61.572	1	388	.000

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
1 (Constant)	11.119	1.292		8.605	.000
Propensity to Trust	.415	.062	.319	6.678	.000
What is your management level?	-.149	.082	-.087	-1.813	.071
What is your ethnic origin?	.111	.054	.100	2.065	.040
How long have you worked at this organisation?	-.100	.043	-.112	-2.315	.021
How long have you worked for your existing line manager (or political leader if CEO)?	.116	.038	.142	3.044	.002
2 (Constant)	6.852	1.319		5.194	.000
Propensity to Trust	.336	.059	.259	5.727	.000
What is your management level?	-.158	.076	-.092	-2.066	0.40
What is your ethnic origin?	.117	.050	.106	2.346	.019
How long have you worked at this organisation?	-.083	.040	-.093	-2.053	.041
How long have you worked for your existing line manager (or political leader if CEO)?	.118	.035	.145	3.341	.001
Senior Leader Trustworthiness	.300	.038	.343	7.847	.000

6.3 Hypothesis Testing

Having assessed the reliability and the validity of the revised Nine Habits scale using the merged data sample, attention turned to the testing of hypotheses H1 – H4 as shown in the following conceptual model and using each of the three distinct organisational samples.

Figure 6.5: Conceptual Model
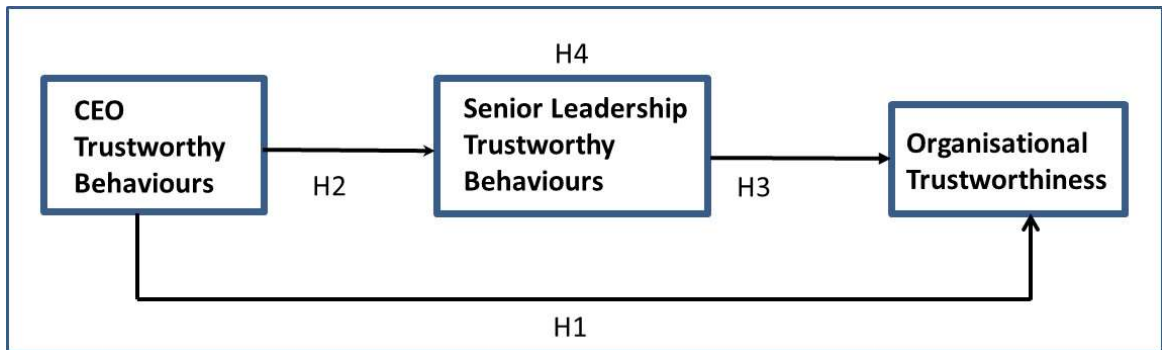
H1 – CEO trustworthy behaviours influence organisational trustworthiness

H2 - CEO trustworthy behaviours influence senior leadership trustworthy behaviours

H3 – Senior leadership trustworthy behaviours influence organisational trustworthiness

H4 – Senior leadership trustworthy behaviour mediates the relationship between CEO trustworthy behaviours and organisational trustworthiness

Organisation 1 – Private Sector Governance Environment

Organisation 1 was a global media and marketing consultancy with over 400 clients across 30 different countries. The company was organised in three geographical regions with its headquarters in Zurich. In the final quarter of 2016, the CEO sponsored an online trust survey that was administered across three geographical Regions (EMEA/Asia Pacific/Americas) to 316 leaders in the organisation. The leaders were operating at one of four levels as follows:-

Table 6.8: Study 3 – Organisation 1 Data Sample

Level	Population	No. Surveyed	No. Responses	Trustworthy Behaviour Referent
1	Group CEO	1	1	Self
2	Top Management Team (reporting direct to CEO)	21	17	CEO
3	Direct report to Top Management Team	83	42	CEO + Line Manager
4	Level 3 in the organisational hierarchy	211	57	Line Manager
	Totals	**316**	**117**	

All participants were asked to rate their perceptions of the organisation's trustworthiness, their own propensity to trust and various demographic questions. The justification for the lack of a Group CEO trustworthy behaviour rating at level 4 was that leaders at this level would not have frequent direct contact with the Group CEO, since many were operating in different geographies from the head office and would not be able to provide a reliable rating based on personal observation of specific behaviours.

There were 117 responses to the survey in the period from October 24th – November 17th, 2016. This comprised a response rate of 37%. This relatively high response rate was helped by the personal sponsorship of the Group CEO who sent personal email invitations to each participant, together with two reminder emails. 57% of the population were degree educated, 44% male and 56% female. 47% stated that they had never received any management training in their career which focussed specifically on the topic of trust. Other demographic characteristics of the sample are shown in the table below:-

Table 6.9: Study 3 – Organisation 1 Demographic Data

Age	18-29		30-49		>50	
Percentage of respondents	8%		73%		20%	
Tenure with organisation	< 1 year	1-3 years	3-6 years	6-10 years	>10 years	
Percentage	22%	27%	20%	10%	21%	
Tenure with line manager	< 6 months	6 months – 1 year	1 – 3 years	3 – 5 years	> 5 years	
Percentage	21%	14%	33%	14%	18%	

The descriptive statistics for the sample are shown in the table below:-

Table 6.10: Study 3 – Organisation 1 Descriptive Statistics

	Mean	Std. Deviation	Variance	Skewness	Kurtosis
Organisational trustworthiness	4.93	1.130	1.277	-0.65	0.44
CEO trustworthy behaviours	4.69	1.202	1.445	-0.50	1.08
Senior leadership trustworthy behaviours	4.96	1.178	1.39	-0.89	0.61
Propensity to trust	4.99	0.956	0.913	0.06	-0.82

Prior to conducting the linear regressions, correlation matrices were run to assess the correlations between the demographic variables, propensity to trust and the dependent variable of organisational trustworthiness. The full correlation table is shown below:-

Table 6.11 : Study 3 - Correlation Table for Organisation 1 Data-Set (Control Variables)

Variable	Gender	Age	Education Level	Ethnicity	Tenure	Line Manager Tenure	Organisational Trustworthiness	Propensity to Trust
Gender								
Age	.041							
Education	-.044	-.066						
Ethnicity	-.140	-.253**	-.003					
Tenure	.160	.410**	-.026	-.148				
Line Manager Tenure	.096	-.077	.147	.123	-.060			
Organisational Trustworthiness	-.047	.153	.016	.146	-.068	.272**		
Propensity to Trust	.025	.176	-.008	-.136	-.024	.074	.316**	

$** \, p < .01 \quad * \, p < .05$

It was found that the following variables had a significant correlation:- i) Propensity to trust, r = 0.316, p < 0.01 and ii) Length of tenure with existing line manager, r = -0.272, p < 0.01. Since these variables were significantly correlated with the dependent variable of organisational trust, they were controlled for in the linear regressions that were conducted for this sample.

Firstly, the analysis focussed upon H1 i.e. the extent to which CEO trustworthy behaviour was a predictor of organisational trustworthiness. Analysing the results of the hierarchical linear regression, it was found that CEO trustworthy behaviour, as measured by the Nine Habits scale, significantly predicted organisational trustworthiness, (β = 0.645, p < 0.001, adjusted R2 = 0.54). The control variables accounted for 17% of the effect with CEO trustworthy behaviour accounting for a further 40%. The detailed model summary and coefficients are shown below. Based on these results, H1 was accepted.

Table 6.12: Study 3 - Organisation 1: Hierarchical Linear regression for H1

Model Summary & Coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig F Change
					Change Statistics				
1	.412	.170	.127	1.12780	.170	3.982	2	39	.027
2	.756	.571	.537	.82131	.401	35.539	1	38	.000

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
1 (Constant)	11.205	4.211		2.661	.011
Propensity to Trust	.368	.222	.242	1.657	.106
Q13 - How long have you worked for your existing line manager (or chair if Group CEO?)	.266	.117	.333	2.284	.028
2 (Constant)	1.578	3.466		.455	.651
Propensity to Trust	.248	.163	.163	1.521	.136
Q13 - How long have you worked for your existing line manager (or chair if Group CEO?)	.209	.085	.261	2.444	.019
CEO Trustworthy Behaviour	.645	.108	.642	5.961	.000

The next hypothesis to be tested was H2, the hypothesis that CEO trustworthy behaviour leads to senior leadership trustworthy behaviour. For this analysis, the CEO self-rated response was excluded from the sample as were the responses from Level 2 of the organisation ('top management team reporting directly to the CEO'), since these respondents were only assessing

CEO trustworthy behaviour and not senior leadership trustworthy behaviour. The resulting sample contained 99 responses from leaders who were at levels 3 and 4 in the organisation. Both levels were assessing senior leadership trustworthy behaviour, via their assessment of their own line manager, and level 3 leaders also provided a separate assessment of CEO trustworthy behaviours. Analysing the results, it was found that CEO trustworthy behaviour significantly predicted senior leadership trustworthy behaviour, (β = 0.552, p < 0.001, adjusted R2 = 0.30). The control variables accounted for 7% of the effect with CEO trustworthy behaviour accounting for a further 28%. The detailed model summary and coefficients are shown below. Based on these results, H2 was accepted.

Table 6.13: Study 3- Organisation 1: Hierarchical Linear regression for H2

Model Summary & Coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig F Change
1	.264	.070	.022	1.21758	.070	1.461	2	39	.244
2	.593	.352	.301	1.02950	.282	16.552	1	38	.000

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig
1 (Constant)	18.218	4.546		4.007	.000
Propensity to Trust	-.002	.240	-.002	-.010	.992
Q13 - How long have you worked for your existing line manager (or chair if Group CEO?)	.215	.126	.264	1.709	.905
2 (Constant)	9.982	4.344		2.398	.027
Propensity to Trust	-.105	.204	-.068	-.515	.610
Q13 - How long have you worked for your existing line manager (or chair if Group CEO?)	.166	.107	.204	1.550	.130
CEO trustworthy behaviour	.552	.136	.539	4.068	.000

Attention then focussed on H3, the hypothesis that senior leadership trustworthy behaviour is a predictor of organisational trustworthiness. Controlling for the same demographic and dispositional variables, a hierarchical linear regression was conducted using the sample that excluded the CEO and level 2 respondents, since these respondents were only assessing CEO trustworthy behaviour and not senior leader trustworthy behaviour. Analysing the results, it was found that senior leader trustworthy behaviour significantly predicted organisational trustworthiness, (β = 0.497, p < 0.001, adjusted R2 = 0.41). The control variables accounted for

16% of the effect with senior leader trustworthy behaviours accounting for a further 28%. The detailed model summary and coefficients are shown below. Based on these results, H3 was accepted.

Table 6.14: Study 3 - Organisation 1: Hierarchical Linear regression for H3

Model Summary & Coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics R Square Change	F Change	df1	df2	Sig F Change
1	.395	.156	.138	1.05695	.156	8.861	2	96	.000
2	.657	.432	.414	.87133	.276	46.256	1	95	.000

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig
1 (Constant)	12.018	2.291		5.245	.000
Propensity to Trust	.331	.121	.256	2.725	.008
Q13 - How long have you worked for your existing line manager (or chair if Group CEO?)	.215	.070	.287	3.058	.003
2 (Constant)	3.661	2.253		1.625	.108
Propensity to Trust	.279	.100	.215	2.775	.007
Q13 - How long have you worked for your existing line manager (or chair if Group CEO?)	.200	.058	.268	3.456	.001
Senior Leader Trustworthy Behaviour	.497	.073	.528	6.801	.000

Finally, mediation analysis was conducted using the PROCESS add-on module in SPSS to test hypothesis, H4. Model number 4 was selected in PROCESS to indicate a simple mediation relationship with CEO trustworthy behaviour positioned as the independent variable, organisational trustworthiness as the dependent variable and senior leadership trustworthy behaviour as the mediating variable. Propensity to trust and line manager tenure were included as covariates to control for the effect of these variables in the model. The resulting mediation analysis is shown below:-

Indirect effect(s) of X on Y:

	Effect	BootSE	BootLLCI	BootULCI
Senior Leadership Trustworthy Behaviour	*.0749*	*.0943*	*-.0805*	*.2958*

Since the bootstrapping measures ('BootLLCI' and 'BootULCI') cross zero then this demonstrated that there was no significant mediation effect. Based on these results, H4 was rejected for this sample.

Organisation 2 – Public Sector Governance Environment

Organisation 2 was a local authority responsible for 800,000+ people living across a 1,000 square mile geography in central England. The organisation had approximately 4,000 employees and was led by a recently appointed CEO. The researcher interviewed the CEO in March 2017 and, as a result, the online survey was initiated. The trust survey was administered to 573 participants in five directorates across the following levels of management in the organisation:-

Table 6.15: Study 3 – Organisation 2 Data Sample

Level	Population	No. Surveyed	No. Responses	Trustworthy Behaviour Referent
1	CEO	1	1	Self
2	Senior Leadership Team (SLT) / Wider Leadership Team (WLT)	62	38	Line Manager (in some cases this would have been the CEO)
3	Operational Management Team (OMT)	203	124	CEO + Line Manager
4	Management level reporting to the OMT	307	187	CEO + Line Manager
	Totals	**573**	**350**	

In this sample, level 4 respondents were asked to provide their perception of CEO trustworthy behaviours, since the bulk of these were based in the same office as the CEO and would have had more opportunity to directly observe CEO behaviours than was the case for Organisation 1. All participants were asked to rate their perceptions of organisational trustworthiness, their own propensity to trust and various demographic questions.

There were 350 responses to the survey in the period February 27th – April 16th, 2017. This comprised a response rate of 61%. This high response rate was helped by the personal sponsorship of the CEO who sent personal email invitations to each participant, together with two reminder emails. 35% of the population were degree educated, 45% male and 55% female. 52% stated that they had never received any management training in their career which focussed specifically on the topic of trust. Other demographic characteristics of the sample are shown in the table below:-

Table 6.16: Study 3 – Organisation 2 Demographic Data

Age	18-29		30-49		>50	
Percentage of respondents	7%		53%		40%	
Tenure with organisation	< 1 year	1-3 years	3-6 years	6-10 years	>10 years	
Percentage	2%	8%	15%	16%	59%	
Tenure with line manager	< 6 months	6 months – 1 year	1 – 3 years	3 – 5 years	> 5 years	
Percentage	9%	9%	40%	19%	23%	

The descriptive statistics for the sample are shown in the table below:-

Table 6.17: Study 3 – Organisation 2 Descriptive Statistics

	Mean	Std. Deviation	Variance	Skewness	Kurtosis
Organisational trustworthiness	4.44	1.223	1.497	-0.66	0.10
CEO trustworthiness	4.51	0.782	0.612	0.17	0.78
Senior leadership trustworthiness	4.69	1.229	1.51	-0.74	0.42
Propensity to trust	5.07	0.920	0.845	-0.59	0.24

Prior to conducting the linear regressions, correlations were calculated between the demographic variables, propensity to trust and the dependent variable of organisational trustworthiness. The full correlation table is shown below:-

Table 6.18 : Study 3 - Correlation Table for Organisation 2 Data-Set (Control Variables)

Variable	Gender	Age	Education Level	Ethnicity	Tenure	Line Manager Tenure	Organisational Trustworthiness	Propensity to Trust
Gender								
Age	-.112							
Education	.023	.052						
Ethnicity	.077	.009	-.039					
Tenure	.018	.428**	-.035	-.061				
Line Manager Tenure	.045	.171**	-.027	-.023	.164**			
Organisational Trustworthiness	-.078	.035	.033	-.025	-.016	.106		
Propensity to Trust	.028	.133*	.187**	.038	.102	.044	.360**	

** $p < .01$ * $p < .05$

It was found that the only variable that had a significant correlation with organisational trustworthiness was propensity to trust with r = 0.360 (p < 0.01) hence hierarchical linear regressions were conducted controlling for the effect of this variable. Firstly, the analysis focussed upon H1, the extent to which CEO trustworthy behaviour was a predictor of organisational trustworthiness. Analysing the results of the hierarchical linear regression, it was found that CEO trustworthy behaviour significantly predicted organisational trustworthiness, (β = 0.626, p < 0.001, adjusted R2 = 0.26). The control variable accounted for 12% of the effect with CEO trustworthiness accounting for a further 14%. The detailed model summary and coefficients are shown below. This revealed a significant relationship, although the effect of the relationship was again weaker than that observed in the private sector sample (40%). Based on these results, H1 was accepted.

Table 6.19: Study 3- Organisation 2: Hierarchical Linear regression for H1

Model Summary & Coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig F Change
						Change Statistics			
1	.343	.118	.114	1.17980	.118	32.540	1	244	.000
2	.512	.262	.256	1.08145	.144	47.397	1	243	.000

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
1 (Constant)	9.587	1.552		6.152	.000
Propensity to Trust	.465	.082	.343	5.704	.000
2 (Constant)	.335	1.953		.172	.864
Propensity to Trust	.340	.077	.251	4.422	.000
CEO Trustworthy Behaviour	.626	.091	.391	6.885	.000

The next hypothesis to be tested was H2, the hypothesis that CEO trustworthy behaviour leads to senior leadership trustworthy behaviour. For this analysis, the CEO self-rated response was excluded from the sample as were the responses from Level 2, since a number of these would have been assessing only CEO trustworthy behaviours and not senior leader trustworthy behaviours. The resulting sample contained 278 responses from leaders who were at levels 3 and 4 in the organisation and hence were assessing both the senior leadership trustworthy behaviour construct, via their perception of their own line manager's trustworthy behaviour, and CEO trustworthy behaviours via a separate assessment. Analysing the results, it was found that CEO

trustworthy behaviour did not significantly predict senior leadership trustworthy behaviour, (β = 0.16, p = 0.026, adjusted R^2 = 0.02). The detailed model summary and coefficients are shown below. Based on these results, H2 was rejected for this sample.

Table 6.20: Study 3 - Organisation 2: Hierarchical Linear regression for H2

Model Summary & Coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics R Square Change	F Change	df1	df2	Sig F Change
1	.142	.020	.016	1.24528	.020	5.044	1	244	.026
2	.172	.030	.022	1.24186	.009	2.348	1	243	.127

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig
1 (Constant)	14.984	1.638		9.148	.000
Propensity to Trust	.193	.086	.142	2.246	.026
2 (Constant)	12.629	2.242		5.632	.000
Propensity to Trust	.161	.088	.119	1.827	.069
CEO Trustworthy Behaviour	.160	.104	.100	1.532	.127

Attention then focussed on H3, the hypothesis that senior leadership trustworthy behaviour is a predictor of organisational trustworthiness. A hierarchical linear regression was conducted to assess this relationship using the sample that excluded the CEO and level 2 respondents and controlled for the same variable of propensity to trust. Analysing the results, it was found that senior leadership trustworthy behaviour significantly predicted organisational trustworthiness, (β = 0.296, p < 0.001, adjusted R^2 = 0.19). The control variable accounted for 11% of the effect with senior leadership trustworthy behaviour accounting for a further 9%. The detailed model summary and coefficients are shown below. This revealed a significant relationship, although the effect of the relationship was notably weaker than that observed in the private sector sample (28%). Based on these results, H3 was accepted.

Table 6.21: Study 3 - Organisation 2: Hierarchical Linear regression for H3

Model Summary & Coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig F Change
1	.338	.144	.111	1.18554	.114	32.088	1	249	.000
2	.446	.199	.193	1.12957	.085	26.287	1	248	.000

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
1 (Constant)	9.585	1.552		6.177	.000
Propensity to Trust	.462	.082	.338	5.665	.000
2 (Constant)	5.135	1.714		2.995	.003
Propensity to Trust	.406	.079	.297	5.171	.000
Senior Leader Trustworthy Behaviours	.296	.058	.294	5.127	.000

Mediation analysis was then conducted as per the process for Organisation 1 (H4). The resulting mediation analysis is shown below:-

Indirect effect(s) of X on Y:

	Effect	*BootSE*	*BootLLCI*	*BootULCI*
Senior Leadership Trustworthiness	*.0399*	*.0326*	*-.0194*	*.1094*

Since the bootstrapping measures ('BootLLCI' and 'BootULCI') cross zero then this demonstrated that there was no significant mediation effect. Based on these results, H4 was rejected for this sample.

Organisation 3 – Membership Body Governance Environment

Organisation 3 was a members' organisation and association of trade bodies operating in the pharmaceutical sector in the UK. The organisation lobbies policy makers, politicians, the NHS and local government on behalf of community pharmacists. The organisation had a small number of employees (10) led by a Chief Executive. In the final quarter of 2016, the CEO sponsored an online trust survey that was administered to 151 participants across the following stakeholder groups:-

Table 6.22: Study 3 – Organisation 3 Data Sample

Level	Population	No. Surveyed	No. Responses	Trustworthy Behaviour Referent
1	CEO	1	1	Self
2	Board or Working Group Member	40	25	CEO
3	Employees	10	8	CEO
4	Member Association Representatives	30	10	CEO
5	Other Stakeholders	70	48	CEO
	Totals	**151**	**92**	

Due to its smaller size, there were no senior leadership levels in this organisation. Therefore, all levels were asked to only rate CEO trustworthy behaviour. For the final category of 'Other Stakeholders', participants were first asked the question of whether they felt they knew the CEO sufficiently well to assess his trustworthy behaviours. Only those that answered 'yes' to this question were then asked to rate the CEO. All participants were asked to rate their perceptions of organisational trustworthiness, their own propensity to trust and various demographic questions.

There were 92 responses to the survey in the period December 6th, 2016 – January 13th, 2017. This comprised a response rate of 61%. This high response rate was helped by the personal sponsorship of the CEO who sent personal email invitations to each participant, together with two reminder emails. 58% of the population were degree educated, 55% male and 45% female. 30% stated that they had never received any management training in their career which focussed specifically on the topic of trust. Other demographic characteristics of the sample are shown in the table below:-

Table 6.23: Study 3 – Organisation 3 Demographic Data

Age	18-29		30-49		>50	
Percentage of respondents	4%		31%		65%	
Tenure with organisation	< 1 year	1-3 years	3-6 years	6-10 years	>10 years	
Percentage	6%	25%	31%	19%	19%	

The descriptive statistics for the sample are shown in the table below:-

Table 6.24: Study 3 – Organisation 3 Descriptive Statistics

	Mean	Std. Deviation	Variance	Skewness	Kurtosis
Organisational trustworthiness	5.71	0.897	0.805	-0.89	0.41
CEO trustworthy behaviours	5.35	0.683	0.467	-0.49	-0.57
Propensity to trust	5.01	0.824	0.679	-0.24	-0.25

The full correlation table is shown below:-

Table 6.25 : Study 3 - Correlation Table for Organisation 3 Data-Set (Control Variables)

Variable	Gender	Age	Education Level	Ethnicity	Tenure	Organisational Trustworthiness	Propensity to Trust
Gender							
Age	-.126						
Education	.139	-.291*					
Ethnicity	-.238*	-.062	-.037				
Tenure	.092	.108	-.142	-.114			
Organisational Trustworthiness	-.235*	-.044	-.016	.103	-.098		
Propensity to Trust	-.120	-.090	.079	-.124	-.008	.323**	

** $p < .01$ * $p < .05$

Since there were no assessments of senior leader trustworthy behaviours in this sample, it was not possible to test the hypotheses H2 and H3, but it was still possible to assess the role of CEO trustworthy behaviours as a predictor of organisational trustworthiness (H1). Prior to conducting the linear regression, correlations between the demographic variables, propensity to trust and the dependent variable of organisational trustworthiness were calculated. It was found that the following variables had a significant correlation:- i) Gender, $r = -0.235$, $p < 0.05$ and ii) Propensity to trust, $r = 0.323$, $p < 0.01$. Since these variables were significantly correlated with the dependent variable of organisational trustworthiness, it was decided to run a hierarchical linear regression controlling for their effect.

Analysing the results of the hierarchical linear regression, it was found that CEO trustworthy behaviours, significantly predicted organisational trustworthiness, ($\beta = 0.901$, $p < 0.001$, adjusted $R^2 = 0.63$) with CEO trustworthy behaviours accounting for the full effect of 63%. The detailed model summary and coefficients are shown below. Based on these results, H1 was accepted.

Table 6.26: Study 3 - Organisation 3: Hierarchical Linear regression for H1

Model Summary & Coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig F Change
					Change Statistics				
1	.225	.051	.011	.77699	.051	1.285	2	48	.286
2	.806	.650	.628	.47683	.599	80.452	1	47	.000

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig
		B	Std. Error	Beta		
1	(Constant)	16.051	2.715		5.912	.000
Propensity to Trust		.208	.141	.208	1.475	.147
What is your gender?		-.127	.220	-.082	-.580	.565
2	(Constant)	.337	2.418		.139	.890
Propensity to Trust		.103	.087	.102	1.176	.246
What is your gender?		.071	.137	.045	.519	.606
CEO Trustworthy Behaviour		.901	.100	.792	8.969	.000

Discussion

Study 3 had two objectives. First, the objective of further testing the reliability and validity of the new Nine Habits measurement scale for trustworthy behaviours that was developed and piloted in chapter 5 and, secondly, the hypothesis testing of the conceptual model to assess the degree to which CEO and senior leader trustworthy behaviours influence the organisational trustworthiness.

Regarding the first objective, the EFA and CFA analyses of the revised Nine Habits scale confirmed that the scale was unidimensional and that all 'goodness to fit' measures for the single factor solution had improved compared to the original pilot scale. Whilst other competing models such as the three-factor, nine-factor and first order solutions also satisfied a number of the 'goodness to fit' measures, the single factor model was preferred on the basis of parsimony. Furthermore, the reliability of the revised Nine Habits scale has improved compared to the pilot scale as measured by the Cronbach's alpha score (0.973 vs. 0.969) and two fewer items having item total statistics less than 0.7. This new measurement scale for CEO/senior leader trustworthy behaviours is a contribution to the literature as it is the first such scale to measure trustworthy behaviours specifically at the level of the CEO/senior leader, it has a broad range of behaviours associated with the components of ability, integrity and benevolence and it measures behavioural habits as opposed to other belief-based measurement scales (Dietz & den Hartog, 2006; Mayer et al., 1995).

Regarding the second objective, the results of the hypothesis testing demonstrated that all three data samples supported the hypothesis that CEO trustworthy behaviour is a significant predictor of organisational trustworthiness regardless of the governance context (H1). The extent of the effect of CEO trustworthy behaviour on organisational trustworthiness varied across the samples accounting for 63% of the variance in Organisation 3, 40% of the variance in Organisation 1 and only 14% of the variance in Organisation 2. The two data samples that included perceptions of senior leadership trustworthy behaviour also supported the hypothesis that senior leadership trustworthy behaviour is a significant predictor of organisational trustworthiness regardless of the governance context (H3). Alongside the CEO's behaviour, the behaviour of the senior leadership populations influences the broader perceptions of the overall trustworthiness of the organisation. However, the degree of these effects also varied across the two samples (Organisation 1 = 28%, Organisation 2 = 9%).

