Institute of Leadership
& Management and
Management Today

Index of Leadership Trust 2010

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Foreword

Last year, when ILM and Management Today published the first Index of Leadership Trust, the financial crisis had created an environment where trust was highly vulnerable. With the ongoing fallout from the recession, it is interesting to see that trust levels have held up surprisingly well, with CEOs actually improving their ratings, although there remains a major trust deficit at the top of organisations.

This research has set out to measure precisely how well trusted line managers and CEOs are across the UK private, public and third sector organisations. This is no academic exercise – trust isn't simply an aspiration, it's fundamental to leadership effectiveness and organisational success. Trust helps people cope with uncertainty, giving them the confidence to solve problems. Trust improves productivity, employee engagement and reduces costs, all critical to organisational success in today's economic environment.

Although trust in line managers has flatlined with their rating unchanged, many CEOs have driven trust up. How CEOs and senior managers choose to respond to these straightened times when it comes to their people, will have a short and long term impact on trust and their organisations' success.

There is also an important lesson here for public sector leaders as they face a period of serious cutbacks. They display lower trust levels than their private sector counterparts, and to manage organisations at a time of great change, it is essential to preserve and enhance trust. Leaders and managers need to recognise this to achieve the full potential of their people.

Penny de Valk, Chief Executive
Institute of Leadership & Management
September 2010

Executive summary

The first Index of Leadership Trust took place as the UK economy was in the depths of the recession last summer. Now, as the economy slowly improves, the focus has moved to public sector budgets and tackling the national deficit. This is the context in which the Index of Leadership Trust 2010 is published.

Trust is integral to effective leadership – leaders must motivate and inspire people to follow them. Trust creates more efficient organisations, reducing staff turnover, absenteeism, stress and the costs of doing business. And it is leaders who build trust. At times of great uncertainty and threat, only the most trusted leaders will inspire the confidence and commitment needed to ensure success.

The 2009 survey established a benchmark for trust in CEOs and line managers at the depths of the recession. This year's survey shows how organisations' responses to economic conditions have affected leadership trust, and enables us to identify key behaviours that make some leaders stand out from the crowd.

The Index of Leadership Trust (ILT) is a six dimension measure, weighted to reflect the relative importance of each dimension, which includes integrity, ability, fairness, consistency, openness and understanding. The general population Index of Leadership Trust is the assessment of a representative cross-section of 2,500 employees measured on a scale from 0 to 100.

The ILT 2010, using exactly the same process as in 2009, showed no change in the line manager Index at 69 but recorded a four point improvement in the CEO Index, to 63. This improvement occurred despite the worst recession for decades and is a tribute to the way that many CEOs successfully navigated the economic storm.

A critical factor in determining the CEO Index is the size of the organisation – as the number of employees increases, the level of trust decreases.

However, the improvement between 2009 and 2010 has been particularly marked among CEOs of medium to large organisations, suggesting that improvements in their leadership behaviour helped lead their organisations through the recession.

Economic impact

This year we asked respondents about the impact of the recession on their organisations. This revealed that where the organisation had managed to avoid job losses, CEOs and line managers enjoyed increased levels of trust.

However, where redundancies and site closures occurred, trust levels fell sharply. For line managers there is a nine point gap in the trust levels between those in organisations that protected jobs (trust index score of 72) and those that did not (63). This is even more marked for CEOs, ranging from a trust score of 68 (no impact on jobs) to 51 (where employment levels fell), a 17 point difference.

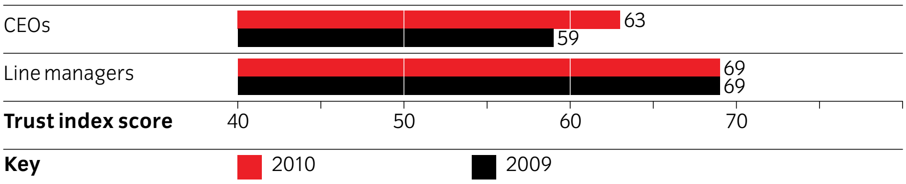
Clearly, employees see CEOs as bearing far more responsibility than line managers for the scale of the impact of the recession on their organisations, depressing trust levels accordingly. This has significant implications for the public sector, as CEOs and line managers prepare for the impact of budget cuts and recruitment freezes across their organisations.