The significance of CEO trustworthy behaviour as a predictor of senior leadership trustworthy behaviour proved to be less consistent (H2). For Organisation 1, a significant relationship was found but this was not the case for Organisation 2. The reasons for this inconsistency could

include a variety of factors. For example, the length of tenure of the CEOs was different (Organisation 1 – 22 months, Organisation 2 – 13 months) and this may be significant, since a relatively new CEO will have had less time to influence the senior leadership behaviours and all respondent will have had less exposure to that CEO's behaviours. However, it would be expected that this effect would also show up in the relationship between CEO trustworthy behaviour and organisational trustworthiness and it did not. The assessment of CEO trustworthy behaviour in the two samples did vary. For Organisation 1, the CEO's trustworthy behaviour was assessed only by level 3 leaders in the organisation. For Organisation 3, the perceptions of CEO trustworthy behaviour were assessed by both level 3 and level 4 managers, of which 60.1% of the respondents were at level 4. It may have been the case that respondents at level 4 were providing a spurious assessment of the CEO's trustworthy behaviours which was not based on direct observation of behaviours, but on more abstract factors. Further post-hoc analyses were conducted to explore this factor, and these are reported in Appendix 8.

The results of the mediation analysis for Organisation 1 and Organisation 2 did not support the hypothesis that senior leadership trustworthy behaviour is a significant mediator of the relationship between CEO trustworthy behaviour and organisational trustworthiness. Again, there may be many factors influencing this relationship. It should be noted that the measures of trustworthiness collected in the samples result from the perceptions of employees and these perceptions can be influenced by other sources than simply the direct observation of leadership behaviour. Media coverage and the organisational grapevine may well be influencing perceptions in these samples in a fashion that is obscuring, or distorting, the effects that were being analysed. Further research would be necessary to control for such variables, or to find a different research design that eliminates this risk.

In summary for the hypothesis testing objective, we can conclude that CEO trustworthy behaviours and senior leadership trustworthy behaviours are both significant predictors of organisational trustworthiness. This finding contributes to the literature on trust by extending upper echelons theory through exploring the mechanism through which the behaviour of CEOs/senior leaders can cascade through other managers and employees to influence collective outcomes such as organisational trustworthiness (Hambrick, 2007). However, the relationship between CEO/senior leadership trustworthy behaviours and organisational trustworthiness across different governance environments needs further research and analysis before it can be assessed accurately.

Chapter 7 – Discussion

In this chapter, the original research contributions from chapter 1 are re-visited. For each research contribution (theoretical, empirical, methodological), the findings from all three studies are summarised. The findings are then related to the existing trust literature to identify where specific contributions have been made to the existing field of knowledge. Such contributions involve the expansion, challenge, reinforcement or refuting of current thinking. In addition, this chapter summarises the methodological strengths/limitations, identifies recommendations for future research and provides a short reflection on the research journey.

The specific research contributions to be reviewed are listed below:-

- Theoretical

This research extends upper echelons theory by exploring the mechanism through which the behaviour of CEOs/senior leaders can cascade through other managers and employees to influence collective outcomes such as organisational trustworthiness (Hambrick, 2007).

- Empirical

This research quantifies the relationship between CEO trustworthy behaviours and organisational trustworthiness with senior leadership behaviours positioned as a mediating variable.

- Methodological

This research has created a new behavioural measurement scale for CEO and senior leader trustworthy behaviours. This new measurement scale has greater behavioural granularity than current models which rely upon general trustworthiness beliefs such as ability, integrity and benevolence (Dietz & den Hartog, 2006; Mayer et al., 1995). In addition, the new scale provides a balanced assessment of ability, integrity and benevolence behaviours in contrast to other trustworthiness measurement scales which lack such balance (Dietz & den Hartog, 2006).

7.1 Summary of Findings

In headline terms, by focussing upon the level of CEO and senior leader (i.e. the top three tiers in the organisational hierarchy), this research extends upper echelons theory by assessing the impact of CEO/senior leader trustworthy behaviours on organisational trustworthiness. This is particularly significant given that the bulk of trust literature focusses upon more junior management levels (Hambrick & Mason, 1984). The research extends trust theory by assessing

the relative significance of the ability, integrity and benevolence components of the Integrative Model of Organisational Trust (Dietz & den Hartog, 2006) and finds that these are distinct components of broadly equal significance. This finding also confirms the view that trustworthiness has both cognitive and affective components (McAllister, 1995).

The qualitative findings of study 1 assessed the contextual factors influencing organisational trustworthiness and, in so doing, confirmed the findings in the trust theory of the Organisation-Level Trust Framework, whilst suggesting that an additional factor in this model, 'goals and measurement', is worthy of additional research and investigation (Dietz & den Hartog, 2006). Furthermore, as a result of both the qualitative and quantitative studies, the research has found that CEO and senior leader trustworthy behaviour are both predictors of organisational trustworthiness. This empirical finding reinforces the assumptions of upper echelons theory and highlights the practical importance of developing the trustworthy behaviours of CEOs/senior leaders using tools such as the Nine Habits model (Hambrick & Mason, 1984).

A significant methodological outcome of this research is the ability to define CEO/senior leadership trustworthy behaviours via a set of nine behavioural characteristics, as opposed to previous belief-based definitions (Dietz & den Hartog, 2006; Legood, 2013; Whitener et al., 1998). In addition, the nine behavioural themes of CEO/senior leader trustworthy behaviour create a richer and deeper understanding of the components of leadership trustworthiness than has previously been attempted in other trust models (Legood, 2013; Mayer et al., 1995; Whitener et al., 1998). Importantly, this research articulates actual behavioural items which are shown to significantly influence trustworthiness perceptions. This is an important contribution as, to date, there exists a paucity of knowledge regarding actual prescriptive accounts of trust-building behaviour (Burke et al., 2007)

7.2 Theoretical Contributions

The theoretical implication of these findings is to reinforce the assumptions of upper echelons theory i.e. the notion that the actions and behaviours of an organisation's CEO and senior leadership directly influence a number of strategic organisational outcomes (Hambrick & Mason, 1984). The findings refute the alternative notion that organisations are swept along by random events over which leaders have little control (Lieberson & O'Connor, 1972; Pfeffer, 1977). Such researchers suggest that the impact of CEO and senior leadership behaviour is relatively inconsequential to organisational outcomes, citing that the phenomenon of leadership is

'romanticised' and 'illusory' compared to other technological and environmental factors (Meindl et al., 1985b).

In contrast, these findings are consistent with the view of Waldman & Yammarino who suggested that upper echelons theory operated via the role-modelling of behaviours from the CEO and senior leadership which then cascaded to lower levels of the organisation (Waldman & Yammarino, 1999). The findings support the view that this effect is further amplified via a process of 'social contagion' i.e. the tendency for individuals to conform to group behavioural norms (Avolio & Gardner, 2005). It has been suggested by other researchers that the process of social contagion is accelerated by 'cinder' subordinates (Klein & House, 1995). In the context of this research, the 'cinder' subordinates are the senior leaders who 'catch fire' based on the CEO's trustworthy behaviour and then proceed to ignite their subordinates in a similar fashion. A number of studies have provided evidence for such modelling taking place across different layers of the management structure (Bowers & Seashore, 1966; Ouchi & Maguire, 1975; Stogdill & Shartle, 1955) and this study further expands the literature on this point.

This feature of the research contribution also qualifies it as a good example of meso-level research i.e. research that looks at the impact of micro-level behaviours (CEO/senior leader trustworthy behaviour) on macro-level outcomes (organisational trustworthiness). In the trust literature, most research has been conducted either at the micro-level supervisor-subordinate trustworthiness or the macro-level of organisation to organisation trustworthiness. Many commentators have urged for more meso-level research to be conducted in the field of leadership (Bass & Bass, 2008, p. 1199). Specifically, in the field of trust, more meso-level research has been recommended into how senior leaders influence organisational trustworthiness and how top-level leaders ultimately impact other levels of the organisation through their personal behaviours (Legood, 2013).

These findings are also consistent with the assumptions of social learning theory (SLT) and social exchange theory (SET). According to SLT, the CEO is a significant role model due to their role, status and power to influence behaviours. Other employees learn from the CEO, partly through copying their behaviours and also through noticing the behaviours the CEO rewards or punishes (Bandura & Walters, 1977; Brown et al., 2005; Mayer et al., 2009). SLT suggests that when there are role models in the work environment, individuals will copy these leaders and ensure that their behaviour is in line with accepted norms (Bandura & Walters, 1977). SET is based on an expectation of reciprocity (Cropanzano & Mitchell, 2005; Gouldner, 1960) i.e. 'I'll scratch your back if you'll scratch mine'. This reciprocal arrangement can be transactional e.g. money or it can

socio-emotional e.g. trust (Blau, 1964). According to SET, leaders can inspire trustworthy behaviour in others through socioemotional exchange because their own behaviour triggers a reciprocal response in those they lead (Brown & Treviño, 2006). As these behaviours are cascaded through the organisation then it leads to a net positive impact on the level of organisational trustworthiness. An equal and opposite effect would be generated by untrustworthy leaders.

On a separate theoretical note, the findings of this research also contribute to the debate in trust theory as to whether the aspects of integrity and benevolence are distinct and separable factors in defining trustworthiness (Schoorman et al., 2007) and whether each of the three components of trustworthiness has an equal impact. Mayer et al's original research found evidence to support all three components (Mayer & Davis, 1999), whereas Davis et al found evidence to support integrity and benevolence as components of trustworthiness but little support for ability (Dirks & Skarlicki, 2004). Some research indicates that leader behaviours signalling competence and integrity are valued more than those signalling benevolence, particularly when followers are vulnerable (Lapidot, Kark, & Shamir, 2007). Schoorman et al. concluded that the precise loading of the three different factors is likely to be dependent on the circumstances and context of the situation (Schoorman et al., 2007). This research found that the components of ability, integrity and benevolence were distinct and contributed to a similar degree as predictors of organisational trustworthiness.

The nine behavioural habits of trust confirm the existing view in trust theory that the components of trustworthiness comprise cognitive as well as emotional, or affective, components (McAllister, 1995). Ability and integrity have typically been regarded as rational judgements (Lind, 2001), whilst benevolence creates an emotional attachment to the trustee supplementing cognition-based judgements (Lewis & Weigert, 1985; Rousseau et al., 1998; Solomon & Flores, 2001). The six habits under the components of ability and integrity (deliver, coach, be consistent, be honest, be open, be humble) are largely rational in nature, whilst the three habits of benevolence (evangelise, be brave, be kind) are clearly emotional, or affective, behaviours. These findings contribute to the further clarification of the conceptual nature of trustworthiness and the relative importance of different trustworthiness characteristics.

Arising from the literature review in chapter 2, it was noted that organisational trustworthiness is influenced by the context in which leadership behaviours are being exhibited. As Mayer et al. commented, when someone asks you if you trust someone you are best to respond, 'Trust them to do what, when, where and in what context?' (Mayer et al., 1995 p. 729). The literature review

highlighted three specific components of the context of organisational trustworthiness that can have such an impact:-

- Governance
- Societal
- Organisational

In Study 1, six sub-topics associated with each aspect of the context of trustworthiness emerged from the thematic analysis of the 20 interviews. These sub-topics are listed below, together with an example quotation:-

- Governance

  'The employees of John Lewis think of themselves as co-owners. If there are any bad apples in John Lewis then everyone feels like it is themselves that are being cheated, not some anonymous shareholder that they have never met'(Participant 9)

- Regulation, PR and corporate social responsibility (CSR)

  'Managing trustworthiness becomes a PR exercise and that is not plausible - you are constantly drip-feeding the public spin and they know it'(Participant 3)

- Goals and measurement

  'Trustworthiness is the way an individual feels, so it is not something that can be easily measured'(Participant 16)

- Organisation structure

  'Brands could be the driver of trustworthiness but that would need the CMO to sit on the board and/or become the CEO'(Participant 8)

- Scale and process

  'If you're running a big multinational like Enron it's all a bit anonymised, isn't it? Whereas when you were running the local widget factory you knew everybody and everybody knew you'(Participant 9)

- Remuneration and incentives

  'What undermines trust is when people perceive the risk/reward ratio is not fair across society'. (Participant 4)

In the opinion of the CEOs/senior leaders interviewed, these six factors influenced organisational trustworthiness alongside the role-modelling of trustworthy behaviours. However, due to the

qualitative nature of study 1, it was not possible to test these relationships statistically or to be precise about the relative degree of moderation each factor contributed. The theoretical implications of the qualitative findings regarding the context of trustworthiness support the work of Gillespie and Dietz and their work on the Organisation-Level Trust Framework shown below (Gillespie & Dietz, 2009):-

Table 7.1: Mapping of Organisation-Level Trust Framework to Study 1 Context Themes

Organisation-Level Trust Framework	Study 1 – Context Theme
Leadership and management practice	**Leading by Example**
Authentic, ethical leadership helps to encourage staff trustworthiness and builds a positive organisational reputation	
Culture and climate	**Leading by Example** **Scale and process** **Remuneration and incentives** **Goals and measurement**
An ethical culture and a healthy workplace climate support and facilitate organisational trustworthiness	
Strategy	**Goals and measurement**
Organisational strategies with a firm ethical underpinning positively influence employees' values and behaviours, and organisational trustworthiness	
Structures, policies and processes	**Organisation structure** **Scale and process** **Remuneration and incentives**
Operational and HR-related structures and processes constrain or incentivise employee behaviours	
External governance	**Governance**
External governance may encourage trustworthiness and punish deviant practice. Companies that voluntarily endorse ethical regulations and codes of conduct enhance their own reputation.	
Public reputation	**Regulation, PR and corporate social responsibility (CSR)** **Remuneration and incentives**
A company's public reputation reflects upon the employees; a positive reputation induces pride and loyalty, while a negative reputation can bring shame and embarrassment	

This systems-based approach to assessing organisational trustworthiness aligns well with the focus of this research on the context of trustworthiness. There is a clear mapping between the six sub-topics of the context of organisational trustworthiness identified in study 1 and the six factors in the Organisation-Level Trust Framework. The findings of this research would support expanding

the above framework to include a more specific focus upon 'goals and measurement' as a key component which builds organisational trustworthiness. Unless the CEO and senior leadership team establish organisational trustworthiness as a key goal of the organisation and a core value then it is unlikely that resources and energy will be applied to building it. Similarly, unless measures are put in place to routinely assess levels of organisational trustworthiness then it is unlikely that trustworthiness goals will be achieved.

These research findings on the importance of the context of organisational trustworthiness also support the work of Ferrin and Dirks who found that the presence of reward structures built interpersonal trust when the trustor was perceived to share common goals (Ferrin & Dirks, 2003). Similarly, practices such as providing employment security and selective hiring have also been shown to lead to high trust in leaders (Zacharatos, Barling, & Iverson, 2005), whilst profit sharing with employees demonstrates organisational reciprocity and has been linked to high trust in leaders (Coyle-Shapiro, Morrow, Richardson, & Dunn, 2002). In addition, organisations that show they care about their employees' well-being have been shown to have high levels of leadership trustworthiness (Dirks & Ferrin, 2002), whilst a growing amount of research has shown that a commitment to corporate social responsibility (CSR) increases stakeholders' trust in organisations (Bhattacharya, Korschun, & Sen, 2009; Castaldo, Perrini, Misani, & Tencati, 2009; Stanaland, Lwin, & Murphy, 2011). All such studies reinforce the findings of this research that the organisational context of trustworthiness is a significant factor in moderating trust relationships and the quantification of these factors, in terms of both their nature and relative importance, is an important area for future research.

7.3 Empirical Contributions

It is rare for researchers to gain boardroom access to conduct studies on sensitive topics such as trustworthiness. One of the benefits of the DBA programme is that it attracts practitioner business leaders who have built a broad range of board-level contacts through their professional careers. One of the objectives of this research was to 'aim high' by focussing upon the role of the CEO/senior leader in building organisational trustworthiness. As a result, study 1 involved twenty CEOs/seniors leaders and study 3 generated 559 survey responses from CEOs and senior leaders. This contribution will complement a trust literature where the predominant focus of the research has been at the supervisory level of management (Legood, 2013).

The central hypothesis of the research was that CEO/senior leader trustworthy behaviours lead to organisational trustworthiness. In study 1, these hypotheses were explored qualitatively via the

semi-structured interviews. In 13 of the 20 interviews, the interviewees specifically referred to 'leading by example' as a characteristic that builds organisational trustworthiness. A total of 22 references to this characteristic were recorded through the open coding process and this led to 'leading by example' emerging as one of the key themes arising from the analysis. Example interview quotes highlighting this theme included:-

> 'It goes back to the leadership of the organisation. If someone is not straight or honest at the top, then that is going to be reflected in the behaviours of the entire organisation'(Participant 2)

> 'If the CEO has the wrong personality - bullying, micro-managing, controlling - then they can quickly damage the trustworthiness [of the organisation]' (Participant 4)

> 'The only way you get this [trustworthiness] into an organisation's blood is if the top leaders of the organisation have it in their blood.' (Participant 9)

Therefore, the study 1 findings provided strong grounds to explore the precise nature of the central hypothesis quantitatively in studies 2 and 3. The pilot sample in study 2 revealed that line manager trustworthy behaviour was a significant determinant of organisational trustworthiness. In the three subsequent data samples in study 3, it was found that both CEO and senior leadership trustworthy behaviour consistently accounted for organisational trustworthiness. These findings reveal the significance of the CEO's behaviour in setting the tone at the top, with the behaviour of the senior leaders then acting as a further predictor of the trust culture throughout the wider organisation.

The results of the mediation analysis for both Organisation 1 and the Organisation 2 in study 3 did not support that senior leadership trustworthy behaviour is a significant mediator of the relationship between CEO trustworthy behaviour and organisational trustworthiness. In other words, for these data samples, CEO trustworthy behaviour had a direct influence on organisational trustworthiness, rather than an indirect influence via senior leadership trustworthy behaviour. At face value, this finding is confusing given that the literature summarised in the above section suggests that trustworthy behaviours cascade through the organisation via a process of social contagion, social learning and social exchange (Bandura & Walters, 1977; Cropanzano & Mitchell, 2005). The findings suggest that the CEO's influence on organisational trustworthiness occurs independently of the trustworthy behaviours of their senior leaders.

The empirical implication of this finding is to reinforce the literature that suggests that, when it comes to influencing organisational trustworthiness, the CEO holds a unique position distinct from any other senior leader in the organisation. The CEO impact may arise from factors beyond

the cascading of trustworthy behaviours through the management levels. In other words, the CEO impact goes beyond 'leading by example' and CEOs are perceived to have access to other levers of influence (Lord & Maher, 2002; Yammarino, 1994). For example, CEOs can influence perceptions of organisational trustworthiness through holding all-staff meetings and delivering external company communications, such as media articles and industry briefings. CEOs are perceived to be the key decision-makers regarding the organisational structure, systems and processes and the development of the company vision and values (Yukl, 2006). CEOs also influence the culture and values of the organisation through their involvement in the selection of people for key appointments and their sponsorship, or otherwise, of specific culture-shaping initiatives (Creed & Miles, 1996; Giberson et al., 2005; Schein, 2006; Trice & Beyer, 1991).

These findings suggest that CEOs influence organisational trustworthiness indirectly through role-modelling and yet also directly by enacting strategic decisions and operating as the key organisational spokesperson to internal and external stakeholders. Whilst strategic decision-making skills have always been a part of the role of the CEO, their role as a master communicator, social media expert and PR-savvy stage performer is a more recent phenomenon. As a result, to build organisational trustworthiness, the future CEO will need to be adept at written and verbal communication to both internal and external stakeholders and using multiple communication channels such as social media, traditional press and face-to-face engagements. To use the language of Kawasaki, CEOs will need to become master evangelists for their organisations (Kawasaki, 2015). Based on these findings, it is likely that in the coming years, CEOs will be increasingly recruited, trained and assessed according to their ability to evangelise and they will continue to be supported in that role by ever more sophisticated corporate communications departments.

7.4 Methodological Contributions

Study 1 of this research involved interviewing 20 CEOs/senior leaders from different organisational sectors. As part of each interview, the leader was asked several questions regarding how they, their employees and their organisations build trustworthiness. The interviews were subject to thematic analysis and, in the final stage of this analysis, the 13 sub-categories of CEO/senior leader trustworthy behaviour were mapped to the theoretically-driven Integrative Model of Organisational Trust with its three components of ability, integrity and benevolence (Mayer et al., 1995). Nine behavioural themes emerged from this analysis with three pertaining to each trustworthiness component as shown in the diagram below:-

Figure 7.1: CEO/Senior Leader Trustworthy Behaviour Themes
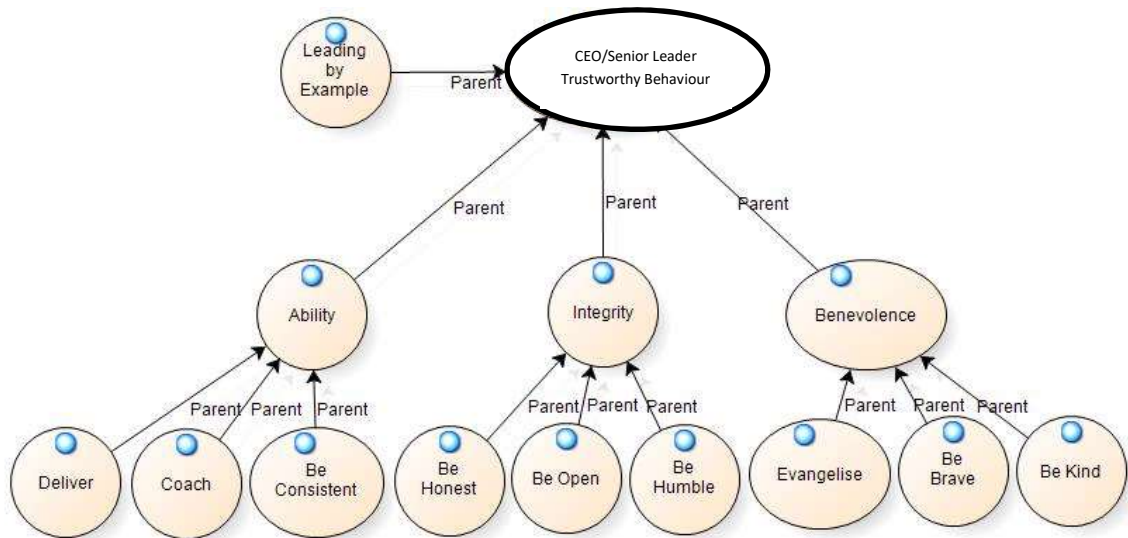
Study 2 of the research sought to empirically verify the outcomes of the qualitative analysis via the creation of a new measurement scale for trustworthy behaviour using the nine behavioural themes. This new Nine Habits scale comprised 26 behavioural items and the scale was subsequently tested with a pilot data sample and various items were re-worded because of the subsequent analyses. The revised Nine Habits scale was further tested for reliability and validity via two distinct data samples drawn from organisations in different governance contexts. The scale was found to be both reliable and valid relative to an existing proven scale for trustworthiness (Mayer et al., 1995). The confirmatory factor analysis of the revised Nine Habits scale confirmed that it was a unidimensional scale with the nine behavioural themes best regarded as different facets of the overall construct of CEO/senior leader trustworthy behaviours rather than sub-constructs in their own right.

Hence, a significant outcome of this research is the ability to measure CEO/senior leadership trustworthy behaviours via a new behavioural Nine Habits measurement scale, as opposed to the belief-based definitions that have characterised earlier definitions (Dietz & den Hartog, 2006; Legood, 2013; Whitener et al., 1998). Specifically, in their review of 14 different trust measurement scales, Dietz and den Hartog found 'no measure tapping trust-informed risk-taking behaviours'. When researchers have used the Integrative Model of Organisational Trust to generate measurement scales for individual trustworthiness they have tended to assess people's beliefs about the other person rather than assessing specific behaviours (Dietz & den Hartog, 2006; Schoorman et al., 2007). The model has been criticised for its failure to be specific about the behaviours, as opposed to the beliefs, of trustworthiness (Burke et al., 2007; Legood, 2013)

Indeed, Mayer et al recognised themselves that the measurement of trustworthiness was the most problematic aspect of their own model (Mayer et al., 1995). Whitener et al. recognised this gap and commented, 'Little is known about what causes managers to behave in a trustworthy manner and consequently what managers can do to build trust' (Whitener et al., 1998, p. 503). As a result of this research, a significant step has been taken to fill this gap.

Due to the research design, the new Nine Habits scale focusses upon the behaviours required of CEOs and senior leaders if they and their organisations are going to be considered trustworthy. In some cases, these behaviours may be different from those behaviours required of more junior leaders. A good example from the nine habits model would be the scale items associated with the habit of moral bravery. The more senior the leader, the more impactful the role–modelling of moral bravery is expected to be. Due to their position, senior leaders are perceived to have more to lose from acts of self-sacrifice and therefore sacrificing their own interests for the wider good is more notable. Similarly, the scale items associated with the behavioural habit of evangelism are likely to be more impactful at CEO/senior leader level where the leader is expected to be a spokesperson for the wider organisation and hold a passionate, inspiring vision for the company. Hence this research provides a valuable lens into the boardroom to examine the specific trust-building behaviours of this important group of organisatonal stakeholders.

The development of a new behavioural measurement scale for CEO/senior leader trustworthy behaviour is an important contribution to trust theory since, as Dietz and den Hartog highlighted, 'our knowledge of a construct can only be as good as the measures we use to examine it' and the belief about another party's trustworthiness is of little value unless that same party acts to exhibit the required trust-building behaviours (Dietz & den Hartog, 2006). The measurement of trust has arguably been more fragmented than the definitions of trust. Lamenting this state, McEvily and Tortoriello commented, 'It appears to be the case that different researchers use different measurement instruments to meet the idiosyncratic purposes of a particular study' (McEvily et al., 2003). Hence, the ability to describe trustworthiness behaviourally enables practising leaders to understand how to demonstrate trustworthiness as a practical skill, as opposed to how to understand trustworthiness as an intellectual concept. The creation of a behavioural description for CEO/senior leader trustworthy behaviour was a key objective for this research and is considered to fill a gap in the theory of trust that has been highlighted many times by previous researchers (Dietz & den Hartog, 2006).

7.5 Strengths, Limitations and Areas for Future Research

As highlighted in chapter 3, the mixed-methods design adopted for this research provides a good example of the benefits of triangulation i.e. combining both qualitative and quantitative approaches to generate a more complete understanding of the topic under focus (Hammersley, 2002; Podsakoff et al., 2003). In this research, the aim was to pursue a simple, accurate and generalizable theory and the mixed methods approach serves this aim (Smircich & Morgan, 1982). For example, without the qualitative stage of study 1, any new measurement scale for CEO and senior leadership trustworthy behaviour would need to have been generated deductively from the existing theory. Study 1 enabled the Nine Habits scale to be developed inductively through understanding trustworthy behaviours from the perspective of those working with it in their daily practice (Locke, 2001). The benefit of this approach is that it allowed new behavioural habits to emerge compared to those typically found in the trust literature. For example, the behaviours associated with the habits of coaching, evangelising, being kind and being humble are unlikely to have featured in a more deductive, theory-driven approach. Combining study 1 with studies 2 and 3 allowed the Nine Habits scale to be verified quantitatively and compared to other existing, theory-driven measurement scales. In this way, a mixed methods approach can generate innovative findings that are then empirically verified.

At a less significant level, it was a further strength of the methodology of this research that the risk of common method variance was overcome by utilising multi-source data wherein different raters assessed CEO/senior leader trustworthy behaviour and organisational trustworthiness. Studies that rely upon self-rating alone risk producing distorted results since, for topics such as trustworthiness, respondents will typically rate themselves more favourably than others would do (Brown & Treviño, 2006; Brown et al., 2005). In this research, the self-rating of CEO trustworthy behaviour by the CEO was 20-30% more favourable than it was rated by the senior leadership population.

Finally, the most unique feature of this research design was the writing of a practitioner book as an outcome of study 1 and prior to commencing studies 2 and 3. It was originally the researcher's intention to write such a book at the end of the DBA programme, but circumstances created the opportunity to do this mid-way through the research. For a DBA programme, the goal of publishing a practitioner book aligns well with the programme's twin objectives of making both a theoretical and a practitioner contribution. In terms of the research methodology, the writing of the book helped ensure the findings of the qualitative stage of the research were fully and deeply

explored before proceeding to the later stages. The book triggered a wave of valuable feedback from the practitioner community before finalising the detailed design of studies 2 and 3. In particular, the feedback highlighted that practitioners welcomed a behavioural model of trust based on nine practical habits. This feedback shifted the objectives of studies 2 and 3 to focus more upon the generation of the new Nine Habits scale alongside the testing of the core hypotheses. It is recommended that future DBA candidates be encouraged to consider writing a practitioner book as part of their own research design, particularly in situations where a mixed-methods approach has been adopted.

As with all research designs, a trade-off is necessary between simplicity, accuracy and generalisability (Weick, 1979). Despite the mixed-method benefit of triangulation, the choice of cross-sectional design for study 2 and study 3 introduced limitations relative to other quantitative methods such as a longitudinal study. With a cross-sectional design, it is difficult to assign causality amongst the research variables (Lee & Lings, 2008). Whilst study 3 discovered a correlation between CEO/senior leader trustworthy behaviour and organisational trustworthiness, the study cannot prove that such behaviour causes organisational trustworthiness, hence it is recommended that further research to test the linkages between these variables is conducted using a longitudinal design.

Whilst this research demonstrates a rigorous development of the new Nine Habits scale and a thorough testing of its reliability and validity using significant and relevant samples, there remains scope for the further testing and refinement of this scale by future researchers. In particular, it is recommended that the scale is tested at more junior levels in the organisational hierarchy to discern whether the new scale is equally valid and reliable across all organisational levels. The new scale could also be utilised in experimental research designs where the behavioural habits are demonstrated by actors in a controlled environment and the impact of these behaviours on independent observers assessed in a laboratory setting.

It is also not clear from this research how each of the behaviours associated with the nine habits influences the trust-building process over time. It may be that some behaviours, such as those associated with the habits of delivery and consistency, have a greater initial impact on the perception of trustworthy behaviour whilst other behaviours, such as those associated with the habits of of being kind or being open, exert a stronger impact later in the trust-building process. Such analysis would help practising managers adapt their strategy depending upon the stage of the development of the relationship. Such a factor could be investigated at the individual, team and organisational level hence there is considerable scope for further research in this area.

Testing the mediation effect of senior leader trustworthy behaviours in the conceptual model was seriously limited by the small number of organisations involved in study 3. With only two or three organisational samples then it is possible that other variables could have been distorting the mediation effect. Similarly, it was not possible to test moderating variables, such as governance, societal context or organisational contest, in this research design. It is recommended that further research is conducted with a large sample size of 20-30 organisations drawn from different governance environments to further assess the stated mediator in this study and other relevant potential mediating and moderating variables. In addition, such research may benefit from a more detailed assessment of the control variables involved in the research design. Other factors such as CEO tenure, organisational performance, organisational size, the age of organisation and market volatility may all be relevant to the overall context of the trustworthiness variables under focus.

The rating of the variables in the conceptual model demands further scrutiny. On the one hand, it was a strength of the research design that there were multiple raters of the variables. On the other hand, all the raters in Organisation 1 and Organisation 2 were internal employees and the research did not take account of the perception of external stakeholders such as customers, partners, investors and suppliers. In addition, it could be argued that the rating of CEO/senior leader trustworthy behaviour was not based on the direct observation of actual behaviours but on second-hand opinions, prejudices and hearsay. Further research is recommended to compare the perceptions across different stakeholder groups and to introduce a more rigorous screening of raters in the survey questionnaire to ensure that they are reporting on observed behaviours. For example, all respondents could be asked if they have sufficient interaction with the CEO at a personal level to directly assess their behaviours.

This research was conducted amongst survey respondents who were of different ethnic origins yet working for UK and European-led organisations. The culture of such organisations is Anglo-Saxon in nature i.e. masculine, individualistic and task-focused. It is possible that the three factors of trust (ability, integrity and benevolence) and the behavioural habits of the Nine Habits scale are culturally sensitive. For example, it has been suggested that feminine cultures put more emphasis on the factor of benevolence in trust-building whilst masculine cultures put more emphasis on ability. Similarly, task-oriented cultures have a higher initial trust of strangers than do relationship-oriented cultures (Hofstede, 1980). Finally, the cultural factor of uncertainty avoidance influences risk-taking behaviours and this may also have a knock-on effect on the trust-building challenge (Sully de Luque & Javidan, 2004). Others have argued that ethical issues such as trust are more universal in nature and therefore less sensitive to the cultural context (Resick,

Hanges, Dickson, & Mitchelson, 2006; Schwartz & Rubel, 2005). Overall, caution should be exercised in generalising the findings of this research beyond predominantly Anglo-Saxon organisational cultures. It is recommended that further research is conducted to test the reliability and validity of the Nine Habits scale in more feminine, collectivist and relationship-focussed environments.

7.6 Practical Implications

Practically, the implication of these findings is to highlight the crucial role that the CEO and senior leaders play in creating high trust cultures. If organisations wish to build organisational trustworthiness, they need to pay attention to the recruitment and development of leaders who role-model trustworthy behaviours. Using measurement tools, such as the new Nine Habits scale, trustworthy behaviours can be measured and assessed at all stage of the leadership development process. Specific behavioural habits can be highlighted for further development and the required behavioural change supported by leadership coaches and team facilitators. The findings also highlight that, if organisations wish to avoid the reputational risk associated with trust failures, the behaviours of the CEO and senior leaders are crucial in both minimising this risk and in recovering from any trust crisis. Given the well-documented benefits of high trust cultures then the findings reinforce the business case for investing in the training of CEOs and senior leaders in the skills and behaviours of individual trustworthiness. These practical implications are explored in more detail in chapter 8 where a thorough review of the practical impact of the research is conducted.

7.7 Reflections on the Research Journey

As someone who is writing this thesis at the grand old age of 55, it is clear that I am a lifelong learner. I have always relished the challenge of committing myself to new academic ventures. Upon the completion of my MBA at Aston Business School in 1991, I was already aware that there was another 'rung on the ladder' called the DBA. After a short break, it intrigued me to pursue the DBA and I was offered a place to do so at Henley Management College in 1994. However, my employer at the time, British Gas, was reluctant to support me with the qualification. Therefore, I chose to put the venture on hold and focus on my business career. It wasn't until 12 years later, in 2005, that I re-visited the possibility of applying for the DBA at Aston. After further bouts of deliberation, I finally applied for the programme in 2011. I was excited to start the programme with the research methods modules in October 2012. At last, I was back in the classroom again!

It is fair to say it was a shock to the system to re-engage with the academic world. After twenty years of focussing upon pragmatic, action-orientated challenges, the research methods course prompted greater reflection and intellectual stretch that I was used to. After writing a practitioner book, the academic writing style was markedly different with a focus upon objective facts, clear justifications and frequent referencing. It took me time to adapt to both the demands of the programme and to the academic culture of critique and challenge. It was humbling to be a novice again and I think this was good for my soul, even though there were frequent temptations to rebel! The qualifying report and associated viva were challenging and prompted much re-work of the research focus and design. The scope of the research was relentlessly honed and refined such that what had started as a general treatise of the future of leadership became a specific exploration of the relationship between CEO/senior leader behaviours and organisational trustworthiness. Gradually, I was experiencing how the process of academic rigour was eliminating the sloppy-thinking habits that I had picked up in the boardroom.

The most enjoyable part of the research was being let loose to collect and analyse data. The interviews of study 1 played to my strengths as an executive coach and I found it fascinating to hear leaders' views on the chosen topics. The Nvivo software I used to analyse the interviews impressed me with its ease of use and powerful analytics. The thematic analysis process with its combination of inductive and deductive stages was powerful in the way it led me to identify codes, categories and themes. It was at this time that I got a first glimpse of the nine behavioural trustworthiness habits coming to the fore and I marvelled at the elegance of the process that enabled this to happen. Due to my enthusiasm for this process, I considered making the research a purely qualitative exercise as I was now practised in the tools, techniques and software, but I was challenged by my supervisory team to stick to the original research design and venture into the brave new world of quantitative research for study 2 and study 3. The ambition of the research was further extended to develop a new measurement scale for CEO/senior leader trustworthiness. This aim had not been part of the original scope, yet I was excited by the possibilities down this new path and chose to take on the challenge.

Studies 2 and 3 represented fresh learning curves as I sought to master the process for scale development, the intimidating statistical analyses and the logistical detail of organising the various cross-sectional surveys. Nevertheless, it was satisfying to collect such an array of data at CEO/senior leader level and to grapple with SPSS to analyse this data via the various EFA, CFA and linear regression techniques. Again, I was challenged to extend my analyses to include the use of the Amos and PROCESS software add-ons to SPSS. Initially daunted by both steps, I added these

further steps and was rewarded with a comprehensive set of analyses that did the data justice and maximised the scope of my empirical contribution. Intellectually, embracing the statistical challenges of the quantitative studies was the most demanding aspect of the DBA.

Throughout the programme, I was continually wrestling with the demands of an intense day job as an executive coach, author and speaker whilst still seeking to make consistent progress with my academic research. Despite my supervisors' reassurance, there was a constant nagging guilt that I was not progressing as fast with the DBA as I needed to do. The guilt would build and then every 4-5 weeks, I would dedicate a week to focus on my studies and this routine worked well to discharge the guilt and keep me on track. In the writing-up stage, my resilience and motivation were tested to the limit as, chapter by chapter, I submitted drafts that were rigorously dismantled by my supervisory team. It was in this stage that I was grateful that my aim in the starting the programme was not solely to gain the qualification, but to write a practitioner book that would make a practical impact for CEOs and their teams. That book had now been published and I was seeing first-hand the potential of the research to make a difference to practising leaders. This first-hand exposure to the potential impact of my research kept me going during the writing-up stage when I might otherwise have found it difficult to deal with the constant cycle of editing and re-editing each chapter. For all these reasons, it was a tremendous relief to submit my thesis in September 2018. In the weeks following the submission, I was first elated and then exhausted before rallying myself for the preparation and final challenge of the viva.

In summary, whilst the DBA has stretched me intellectually, it has stretched me more in relation to the personal qualities of adaptability, resilience and self-motivation. As someone who is more comfortable starting new ventures in short sprints, it amazes me that I have stuck with this process to make it to the finishing line of a most gruelling marathon. Yes, I have learnt many new academic techniques, tools and disciplines but, more than that, I have learnt that I am not a quitter, I have a tremendous capacity to absorb fresh challenges and I am driven to make a lasting contribution in the field of management and leadership. It is these freshly-confirmed personal qualities that I will now take forward in the coming years as I seek to ensure that the theory of how CEOs and senior leaders build organisational trustworthiness is translated into practice through the work of my new business venture, The Trusted Executive Foundation. Of the many challenges I have faced in my career, it is fair to say that the DBA has been uniquely demanding. It has taken a massive investment of time, money and personal fortitude. It has not been an 'easy ride'. And, for exactly all those reasons, I am immensely proud to have fulfilled my academic potential in this way.

In this chapter, the original research questions and associated theoretical, empirical, methodological and practitioner contributions have been revisited in light of the finding from the three studies. Through the literature review, a conceptual model was proposed and refined via study 1. The resulting hypotheses and new Nine Habits scale were tested via studies 2 and 3 leading to the findings and contributions that have been highlighted and discussed in this chapter. Where appropriate, reference has been made to the literature to clarify, refine and refute different aspects of the current thinking in this field. Despite the rigour of the approach adopted, there remain limitations in this research which have been detailed with the aim of recommending future research paths arising from this work. The research journey has been a long one and yet ultimately fulfilling as measured by the potential of the work to make a difference at both an academic and practitioner level. The particular scope of the research to generate practitioner impact is explored in more detail in the next chapter of the thesis.

Chapter 8 – Impact Assessment

In this chapter, the impact of this research on the practitioner community is assessed. This chapter is considered especially relevant to the Doctor of Business Administration (DBA) programme which, as a professional doctorate, has an emphasis on making a contribution to the profession of business. Initially, the nature of the required impact of a DBA, relative to a PhD, is considered. For example, who are the target audience for the research, how are they to be engaged and how can impact be measured? From this consideration, various principles are deduced which are considered critical in successful practitioner engagement. The impact plan for this research is then reviewed with these principles in mind. The plan is assessed versus the reality of the impact activities conducted and the relative success of these. A broad range of activities was involved in the dissemination of this research. In some areas, the expectations of the original plan were exceeded and, in others, more work remains to be done. The chapter concludes with a summary of the aims and activities of The Trusted Executive Foundation – a not-for-profit organisation that has been set up to further the practitioner impact of this research in the coming years. In this sense, the research impact has commenced and will continue beyond the completion of the formal DBA programme.

8.1 The Relevance of Research Impact to the DBA

According to Simon, 'a central mission of scholars in professional schools is to conduct research that both advances a scientific discipline and enlightens practice' (Simon, 1976). This dictum is particularly relevant to the Doctor of Business Administration programme (DBA) where senior professionals are challenged to transform practice with the knowledge they have created. In other words, whilst the primary goal of a PhD is to advance theories and knowledge, the primary goal of a DBA is to advance professional practice (Neumann, 2005). Therefore, an assessment of the practitioner impact of the research is critical to the full appreciation of the DBA research challenge.

Unfortunately, if the objective is to advance professional practice, it seems that the writing of academic journal papers is not the most effective vehicle to achieve this goal. There are studies that highlight that practitioners do not turn to academic research for help in their day to day jobs (Abrahamson & Eisenman, 2001) and equally that academic researchers do not turn to practitioners to define their research agenda (Sackett, 1990). Similarly, less than 1% of human resource managers regularly read the academic literature (Rynes, Colbert, & Brown, 2002) and

the average citation frequency for academic articles in management journals is 0.82 times per year (Starbuck, 2005). These statistics highlight the challenge of contributing to either science or practice when relying upon academic journals alone.

In his book 'Engaged Scholarship', Van de Ven proposes that this divide between the findings of academic research and practitioner problem solving is a complex knowledge transfer challenge. He argues that an academic journal is a one-way channel of communication to passive and reactive readers and that it relies upon the assumption that 'if an idea is good enough it will be used' (Van de Ven, 2007, p. 233). In contrast, he proposes that the researchers and the practitioners should engage in a two-way discussion, over a sustained period, to develop, refine and review the outcomes of academic research. Through this dialogue, the research findings are, interpreted and applied to 'real-world' problem-solving. However, this two-way discussion is aggravated by the knowledge boundary between academic researchers and practitioners. For example, there are differences in the language used by scholars compared to that used by business people, as well as differences in their relative levels of conceptual understanding and their priorities for the application of knowledge. As a result, a lengthy process of negotiation and consultation is necessary to span the academic-practitioner knowledge boundary effectively.

In his review of the effectiveness of the implementation of over 4000 innovations, Rogers concluded there were a number of factors involved in the effective transfer of research knowledge (Rogers, 2003). For example, findings that were simple, practical and delivered clear user benefits were more likely to be adopted. In addition, research findings that engaged opinion-formers in the target community were more likely to be adopted through a process where the opinion-formers acted as ambassadors for the research and used their profile and credibility to represent the research findings to peers in their network. Finally, research findings were more likely to be adopted if they were communicated in a rhetorically persuasive style. Van de Ven extended Rogers work to define this preferred communication style as requiring logos, pathos and ethos (Van de Ven, 2007). Logos refers to a message having consistent, clear, logical evidence-based content. Pathos refers to the message being persuasive through the stirring of the emotions, beliefs and imagination of the audience. Ethos refers, not to the content of the message, but to the credibility and authority of the speaker in the eyes of the target audience. It is the pathos of a message that immediately grabs the audience's attention, but it is the logos and ethos that sustain its impact over a period of time (Green Jr, 2004).

In the final component of effective knowledge transfer, Van de Ven highlights the importance of a process of dialogue, collaboration and negotiation with the target audience (Van de Ven, 2007). In

this mode, the researcher adopts a 'participant view' rather than a 'God's-eye view' when engaging the audience (Hendrickx, 1999). In other words, the researcher does not aim to present unambiguous truths from a position of absolute authority and expertise, but rather to co-create new insights regarding their own research by listening to the target audience feedback and refining the research on a continuous basis. This process has been referred to as an 'action-reaction-adjustment' cycle (Weick, 1979) in which the practitioner community progressively shapes the research findings into a form in which they can then be readily adopted into organisational life.

Given the above considerations, the design of the impact plan for this research sought to incorporate knowledge transfer best-practise to maximise practitioner impact. The sections below detail the full range of activities and initiatives undertaken to achieve this goal, but it may be useful to flag some key examples of the above principles in action before cataloguing the plan. First, the objective of the communications plan did not focus upon the publication of an academic journal as its primary goal. Instead, a broad range of practitioner speaking and writing opportunities were pursued, including the use of social media and traditional media channels. Secondly, the communications were targeted at CEOs/senior leaders to leverage their potential to be opinion-formers in the practitioner community. CEOs/senior leaders were interviewed both in the formal research design and informally as part of the dissemination of the research findings. Paul Polman, CEO of Unilever, wrote the foreword for 'The Trusted Executive' book and many CEOs/senior leaders provided testimonials for the book and the associated workshops. A key partnership was secured with Vistage, the world's largest CEO membership organisation, which enabled the communication of the research findings to hundreds of CEOs in the UK, US and Canada via blogs, podcasts and speaker sessions. Through this engagement of CEOs/senior leaders throughout the research cycle many new opportunities for sharing the research findings emerged.

Thirdly, the researcher's workshops, book-writing and speaker sessions consciously utilised the cycle of pathos, logos and ethos to maximise the impact of the message. Story-telling, analogies, exercises and creative metaphors were used in all communications to generate an emotional engagement in the reader and listener (pathos). Alongside this, a clear logical thesis was gradually unfolded to lead to the exploration of the Nine Habits model as a rigorous and relevant model (logos). The researcher's own track record as an entrepreneur, coach and corporate leader contributed to the ethos of the communication and this was also boosted using quotes and testimonials from leading CEOs/senior leaders ('ethos by association').

Finally, the creation of The Trusted Executive Foundation as a not-for-profit organisation offering 'Journey of Trust' leadership development programmes utilising the research findings has fostered an ongoing process of negotiation, collaboration and refinement with the practitioner community. It is interesting how the semantics of discussing the research findings has already been influenced by this ongoing dialogue. Whereas, initially the research language focussed upon talking about 'creating more trustworthy leaders' it now focusses upon 'building high trust cultures and protecting high trust brands'. This change resulted from noticing that leaders are likely to become defensive when their own trustworthiness is called into question. However, if the language is subtly modified to focus upon collective, aspirational outcomes associated with cultures and brands then leaders find it easier to engage with the research message. It is expected that this process of 'action-reaction-adjustment' will continue over a period of years as the research findings transform from being individually owned by the researcher to being collectively owned by the Trusted Executive Foundation and its various stakeholders and customers. Such a continuous dissemination and 'letting go' process is critical to the future adoption of the Nine Habits model in the practitioner community and therefore to its contribution to the eventual realisation of a new standard of leadership founded upon trustworthiness.

8.2 Impact Plan & Outcomes

With the above principles in mind, a detailed and ambitious impact plan was developed at the outset of this research. This plan recognised that the world of communications was shifting dramatically due to the emergence of technology-enabled social media (Mangold & Faulds, 2009). Similarly, the conference circuit was changing to focus upon virtual conferences enabled by webinar and virtual learning technologies (VanRysdam, 2010). Therefore, the original impact plan embraced the full range of modern communication channels including Twitter, LinkedIn, webinars and Facebook. A second feature of the impact plan was to appeal to a broad range of different audiences – practitioners, national media, academics and policymakers. Different approaches, channels and techniques would be required to reach these specific audiences. Finally, it was recognised that it was unlikely that the objectives of the plan would be achieved without the help of professional PR, website and marketing support.

The plan was structured quarter-by-quarter from 2014 to 2017 with the following themes:-

Table 8.1: Impact Plan Themes

Conference Speaking
The aim regarding conference speaking was to present at nine academic and practitioner conferences to share the research outcomes with a variety of target audiences.
Practitioner Book
The aim was to negotiate a publishing contract with a leading publisher of management and leadership books, write the book and publish this in 2016.
Social Media Presence
The aim was to establish a strong online presence for the research utilising platforms such as Twitter, LinkedIn, blogging and YouTube
Practitioner & Journal Publications
The aim was to publish the outcomes of the research in nine trade publications together with a 4* academic journal such as Harvard Business Review
Networking
The aim was to organise both 1-2-1 meetings and roundtable networking events with both business and political leaders to share the research and promote the debate over the role of trust in leadership life. This included the potential sponsorship of relevant events.
Radio & TV
The aim was to secure national media coverage on the research findings in both radio, press and TV

The first conference speaking opportunity was secured at the Coaching at Work conference in London in the summer of 2015. This was a valuable opportunity to test the initial findings from study 1. In June 2016, the researcher presented the keynote session at the annual conference of Vistage UK – the world's largest CEO membership organisation (www.vistage.com). This event became a significant milestone in the impact plan since, subsequently, Vistage promoted the Trusted Executive workshop widely in the UK, USA and Canada. In the period September 2016 to April 2018, the researcher presented over thirty half-day trusted executive workshops to approximately 300 CEOs across all three countries on behalf of Vistage. The workshop was also selected to be featured at the Vistage global conference in Florida in January 2017 and in blogs and webinars. Each workshop included the use of the Nine Habits model self-assessment tool, enabling CEOs to work directly with the outcomes of the research.

As a result of the Vistage exposure, speaker events were subsequently secured with the organisations represented by Vistage members, such as Medigold Health, Medallia, At The Races, the National Accident Helpline, Q Hotels and the RNLI. At the RNLI, four workshops were completed which included the top 100 leaders in the organisation. A similar series of workshops to the Vistage offering was completed in 2017 for Elite Leaders – a network of CEOs in the recruitment industry and for the independent consultancy, Rialto.

In November 2016, the researcher presented the keynote session at the West Midlands Employer's conference which led to the introduction to Organisation 2 and the subsequent research opportunity as part of study 3 of the research. In the Spring of 2017, the researcher presented the keynote session at the SIINDA technology conference at the Google offices in London and the keynote session at EY's Midlands entrepreneur of the year dinner. Internationally, the researcher presented at the national HR leaders conference in Slovakia in June 2016 and subsequently at a similar event in Budapest in September, followed by a keynote session at the Stretch leadership conference in Budapest in December of the same year. In May 2017, the researcher presented at a trust conference organised by the Estonian Business School in Tallinn and this led to delivering the keynote session at Estonia's Parnu Leadership conference In May 2018.

In December 2016, the researcher delivered a webinar event for The Association of MBAs. A similar series of three online webinars were delivered for the Association of Coaching in the first quarter of 2017. Beyond the world of business, the researcher presented to the Liberal Democrat Party headquarters staff in March 2018, to the Bethany Christian Trust in Edinburgh and the National Carers conference in the same month. In May 2018, the researcher delivered a workshop for theatre directors that were part of the 'Leading Lights' leadership development programme of Ambassador Theatre Group, whilst also in the same month speaking at the Horasis global summit in Portugal – a community of global visionaries including political, business, academic and NGO leaders. The researcher has set a new aim to deliver a TED talk to further accelerate the impact of the research through the speaking medium. It is considered that the impact aims of the research have been exceeded in this area, both in terms of the number, the participant seniority and breadth of the speaker opportunities secured.

Turning to the aim of publishing a practitioner book based on the research, the researcher had previously published a coaching book with the publisher, Nicholas Brealey Ltd. An initial proposal for a new book based on the trust research was submitted to Nicholas Brealey in March 2014. This was rejected and a further proposal was submitted in June. Whilst this was in the process of evaluation, the researcher was introduced, through a personal contact, to the publisher, Kogan Page. A proposal was submitted to Kogan Page in the summer of 2014 and a contract offer was received in September. Based on the lack of response from Nicholas Brealey, the Kogan Page contract was accepted, with the publisher requiring the completed manuscript by the end of 2015. As a result, and after consultation with the supervisory team, the DBA programme was suspended for 2015 whilst the book was written, reviewed and submitted.

The book, titled 'The Trusted Executive: Nine Leadership Habits that Inspire Results, Relationships and Reputation' was published by Kogan Page in April 2016 with a foreword written by Paul Polman, CEO of Unilever (see https://www.amazon.co.uk/Trusted-Executive-Leadership-Relationships-Reputation/dp/074947422X/). The book received highly favourable reviews in various trade publications and secured 60 five-star reviews on Amazon UK in the first three months following publication. Based on a positive review of the book by the organisation, Trust Across America, the researcher was subsequently named as a 'top 100 global thought leader' in trust at the Trust Across America awards in both January 2016 and January 2017. The publisher submitted the book for the Chartered Management Institute business book of the year competition where it was subsequently shortlisted in the 'commuter read' category. The book has consistently featured in the top 500 leadership books on Amazon UK for private sales, whilst bulk corporate sales are currently exceeding 700 copies through the various speaker engagements referred to earlier. In 2017, the book was translated into Estonian to create the first international edition with 300 copies distributed as part of the trust conference sponsored by the Estonian Business School. In 2019, a Vietnamese translation is due to be published. It is considered that the impact aims in this area have been exceeded in terms of the recognition afforded to the book by the practitioner management community and the international scope of the book's reach.

Social media activity commenced in early 2016 when a new website was launched (www.johnblakey.co.uk). In parallel to the website launch, a new Twitter account was established (@blakeyjs) which currently has 1,600 followers. The researcher had an existing LinkedIn account which has 3,500 followers. 39 blogs have been published on the website which have also been circulated via the social media accounts. In addition, the website, Management Issues, syndicated the blogs for re-publishing on their own website during 2016 and 2017. Alongside the blogs, daily Google Alerts have been used to identify relevant business trust articles which were then posted to the social media platforms. As various trade articles were published, the Hootsuite tool was then used to schedule regular postings of trust content across the social media platforms. The schedule of postings included a library of 25 short video clips which were stored on a dedicated YouTube playlist, as well as a library of quotations from the book which were produced as 'quote tiles'. The video clips were generated from a combination of conference speaking footage, media interviews and specific studio footage produced by the publisher, Kogan Page, and Aston Business School. It is considered that there remains more work to do to achieve the impact aims of the research in this area. Ideally, the researcher would have 5,000+ LinkedIn/Twitter followers and be achieving a wider coverage and readership of the various blog posts.

With reference to the impact aim of publishing trade and journal articles, little progress has been made regarding the goal of publishing the research in a 4* academic journal. This is partly since the doctorate programme has not yet been completed and, partly, that the researcher's motivation is focussed upon the practitioner community who do not typically read academic journals. However, significant coverage has been secured in trade publications, both in print and online. The researcher worked in partnership with a publicist in the US to ensure international coverage in the early months following the book publication. Articles were featured online in many leading publications, notable Forbes, the Huffington Post, BBC news, the American Management Association, Inc. magazine, the Institute of Director's 'Director' publication and the Chartered Management Institute journal. Hence, the aims of the impact plan for trade articles were achieved.