Industry sectors

This year has also seen some small movements in the pattern of trust across industry sectors, with two showing significant changes. Retail, where nearly 400,000 jobs have been lost in the last two years[1], enjoyed the highest trust levels for both line managers and CEOs in 2009.

This year retail has fallen back six points for line managers (73 to 67) and two points for CEOs (67 to 65). Conversely, trust in the leisure sector has risen eight points for line managers (58 to 66) and six points for CEOs (57 to 63). One other significant change is that the CEOs in the utilities, post and

Figure 1: How trusted are CEOs and line managers



telecoms sector have experienced an eight point rise to 60, still on the low side, but moving them out of sectoral bottom place where they were ranked in 2009.

Public sector

Public sector leaders already lag two points behind those in the private sector, for both line managers (70 versus 68) and CEOs (64 versus 62). This should concern both public sector leaders and politicians as they respond to the projected cuts in funding.

The data on the private sector shows a trust deficit when jobs are cut, either through voluntary or involuntary redundancies, and there is little chance of the public sector avoiding similar job cuts in the coming months. This places the onus on public sector leaders to focus on those behaviours which help to build and sustain trust, and make sure that they employ these if they are to avoid the real disadvantages that low trust brings.

Gender

The final point to highlight in this year's report is the relatively high levels of trust enjoyed by female CEOs, especially among male employees. Female CEOs (who account for around one in five of the CEOs whose trust was measured in this survey) score 68 from men and 66 from women, compared to 63 for male CEOs (from men and women). Although this reflects higher scores on all six dimensions, women CEOs stand out for their 'knowledge about respondents' roles', a dimension where male CEOs do particularly badly (59 versus 52).

Given that there is no significant difference between the scores of male and female line managers, it suggests that those female managers who get to the top of their organisations have a particular quality that makes them more trusted. This is something that male employees particularly notice and value, and something that male CEOs need to learn from.

[1] Source: Office for National Statistics Labour Market Statistics

Section one: The importance of trust

Trust is the fundamental link between leaders, managers and employees, creating bonds of loyalty and pushing the boundaries of organisational success. But how does trust define today's leaders and what are the key drivers influencing performance?

Figure 2: How CEOs score on the six dimensions

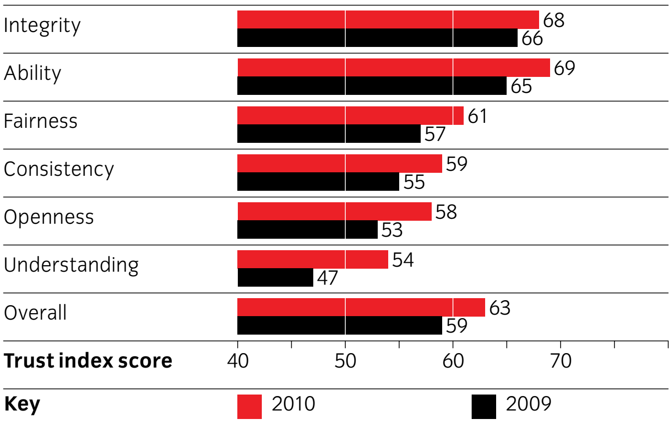
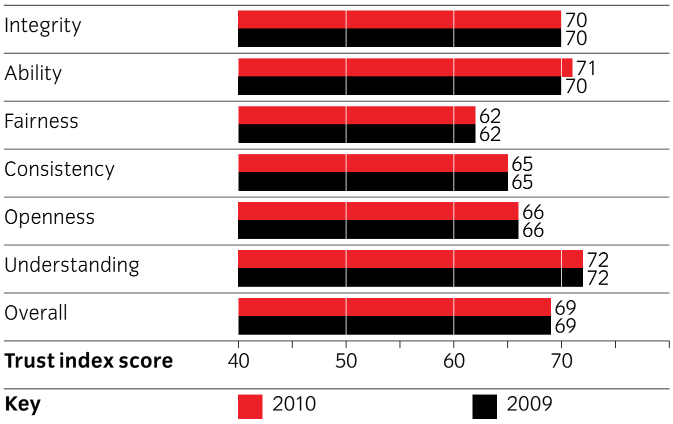


Figure 3: How line managers score on the six dimensions



Trust is at the heart of successful organisations and at a time of increasing uncertainty, trust underpins the relationships which make businesses work. It is trust rather than regulation that binds the value chain together. Trust is the indispensable driver allowing organisations to be responsive to change, empowering individuals to take decisions quickly. If trust breaks down between leaders and their employees, organisations quickly become dysfunctional.

To remain competitive and retain their best talent, CEOs and line managers have to build trust across their organisations. The ILM Index of Leadership Trust provides an insight into how effectively CEOs and line managers are achieving this objective and building trust levels.

CEO trust increases

In the 2010 survey, the level of trust in CEOs has improved by four points, achieving an average trust score of 63, up from 59 in 2009. Despite the tough trading conditions and given that CEOs are battling one of the sharpest economic downturns for years, the increase in trust is testimony to the resilience and capability of CEOs heading organisations across the UK.

To survive the recession, many organisations embarked on substantial recession beating measures and hence CEOs have had to adopt innovative solutions, and ensure that they fully understand the capabilities of the workforces they lead. In reaching the top line trust scores, the research maps performance across six critical drivers of trust, defined as integrity, ability, fairness, consistency, openness and understanding (see constructing the index, page 12).

The changing behaviour of CEOs as they respond to the downturn is reflected in the significant increase in CEO ratings. This is highlighted by the increase in their overall trust rating with particularly marked increases in their openness and receptiveness to new ideas, and a much deeper understanding of employees' roles and responsibilities. The higher trust scores illustrate how CEOs have shown a softer, human side in facing up to the challenges of the recession, reaching out to employees and improving their communications.

While CEO scores were up marginally across all six drivers of trust, the most notable changes were the five point jump in openness (up to 58), and the seven point increase in understanding to 54, demonstrating a marked improvement from the 2009 survey, where the latter was the lowest rated dimension of trust.

Distance erodes trust

Encouraging as the increase in CEO trust is, they still lag behind line managers in the trust stakes. Line managers achieved a trust score of

Figure 4: The effect of organisation size on levels of trust

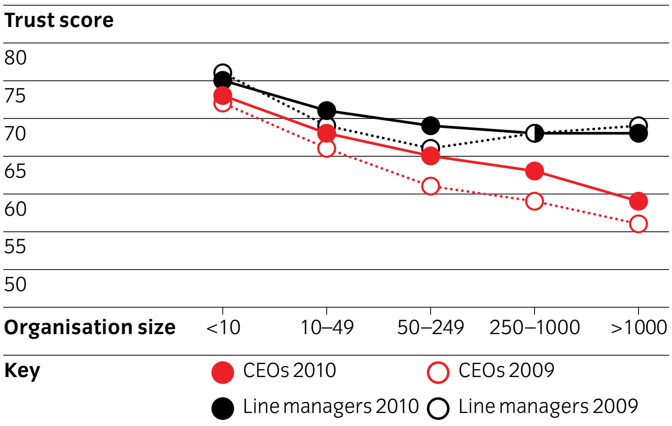
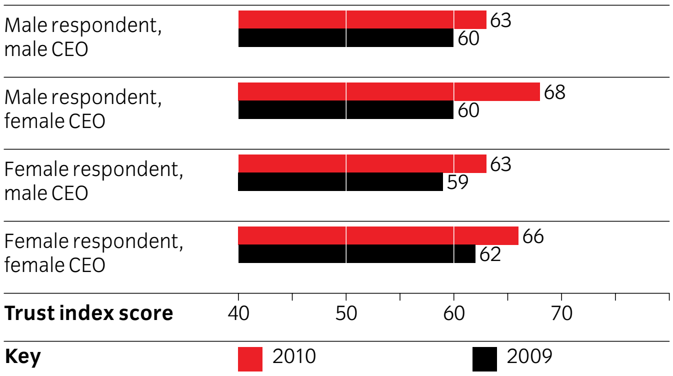


Figure 5: How gender affects levels of trust



69, the same as 2009, with hardly any change in their performance across the drivers of trust.

Why are line managers more trusted than CEOs? The research suggests the answer lies in relationships. Establishing trust and accumulating trust capital can only really be achieved in a relationship. It is difficult to accurately assess how fair, capable, consistent or understanding a manager is, without having a working relationship with them.

Employees invariably have a stronger working relationship and greater trust in their immediate line managers. Size and distance are key factors when defining trust. Line managers in firms with under 10 employees are considered more understanding (79) than line managers in organisations of over 1,000 people (42). However, CEOs who often seem more distant, both hierarchically and physically, even in moderately sized organisations, score poorly on understanding other people's roles. Their trust level reflects the organisational size with an average rating of 72 in organisations of less than 10 people compared to 42 in the largest.