The researcher has a wide network built over many years in business roles. The network provided many of the interviewees involved in study 1 of the research. Similarly, the network generated over thirty senior business leaders who attended the launch of the 'Trusted Executive' book at the National Liberal Club in April 2016. Subsequently, in March 2017, the network generated the attendees of a Trusted Executive dinner organised at the Gherkin building in London for 20 senior business leaders. The dinner was sponsored by the Academy of Executive Coaching and involved a discussion of the Nine Habits model. In the Spring of 2018, the researcher commissioned the company Prospecting Wizard to write to 500 UK CEOs inviting them to be interviewed regarding their views on the Nine Habits model. This exercise was not part of the formal academic research but was focussed upon maximising the impact of the research already undertaken. Because of the campaign, interviews were secured with 35 high profile CEOs and summary blog posts from the interviews started to be published from May 2018 onwards. This exercise will continue to broaden the network of senior business leaders who are aware of the Nine Habits model and the outcomes from the research. There remains further potential to sponsor a network of like-minded business leaders, including the prospect of a future awards event at which leaders and organisations building high trust cultures are recognised and showcased.

Finally, with regards to national radio, TV and press coverage, the researcher partnered with the Academy of Executive Coaching for a PR campaign in early 2017, which featured the results of some informal research on the topic of the language of trust and how the language used by politicians can unknowingly destroy trust amongst a sceptical electorate. The outcomes of this informal research were then featured in a press release which caught the attention of several national media outlets. In the days following the press release, the researcher was interviewed on

Radio Share (a national business radio station) and on the BBC2 'Daily Politics' programme. The research was also featured in the Daily Express newspaper. This level of media coverage exceeded the expectations of the original impact plan.

Overall, creating an ambitious impact plan at the outset of the research was a valuable first step in setting expectations and objectives for the impact of the research amongst the practitioner community. As highlighted in the earlier section, this component of the overall research is considered particularly appropriate to the aims of a DBA programme, as opposed to a PhD. In the period 2014-2018, the research has delivered significant impact through speaking, writing and networking across both traditional and new media channels. There remains further scope to continue to deepen the impact via the broadening of the social media coverage, the delivery of a TED talk and the continued mobilisation of a network of trusted executives.

8.3 The Trusted Executive Foundation

In the summer of 2016, the researcher commissioned an MBA student from Aston Business School, Alex Drago, to develop a business plan for the formation of a new not-for-profit organisation known as The Trusted Executive Foundation (TTEF). The student used the business model canvas methodology to interview a number of key stakeholders and generate the business plan which was presented to the researcher in October 2016 (Osterwalder & Pigneur, 2010). The essence of the business plan was to use the intellectual property arising from this research as the basis of a suite of leadership development offerings collectively known as 'The Journey of Trust'.

The vision of TTEF is to create a new standard for leadership defined by trustworthiness. Its mission is to research, understand, and share the important role of trust in creating long-term, sustainable, and successful businesses. The purpose of TTEF is to create and deliver trust-based products and services that will transform the performance of leaders and their organisations. The core values at the heart of TTEF are ability, integrity, and benevolence. The goal is to generate enough surplus funds from TTEF activities over the next ten years to gift over £1m to UK Christian-led charities. The Journey of Trust is a blended learning leadership development programme comprised of the following components:-

- A keynote speaker session to launch the programme
- A series of workshops introducing the Nine Habits model and exploring each habit in detail
- An e-learning platform providing resources, case studies, exercises for each of the nine trust habits
- An organisational survey tool using the Nine Habits model that enables an organisation to measure and benchmark trust levels
- A 360-feedback tool using the Nine Habits model that enables individual leaders to get feedback for each habit which is then used as the basis of a personal development plan
- A coaching programme with executive coaches trained in the Nine Habits model which will allow the leader to focus on developing new skills and behaviours for the trust habits that are most critical to them and their organisations

The outcomes of the Journey of Trust are measured against a set of triple bottom-line goals covering results, relationships and reputation in line with the ethos of the Trusted Executive book.

In parallel with the constitution of TTEF Ltd in 2017, a charity known as The Trusted Executive Charitable Foundation (TTECF) was legally established with three trustees. The articles of TTEF Ltd commit TTEF Ltd to donate all surplus profits to TTECF. The first client activity for TTEF Ltd took place in 2017 comprising keynote sessions and workshops delivered by the researcher. At the end of 2017, the first gifting was made to the charity in line with the mission plan. In 2018, TTEF Ltd appointed a sales-focussed managing director to drive business development activities and marketing campaigns. Various new sales opportunities were secured because of this appointment and the continuing programme of workshops and keynote sessions. In May 2018, the first full Journey of Trust programme was successfully secured with an NHS hospital trust to help the CEO and the senior leadership team initiate and lead a culture change programme across the hospital trust. This milestone was a further step in establishing TTEF as a sustainable organisation beyond the individual resources of the researcher.

The team at TTEF is committed to converting the theory of the Nine Habits model into a mainstream model of leadership for large corporate organisations. The initial target markets are the CEOs and board-level leaders in UK FTSE250 organisations across all sectors. Several international partnerships will then be explored with a view to extending the reach of the model into Europe and the US.

This chapter has presented a comprehensive review of the principles, plans and results of the practitioner impact of this research. A specific focus has been given to this challenge partly due to the specific aims and nature of the DBA programme and also to focus upon a topic that is currently under debate throughout the academic world i.e. how can the pursuit of knowledge for its own sake be balanced with the short-term problem-solving needs of the real world. The 'Engaged Scholarship' approach influenced this researcher significantly throughout the research cycle and was found to be particularly helpful in reviewing the principles of impact assessment (Van de Ven, 2007). It proved valuable that a detailed impact plan had been developed at the outset of the research which, in this chapter, was reviewed against the actual impact achieved to date. In some areas, the aims of the original plan have been exceeded, whilst for others, more work remains to be done. Through the establishment of The Trusted Executive Foundation, there now exists a vehicle that can continue to pursue the impact of this research beyond the completion of the formal DBA programme. In this way, the work to create a new standard for leadership based on trustworthiness, and to use the Nine Habits model as a tool to achieve this, remains a work in progress that will be refined and further developed in the coming years.

Chapter 9 - Conclusion

In chapter 1 of this thesis, eight research objectives were declared; five theory objectives and three practice objectives. In this concluding chapter, each of these objectives will be reviewed in light of the findings of the three studies.

Regarding the theory objectives, the emphasis was on exploring the role of CEOs/senior leaders in promoting organisational trustworthiness through the lens of upper echelons theory (Hambrick & Mason, 1984). These objectives were pursued through both a qualitative study, involving semi-structured CEO/senior leader interviews, and then a quantitative study where the relevant hypotheses in the conceptual model were tested using a sample of three organisations and their CEOs/senior leaders. Via linear regression methods, the research found that both CEO trustworthy behaviours and senior leader trustworthy behaviours were predictors of organisation trustworthiness, although the role of senior leader trustworthy behaviours in mediating this relationship was not substantiated. The research therefore confirmed the premise of upper echelons theory that the 'tone at the top' is a critical antecedent of organisational trustworthiness.

A further theory objective was the development of a new measurement scale for CEO/senior leader trustworthy behaviours. Initially, in the qualitative study, thematic analysis was used to determine nine behavioural themes that contributed to the perception of CEO/senior leader trustworthy behaviours (Braun & Clarke, 2006). These nine themes were then used as the basis for the development of a new summated rating scale which was piloted in study 2 and subject to a variety of reliability and validity analyses. The scale was refined based on the pilot findings and then used in study 3 with a larger sample of CEOs/senior leaders across three organisations. The results of this study were further analysed to check the reliability and validity of the new Nine Habits scales and it was compared to an existing, proven measurement scale for individual trustworthiness. The scale performed in line with the existing proven scale for trustworthiness with the EFA results confirming a unidimensional scale and the CFA analysis demonstrating that a single factor model was the most parsimonious fit. The research has therefore achieved its objective of generating a new measurement scale for CEO/senior leader trustworthy behaviours that now requires further testing and validation in different settings and contexts.

The final theory objective related to carrying out a qualitative assessment of the relevance of the governance, organisational and societal context in the relationship between CEO/senior leader

trustworthiness and organisational trustworthiness. This was explored in study 1 of the research and, via the thematic analysis approach, the three contextual themes of governance, organisational and societal factors emerged. All three themes were explored via a range of supporting categories, codes and quotes. These findings were then compared to the trust literature and, in particular, the Organisation-Level Trust Framework (Dietz & den Hartog, 2006). As a result, the research identified an additional factor of 'goals and measurement' which needs to be considered and further evaluated as part of the organisational context of trust. Due to the restrictions of sample size in study 2 and 3, it was not possible to quantitatively test any contextual factors as moderators of the relationship between CEO/senior leader trustworthy behaviours and organisation trustworthiness. This remains an area for future research.

Turning to the three practical objectives of the research, the first of these related to publishing a practitioner book based on the qualitative findings of the research which would act as a guide and roadmap for leaders to develop their own trustworthy behaviours and the overall trustworthiness of their organisations. Following study 1, the research was paused for one year to write this book and it was published by Kogan Page in April 2016. Later that year, the book was shortlisted as the Chartered Management Institute book of the year thus validating the practical impact of the work. Since that time, the book has been translated into Estonian and Vietnamese, as well as being purchased in bulk by many corporate organisations seeking to put trust at the heart of their organisational cultures. The book has led directly to many speaker opportunities for the research and to the formation of a not-for-profit organisation known as The Trusted Executive Foundation. The Foundation will now seek take forward the research and continue to promote its practical use and implications.

The second practical objective related to developing measurement and diagnostic tools based on the research which will allow management teams to assess and monitor levels of individual trustworthy behaviour and organisational trustworthiness. The research itself created an organisational survey tool to measure levels of organisational trustworthiness. This tool, built in the Qualtrix software, was used in study 2 and study 3 of the research itself. Subsequently, the tool has been used to support the work of The Trusted Executive Foundation where several organisations have used it to benchmark their trust levels. This use is expected to continue in the coming years. Outside of the direct research process, an individual 360 feedback tool has been developed using the same nine habits and behavioural items that were used in the survey tool. Th 360 tool provides the individual measurement of trust habits and has successfully been used with

a number of leadership teams. There is scope to produce further tools and diagnostics utilising the IP of the research in the coming months and years.

The final practical objective related to engaging relevant professional bodies, CEOs and senior leadership teams on the topic of organisational trustworthiness through the delivery of conference keynotes and workshops based on the research. The first conference speaking opportunity was secured at the Coaching at Work conference in London in the summer of 2015. Since that time, the researcher has spoken at over fifty events in the UK, as well as at international events in the USA, Canada, Estonia, Italy, Slovakia and Hungary. These events have focused upon the CEO/senior leader level in both corporate and SME organisations. Organisations engaged in this way include Medigold Health, Medallia, At The Races, the National Accident Helpline, Q Hotels, the RNLI, Suez UK, Bidfood UK and L'Oreal Italy. In the process of these activities, the researcher has developed active partnerships with the Institute of Directors, the Chartered Management Institute and Vistage, the world's largest CEO membership organisation. Whilst a great deal has been achieved regarding this objective, there remains further scope to expand the reach of these activities in the coming years via the activities of The Trusted Executive Foundation.

In conclusion, this thesis opened with a quote from Charles Green – 'leaders can no longer trust in power, instead they rely upon the power of trust' (ref). As the thesis comes to a close, these pithy words remind us that trust, not power, is becoming the new currency of leadership in a transparent 21st century environment where diverse stakeholders are creating an upward pressure for change. Leaders have become well-versed in the use of power as the prevailing tool-set of leadership, yet they are less likely to have been tutored in the science of inspiring trust in others and in the organisations that they lead. It is this gap in leadership theory and practice which this research seeks to fill as a step towards developing a greater understanding of how leaders can role-model the behaviours that inspire trust and so inspire others to do the same. In this way, one leader at a time, the hope is that the trust that has been lost in our institutional lives can be restored and renewed in the coming years.

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Appendix 1 – Study 1: Interview Coding Charts and Associated Quotations

Participant 4 – CEO, Hermes SourceCap

Participant 4 – Summary of Interview Coding
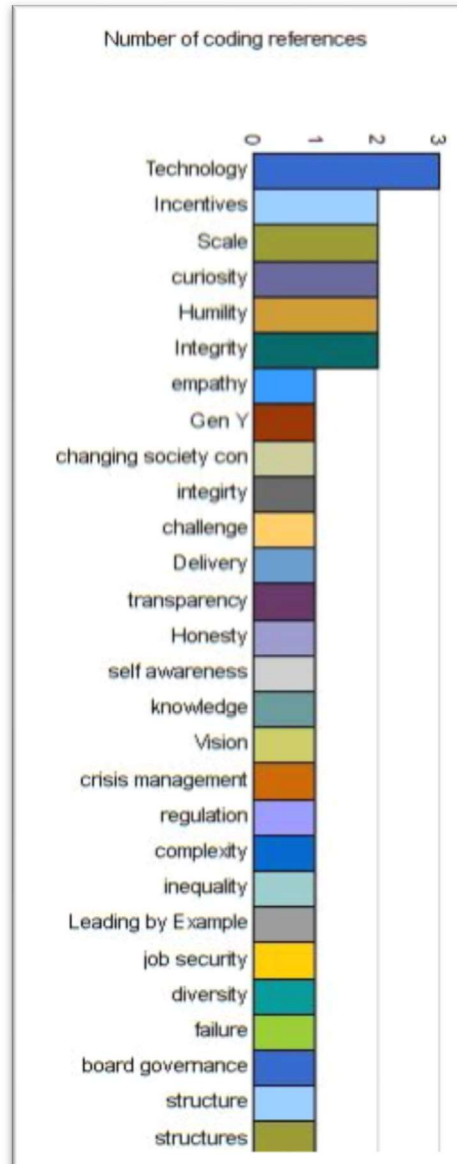
The most frequently cited code in this interview is that associated with the label 'technology'. In answering question seven of the interview ('how do you see this challenge developing over the next 5-10 years?'), this interviewee focussed upon the role of technology in this challenge using the following quotes and examples:-

> *'Pharmaceutical companies are hugely mistrusted, but technology is going to change profoundly how they deliver their products to market'*

> *'Can we exploit technology to create sufficient jobs to replace those that will be displaced by technology?'*

> *'We're in a radical period where technology is shifting the structure and nature of businesses. This will create challenges for trustworthiness because of the pace of change.'*

The interviewee highlighted good examples of the changing context of organisational trustworthiness. They mention the role of technology as one factor that is changing this context and suggest that technology threatens to undermine organisational trustworthiness by accelerating the pace of change and by displacing jobs. The suggestion is that when people are faced with macro-level issues beyond their control they are increasingly likely to feel insecure and mistrust those who are making decisions on their behalf.

Participant 5 – CEO IPSOS Mori

Participant 5 – Summary of Interview Coding
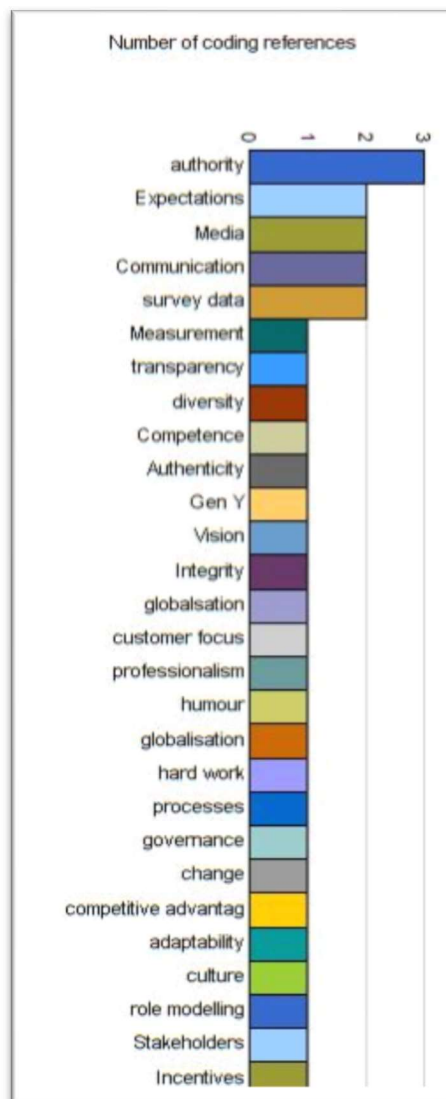
The most frequently cited code in this interview is that associated with the label 'authority'. In answering question three of the interview ('what is your role in building organisational trustworthiness?'), this interviewee focussed upon the role of authority in this challenge using the following quotes and examples:-

'29% people say the people in charge know best. This is falling and each successive generation is less deferent than the last.'

'Some people thought I was a cocky shit on my rise up the greasy pole but as soon as I became CEO people deferred to the post rather than the individual and I was no longer a cocky shit; I was a wise and sensible person. Sadly, these people are an increasing minority and the rest have to be persuaded'

'When I joined people wouldn't be able to cheek someone like me, they would probably have been fired whereas I try to encourage it because it is about what sort of culture you want and what sort of culture people will give their best in'

The interviewee refers both to survey results and their own personal experience to highlight that deference to authority is on the decline in organisational life. They link this factor the emergence of younger generations who have a different attitude towards those in authority. The implication is that CEOs who wish to build trustworthiness in this new climate need to adopt a different style and behaviour to achieve this because they can no longer rely upon the power of their authority alone.

Participant 6 – Managing Director, JLL Sweden

Participant 6 – Summary of Interview Coding
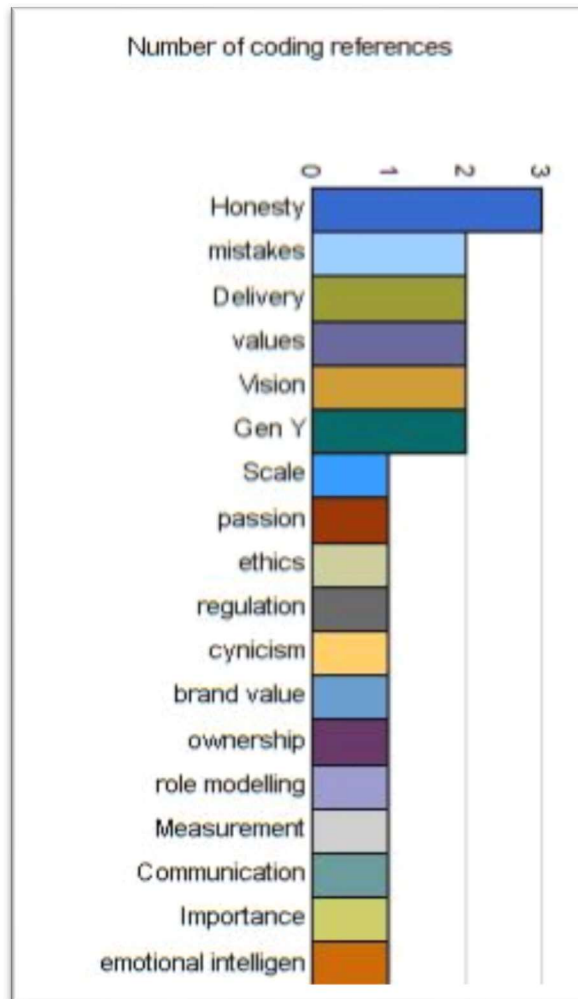
The most frequently cited code in this interview is that associated with the label 'honesty'. In answering question one and two of the interview ('what does organisational trustworthiness mean to you?' + 'how can organisations build organisational trustworthiness?'), the researcher asked a follow-up question on the perceived importance of organisational trustworthiness. This interviewee focussed upon the importance of 'honesty' in client and staff relationships using the following quotes and examples:-

> 'That is also of course extremely important and especially if you're a company like we are, we are selling trust … at all times need to be honest of course and I always say to myself that the pain goes with it you should not oversell, you should always see the point of view of your client.'

> 'We should not maximise in each and every moment more … to give honest advice about what you think would be both better in the long-term and maybe … yeah, maybe this time we won't earn as much money but they will call you back then.'

> 'I think transparency and then a clear communication and also honesty so that people feel When you're honest. And I think what we have done here is totally sensing the mindset of

*how we as management have communicated to the [staff] and I think we have got the
people on board and they're really … I think that they trust me and the rest of the
management. And I also feel that as we've already talked about we have reduced staff
turnover dramatically and we've got very good
evidence on that.'*

In client relationships, the interviewee is stressing the importance of honesty for longer-term
benefits even it is means sacrificing short terms gains. In staff relationships, the interview
highlights honest communication as the key to staff engagement and reducing staff turnover.

Participant 7 – CEO Shared Services, Telenor

Participant 7 – Summary of Interview Coding
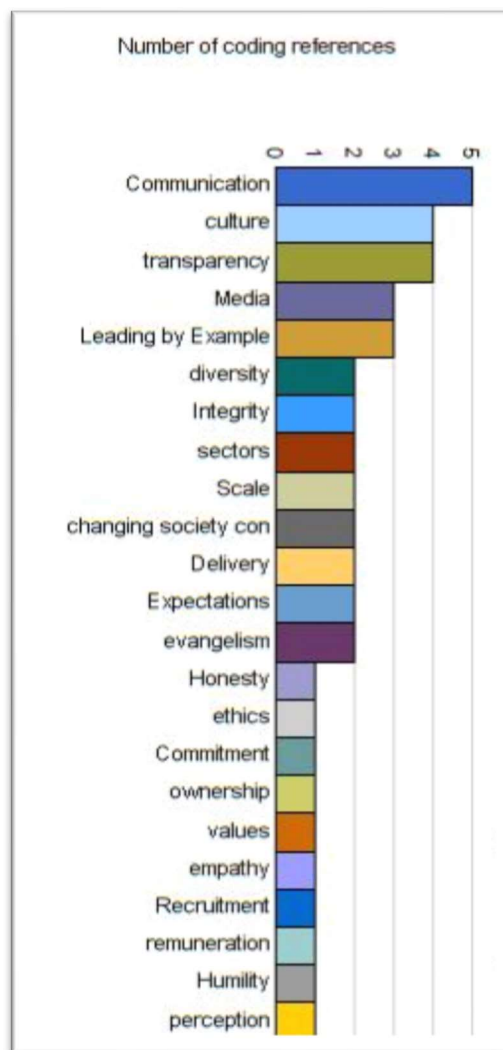
The most frequently cited code in this interview is that associated with the label 'communication'.
In answering question one of the interview ('what does organisational trustworthiness mean to
you?'), this interviewee focussed upon the role of communication in this challenge using the
following quotes and examples:-

*'First of all, you could say that we haven't delivered according to expectations, so our ability
to deliver hasn't been good enough, although the purpose has been good. So, of course, we*

have to do something about that ability. But just as important is really the fact on how do we work with expectations I think and how do we communicate.'

'And I think one of the really, really important parts of both the CEO role and the leadership role is how you spend time in communicating transparently.'

'I just think that communication and transparency are still the most important words. And those are also the ones that when you see that a company really has made a mistake for example in the public and something has gone very wrong'

'[Make sure you] are fully transparent and then communicate often and well on what you're doing to regain trust. I think that's the most important thing.'

This interviewee had recently experienced a breakdown in trust in a key client relationship. They attributed this breakdown not only to a lack of delivery but to a lack of sufficient timely and transparent communication. They go on to recommend that transparent communication is the key to regaining trust when mistakes have been made.

Participant 8 – CEO. Market Research Society

Participant 8 – Summary of Interview Coding
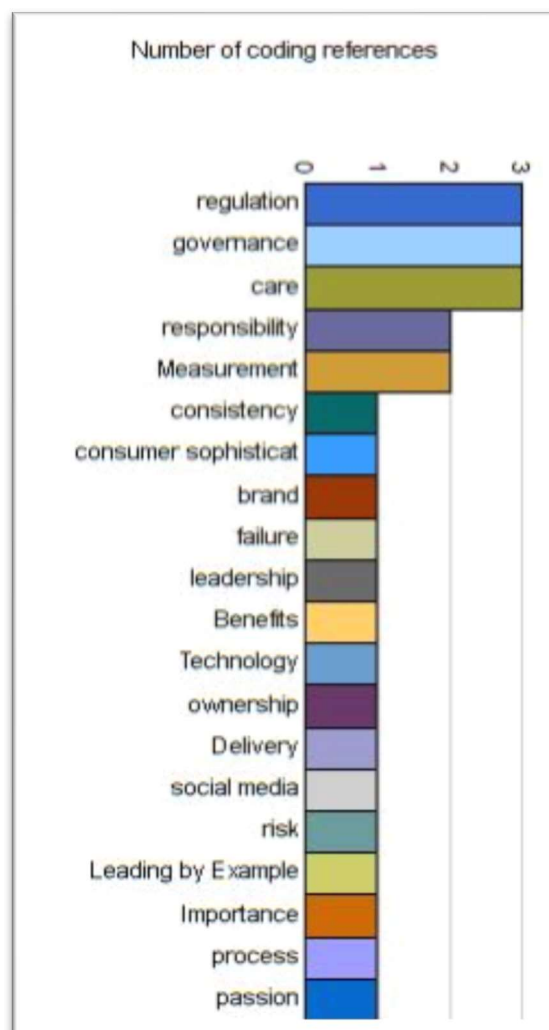
The most frequently cited code in this interview is that associated with the label 'regulation'. In answering question seven of the interview ('how do you see this challenge developing over the next 5-10 years?'), this interviewee focussed upon the role of regulation in this challenge using the following quotes and examples:-

> *'It is now more difficult to hide things but to think they have not always been going on is naive. It is shame that things haven't got better but I don't think they have got worse'*

> *'I am not sure it is 'business as usual', but I am sure that so long as we rely upon regulation then there has not been a sea-change because we are still relying upon fear of consequences rather than positive action.'*

> *'Nobody ever un-invents regulation so layer 93 of regulation is a layer that starts micro-managing things that don't really matter, rather than focussing upon the original principles.'*

This interviewee alludes to the role of regulation as a surrogate for organisational trustworthiness. They propose that additional regulation is not the answer to improve organisational trustworthiness because it removes responsibility from leaders to do the right thing in the first place, rather than waiting to be monitored and checked. This challenge lies at the heart of the agency theory paradigm discussed in chapter 2 (Donaldson & Davis, 1991).