The findings highlight that trust is harder to build in large organisations and also reinforce the challenge for leaders in the public sector (see section 3). The charity sector has the highest levels of trust, but in size terms, only 10% of charities employed over 1,000, whereas two thirds (66%) of local and national government bodies employed over 1,000 people.

Gender diversity

Gender also makes a difference to levels of trust. Female CEOs are comparatively scarce in business in medium to large organisations; in 2010, only five UK FTSE 100 companies are run by women. Nevertheless, women are more trusted as CEOs, with a trust index score of 66, compared to 63 for their male counterparts. This trust in female CEOs has increased significantly since 2009, up four points in a year. There are also marked differences in the way female CEOs are perceived in terms of the significant trust drivers. Female CEOs score strongly in terms of ability (71) and integrity (70), on a par with their male counterparts.

Where female CEOs perform significantly better than male CEOs is in understanding employees' roles (59), a seven point differential compared with male CEOs (52). This dimension is an integral part of the trust quotient and helps to illustrate the differences in empathy levels and communication ability across genders. The 2010 research also shows that men trust female CEOs (68) more than male CEOs (63). This is a marked change since 2009, reflecting an eight point increase in male trust ratings in female CEOs in only 12 months, up from 60.

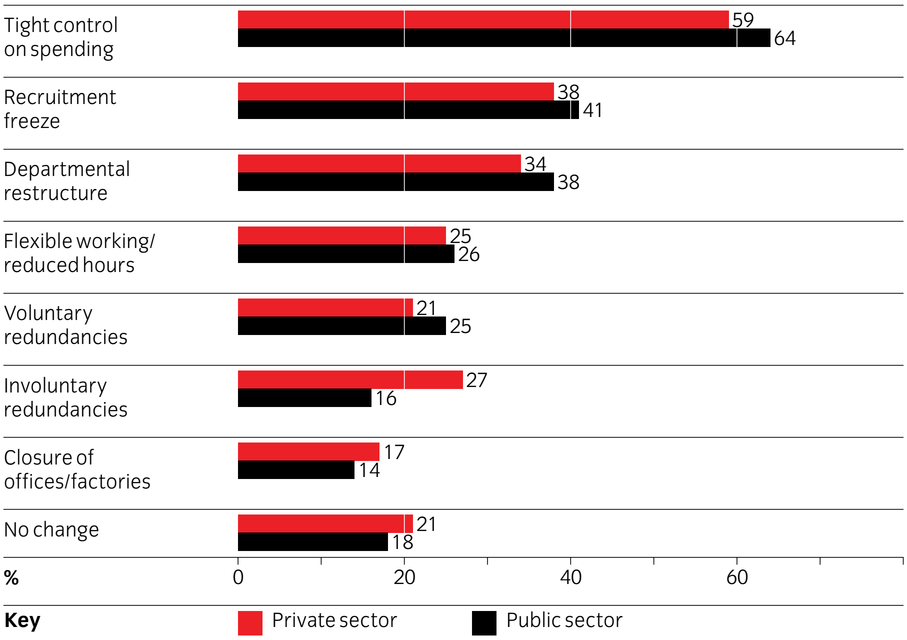
As the UK recovers from the severity of the economic downturn, the trust index provides a barometer to measure the impact of the recession on levels of trust across organisations. Whether an organisation has weathered the crisis with minimal disruption or has faced significant upheaval, trust plays a significant factor.

In this demanding environment, the outlook for the next twelve months is challenging for the public sector as sweeping budget cuts are implemented. But despite the economic situation, organisations have responded relatively well to the current environment.

It is at times of such uncertainty as leaders navigate their way out of the recession that high levels of trust are essential, feeding into aspects of organisational life such as morale, motivation and productivity.

In a tough twelve months, trust in CEOs across all sectors has increased by four points, up to 63 from 59 on the trust index, reflecting their ability to deal with a fast-changing economic climate. At the same time, their strongest attributes are perceived as ability, integrity and understanding, defining a measured and balanced response to recessionary challenges from the perspective of their employees.

Figure 6: The impact of the recession



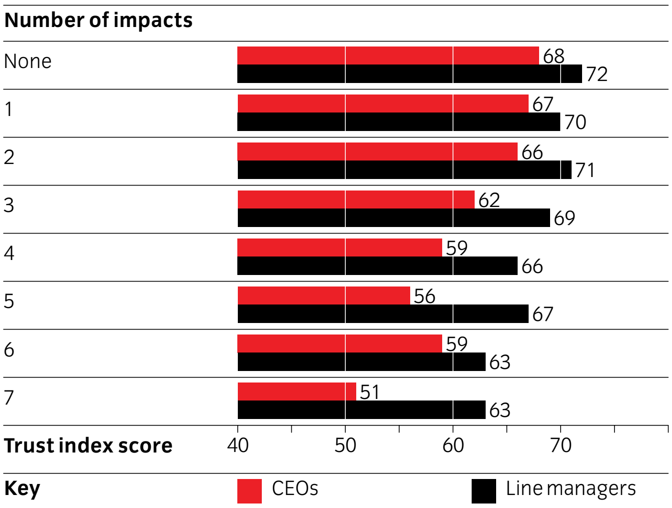
Reacting to recession

Few organisations have escaped the affects of the recession. Most have implemented a number of interventions designed to help the organisation survive (see figure 6). A majority of people surveyed (61%) had experienced tight controls on spending, and nearly four in ten (39%) a recruitment freeze. In many cases the recession has disrupted normal working patterns. Just over a third (34%) of people witnessed restructuring of departments and teams, and a quarter saw the introduction of flexible working or reduced hours. Only one in five people questioned had not experienced any impact from the recession.

While the private sector has seen substantial job losses and short-time working over the past year, the public sector has not been immune from the recession. In fact, numerically, respondents from the public sector have experienced the fallout from the recession severely, particularly through cost cutting, tight budget control and recruitment freezes. This will only intensify as the public sector budget cuts come into force.

To illustrate the scale of the recessionary impact, respondents were asked whether they had experienced one of seven possible recessionary affects, from office closures and job cuts to cost controls and departmental restructures (see figure 7). A greater percentage of public sector workers had experienced five out of seven possible types of recessionary impact. However, the immediate impact of the recession on the private sector resulted

Figure 7: How the volume of recessionary impacts reduces trust levels



Footnote: based on number of recessionary impacts

Figure 8: How trust is eroded by specific recessionary impacts

in the most severe impacts with office closures and redundancies.

Private sector employees might argue that they have suffered the harshest measures as a result of the recession. In particular, nearly a third (27%) of private sector respondents experienced involuntary redundancy in their organisations, compared to 16% in the public sector. But voluntary redundancy levels across the public and private sector were comparable, at 25% and 21% respectively.

Trust and recession

Given that so many employees have suffered as a result of the recession, what happens to trust as organisations struggle to cope? The greater the extent and severity of the impact, the more trust in both line managers and CEOs is eroded, creating a trust deficit at a time of uncertainty and change. As the number of recessionary impacts accumulates, from ‘no change’ to up to seven interventions, ranging from redundancies and recruitment freezes to budget cuts, the trust index score for line managers falls from 72 to 63, and for CEOs from 68 to 51.

There is a stark tipping point as job losses kick in and trust levels plummet. As the severity of the interventions introduced increases, trust falls with job cuts and office closures reducing overall trust levels by nine points to 58.

In both cases, levels of trust fell more sharply and more quickly for CEOs. As organisations start to make interventions to deal with the downturn, line managers and CEOs become more visible to employees. To counter the negative effects of the recession, it is important for CEOs and line managers to increase their visibility and communication across organisations to mitigate negative trust effects and prevent the deterioration of trust levels.

Section two: The impact of the recession on trust

Figure 9a: The impact of recession on trust in CEOs in the public and private sectors