Participant 9 – Chairperson, Nominet

Participant 9 – Summary of Interview Coding

Number of coding references
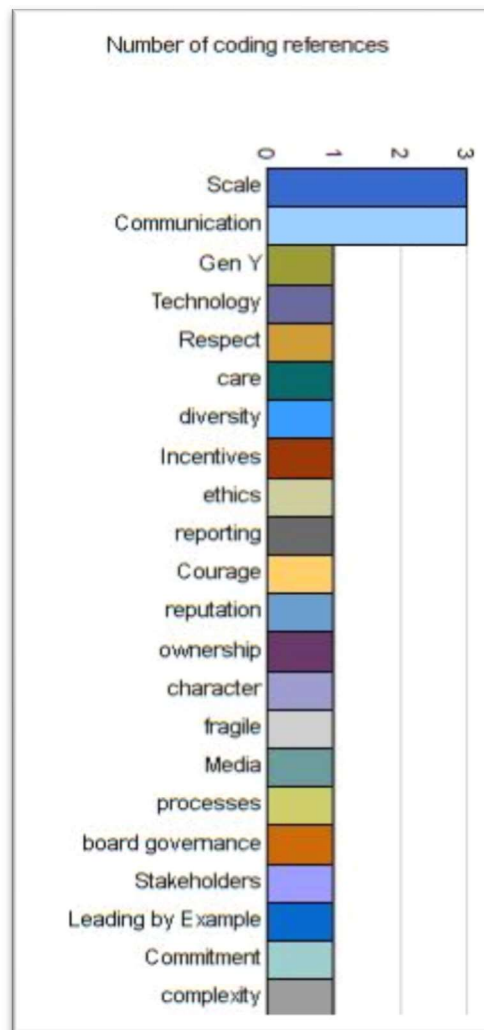
The joint most frequently cited code in this interview is that associated with the label 'scale'. In answering question five of the interview ('how has this challenge been influenced by the global financial crisis and recent business scandals?'), this interviewee focussed upon the role of scale, i.e. size of organisation, in this challenge using the following quotes and examples:-

> *'The scale of return for bad behaviour has increased with the creation of global multi-national companies'*

> *'Maybe the whole thing was more personal [in the old days]? If you're running a big multi-national like Enron it's all a bit anonymised, isn't it? Whereas when you were running the local widget factory you knew everybody and everybody knew you.'*

> *'With large companies, it is harder to engender trustworthiness but not impossible - look at IBM'*

The interviewee's comments highlight that she regarded organisational trustworthiness as harder to deliver the larger an organisation becomes. This is partly attributed to the increased scope for significant short-term financial gain arising from untrustworthy behaviours in large organisations, e.g. Enron, and, partly, attributed to the lack of personalisation in larger companies which means that the impact of untrustworthy behaviour is not felt by those with whom the leader has a personal relationship, but by others who are distant and remote.

Participant 10 – Chairperson, Itad

Participant 10 – Summary of Interview Coding
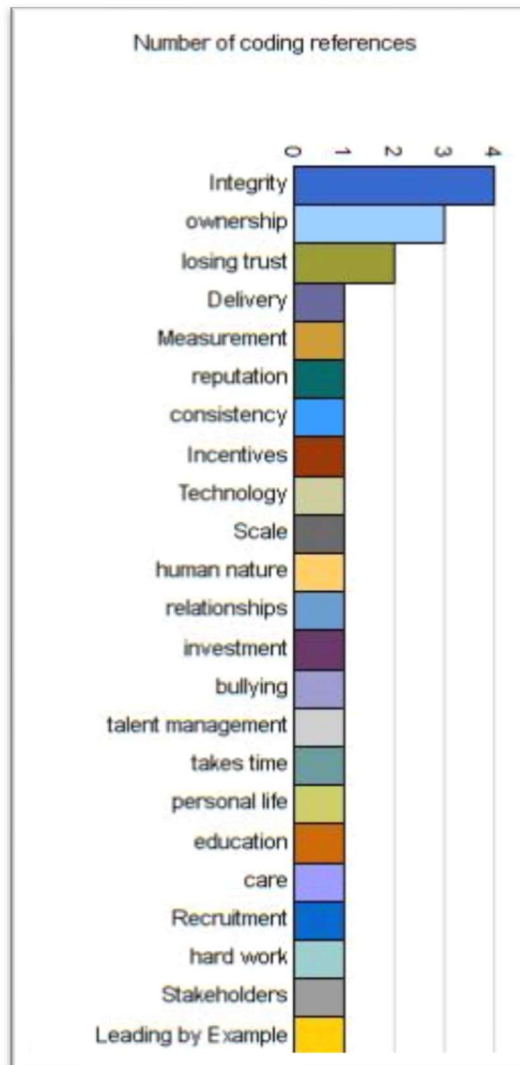
The most frequently cited code in this interview is that associated with the label 'integrity'. In answering questions one, two and four of the interview ('what does organisational trustworthiness mean to you?' + 'how can organisations build organisational trustworthiness?' + 'what is your employees' role in building organisational trustworthiness?'), this interviewee focussed upon the role of integrity in this challenge using the following quotes and examples:-

'An organisation has many stakeholders - customers, staff, alumni, suppliers, regulators, tax authorities. Corporate trust is very simple - you do as you say, you say as you do'

'You cannot undertake senior level strategic work on a global basis if you don't have integrity - it's an oxymoron. If you cannot keep confidentiality or be honest with your clients and stakeholders you will not keep the sort of people that McKinsey needs to attract. You will be rejected by the McKinsey alumni if it is discovered that you have breached integrity'

'I would expect integrity of every employee'

'The question about integrity is probably the most important one when it comes to checking references for a new employee - 'do you have any reason to question the integrity of this individual?'

The interviewee stresses the central nature of integrity to the definition of organisational trustworthiness and then links this to the client-facing values of one of their previous employers, McKinsey Consulting, and to their expectations of what they look for in future employees. In this way, the interviewee places integrity at the heart of the trust-building challenge. This is consistent with the view of integrity as one of the three aspects of organisational trust in Mayer's Integrative Model of Organisational Trust discussed in chapter 2 (Mayer et al., 1995).

Participant 11 – Chairperson, Blue Sky Associates

Participant 11 – Summary of Interview Coding
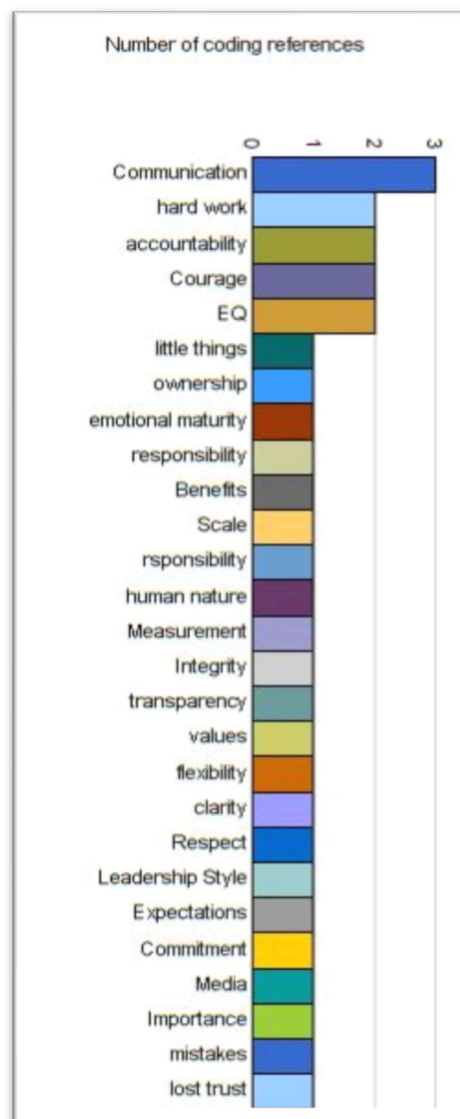
The most frequently cited code in this interview is that associated with the label 'communication'. In answering question two and three of the interview ('how can organisations build organisational trustworthiness? + 'what is the CEO role in building organisational trustworthiness?'), this

interviewee focussed upon the role of communication in this challenge using the following quotes and examples:-

> *'A healthy dose of realism is necessary to rebuild trust. It's partly what you say but it is also how you say it. I always have to remind myself to be better at this communication and to make that transition from rebuilding trust in the boardroom to rebuilding it on the shop floor.'*

> *'As a Chair going into a company, I get an instinct about the CEO. It's really important what my gut feeling says about their trustworthiness. I'm testing it out all the time. I'm watching how open they are, do they share of themselves'*

> *'I build trust through communication, communication, communication. Usually, the starting point in a distressed business is to tell people the truth because often the truth has not been told.'*

This interviewee discusses the role of both the level of the communication in the business and the openness of that communication. They highlight the role of the CEO is leading by example in the communication challenge, particularly in situations where the business is struggling and there is a temptation to hide the true nature of difficulties from employees.

Participant 12 – CEO, Practicology

Participant 12 – Summary of Interview Coding

Number of coding references
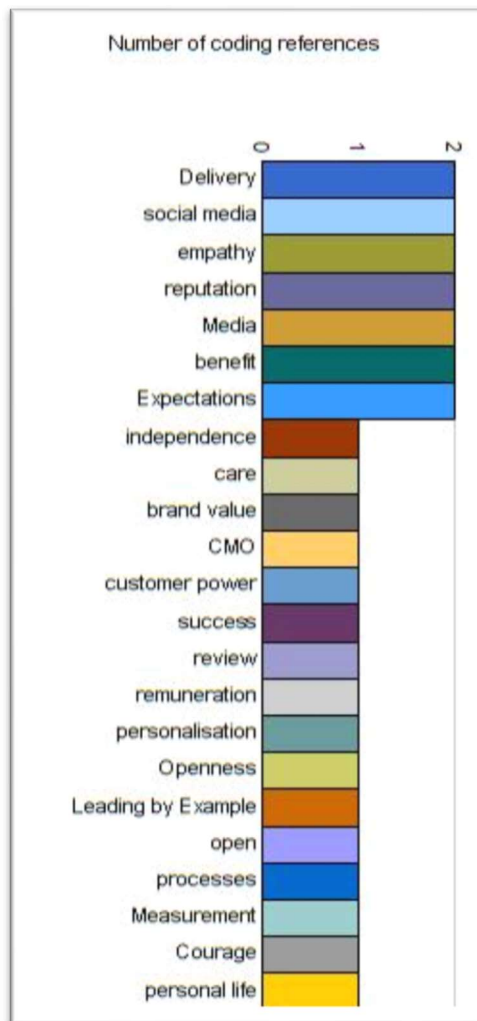
The joint most frequently cited code in this interview is that associated with the label 'delivery'. In answering question two of the interview ('how can organisations build organisational trustworthiness?'), this interviewee focussed upon the role of delivery in this challenge using the following quotes and examples:-

> *'In my game, if you don't deliver good work then that is going to create issues with trustworthiness.'*

> *'Delivering something that we said we were going to do. Not over-promising. Getting the price right and providing people who are nice to work with. Enabling you to buy in the way you want to buy. Checking it has all happened as the customer expected.'*

Delivery refers to the fulfilling of the organisation's promise to its stakeholders – doing what you say you are going to do and honouring, or exceeding, expectations. This interviewee is highlighting the importance of delivery in building trust with customers and clients and yet it can also apply to other stakeholders in the business e.g. employees, owners, suppliers.

Participant 13 – Chairperson, Faster Payments

Participant 13 – Summary of Interview Coding
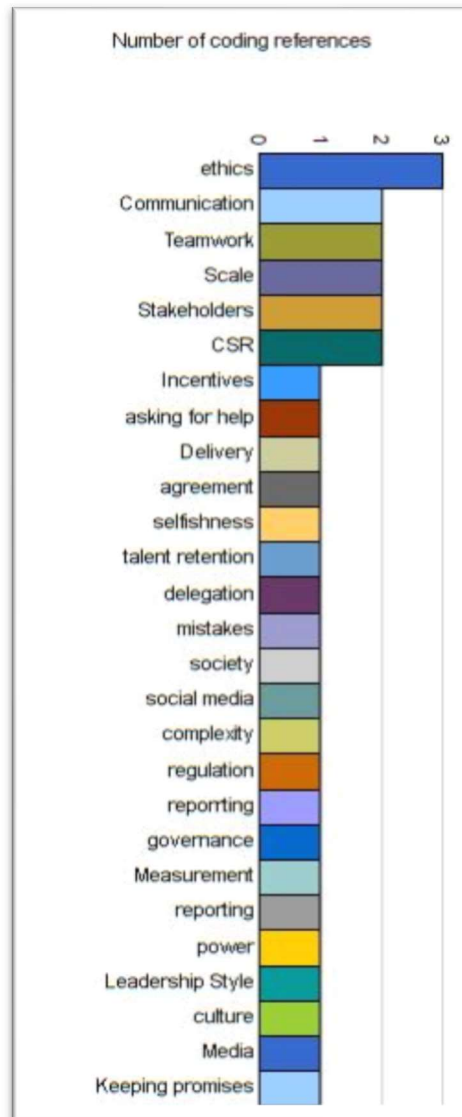
The most frequently cited code in this interview is that associated with the label 'ethics'. In answering question five of the interview ('how has this challenge been influenced by the global financial crisis and recent business scandals?'), this interviewee focussed upon the role of ethics in this challenge using the following quotes and examples:-

> 'I think the world has changed. I started my life working in Lloyds of London and there was a saying 'my word is my bond'. If you shook hands on a deal then that is what you did. Nobody would have thought of going back on that handshake. Over the last 15 years, I think that attitude has eroded. There has been a far greater emphasis on a personal drive to succeed and if that means you screw someone else then tough. I think there is something really sad about that. I don't know whether it is greed or fear of failure but something has changed.'

> 'With a group of people, I set up an organisation called 'trusted'. It's a small group of us who have absolute implicit trust in each other. We have all been horrified about how few

people we could include into that team.'

'I find it staggering that business schools have to teach courses on ethics'

This interviewee is claiming that the context of organisational trustworthiness has changed in recent years with regards to the ethical values of individuals. They believe that the drive for individual success has undermined collective trust and that ethical values that used to be an accepted norm in society now must be taught to leaders in business schools. For them, this last fact is a measure of the scale of the trust crisis in organisational leadership. These issues relate to the discussion on ethical climate referred to in chapter 2 (Victor & Cullen, 1987).

Participant 14 – CEO, Birmingham International Airport

Participant 14 – Summary of Interview Coding
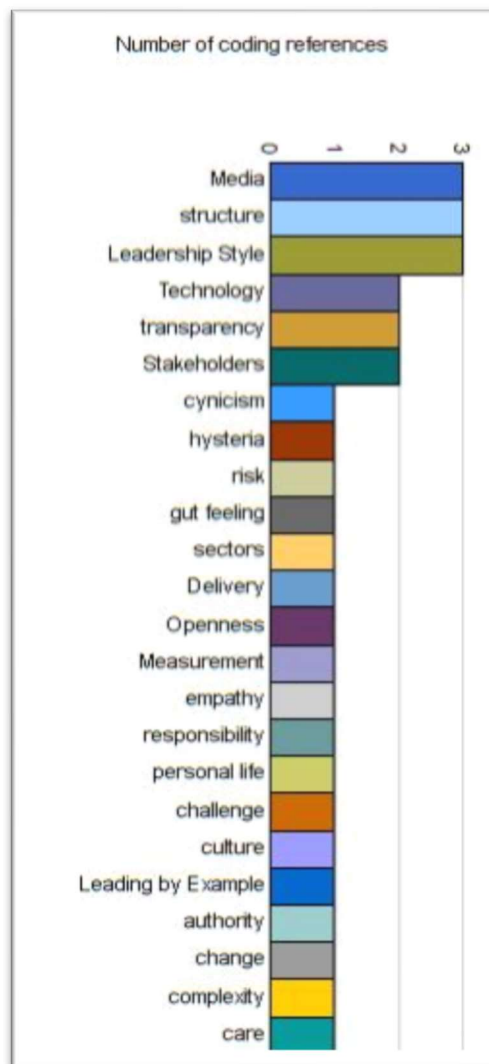
The joint most frequently cited code in this interview is that associated with the label 'media'. In answering questions three and five of the interview ('what is your role in building organisational trustworthiness?' + 'how has this challenge been influenced by the global financial crisis and recent business scandals?), this interviewee focussed upon the role of the media in this challenge using the following quotes and examples:-

'Most people think that organisations are untrustworthy which is as a result of a number of scandals across a number of organisations; whether it is a parliament, whether it's banks, whether it's scams that have occurred. You name a field or an organisation and there is someone who has done something wrong and then the press are looking for news and blow it up into a situation where everyone and everything is untrustworthy.'

'You're the first port of call. You're the first point of failure. The moment you're above the radar with that failure, you're dead meat. If I say an in-opportune thing like Tony Hayward [ex-CEO of BPP] then it's over so you're always on your guard. When you're talking to the press you have someone there who is making sure that what you say is kosher.'

'It would be highly unusual for you to see a photo of me with a drink in my hand. I might have a glass of champagne in my hand when we are toasting an aeroplane but I won't drink it. It won't be at my lips. If I am at a social do and the photographer wants to take a snap of us saying 'cheers' I won't be there. Because I know if there is an incident in the airport then it will that photograph not a more serious one that will be used by the press and it will bring the organisation down.'

Again, this interviewee's comments highlight an aspect of the changing context of organisational trustworthiness. The influence and role of the press are brought into focus. The press is assumed to be cynical and negative; proactively seeking bad news stories that undermine organisational trustworthiness and targeting the CEO as the public face of the organisation.

Participant 15 – CEO, Levi9

Participant 15 – Summary of Interview Coding

Number of coding references
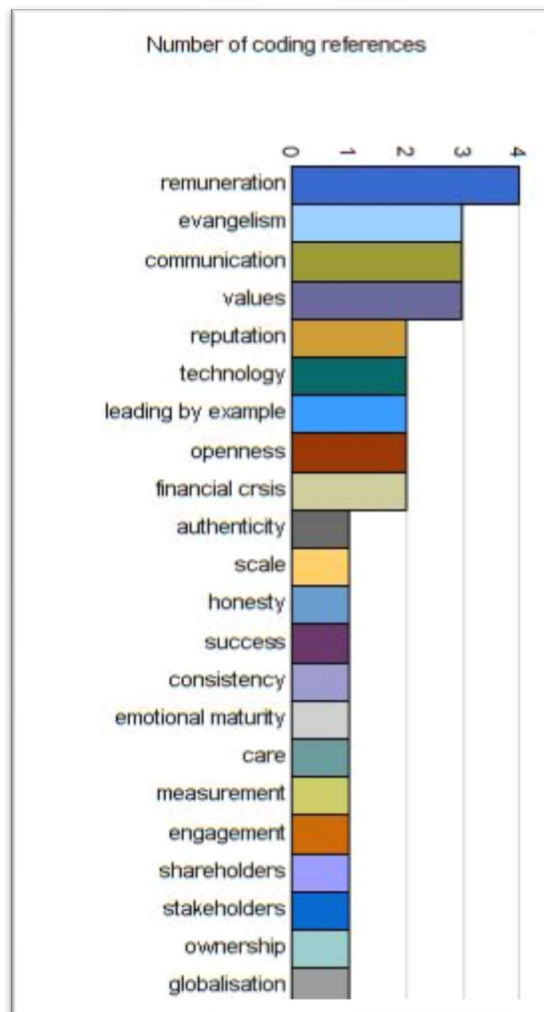
The most frequently cited code in this interview is that associated with the label 'remuneration'. In answering question five of the interview ('how has this challenge been influenced by the global financial crisis and recent business scandals?), this interviewee focussed upon the role of executive remuneration in this challenge using the following quotes and examples:-

> 'We have now again some salary increases or bonuses of ABN Amro and AIG which are being discussed at the higher-level politics and people feel very, very angry about those guys. Yeah, it's not good, if you put your money on a counter you can't trust that you're going to get the right interest when you see that the chief executive is giving himself ten million euros of bonus.'

> 'Yeah, what I see is that in the Netherlands there is a lot of media coverage about the amount of money that those chief executives of corporates are taking. So, their annual salary, their bonuses, their stocks and options and things like that too, their remuneration. I think it's been started in the financials [financial services sector] but now every chief executive is under criticism of grabbing money.'

> 'Like for example the chief executive at KPN which is a telecom operator, he decided to give his bonus of 400,000 euros back because it was a lot of comments in society about his bonus. He got it because he sold part of KPN because … and he got an extra bonus of half a million but the society was really angry about it.'

These comments focus upon the public reaction to perceived excessive remuneration for senior executives in publicly quoted companies, such as AIG, KPN and ABN Amro, in the Netherlands. The context of organisational trustworthiness is such that the public has lower levels of tolerance to this perceived greed and inequality, particularly in the aftermath of the global financial crisis. The target for this anger was initially the financial services sector but now it has extended to senior executives across a range of large organisations.

Participant 16 – CEO, Redington

Participant 16 – Summary of Interview Coding
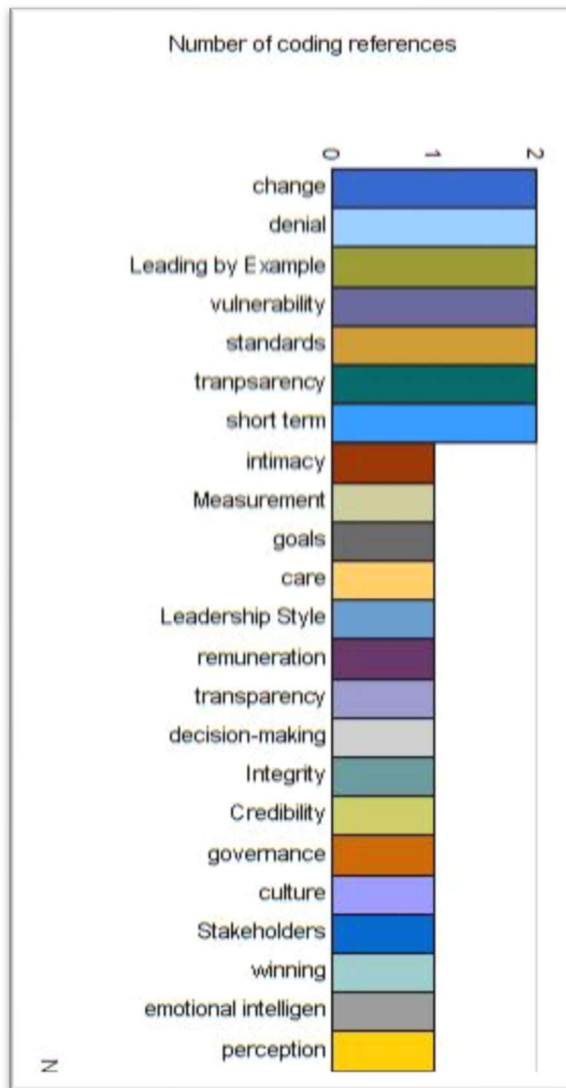
The joint most frequently cited code in this interview is that associated with the label 'change'. In answering questions three and seven of the interview ('what is your role in building organisational trustworthiness?' + 'how do you see this challenge developing over the next 5-10 years?), this interviewee focussed upon the role of change in meeting this challenge using the following quotes and examples:-

> 'People's typical reference point is their previous employer not what they read in management guru books. Sometimes that lowers our ambition around what is possible. But everything I know about change is that it takes time and you must be careful that you

don't start implementing top-down what you have just read in a book which was all about empowerment. That's the leadership dilemma. How do you implement this stuff without becoming exactly the sort of leader you didn't want to become? There's a delicious irony in it all.'

'If you go back 100 years most industrialists were pretty nasty people. We've come a long way and I'm optimistic about the future. The financial crisis has shaken all of this up. Change starts with awareness and understanding and I think that is the stage of the cycle we are at. The gurus are pointing to a new way of doing things but I don't think it will be until parents and schoolteachers are lighting candles saying 'this is the way forward' that it really starts to change. But I am sure it will come.'

This interviewee is suggesting that a change in the attitude towards organisational trustworthiness will take time and that how to lead that change effectively is a key leadership challenge. The role of education in facilitating this change is highlighted whether that be through 'gurus', writing management books or children learning in schools. Change takes time but the interviewee is confident that it will come.

Participant 17 – Chairperson, IPSL Ltd

Participant 17 – Summary of Interview Coding

Number of coding references
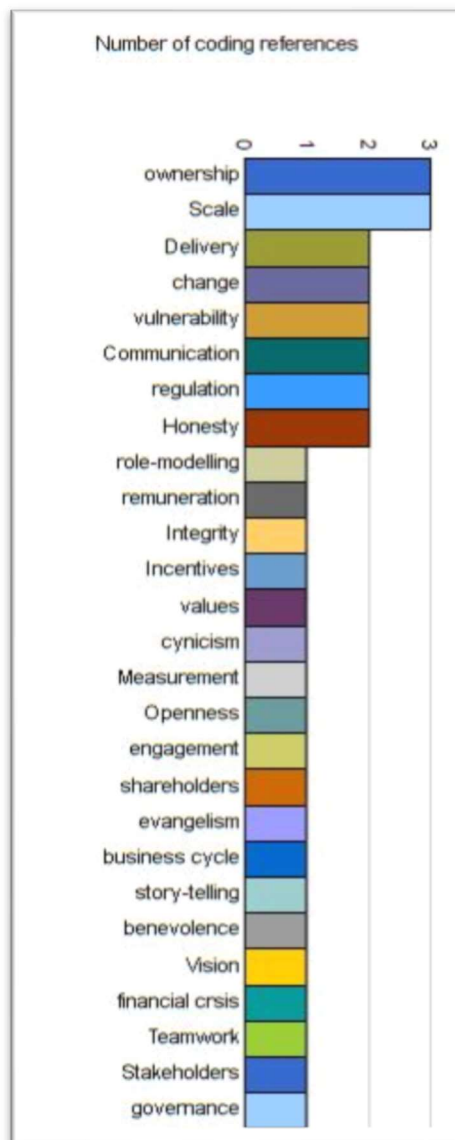
The joint most frequently cited code in this interview is that associated with the label 'ownership'. In answering question six of the interview ('how is this challenge affected by the expectations of the owners of your company?'), this interviewee focussed upon the role of different ownership structures in meeting this challenge using the following quotes and examples:-

> *'Look at private equity acquisitions. In the first year, more than half the CEOs get fired. What is that all about? These people founded successful businesses and then within a year, the private equity people think they know better. The minute you kill the CEO then the trust is the organisation is gone. You create 'survival-ism' and people behave differently'*

> *'I don't see the ownership model as the issue'*

> *'In theory, shared ownership models should help build trust but I don't have experience of that'*

This interviewee sends contradictory messages regarding the role of ownership in the trust-building challenge. On the one hand, they bemoan the role of private equity owners and their

disregard for destroying organisational trust through firing successful CEOs. On the other hand, they state that they don't see the ownership model as the issue and feel they lack the experience to comment on the impact of shared ownership models. This stance was reflected in several other interviews, where the role of ownership structures on organisational trustworthiness was contested with some arguing it was a significant factor and others arguing it was a 'red herring'. This topic will be re-visited in the later discussion.

Participant 18 – Chairperson, Vienna Life Insurance

Participant 18 – Summary of Interview Coding
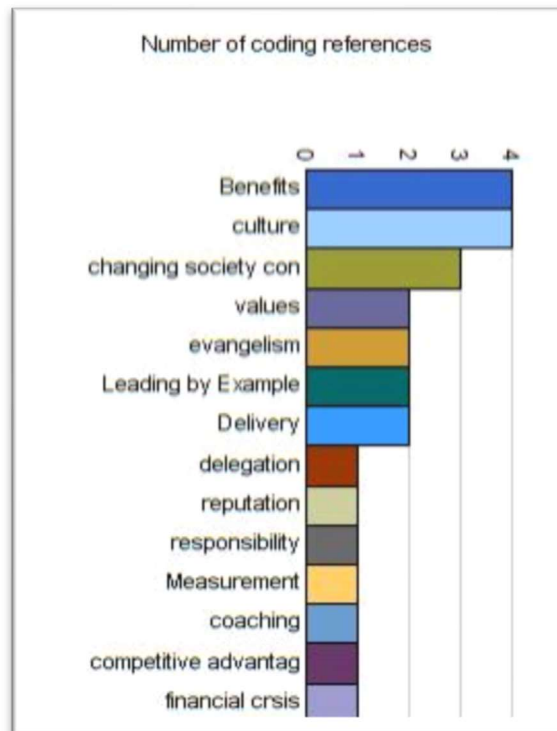
The joint most frequently cited code in this interview is that associated with the label 'benefits'. In answering question one and seven of the interview ('what does organisational trustworthiness mean to you? + 'how do you see this challenge developing over the next 5-10 years?), this interviewee focussed upon the role of the business benefits of organisational trust in this challenge using the following quotes and examples:-

> 'In particular, there's many reasons, life insurance business, of course, it's built on this value Because without trustworthiness, without reliability, without these values, it's impossible for me to build and develop successful business in life insurance because I have a long-term business and I am not selling something that could be evaluated right after being sold.'

> 'For many times I was respected for this, I was given more trust and more empowerment because of being trustworthy.'

> 'So, to motivate organisations, to motivate people to be trustworthy. To show them, to demonstrate the value of trustworthiness that's worth it, the contribution of being trustworthy.'

> 'If somebody or some company or alliance of companies, will show people and organisations

that trustworthiness could be profitable, then it's possible in … trustworthy right now helps my company not only to survive but to work, even if you're in crisis.'

This interviewee is operating in Ukraine – a country where trust has been shattered by a civil war and political corruption. Hence, their context for organisational trustworthiness is different from that of other countries in the sample. This difference shows in the increased emphasis that trust must be shown to deliver competitive business benefits for it to be adopted by a sceptical Ukrainian workforce.

Participant 19 – CEO, Havas Worldwide

Participant 19 – Summary of Interview Coding
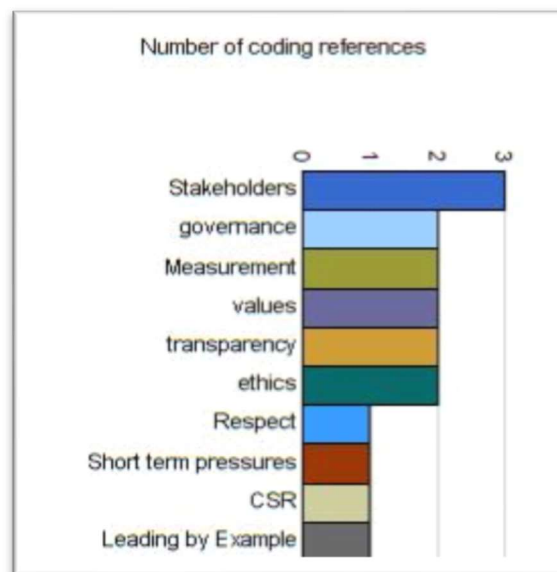
The most frequently cited code in this interview is that associated with the label 'stakeholders'. In answering question one of the interview ('what does organisational trustworthiness mean to you?), this interviewee focussed upon the role of different stakeholders in this challenge using the following quotes and examples:-

> *'It means operating in the best interests of your clients, your shareholders and your employees without compromise or dubious practice or illegality'*

> *'It's difficult. During the economic downturn, advertising can be one of the first things that gets hit. The pressure to grow the business becomes greater. This financial pressure could lead to a negative impact on your people and/or the client. So organisational trustworthiness is about the balance across the key stakeholders. We are a people business - we have a building and we have people and that's it. So, things that call into question our trustworthiness with our people could have a massive impact.'*

> *'For us, we have to balance the financial objective with our human capital and with the best interests of our clients. Sometimes that creates conflict. Trust is hard to learn and easy to lose. It only takes one issue to create a lot of collateral damage.'*

The interviewee is proposing that trust across different stakeholders (staff, owners, clients) must be balanced throughout the economic cycle. There can be a conflict between the needs and goals

of different stakeholder groups which the CEO has to navigate so that no one stakeholder bears the brunt of any necessary difficult decisions. One of the factors in the context of organisational trustworthiness is, therefore, the economic cycle with each stage of the cycle bringing different trust challenges.

Participant 20 - Vice-President, CGU UK

Participant 20 – Summary of Interview Coding
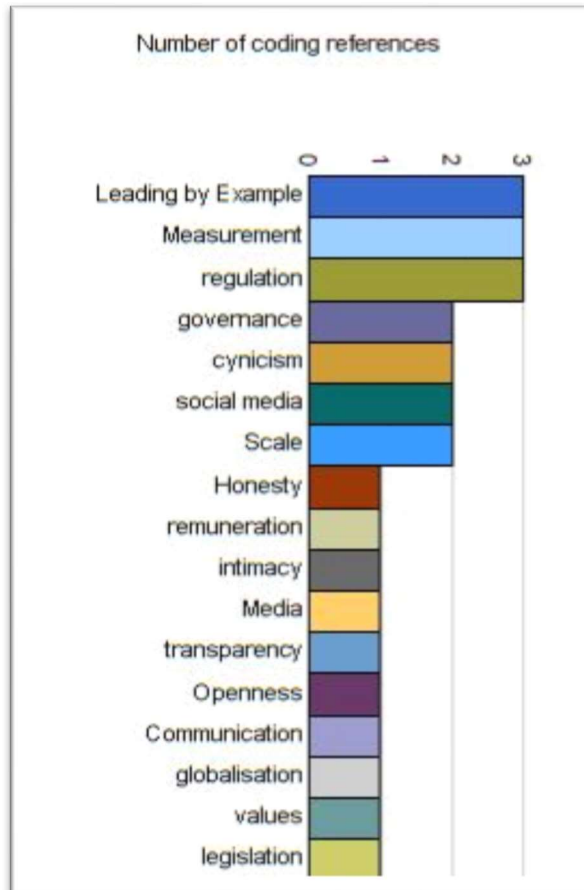
The joint most frequently cited code in this interview is that associated with the label 'measurement'. In answering questions one and two of the interview ('what does organisational trustworthiness mean to you? + 'how can organisations build organisational trustworthiness?'), this interviewee focussed upon the topic of measurement in meeting this challenge using the following quotes and examples:-

> *'There are a lot of different measures for trustworthiness ranging from compliance to legislation such as Sarbanes-Oxley, legal acts and compliance to ethics policies. Ethics policies can be audited. There is data protection which can also be audited. There is a whole range of regulatory measurements of trustworthiness.'*

> *'We have to report to corporate HQ on what percentage of our staff have completed the security awareness training, how many have read the annual report and have signed that they have read and understood the ethics policy of the organisation. There's a whole raft of internal policy that is delivered by electronic training and subject to an annual check.'*

'Most business is reliant upon relationships so processes and procedures are not enough. If the customers believe you are over-charging or being duplicitous then it doesn't matter what procedures you have followed to ensure trustworthiness. Customer satisfaction measures can gauge this relationship and need to ask specific questions to assess the perception of trustworthiness. The hardest part of this is the subjective nature of their perceptions.'

This interviewee is proposing that 'what gets measured gets done' and extolling the benefits of finding direct and indirect measures for organisational trustworthiness, such as compliance audits, staff training checks and customer satisfaction surveys. They acknowledge that one of the challenges with measuring trustworthiness is the subjective nature of people's perceptions.

Appendix 2 – Study 1: Consent Form, Questions and Participant Briefing Sheet

Research Consent Form

Full title of project : The role of CEO leadership and governance in building organisational trustworthiness

Name, position and contact address of Researcher: John Blakey, Doctoral Researcher, Aston Business School, Aston Triangle, Birmingham, B4 7ET

Please initial box

I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.

☐

I understand that my participation is voluntary and that I am free to withdraw at any time, without giving a reason.

☐

I agree to take part in the above study.

☐

I agree that my data gathered in this study may be stored (after it has been anonymised) in a specialist data centre and may be used for future research.

☐

Please tick box

	Yes	No
I agree to the interview being audio recorded	☐	☐
I agree to the use of anonymised quotes in publications	☐	☐
I agree to the use of attributed quotes in publications where these have been approved in advance and in writing	☐	☐

_____   _____   _____

Name of Participant   Date   Signature

Participant Briefing Sheet

Name, position and contact address of Researcher: John Blakey, Doctoral Researcher, Aston Business School, Aston Triangle, Birmingham, B4 7ET

You are being invited to take part in a research study. Before you decide whether to take part, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully.

What is the purpose of the study?

The global financial crisis and subsequent corporate scandals have undermined trust in business organisations. Organisational trustworthiness matters because organisations with a strong reputation for trustworthiness can attract top talent, retain customer loyalty, build valuable supplier partnerships, win and retain critical contracts.

Company CEOs are in a unique position to build or damage organisational trustworthiness due to their leadership authority, media profile and their influence on the wider culture of the business. However, each CEO operates within a governance structure (plc, family business, owner-managed company, partnership, limited company, private/public partnership). These governance structures provide a context in which the CEO is attempting to influence employee behaviours and build organisational trustworthiness. Hence, the objective of this research is to explore how CEOs build organisational trustworthiness and to assess the impact of the organisation's governance structure on this challenge.

In 2014, the first research stage will involve interviewing a small sample of CEOs from a varied range of organisations on the topics of organisational trustworthiness, governance and CEO leadership. A second, quantitative study will then take place in 2015 using a survey that will be administered to a larger sample of CEOs and their employees.

This research will contribute to the further development of relevant theories in the fields of CEO leadership as well as provide practical tools, skills and techniques which CEOs can use to build organisational trustworthiness.

Why have I been invited to participate?

You have been invited to take part because you hold a CEO or Managing Director position in a commercial organisation. You will have been chosen either because you are an existing and trusted professional contact of the researcher or you are a member of Vistage, the world's largest CEO membership organisation, of which the researcher acts as Chair of a Vistage advisory board.

Do I have to take part?

It is up to you to decide whether to take part. If you do decide to take part you will be given this information sheet to keep and be asked to sign a consent form. If you decide to take part you are still free to withdraw at any time and without needing to give a reason.

What will happen to me if I take part?

Initially, a one-hour face-to-face interview with each CEO/MD will take place which will be recorded digitally and with prior permission. In the interview itself, a semi-structured approach will be used. There will be a standard list of questions together with some flexibility to pursue specific lines of thought. You will get the opportunity to review the questions before the interview.

Later, a survey will be issued online to you and a sample of your employees on the topic of CEO leadership, governance and organisational trustworthiness. You will have the opportunity to review this survey before it is administered. All findings of the survey will be kept anonymous in terms of the individuals and organisations involved. The survey is expected to take 30-45 minutes to complete. Should you wish to have access to the data for your own organisation for your own internal purposes then this can be arranged.

What are the possible benefits of taking part?

- You will be contributing to a high-profile leadership discussion on a topic that is critical to leadership success in the 21st century
- You will gain priority access to the results and findings from the research and be able to apply these to your own leadership and organisation
- You will have the opportunity to be part of a network of business leaders who are seeking to focus on this topic and support each other in achieving relevant goals in this area
- If it is of interest to you then you will have the opportunity to raise your own profile and that of your organisation by being featured as a case study in resultant publications

Will what I say in this study be kept confidential?

All information collected about you and your organisation will be kept strictly confidential. Confidentiality, privacy and anonymity will be ensured in the collection, storage and publication of research material through the following steps:-

- Review of this briefing sheet and signing of the associated consent form
- The signing of an appropriate confidentiality agreement (if required)
- Holding all date in line with the requirements of the Data Protection Act
- Following the storage period, hard copies of the data will be shredded and electronic data files will be deleted from all storage devices including any recycling bins

Data generated by the study will be retained in accordance with the Aston University's policy on Academic Integrity. It will be kept securely, in paper or electronic form, for a period of ten years after the completion of a research project.

What should I do if I want to take part?

Sign the associated consent form which will be issued to you by the researcher.

What will happen to the results of the research study?

The outcome of the research will be captured as part of the researcher's submission for the award of Doctor of Business Administration at Aston Business School. In addition, it is expected that the research findings will contribute to a popular leadership book to be published by the researcher's existing publisher, Nicholas Brealey Ltd. You may request a copy of the outcomes of the research by emailing the researcher at john@johnblakey.co.uk

Who is organising and funding the research?

The research is being conducted as part of a doctoral programme (DBA) at Aston University. It is a self-funded programme within the work and organisational psychology group of Aston Business School.

Who has reviewed the study?

This research proposal has been approved by the Aston Business School Ethics Committee and with the researcher's supervisory team, Dr John Rudd and Dr Olga Epitropaki.
Contact for Further Information

Should you have any further questions please contact me directly at j.blakey@aston.ac.uk or via 07810851968. If you have any concerns about the way in which this research has been conducted, you should contact the Secretary of the Aston Business School Research Ethics Committee on r.hancock@aston.ac.uk.Thank you for taking the time to read this information sheet. April 2014

Interview Questions

1. What does organisational trustworthiness mean to you?

2. How can organisations build organisational trustworthiness?

3. What is your role in building organisational trustworthiness?

4. What is your employees' role in building organisational trustworthiness?

5. How has this challenge been influenced by the global financial crisis and recent business scandals?

6. How is this challenge affected by the expectations of the owners of your company?

7. How do you see this challenge developing over the next 5-10 years?

Appendix 3 – Study 1: Categories and Associated Codes

Name	Description	Sources	References
Categories		0	0
Leadership Trustworthiness Behaviours	Open codes that describe a leadership behaviour	20	263
delivery		17	55
evangelise		15	45
leading by example		17	27
honesty		14	22
humility		8	19
care		12	18
integrity		9	16
openness		10	15
values		8	13
consistency		7	10
coaching		5	9
emotional intelligence		6	9
courage		4	5
Context of Trustworthiness - Society	Open codes that describe the societal context of trustworthiness	20	152
changing societal context		18	67
media		11	23
transparency		9	17
technology		8	12
economic factors		7	12
regulation		6	11
global issues		6	10
Context of Trustworthiness - Organisational	Open codes that describe the organisational context of trustworthiness	20	119
culture		11	21
measurement		15	20
scale		11	19
brand		8	13
leadership style		8	11
incentives		8	9
talent management		5	9
processes		6	8
structures		3	6
sectors		2	3
Context of Trustworthiness - Governance	Open codes that describe the governance context of trustworthiness	17	57
stakeholders		11	19
ownership		12	18
the board		10	14
reporting		4	6

Appendix 4 – Study 1: Analytical Memos

The Nine Behaviours of CEO/Senior Leader Trustworthiness

Deliver

According to the authors Loehr & Schwartz, 'accountability is protection from our infinite capacity for self-deception' (Loehr, Loehr, & Schwartz, 2004). A lack of accountability destroys trustworthiness. In Lencioni's impactful work on the five dysfunctions of a team (Lencioni, 2006), there are five traps that typically undermine the performance of management teams. The fourth trap he terms 'avoidance of accountability'. Every time a leader doesn't do what they say they are going to do, they undermine their trustworthiness and invite others to do the same.

Delivery starts with being careful when leaders make promises. Once they have made a careful promise, leaders need a system for both execution and delegation, such as that articulated by Allen in his book 'Getting Things Done' (Allen, 2002). The third step in choosing to deliver is to practise having difficult conversations. This is necessary for the times when promises are broken. One of the simplest models for thinking about difficult conversations is the one known as the 'zone of uncomfortable debate' or ZOUD, originally developed by Professor Cliff Bowman at Cranfield University (Bowman, 1995), The consequences of breaking these promises are significant, not just in terms of commercial outcomes, but also in terms of trustworthiness.

Coach

When a leader has mastered the behaviour of delivery they can help others develop this habit; this is known as choosing to coach. As one interviewee summarised it:-

> *'You are part of a team and your job is to make sure the team does what it said it was going to do not just do what you said you were going to do.'*

Leaders achieve this partly by role-modelling the delivery skills themselves, because those around them will learn from their example, and partly by demonstrating the core coaching skills; asking, listening, empowering (Whitmore, 2010). In a global, diverse, technology-enabled environment there are more situations in which the leader no longer has the expert knowledge to tell people what to do. Furthermore, Generation Y knowledge-workers are not motivated by a 'telling' style of leadership (Meister & Willyerd, 2010). This is why, in the past ten years, coaching has sprung into the mainstream agenda of leadership development (Sherman & Freas, 2004). Once leaders have asked and listened, they can choose to empower through the delegation of tasks to others as captured by this interviewee in the following quote:-

> *'In a large organisation, you have to delegate some of the communication requirement down to the next levels. You have to support and help them do this and make sure that the communication is happening'*

Be Consistent

The final behaviour under the component of ability is leaders choosing to be consistent in their behaviours. This approach generates trustworthiness because others experience the leaders as consistent, reliable and predictable. In many ways, choosing to be consistent is the least glamorous of all the nine trustworthiness behaviours, yet it is also the behaviour that underpins all the others. One interviewee likened inconsistent leaders to the hyperactive character 'Tigger' in A. A. Milne's 'Winnie the Pooh':-

> *'The key to this is consistency. Nobody every trusted anyone who was not consistent. At least people know then where you stand. 'Tigger' bosses are the worst to work for, they may be enthusiastic but everyone is always off balance around them'*

Another referenced the popular image of Dr Jekyll and Mr Hyde to capture the risks of inconsistency:-

> *'I think you should be very consistent; you can't be the Mr Jekyll and Mr Hyde.*
> *That's not going to work because you don't know what the behaviour is going to be next? So, you also have to safeguard predictability in your behaviour. I think predictability and consistency are very important'*

It takes confidence to be consistent because it means that the leader is not influenced by shifting political winds. They have an inner compass that guides their behaviour irrespective of the circumstances in which they find themselves. That inner compass is a set of values. As speaker Glen Daly, articulates 'values are the small number of fundamental and lasting principles that guide all aspects of our behaviour'. The behaviour of choosing to be consistent is the habit of living by values. This attribute was highlighted by several interviewees as follows:-

> *'What has changed for me over the past years is how important it is to act on issues of trustworthiness rather than live with it. We've had several employees who have come in and not demonstrated the right qualities or values and I've recognised you have to act on that fast before it infects the rest of the organisation'*

> *'It's very much about who you appoint and who you hire. I don't believe in hiring people who are mirror images of me but it is about making sure the values are aligned - reliability, morality, best practice, etc. In the best companies I've worked in the trustworthiness comes from the values and those values come from the founders'*

> *'And if you have some strong values you recruit people with the same values and they will recruit people with the same values and they will recruit people with the same values. They will review according to those values. So, I think choosing the right people with the same values as you have and reviewing on them [is important]'*

Be Honest

Interviewees highlighted the role of honesty via the following quotes:-

> *'Trustworthiness - don't lie! Yet people do it every day in business'*

> *'I expect total honesty of the CEO'*

Consider the scandal of the British MPs who lost the trust of the nation when their expense claims were laid bare in 2010 (Pattie & Johnston, 2012). Few of those MPs broke the law, yet many were tainted with a reputation for being dishonest and therefore untrustworthy. Sir David Brailsford, coach to the 2012 Olympics Great Britain cycling squad, explained the team's unprecedented medal haul by citing the aggregation of marginal gains; the idea that if you break down everything you could think of that goes into riding a bike, and then improved it by 1%, you will get a significant increase when you put it all back together' (Hall, James,

& Marsden, 2012). Losing integrity through small but daily acts of dishonesty is the opposite of Brailsford's mantra. As Day puts it, it is the aggregation of marginal decays (Day, 2012).

The global food retailer, Tesco, was known for conducting tough supplier negotiations in order to squeeze out the best prices for its customers. Yet, year by year, this well-intentioned drive for efficiency gradually distorted itself into the alleged 'bullying of suppliers' (Week, 2015). Finally, in 2014, the firm admitted it had overstated its profits by £163m over a three year period due to accounting practices relating to supplier costs and promotions. This belated admission triggered an investigation by the Serious Fraud Office and a 20% fall in the company's share price (BBC, 2014).

In a transparent world, leaders are one click away from exposure. Everything about them is captured, catalogued and archived. There is nowhere to hide. The bar on honesty is rising. Yesterday's cheeky exaggeration is today's blatant lie. Yesterday's playful gamesmanship is today's headline cheat. We are all tempted to be dishonest, particularly if we are ambitious and competitive and leaders need to be asked tough questions that hold them to account. The earlier those questions are asked, the less the damage will be. As one of the interviewees put it, *'every town needs a sheriff'*:-

Be Open

According to a 2014 survey of over 1,600 managers by the Institute of Leadership and Management, openness is by far the single most important driver of trust (Mathews & Illes, 2015):-

What behaviours and skills drive trust?
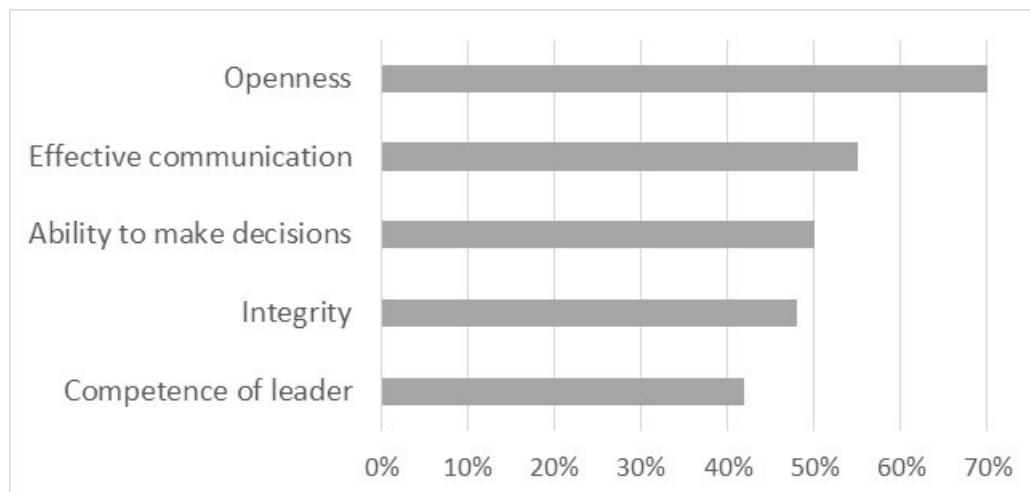
This finding was backed up by various interviewee comments in this research:-

> *'The first way to build trustworthiness is through open communication. Consistent, open communication builds a belief that you are being told everything you need to be told'*

> *'Having a healthy mutual respect between the leader and the top team is crucial [to trustworthiness]. The CEO needs to 'give of themselves' to achieve this.'*

> *'As a Chair going into a company, I get an instinct about the CEO. It's really important what my gut feeling says about their trustworthiness. I'm testing it out all the time. I'm watching how open they are.'*

*'I have a 1-2-1 with everyone in the team at least once a quarter. We have 'stand-ups'
every Monday morning to talk about what we are working on. I try to be as open as
possible.'*

Being open goes beyond being honest; it involves speaking the truth and then giving something
more. Being open requires a leader to expose themselves and reveal some vulnerability. As
Lencioni puts it, choosing to be open involves 'getting naked' (Lencioni, 2009). Lencioni writes
'vulnerability is integral to building powerful personal and business relationships, although it is
often undervalued and misunderstood' (Lencioni, 2009). His notion rubs against the grain of most
leadership training, which has pigeon-holed vulnerability as a weakness. This is particularly the
case with western, male conditioning where men are conditioned from a young age to be strong.
It also runs counter to the cultures of both military leadership and professional sport where
leadership role models are hailed for their ruthless invincibility (Bass & Bass, 2008).

Another champion of vulnerability is Brene Brown. Brown captured her twelve years of research
on the topic of vulnerability in her book 'Daring Greatly' (Brown, 2012). Bringing together a
number of the behaviours of trustworthiness in one quote, Brown states that 'vulnerability
sounds like truth and feels like courage. Truth and courage aren't always comfortable, but they're
never weakness'(Brown, 2012).

Be Humble

Like being open, being humble runs counter to traditional leadership thinking. Stereotypical
leaders are chest-beating alpha males who take every opportunity to self-promote and regard
others as from an inferior gene pool. It was Collins who first burst this myth in the popular
psyche. Based on a five-year research project, Collin's concluded that the most effective leaders
have a paradoxical combination of what he termed 'intense professional will and extreme
personal humility' (Collins, 2001). These leaders were able to transform companies from good to
great where 'great' was defined as outperforming the US stock market by an average 6.9 times
over a period of fifteen years. Of the 1,435 companies that appeared on the Fortune 500 in the
period 1965 to 1995 only 11 achieved this outcome. To illustrate his point, Collins cited the leader
of Kimberley-Clark, Darwin Smith, who was CEO of the company for 20 years. In this period, Smith
transformed Kimberley-Clark into the leading consumer paper products company in the world
generating shareholder returns of 4.1 times those of the general market. Collins describes Smith
in the following way:-

*'Compared with those [high profile] CEOs, Darwin Smith seems to have come from Mars.
Shy, unpretentious, even awkward, Smith shunned attention. When a journalist asked him
to describe his management style, Smith just stared back at the scribe from the other side
of his thick black-rimmed glasses…Finally, after a long and uncomfortable silence, he said,
"Eccentric." Needless to say, the Wall Street Journal did not publish a splashy feature on
Darwin Smith.'* (Collins, 2001)

Collins identified being humble as a critical aspect of what he termed 'level 5 leadership'. The
most impactful conclusion of his research was that, whilst level 5 leadership is not the only factor,
it is an essential factor if a company is to transform from good to great. In his own words, 'Good-
to-great transformations don't happen without Level 5 leaders at the helm. They just don't.'
(Collins, 2001).

The interviewees shared stories of level 5 leaders who had influenced them at critical points in
their own leadership development. Whenever they did this, their tone of voice changed and they
spoke with some reverence about the humility they had witnessed. The following words from one
interview are typical of the sentiment they expressed:-

'I worked for a Permanent Secretary when I first went to 'Revenue & Customs' who fell on his sword as a result of the scandal when tax-payers' data was lost. It was nothing to do with him and I found it emotionally very moving that he should stand down. He was a man of intense integrity. Your belief in the system is bolstered by somebody doing that and you think, 'Crikey, I'd rather some other people fell on their swords as well''

Evangelise

Evangelise is an interesting word. It means to 'talk about how good you think something is' (Landau, 2000). Many will be familiar with the word 'evangelise' in a religious context where spreading the good news involves creating new believers. Many of those interviewed suggested that the world of business needs to spread more good news and, for this to happen, leaders will need to be more evangelical in their stakeholder communication. According to the interviewees, the reason for this is that bad news travels fast and now, because of digital transparency, bad news travels even faster than it used to. As Kawasaki stresses, 'In the social age, evangelism is everyone's job'(Kawasaki, 2015). It's every executive leader's job because many people are talking each day about how bad business is, not how good it is.

Executive leaders are in the media spotlight. Some are celebrities jostling for position on the worldwide stage; shoulder to shoulder with the stars of sport, film and music. The rewards are high and with that comes an expectation that business leaders are public property. Every aspect of a CEOs professional and personal life is open to scrutiny by a merciless media. This media comprises not just the traditional press, but also the endless re-cycling of views and opinions via social media.

To evangelise is primarily a habit of benevolence not a habit of ability because it is an issue of personal passion, not corporate function. Again, Kawasaki captures it well when he says, 'When you become an effective evangelist, you don't just promote your organisation – you set an example for other employees' (Kawasaki, 2015). Evangelical executive leaders do not delegate this task to a specialist function or outsource it to a brand agency, they take personal ownership and build evangelical behaviour into their daily role.

One aspect of effective evangelism is the leaders' ability to communicate a passionate and inspiring vision for the organisation. Sinek examines this issue in his book 'Start with Why' (Sinek, 2009). According to Sinek, if leaders are driven by what they do and how they do it, then they will attract people who want what they have. They will create one-off consumers who have no emotional attachment to their organisations. However, if they are driven by why they do what they do, then they will attract people who believe what they believe. They will create new advocates and it is advocates who will spread the good news about the organisation's products and services. It is advocates who evangelise.

Be Brave

The bravery of trustworthiness is not the traditional bravery of the heroic leader charging into battle on his white steed crying 'Follow me!' It is the subtler bravery of the post-heroic leader who knows when to make a selfless act; an act of benevolence that protects others in the face of corporate abuse. In this context, the bravery required for trustworthiness is not physical bravery or personal bravery but moral bravery. As one of the interviewees stated:-

'There are very few people who have the balls to walk into a corporate environment and risk their own situation to rock the boat.'

When it comes to moral bravery then the emotion that spurs action is often anger. According to Biswas-Diener, the only emotion that can overcome fear is anger (Biswas-Diener, 2012). Biswas-Diener cites research (Lerner & Keltner, 2001) that found that angry people are more likely to take risks, see themselves as in control and feel more positive about future outcomes. If leaders get in touch with their sense of anger in a situation then this can help them be morally brave. And here there is a link to the behaviour of being consistent and the earlier discussion on values. For in most situations where leaders are required to be morally brave, it is likely that one of their core values is being trampled upon. As Biswas-Diener says 'you can work yourself into a courageous mindset by focusing upon the ways in which your most precious values are being trampled'.

Being brave targets a specific sub-set of bravery; the idea of moral courage as distinct from physical and personal courage. The bravery that contributes to trustworthiness is choosing to speak up and make a stand for the wider good even when such acts risk social rejection. Interviewees commented on being brave using the following examples:-

> *'I think you have to be brave to be trustworthy. If you're going to do the right thing then it might have some personal adverse consequences but you have to believe that your integrity is worth more than that and then you don't compromise.'*

> *'If you are brave enough then the governance environment isn't the primary issue. Can you look at yourself in the mirror if you don't make the right call?'*

One of the interviewees cited the social rejection of the founder of John Lewis Partnership, Spedan Lewis, by his father when she said:-

> *'The founder of John Lewis and his father had a huge row. His father thought that his son was a communist. They ran two stores using the two different ideas and the founder's ideas won out.'*

This interviewee was referring to the UK retailer, John Lewis Partnership, which is now one of the most trusted brand names in the retail marketplace. The first John Lewis store opened in Oxford Street, London, in 1864 and the organisation now has 43 stores and over 90,000 staff. Spedan Lewis, son of the original John Lewis, had bold ideas, including the radical notion of distributing the profits of the company to its staff. His father regarded him as a 'communist' and rejected him both professionally and personally. The company split with John Lewis taking control of the original store in Oxford Street and Spedan Lewis having sole ownership of the second store which was branded 'Peter Jones'. Spedan Lewis implemented his new working practices in the Peter Jones store turning it around from a loss-making business to one that was highly profitable. Upon his father's death in 1928, Spedan Lewis signed the 'First Trust Settlement', enshrining the company's operating principles and laying the foundation for a sustained period of financial success based on a reputation for market-leading trustworthiness (LEWIS, 1979). The Spedan Lewis story is an excellent example of a leader using the behaviour of moral bravery to develop individual and organisational trustworthiness.

Be Kind

A random act of kindness (RAK) is defined as 'a selfless act intended to bring help, happiness or joy to another person' (Jones, 1998). The phrase is sometimes credited to Anne Herbert, who wrote the words 'practice random acts of kindness and senseless acts of beauty' on a placemat at a Sausalito restaurant in 1982. RAK initiatives have since sprung up in many different guises often catalysed by social media. For example, #feedthedeed is a social media initiative started in 2014 whereby participants film themselves performing a random act of kindness and then invite their

followers to do the same. In the first two months of its launch, 10,000 #feedthedeed posts were recorded across 30 countries (Wikipedia, 2014).

Being kind can be an isolated act that requires no further justification. However, since benevolence is one of the three components of trustworthiness in the Integrative Model of Organisational Trust, we can see that being kind is at the heart of the trust-building challenge. And choosing to be kind is important regardless of a leader's prowess in the habits of ability and integrity (Mayer et al., 1995).

Being kind is not always about headline-grabbing acts such as finding a cure for cancer, it is also about taking small steps on a daily basis to touch the lives of the people in a positive way. Webster refers to these low profile acts of kindness TNTs ('tiny noticeable things') (Webster, 2003). TNTs are like bonsai trees; they are miniature in scale yet perfectly formed. The value of TNTs is measured by the depth of thoughtfulness that has gone into their design.

Kindness is not yet a word that has worked itself into the business lexicon, but the synonyms 'care' and 'empathy' were often mentioned by the participants that I interviewed:-

> *'We have put all 600 staff through a week-long course in the skills of empathy. It's an expensive programme but we've done it so that we can convince the consumer that we care.'*

> *'The CEO doesn't need to do everything but they do need to care about everything'*

> *'My three Cs are clarity, consistency and care'*

> *'A lack of care for the principal stakeholders destroys trustworthiness'*

> *'Every customer that complains gets a letter back from the CEO. Those customers go straight on social media and cry "Hallelujah! This company cares about me". And let's be honest, in this country that is quite unusual.'*

The Context of Trustworthiness

Based on the interviews in study 1, three themes associated with the context of trustworthiness were identified – governance, societal and organisational. Analytical memos were written for sub-topics under these headings. Six sub-topics were identified as follows and these are each discussed in the sections below:-

- Governance
    - o Governance
- Societal
    - o Regulation, PR and corporate social responsibility (CSR)
- Organisational
    - o Goals and measurement
    - o Organisation structure
    - o Scale and process
    - o Remuneration and incentives

The Context of Trustworthiness – Governance

- governance

The popular assumption is that it is harder to build trustworthiness in companies driven by owners who are only focussed upon driving short-term financial results. This style of governance is the traditional agency theory model that was discussed in chapter 2. Surprisingly, the views of the interviewees varied on this issue. There were some who strongly endorsed the layman's view:-

> *'There are a lot of businesses out there who are under pressure to deliver short-term results for their owners. And those owners don't care how you make the next set of quarterly figures'*

> *'The investment criteria for a private equity firm is not 'Is this an ethical and honest business?'. It's not even on the radar. They might find a few CSR boxes to tick at the end of the year, but it is not why they are going to invest.'*

> *'The employees of John Lewis think of themselves as co-owners. If there are any bad apples in John Lewis then everyone feels like it is themselves that are being cheated, not some anonymous shareholder that they have never met'*

However, others challenged this perception:-

> *'In theory, a partnership structure should be more conducive to building trustworthiness through shared ownership. In practice, I don't think it makes one iota of difference. I really don't. This is because you have got ego-centric, domineering, 'I know best' leaders in all types of organisations - public sector, private sector, SMEs, not-for-profits'*

> *'The vast majority of plc's are functioning in a perfectly acceptable and trustworthy manner. The vast majority do care about their stakeholders, do care about their staff, do care about their customers and the interface they have with the regulators'*

One interpretation of these diverse views is that we are amid shifting sands in terms of the governance context of business. On the one hand, we have a traditional agency view that is still holding strong in specific sectors and/or organisations (Jensen & Meckling, 1976). On the other hand, we have an emerging stewardship model that is being adopted selectively by leaders who sense a need to create a different business paradigm (Davis et al., 1997). This is consistent with the ongoing shift from heroic leadership to post-heroic leadership that was highlighted in chapter 2 (Fletcher, 2003; Huey & Sookdeo, 1994). As Bradford and Cohen remark 'Most organisations find themselves in a painful and inconclusive transition between eras of heroic and post-heroic leadership'(Bradford, 1998).

The Context of Trustworthiness - Societal

- Regulation, PR and corporate social responsibility (CSR)

Regulation, PR and CSR may seem awkward bed-fellows, but the reason that they are grouped together is that they are all potential surrogates for the genuine trust-building challenge. According to some interviewees, senior executives believe they do not need to focus on building organisational trustworthiness because they can outsource this as a non-core activity. They can either outsource internally to the specialist PR and CSR functions or they can outsource the responsibility externally to the regulators and politicians. Yet public tolerance for these tactics is wearing thin as many of the interviewees noted:-

> *'CSR is seen as something an organisation must have. But half the time the stuff that is being put out in CSR is not really believed, either by the CEO or by the rest of the*

organisation. It is just something that they think they ought to do. As a consequence, it is a lie'

'So long as we rely upon regulation then there has not been a sea-change because we are still relying upon fear of consequences rather than positive action'

'Managing trustworthiness becomes a PR exercise and that is not plausible - you are constantly drip-feeding the public spin and they know it'

These comments are echoed by those in the Populus 'Trust Deficit' research cited earlier (Populus, 2011), where one FTSE 100 non-executive director commented:-

Instead of people relying on trust, businesses think… 'I'll play by the [regulator's] rules'… and then there's a temptation to game those rules or push them to the wire because it's a rule and it's different from a trust-based system'

With respect to CSR, another FSTE100 non-executive director commented:-

'I think the public is every bit as cynical about CSR as they are about everything else a business does'.

These are damming perspectives from inside the boardroom.

The Context of Trustworthiness – Organisational

- Goals and measurement

Traditionally, leaders have focussed upon financial measures of success such as profit, return on capital employed, net asset value, etc. These were the raw ingredients of business planning and goal-setting. More recently, balanced scorecard approaches have been introduced in many organisations (Kaplan & Norton, 2001) to broaden the scope of goal-setting and performance measurement to include non-financial measures such as customer satisfaction, process efficiency and innovation. With the advent of triple bottom-line reporting (Jeurissen, 2000), it is expected that this trend to broaden the scope of goal-setting and measurement will continue and concepts such as trust, previously regarded as highly subjective, will be measured, tracked and reported upon.

However, the interviewees revealed that we are a long way from that vision. When asked how they measured trustworthiness in their organisations, here is a selection of their comments:-

'I don't think there is a measure. There certainly isn't a single measure'

'We have a scorecard. Whilst trustworthiness is not a component on the scorecard we view the customer and employee satisfaction metrics as a measure of our trustworthiness. These are proxy measures for trustworthiness'

'Trustworthiness is the way an individual feels, so it is not something that can be easily measured'

There was no company in the sample that had a direct measure for trustworthiness and yet all the executives interviewed agreed it was critical to their long-term success. These findings are reinforced by comments in other studies such as the Populus white paper, 'The Trust Deficit' (Populus, 2011), where the authors concluded that 'business leaders viewed trust largely as a

matter of personal judgement', with one FTSE100 chairman quoted as saying 'I hadn't thought about trying to measure trust' and another of his peers agreeing 'it's probably a bit difficult to say how do you actually measure [trust]'.

In contrast, there are many other case studies (BP, Volkswagen, United Airlines, Facebook) that show that the cost of trust failure is specific and dramatic in terms of loss of market share, falls in share prices and the resignation of CEOs. A starting point towards the routine measurement of trust would be to consider Pirson's scale for organisational trustworthiness (Pirson, 2007). Pirson surveyed 2,053 respondents from four organisations and interviewed 32 stakeholder groups to develop, what he termed, the Integrated Stakeholder Trust Management Framework (ISTMAF). The ISTMAF allows organisations to assess their trustworthiness using the following simple set of core statements:-

The Integrated Trust Management Framework (ISTMAF)	
Category	**Statement**
Management competence	This organisation... • can successfully adapt to changing demands • is able to set and reach goals
Technical competence	This organisation... • is very competent in its area • generally has high standards
Reliability	This organisation... • is consistent when dealing with stakeholders • communicates regularly important events and decisions • does what it says • is reliable
Transparency	This organisation... • explains its decisions • says so if something goes wrong • is transparent • openly shares all relevant information
Integrity	This organisation... • does not try to deceive • has high moral standards • treats its stakeholders with respect
Benevolence	This organisation... • is caring • listens to my needs • is fair • does not abuse stakeholders
Reputation	• The organisation enjoys a high reputation • People I know speak highly of the organisation • Stakeholders are positive towards the organisation
Identification	• I can identify with the organisation • My personal values match the values of the organisation • I feel connected with the organisation

The above statements could become the basis of a 'trust index' that could assess trust levels with diverse stakeholder groups – suppliers, customers, staff, shareholders, the public at large. Such a

'trust index' could be reported on a quarterly basis. It could be the basis of setting goals that support triple bottom-line success and it could be a prescient indicator of strategic risk.

- Organisation Structure

If governance is a lever that is often outside of immediate executive control, the interviewees felt that organisation structure was a factor very much in the CEO's influence. In this area, the qualitative research revealed a clear message; trustworthy organisations are more likely to flourish where there is an executive board member reporting directly to the CEO who has ultimate responsibility for the customer and/or brand. Consider the following remarks:-

> *'One of the things that is going to change is the development of the 'customer director' role who owns the holistic customer experience end-to-end across all channels to market. These customer directors will be the CEOs of the future'*

> *'The CFO and the numbers dominate because of this wretched quarterly reporting cycle. Brand building is important and we need to get the balance to swing back a bit'*

> *'The tendency to hire Non-Executive Directors who are CFOs does not help. So many boards do not have the balance to have the right conversations'*

> *'Brands could be the driver of trustworthiness but that would need the CMO to sit on the board and/or become the CEO'*

- Scale and processes

Sorkin chronicled the events of the 2008 global financial crisis and coined the phrase 'too big to fail' (Sorkin, 2010). This saying was referred to by some of the interviewees who also speculated whether companies that are perceived as too big to fail, might they also be too big to trust. Research conducted by the Institute of Leadership and Management suggests there is some evidence to back up this claim (ILM, 2014). Their report 'The Truth about Trust' concluded that 'very large organisations have lower levels of trust across the board' with 'just over a quarter (27%) of managers working in organisations of over 1,000 people saying they had net high trust in their organisation'. This compares with trust levels in organisations of a smaller scale as follows:-

Levels of net high trust by organisation size (%)
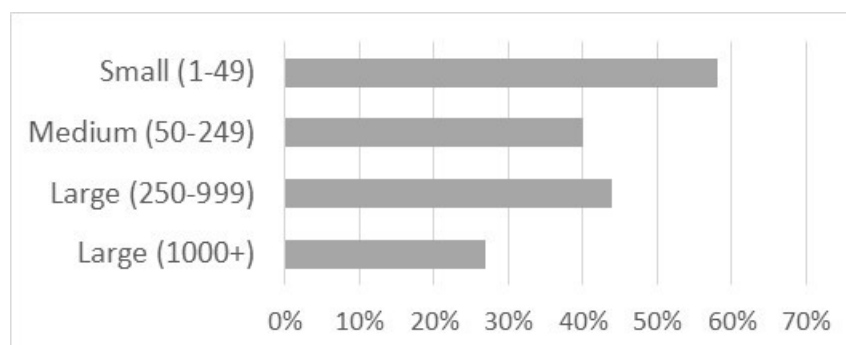
The interviewees agreed that it is harder, though not impossible, to build trust in global, multinational organisations and illustrated this belief with the following comments:-

> *'Siemens has 106 operating subsidiaries. No-one can remember 106 names so the CEO of Siemens probably can't name all his business divisions and that can't help build trust, can*

it?'

'If you're running a big multinational like Enron it's all a bit anonymised, isn't it? Whereas when you were running the local widget factory you knew everybody and everybody knew you'

'One of the challenges large organisations have is that it is much harder for the CEO to build personal relationships with their stakeholders. If you've got 40,000 staff, how do you do that?'

Interviewees' commented that with scale comes distance in terms of human relationships. It is easier in a large company for the culture to fragment into various silos of 'us and them'. As soon as we have a 'them', whether it be people at the top or people in other divisions or people in other countries, then that remoteness creates the temptation to maximise our own returns at the expense of 'them'. This behaviour will certainly create risks regarding the trust components of benevolence and, potentially, the component of integrity too. Likewise, the larger the organisation, the more the need for good intentions to be formalised through effective processes and systems. In this area, executive leaders would be wise to follow the advice of the following interviewees:-

'When I joined IBM, I was given a little booklet titled 'Business Conduct Guidelines' and it was magic because it told you exactly how IBM wanted to do business.

'McKinsey is renowned for its processes and systems for identifying, developing and exiting talent. This is hugely beneficial to the organisation.'

'We are now measuring our processes which we didn't need to do previously. Technology is coming along to help us do that. This allows us to keep the organisation efficient even when we organise ourselves in a less mechanistic way'

- Remuneration and incentives

Frequently in the interviews, participants referred to the topic of CEO remuneration as a barrier to CEO trustworthiness. Interviewees suggested that business stakeholders do not trust CEOs because they read in the press that they earn excessive salaries, have share options worth millions of dollars and have secured gold-plated pension provisions. The perception is that the public does not trust CEOs because they believe the CEO lives in a different world. A world where, from the public's perspective, the odds are stacked in the CEO's favour and therefore the system is not perceived as fair or just. The bottom-line is that as one of the CEOs I interviewed put it:-

'What undermines trust is when people perceive the risk/reward ratio is not fair across society'.

Here is a longer excerpt from a private company interviewee, which highlights the strength of feeling on this topic from inside the boardroom itself:-

'I still think that the people at the top of financial institutions are living in a different world. Let's face it, it's not good if you put your money on the counter and you can't trust you're going to get the right interest rate, whilst the chief executive of the bank is giving himself a ten million euro bonus. How does that work? Why would you be earning a thousand times more than your employees? If I were one of those CEOs, I would have to step out of the self-created world of rich bankers who all think it's normal that you earn

ten million euros from just giving money from one person to another'

Interviewees felt that executive remuneration is a significant issue that, sooner or later, will place itself on the critical path of CEO and organisational trustworthiness. For some sectors, such as financial services, it may already be on that critical path. In other words, there may already be no more that the CEOs of multinational banks can do to inspire trust with their stakeholders until they have tackled the issue of their own personal remuneration and that of their senior team. This is an effect that was highlighted via the case of Dennis Kozlowski, notorious ex-CEO of US conglomerate Tyco, who served nine years in prison after being convicted of crimes related to $81 million in unauthorised bonuses (Ackman, 2005). Commenting on his trial in 2007, Kozlowski said, 'I was a guy sitting in a courtroom making $100 million a year and I think a juror sitting there just would have to say, 'All that money? He must have done something wrong.' I think it's as simple as that' (Schorn, 2009).

Appendix 5 – Study 2: Pilot Survey Questionnaire

Survey Information Sheet On behalf of your organisation, you are being invited to take part in a research study. Before you decide whether to take part, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully. **What is the purpose of the study?** The global financial crisis and subsequent corporate scandals have undermined trust in business organisations - this matters because organisations with a strong reputation for trustworthiness can attract top talent, retain customer loyalty and build valuable supplier partnerships. The objective of this research is to explore how CEOs build individual and organisational trust and how other employees perceive their role in this challenge.   **Why have I been invited to participate?** You have been chosen to take part because your organisation is committed to improving individual and organisational trustworthiness and, as part of this commitment, wishes to understand the current perceptions of the management and employee populations. **Do I have to take part?** Your organisation has agreed to take part in this research, but it is ultimately up to you to decide whether or not to complete the research questionnaire.   **What will happen to me if I take part?** You will complete a short online questionnaire. This questionnaire asks several questions on the topic of CEO and organisational trustworthiness, plus your own willingness to trust others. All findings of the survey will be kept anonymous. The survey is expected to take 5-10 minutes to complete. **Will what I say in this study be kept confidential?** All information collected about you and your organisation will be kept strictly confidential. Data generated by the study will be retained in accordance with the Aston University's policy on Academic Integrity. It will be kept securely, in paper or electronic form, for a period of ten years.   **What will happen to the results of the research study?** The research findings will contribute to conference presentations, blogs, workshops and programmes offered as part of 'The Trusted Executive' initiative led by the researcher. You may request a copy of the outcomes of the research by emailing the researcher at john@johnblakey.co.uk   **Who is organising and funding the research?** The research is being conducted as part of a doctoral programme (DBA) at Aston University. It is a self-funded programme within the work and organisational psychology group of Aston Business School. **Who has reviewed the study?** This research proposal has been approved by the Aston Business School Ethics Committee and with the researcher's supervisory team, Dr Ann Davis, Dr Alison Legood and Professor John Rudd. **Contact for Further Information**: Should you have any further questions please contact me directly at john@johnblakey.co.uk. If you have any concerns about the way in which this research has been conducted, you should contact the Secretary of the Aston Business School Research Ethics Committee via e.bridges@aston.ac.uk. Thank you for taking the time to read this information sheet.

Q1
The Trusted Executive Survey: Consent Form

Please indicate below that you agree to take part in the study and that:

- you have read and understood the information sheet

- you understand that your participation is voluntary and that you are free to withdraw at any time without giving a reason

- you have agreed that anonymous data gathered in this study may be stored in a specialist data centre, used for future research and used in associated publications

○ I agree to take in the study on the above terms

○ I do not wish to take part in the study on the above terms

Q2 I am currently in employment (note if you are not in current employment then it is not appropriate for you to complete the survey at this time)

○ Yes

○ No

Q3 Which sector are you employed in?

○ public sector

○ private sector

○ charity / not for profit

Q4 Please read each statement and then select the option which most closely reflects your own view

	Strongly agree	Agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Disagree	Strongly disagree

My line manager is careful when making promises	◯	◯	◯	◯	◯	◯	◯
My line manager monitors and tracks the delegation and execution of tasks	◯	◯	◯	◯	◯	◯	◯
My line manager goes above and beyond what is expected in their key stakeholder relationships	◯	◯	◯	◯	◯	◯	◯
My line manager listens to people more than he or she talks to them	◯	◯	◯	◯	◯	◯	◯
My line manager asks questions of everyone they meet	◯	◯	◯	◯	◯	◯	◯
My line manager believes in people's potential more than they believe in it themselves	◯	◯	◯	◯	◯	◯	◯
My line manager makes decisions based on a clear set of personal values	◯	◯	◯	◯	◯	◯	◯
My line manager seeks out feedback on the impact of their personal values on others	◯	◯	◯	◯	◯	◯	◯
Select "disagree" for this line to confirm your attention.	◯	◯	◯	◯	◯	◯	◯
My line manager holds people to account when they notice minor slips in honesty	◯	◯	◯	◯	◯	◯	◯

My line manager can identify the situations in which people are tempted to be dishonest	○ ○ ○ ○ ○ ○ ○
My line manager seeks out challenging feedback regarding their level of honesty	○ ○ ○ ○ ○ ○ ○
My line manager shares personal thoughts and feelings when communicating with people at work	○ ○ ○ ○ ○ ○ ○
My line manager praises people who show vulnerability at work	○ ○ ○ ○ ○ ○ ○
My line manager is willing to risk embarrassment by being open with others	○ ○ ○ ○ ○ ○ ○
When things go well my line manager is willing to let others take the praise	○ ○ ○ ○ ○ ○ ○
When things go badly my line manager is willing to take personal responsibility	○ ○ ○ ○ ○ ○ ○
My line manager networks with senior leaders in our organisation who are modest and humble	○ ○ ○ ○ ○ ○ ○
Select "agree" for this line to confirm your attention.	○ ○ ○ ○ ○ ○ ○

My line manager demonstrates a consistent belief in an inspiring vision	○	○	○	○	○	○	○
My line manager bounces back quickly from disappointments	○	○	○	○	○	○	○
At work, it is clear to others that my line manager loves what he or she does	○	○	○	○	○	○	○
My line manager stands up and speaks out when necessary	○	○	○	○	○	○	○
My line manager has the courage to act against the status quo rather than compromise on their principles	○	○	○	○	○	○	○
My line manager praises people in the workplace who stand up for their principles	○	○	○	○	○	○	○
My line manager practises random acts of kindness in the workplace	○	○	○	○	○	○	○
My line manager focuses on the 'little things' to demonstrate to their stakeholders that they care	○	○	○	○	○	○	○
My line manager holds people accountable if they act with negligence to any of our stakeholders	○	○	○	○	○	○	○

Q5 The following statements also refer to your line manager. As before, please select the option which most closely reflects your own view.

	Strongly agree	Agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Disagree	Strongly disagree
My line manager has a strong sense of justice	○	○	○	○	○	○	○
I never have to wonder whether my line manager will stick to his/her word	○	○	○	○	○	○	○
My line manager tries hard to be fair in their dealings with others	○	○	○	○	○	○	○
I like my line manager's values	○	○	○	○	○	○	○
Sound principles seem to guide my line manager's behaviour	○	○	○	○	○	○	○
My line manager is very capable of performing his or her role	○	○	○	○	○	○	○
I feel very confident about my line	○	○	○	○	○	○	○

manager's skills							
My line manager is very concerned about my welfare	○	○	○	○	○	○	○
My needs and desires are very important to my line manager	○	○	○	○	○	○	○
My line manager really looks out for what is important to me	○	○	○	○	○	○	○
My line manager is known to be successful at things he/she tries to do	○	○	○	○	○	○	○

Q6 What is your gender?

○ Male

○ Female

Q7 What is your age?

○ 18-29

○ 30-49

○ Over 50

Q8 What is the highest level of education you have completed?

○ School

○ Trade / Technical / Vocational Training

○ Degree

○ Postgraduate Qualification

○ Doctorate

Q9 What is your ethnic origin?

○ White

○ Black

○ Hispanic or Latino

○ Asian

○ Other

Q10 How long have you worked for this organisation?

◯ Less than 1 year

◯ 1-3 years

◯ 3-6 years

◯ 6-10 years

◯ More than 10 years

Q11 What is your level of management in the organisation?

◯ Lower

◯ Middle

◯ Senior

◯ Not applicable

Q12 Please read each statement and then select the option which most closely reflects your own view

	Strongly agree	Agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Disagree	Strongly disagree
I tend to be cynical and sceptical of others' intentions	○	○	○	○	○	○	○
I believe that most people are basically well-intentioned	○	○	○	○	○	○	○
I believe that most people will take advantage of you if you let them	○	○	○	○	○	○	○
I think most of the people I deal with are honest and trustworthy	○	○	○	○	○	○	○
I'm suspicious when someone does something nice for me	○	○	○	○	○	○	○

Q13 Please read each statement and then select the option which most closely reflects your own view

	Strongly agree	Agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Disagree	Strongly disagree
This organisation is capable of	○	○	○	○	○	○	○

meeting its responsibilities							
This organisation is known to be successful at what it tries to do	○	○	○	○	○	○	○
This organisation does things competently	○	○	○	○	○	○	○
This organisation is concerned about the welfare of its stakeholders	○	○	○	○	○	○	○
Stakeholder needs and desires are important to this organisation	○	○	○	○	○	○	○
This organisation will go out of its way to help its stakeholders	○	○	○	○	○	○	○
This organisation would never deliberately take advantage of its stakeholders	○	○	○	○	○	○	○
This organisation follows commonly held ethical values	○	○	○	○	○	○	○

Appendix 6 – Study 3: Survey Questionnaire

Survey Information Sheet On behalf of your organisation, you are being invited to take part in a research study. Before you decide whether to take part, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully. **What is the purpose of the study?** The global financial crisis and subsequent corporate scandals have undermined trust in business organisations - this matters because organisations with a strong reputation for trustworthiness can attract top talent, retain customer loyalty and build valuable supplier partnerships. The objective of this research is to explore how CEOs build individual and organisational trust and how other employees perceive their role in this challenge. **Why have I been invited to participate?** You have been chosen to take part because your organisation is committed to improving individual and organisational trustworthiness and, as part of this commitment, wishes to understand the current perceptions of the management and employee populations. **Do I have to take part?** Your organisation has agreed to take part in this research, but it is ultimately up to you to decide whether or not to complete the research questionnaire. **What will happen to me if I take part?** You will complete a short online questionnaire. This questionnaire asks a number of questions on the topic of CEO and organisational trustworthiness, plus your own willingness to trust others. All findings of the survey will be kept anonymous. The survey is expected to take 5-10 minutes to complete. **Will what I say in this study be kept confidential?** All information collected about you and your organisation will be kept strictly confidential. Data generated by the study will be retained in accordance with the Aston University's policy on Academic Integrity. It will be kept securely, in paper or electronic form, for a period of ten years. **What will happen to the results of the research study?** The research findings will contribute to conference presentations, blogs, workshops and programmes offered as part of 'The Trusted Executive' initiative led by the researcher. You may request a copy of the outcomes of the research by emailing the researcher at john@johnblakey.co.uk **Who is organising and funding the research?** The research is being conducted as part of a doctoral programme (DBA) at Aston University. It is a self-funded programme within the work and organisational psychology group of Aston Business School. **Who has reviewed the study?** This research proposal has been approved by the Aston Business School Ethics Committee and with the researcher's supervisory team, Dr Ann Davis, Dr Alison Legood and Professor John Rudd. **Contact for Further Information** Should you have any further questions please contact me directly at john@johnblakey.co.uk. If you have any concerns about the way in which this research has been conducted, you should contact the Secretary of the Aston Business School Research Ethics Committee via e.bridges@aston.ac.uk. Thank you for taking the time to read this information sheet.

The Trusted Executive Survey: Consent Form

Please indicate below that you agree to take part in the study and that:

- you have read and understood the information sheet

- you understand that your participation is voluntary and that you are free to withdraw at any time without giving a reason

- you have agreed that anonymous data gathered in this study may be stored in a specialist data centre, used for future research and used in associated publications

○ I agree to take in the study on the above terms

○ I do not wish to take part in the study on the above terms

Q1 What is your level of management in the organisation?

○ Group CEO

○ Level 1 - Top Management Team reporting to Group CEO

○ Level 2 - Direct Report to Top Management Team

○ Level 3 - Senior Manager

○ Level 4 and below - Manager / Employee

Q2 Please read each statement and then select the option which most closely reflects your own view

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
Organisational trust is critical to attracting and retaining top talent	○	○	○	○	○	○	○
Organisational trust is critical to customer loyalty	○	○	○	○	○	○	○
Organisational trust is critical to sustainable bottom-line performance	○	○	○	○	○	○	○
Organisational trust is critical to short-term profitability	○	○	○	○	○	○	○

Q3 Please read each statement and then select the option which most closely reflects your own view

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
This organisation is capable of meeting its responsibilities	○	○	○	○	○	○	○
This organisation is known to be successful at what it tries to do	○	○	○	○	○	○	○
This organisation does things competently	○	○	○	○	○	○	○
This organisation is	○	○	○	○	○	○	○

concerned about the welfare of its stakeholders							
Stakeholder needs and desires are important to this organisation	○	○	○	○	○	○	○
This organisation will go out of its way to help its stakeholders	○	○	○	○	○	○	○
This organisation would never deliberately take advantage of its stakeholders	○	○	○	○	○	○	○
This organisation follows commonly held ethical values	○	○	○	○	○	○	○
This organisation is highly trustworthy	○	○	○	○	○	○	○

Q4 Please read each statement and then select the option which most closely reflects your own view

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I tend to be cynical and sceptical of others' intentions	○	○	○	○	○	○	○
I believe that most people are basically well-intentioned	○	○	○	○	○	○	○
I believe that most people will take advantage of you if you let them	○	○	○	○	○	○	○
I think most of the people I deal with are honest and trustworthy	○	○	○	○	○	○	○
I'm suspicious when someone does something nice for me	○	○	○	○	○	○	○

Q5 What is your gender?

○ Male

○ Female

Q6 What is your age?

○ 18-29

○ 30-49

○ Over 50

Q7 What is the highest level of education you have completed?

○ School

○ Trade / Technical / Vocational Training

○ Degree

○ Postgraduate Qualification

Q8 What is your ethnic origin?

○ White

○ Black or Black British

○ South East Asian (including Chinese/Japanese)

○ Asian or Asian British

○ Mixed

○ Other

Q9 How long have you worked for this organisation?

○ Less than 1 year

○ 1-3 years

○ 3-6 years

○ 6-10 years

○ More than 10 years

Q10 How long have you worked for your existing line manager (or Chair if Group CEO)?

○ less than 6 months

○ 6 months - 1 year

○ 1-3 years

○ 3-5 years

○ More than 5 years

Q11 In your career, how much leadership training have you received which was focussed specifically upon the topic of building individual and organisational trust

○ None

○ 0-2 days

○ 2-5 days

○ 1-3 weeks

○ More than 3 weeks

Q12 Please read each statement and then select the option which most closely reflects your own view

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
My line manager is careful when making promises	○	○	○	○	○	○	○
My line manager monitors and tracks the delegation and execution of tasks	○	○	○	○	○	○	○
My line manager goes above and beyond what is expected in their key stakeholder relationships	○	○	○	○	○	○	○
My line manager listens to people more than he or she talks to them	○	○	○	○	○	○	○
My line manager asks questions of everyone they meet	○	○	○	○	○	○	○
My line manager believes in people's potential more than they believe in it themselves	○	○	○	○	○	○	○
My line manager makes decisions based on a clear set of personal values	○	○	○	○	○	○	○
My line manager acts consistently despite changing circumstances	○	○	○	○	○	○	○

My line manager expects people to be scrupulously honest at work	○	○	○	○	○	○	○
My line manager demonstrates high standards of personal honesty	○	○	○	○	○	○	○
My line manager encourages honest and truthful workplace discussions	○	○	○	○	○	○	○
My line manager is very open to share personal thoughts and feelings at work	○	○	○	○	○	○	○
My line manager praises people who show openness and vulnerability at work	○	○	○	○	○	○	○
My line manager is willing to risk embarrassment by being open with others	○	○	○	○	○	○	○
When things go well my line manager has the humility to let others take the praise	○	○	○	○	○	○	○
When things go badly my line manager has the humility to take personal responsibility	○	○	○	○	○	○	○
People would describe my line manager as a very humble person	○	○	○	○	○	○	○

At work, my line manager promotes a passionate and inspiring vision	○	○	○	○	○	○	○
My line manager bounces back quickly from disappointments	○	○	○	○	○	○	○
At work, it is clear to others that my line manager loves what he or she does	○	○	○	○	○	○	○
My line manager is brave to speak up for the wider good even at the expense of their own self-interest	○	○	○	○	○	○	○
My line manager has the courage to act against the status quo when necessary	○	○	○	○	○	○	○
My line manager praises others in the workplace who are brave to challenge the status quo	○	○	○	○	○	○	○
My line manager practices random acts of kindness in the workplace	○	○	○	○	○	○	○
My line manager shows empathy and care when dealing with others at work	○	○	○	○	○	○	○
My line manager expects others to show care and kindness at work	○	○	○	○	○	○	○

Q13 The following statements also refer to your line manager. As before, please select the option which most closely reflects your own view.

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
My line manager has a strong sense of justice	○	○	○	○	○	○	○
I never have to wonder whether my line manager will stick to his/her word	○	○	○	○	○	○	○
My line manager tries hard to be fair in their dealings with others	○	○	○	○	○	○	○
I like my line manager's values	○	○	○	○	○	○	○
Sound principles seem to guide my line manager's behaviour	○	○	○	○	○	○	○
My line manager is very capable of performing his or her role	○	○	○	○	○	○	○
I feel very confident about my line	○	○	○	○	○	○	○

manager's skills							
My line manager is very concerned about my welfare	○	○	○	○	○	○	○
My needs and desires are very important to my line manager	○	○	○	○	○	○	○
My line manager really looks out for what is important to me	○	○	○	○	○	○	○
My line manager is known to be successful at things he/she tries to do	○	○	○	○	○	○	○

Appendix 7 – Study 3: Example Client Survey Presentation

Slide 1
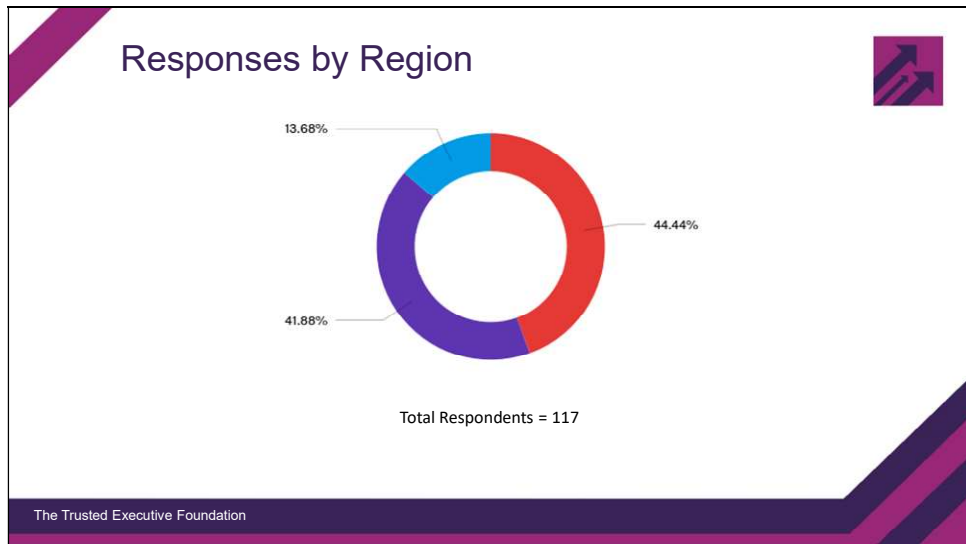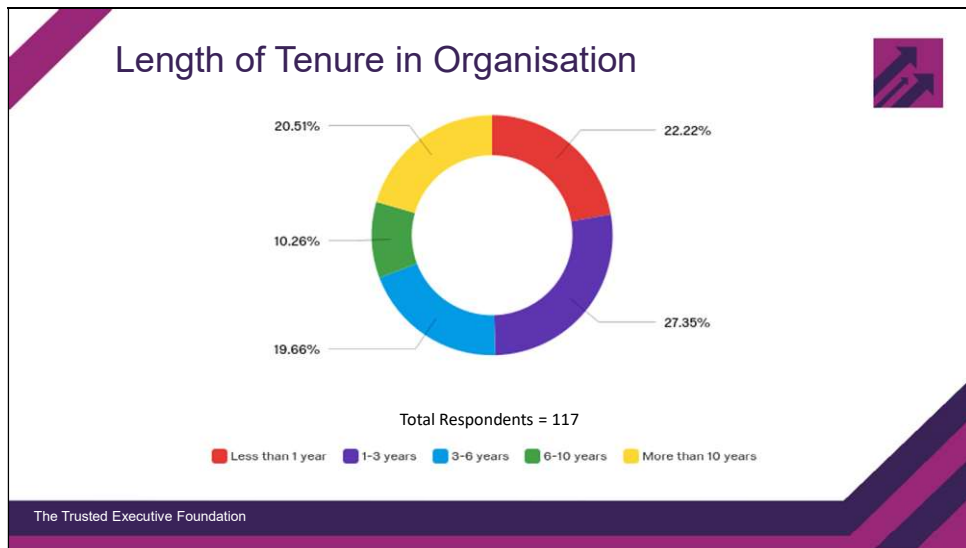
Slide 2

Slide 3

Slide 4

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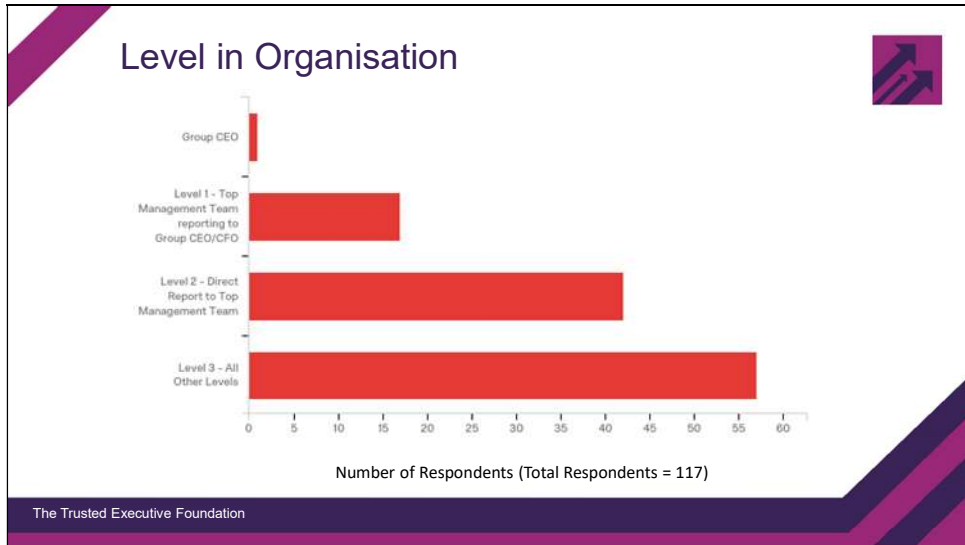
Slide 6

Slide 7

Line Manager Trust Perceptions

Behaviour (weakest behaviours in red / strongest behaviours in green)	Private Sector Avg	Company Average	% +/-
My line manager really looks out for what is important to me	4.58	4.47	-2%
My needs and desires are very important to my line manager	4.62	4.56	-1%
I never have to wonder whether my line manager will stick to his/her word	4.86	4.78	-1%
Sound principles seem to guide my line manager's behaviour	5.92	5.03	-15%
I like my line manager's values	4.90	5.05	+3%
My line manager is very concerned about my welfare	4.50	5.07	+10%
My line manager has a strong sense of justice	5.08	5.10	-
My line manager is known to be successful at things he/she tries to do	5.01	5.20	+3%
I feel very confident about my line manager's skills	5.08	5.30	+4%
My line manager tries hard to be fair in their dealings with others	5.12	5.31	+3%
My line manager is very capable of performing his or her role	5.28	5.40	+2%

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Slide 8

Line Manager Trust Behaviour – Nine Habits

Habit	Behaviour (weakest behaviours in red / strongest behaviours in green)	Benchmark Avg	Company Average	% +/-
Hu	People would describe my line manager as a very humble person	-	3.91	-
Op	My line manager is willing to risk embarrassment by being totally open with others	4.31	3.96	-6%
Op	My line manager praises people who show openness and vulnerability at work	4.48	4.12	-6%
Ki	My line manager practises random acts of kindness in the workplace	4.58	4.20	-6%
Ev	My line manager promotes a passionate and inspiring vision	4.84	4.42	-7%
Co	My line manager listens to people more than he or she talks to them	4.54	4.43	-2%
Br	My line manager praises others in the workplace who are brave to challenge the status quo	4.79	4.51	-5%
Co	My line manager believes in people's potential more than they believe in it themselves	4.76	4.53	-4%
Ho	My line manager expects people to be ruthlessly honest at work	-	4.59	-
De	My line manager monitors and tracks the delegation and execution of tasks	5.21	4.65	-9%

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Slide 9

Line Manager Trust Behaviour – Nine Habits

Habit	Behaviour (weakest behaviours in red / strongest behaviours in green)	Benchmark Avg	Company Average	% +/-
Op	My line manager is very open to share personal thoughts and feelings at work	4.71	4.69	-
Br	My line manager is brave to speak up for the wider good even at the expense of their own self-interest	5.17	4.71	-8%
Br	My line manager has the courage to act against the status quo when necessary	4.85	4.72	-2%
Ev	At work, it is clear to others that my line manager loves what he or she does	4.99	4.75	-4%
Con	My line manager acts consistently despite changing circumstances	-	4.76	-
Hu	When things go badly my line manager has the humility to take personal responsibility	4.79	4.79	-
Co	My line manager asks questions of everyone they meet	4.84	4.80	-
Con	My line manager makes decisions based on a clear set of personal values	4.96	4.89	-1%
De	My line manager goes above and beyond what is expected in their key stakeholder relationships	4.86	4.89	+1%

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Slide 10

Line Manager Trust Behaviour – Nine Habits

Habit	Behaviour (weakest behaviours in red / strongest behaviours in green)	Benchmark Avg	Company Average	% +/-
Ho	My line manager demonstrates exceptional standards of personal honesty	-	4.90	-
Ev	My line manager bounces back quickly from disappointments	4.99	4.96	-1%
Hu	When things go well my line manager has the humility to let others take the praise	-	5.02	-
Ki	My line manager shows empathy and care when dealing with others at work	-	5.08	-
Ho	My line manager encourages honest and truthful workplace discussions	-	5.14	-
Ki	My line manager expects others to show care and kindness at work	-	5.16	-
De	My line manager is careful when making promises	5.19	5.30	+2%

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Slide 11

CEO Trust Perceptions – Three Pillars

Behaviour (weakest behaviours in red / strongest behaviours in green)	Company Average	CEO Average	% +/-
My line manager really looks out for what is important to me	4.47	3.76	-12%
My needs and desires are very important to my line manager	4.56	3.80	-13%
My line manager is very concerned about my welfare	5.07	3.99	-18%
I never have to wonder whether my line manager will stick to his/her word	4.78	4.59	-3%
My line manager tries hard to be fair in their dealings with others	5.31	4.73	-10%
My line manager has a strong sense of justice	5.10	4.81	-5%
I like my line manager's values	5.05	4.91	-2%
Sound principles seem to guide my line manager's behaviour	5.03	4.92	-2%
I feel very confident about my line manager's skills	5.30	4.96	-6%
My line manager is known to be successful at things he/she tries to do	5.20	4.98	-4%
My line manager is very capable of performing his or her role	5.40	5.06	-6%

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Slide 12

CEO Trust Behaviour – Nine Habits

Habit	Behaviour (weakest behaviours in red / strongest behaviours in green)	Company Average	CEO Average	% +/-
Ki	My line manager practises random acts of kindness in the workplace	4.20	3.99	-4%
Op	My line manager is willing to risk embarrassment by being totally open with others	3.96	4.12	+3%
Hu	People would describe my line manager as a very humble person	3.91	4.14	+4%
Op	My line manager praises people who show openness and vulnerability at work	4.12	4.18	+1%
De	My line manager monitors and tracks the delegation and execution of tasks	4.65	4.28	-6%
Br	My line manager praises others in the workplace who are brave to challenge the status quo	4.51	4.35	-3%
Co	My line manager listens to people more than he or she talks to them	4.43	4.37	-1%
Co	My line manager believes in people's potential more than they believe in it themselves	4.53	4.37	-3%
Hu	When things go badly my line manager has the humility to take personal responsibility	4.79	4.40	-7%
De	My line manager goes above and beyond what is expected in their key stakeholder relationships	4.89	4.42	-8%

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Slide 13

CEO Trust Behaviour – Nine Habits

Habit	Behaviour (weakest behaviours in red / strongest behaviours in green)	Company Average	CEO Average	% +/-
Ev	My line manager bounces back quickly from disappointments	4.96	4.45	-9%
Ki	My line manager shows empathy and care when dealing with others at work	5.08	4.46	-10%
Br	My line manager is brave to speak up for the wider good even at the expense of their own self-interest	4.71	4.48	-4%
Br	My line manager has the courage to act against the status quo when necessary	4.72	4.53	-3%
Op	My line manager is very open to share personal thoughts and feelings at work	4.69	4.59	-2%
Ki	My line manager expects others to show care and kindness at work	5.16	4.63	-9%
Ho	My line manager expects people to be ruthlessly honest at work	4.59	4.65	+1%
Co	My line manager asks questions of everyone they meet	4.80	4.66	-2%
De	My line manager is careful when making promises	5.30	4.70	-10%
Con	My line manager makes decisions based on a clear set of personal values	4.89	4.72	-3%

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Slide 14

CEO Trust Behaviour – Nine Habits

Habit	Behaviour (weakest behaviours in red / strongest behaviours in green)	Company Average	CEO Average	% +/-
Ho	My line manager demonstrates exceptional standards of personal honesty	4.90	4.72	-3%
Hu	When things go well my line manager has the humility to let others take the praise	5.02	4.73	-5%
Con	My line manager acts consistently despite changing circumstances	4.76	4.73	-1%
Ev	My line manager promotes a passionate and inspiring vision	4.42	4.80	+6%
Ev	At work, it is clear to others that my line manager loves what he or she does	4.75	4.82	+1%
Ho	My line manager encourages honest and truthful workplace discussions	5.14	4.83	-5%

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Slide 15

Slide 16
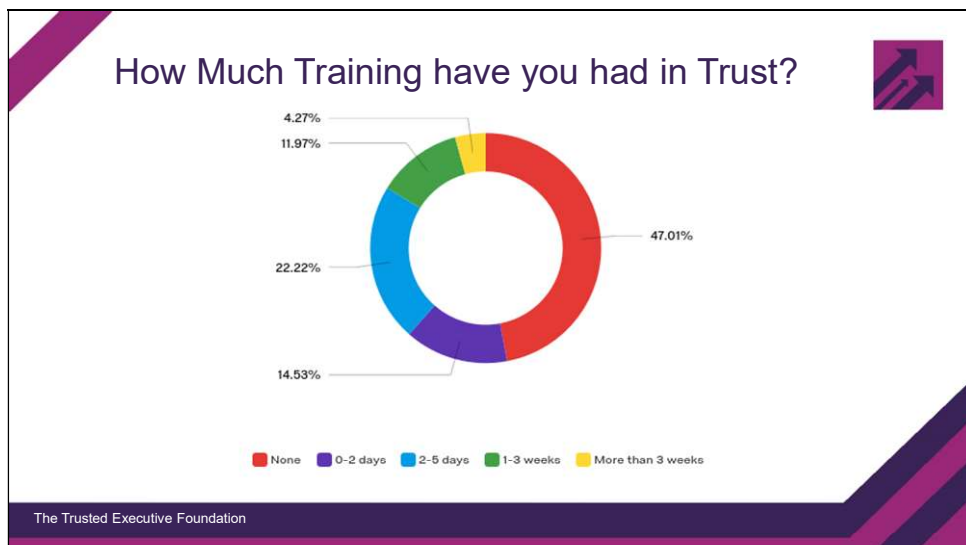
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Slide 18

Appendix 8 – Study 3 Post-Hoc Analyses

Hypothesis Testing

To explore the possibility that respondents at level 4 in the Organisation 3 sample were providing a spurious assessment of the CEO's trustworthy behaviours which was not based on direct observation of behaviours, but on more abstract factors, an additional hierarchical linear regression was conducted on the Organisation 2 data sample with only the level 3 respondents included. Analysing the results, it was found that CEO trustworthy behaviour still did not significantly predict senior leadership trustworthy behaviour, (β = 0.25, p = 0.292, adjusted R2 = 0.005), so this factor was ruled out as the cause of the inconsistent findings. The detailed model summary and coefficients are shown below. It is possible that the different governance contexts of the two organisations were influencing the relationship between CEO trustworthy behaviour and senior leadership trustworthy behaviour. For example, the public sector environment is subject to greater day to day political influence from the local politicians compared to the more distant influence of the owners of a private sector organisation. To assess this factor then further research would be necessary using data samples drawn from multiple organisations in both the private and public sector.

Study 3 - Organisation 2: Hierarchical linear regression with only the level 3 respondents included

Model Summary & Coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics R Square Change	F Change	df1	df2	Sig F Change
1	.029	.001	-.009	1.23181	.001	.087	1	101	.768
2	.156	.024	.005	1.22334	.023	2.404	1	100	.124

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig
1 (Constant)	17.903	2.627		6.814	.000
Propensity to Trust	.041	.137	.029	.295	.768
2 (Constant)	14.343	3.476		4.127	.000
Propensity to Trust	-.019	.141	-.013	-.131	.896
CEO Trustworthy Behaviour	.252	.162	.159	1.550	.124

To further explore possible causes of the variances in the results across the three samples in study 3, the descriptive statistics were re-visited as summarised in the table below:-

Table 6.15: Post-Hoc Analysis – Organisations 1-3 Summary of Descriptive Statistics

	Mean	Std. Deviation	Variance	Skewness	Kurtosis
Organisational trustworthiness					
Organisation 1	4.93	1.130	1.277	-0.65	0.44
Organisation 2	4.44	1.223	1.497	-0.66	0.10
Organisation 3	5.71	0.897	0.805	-0.89	0.41
CEO trustworthiness					
Organisation 1	4.69	1.202	1.445	-0.50	1.08
Organisation 2	4.51	0.782	0.612	-0.17	0.78
Organisation 3	5.35	0.683	0.467	-0.49	-0.57
Senior leadership trustworthiness					
Organisation 1	4.96	1.178	1.39	-0.89	0.61
Organisation 2	4.69	1.229	1.51	-0.74	0.42

The table reveals that Organisation 2 had the lowest mean perceptions of organisational trustworthiness, CEO trustworthy behaviour and senior leadership trustworthy behaviour. The other descriptive statistics did not reveal any trends across the three samples. As the least trustworthy organisation, it may be that there are other factors negatively influencing organisational trustworthiness in Organisation 2, which are diluting the effect of CEO and senior leadership trustworthy behaviours. The political influence on this organisation has already been mentioned as a possible additional variable pertaining uniquely to this sample. In addition, at the time the research was undertaken, the organisation was subject to a high-profile external investigation associated with the HR function which had resulted in the suspension of the HR Director. This factor may have been depressing perceptions of trustworthiness in the organisation, independent of the behaviours of the current CEO and senior leadership. Further research would be necessary to identify and isolate these and other possible factors.

Congruence in Views: CEO vs Other Stakeholders

A further post-hoc analysis was undertaken to compare the CEO's assessment of their own trustworthy behaviours and the organisation's trustworthiness, relative to the scores provided by other stakeholders. The results for all three organisations are shown in the table below:-

Table 6.16: Post-Hoc Analysis – CEO Perspective vs Other Stakeholders

	Mean Score (1-7)		
	Organisation 1	Organisation 2	Organisation 3
CEO self-rated trustworthy behaviours	6.30	6.35	5.98
Stakeholder-rated CEO trustworthy behaviours	4.69	4.51	5.35
CEO-rated organisational trustworthiness	5.38	6.50	6.38
Stakeholder-rated organisational trustworthiness	4.93	4.44	5.71

The difference between the self-rated CEO trustworthy behaviour perceptions and stakeholder-rated perceptions is markedly smaller in Organisation 3 than in the other two samples (12% difference in ratings vs. 41% difference for Organisation 2 and 34% difference for Organisation 1). This smaller variation results from a combination of a more modest self-assessment by the Organisation 3 CEO and a more positive assessment from the other stakeholders. This difference may be partly explained by the fact that it was external stakeholders, not internal employees, who were providing the CEO assessment in Organisation 3.

Regarding the difference between CEO-rated organisational trustworthiness and the perceptions of other senior leaders/stakeholders, all three CEOs rated their organisation's trustworthiness higher than that perceived by others (9.1% higher for Organisation 1, 46.4% higher for Organisation 2 and 12% higher for Organisation 3). The fact that the CEOs consistently self-rated themselves as more trustworthy than others perceived them to be, and rated their organisation's trustworthiness higher than others perceived it to be, reinforces the need for objective measurement of trust levels within organisations to avoid the risk of self-delusion. However, more research, with a larger sample size, would be required to fully explore these findings.