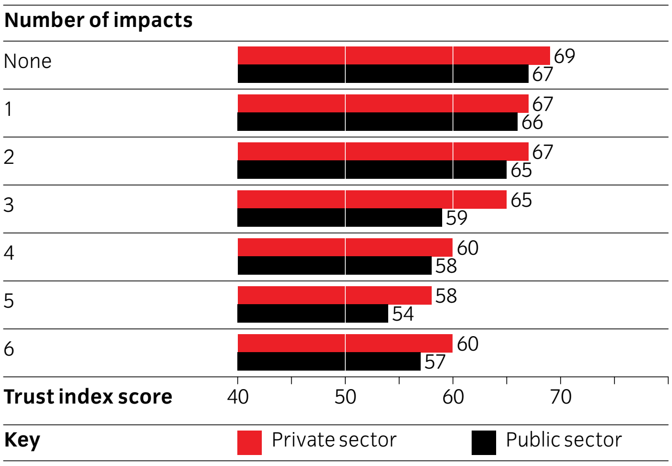
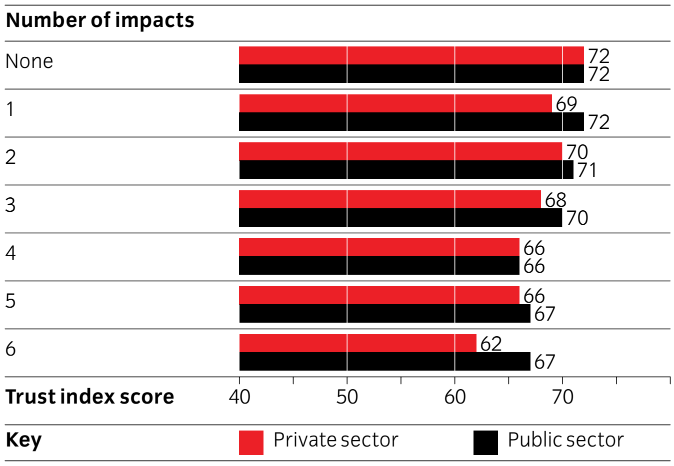


Figure 9b: The impact of recession on trust in line managers in the public and private sectors



The overall 2010 CEO and line manager trust index scores, of 63 and 69 respectively, correspond with the trust scores roughly midway along the impacts of the recession scale.

This suggests that, on average, organisations have experienced four interventions as a result of the recession, and that departmental and team restructuring is the most severe of these interventions.

As the negative impacts multiply, any trust that leaders have accumulated is rapidly depleted, creating a trust deficit at the top of organisations. Leaders become overdrawn on their trust accounts. The effect is more pronounced for CEOs, with their lower levels of trust initially, and with less time spent accumulating trust.

When comparing the way that CEOs and line managers have handled the impacts of the recession, the more severe interventions made in an individual's organisation, the more likely they were to say that the CEOs or line managers had handled those impacts poorly (figure 9).

It is worth noting that severity of impact and levels of trust do not always correlate. Closure of offices, factories and sites is considered to be one of the most severe impacts of the recession. Yet, involuntary redundancies in an organisation are associated with the lowest leadership trust levels. When there are serious job losses, CEO trust levels fall below the average of 63 to 51.

Remember, though, trust is about relationships. On the face of it, involuntary redundancy involves the selective targeting of individuals. Closing entire offices or factories is less personally directed. But it is involuntary redundancies which have a greater potential to damage employee-leader relationships and, therefore, trust.

Climate of opportunity

The research shows that the challenges posed by the recession offer a real opportunity to actually build trust through strong and effective leadership, which is reflected in the overall increase in the CEO trust scores. It is also clear that a structured, balanced approach to tackling the recession, using measured and focused interventions, is more effective in maintaining trust levels in leaders, as opposed to the damaging effects of a salami slice approach with across the board cuts and numerous interventions.

For line managers, many of whom are involved in the hands-on implementation of the measures designed to help survive the downturn, it is especially important to be seen to be acting fairly. However, this is the aspect of trust that employees find most lacking in their line managers.

For CEOs, there is particular need to improve their emotional intelligence and ability to empathise with and understand what their employees are doing. CEOs must also focus on acting in an open manner, and being receptive to ideas. Finally, they must try to behave consistently. Constantly announcing different initiatives, behaving in one way and acting in another and sending out inconsistent messages, all lead to reduced trust and must be avoided.

Trust is an integral part of effective leadership and building high levels of trust across organisations is critical. Trust levels vary across sector and discipline, dependent on job role and seniority, and nowhere is this more defined than in the changing trust levels across the public sector.

Figure 10a: How CEOs rate across sectors

Rank	Sector	2010	2009
1	Charity	67	63
2=	Professional services/consultancy	66	62
2=	Military/defence	66	59
4=	Engineering/manufacturing	65	63
4=	Retail	65	67
6=	Catering/hospitality	63	64
6=	Distribution/travel/transport	63	56
6=	Education	63	59
6=	Financial services/banking/insurance	63	59
6=	Leisure	63	57
11	Media/PR/marketing	62	58
12=	Health	60	58
12=	Utilities/post/telecoms	60	52
14	Local/national government/public sector	57	56
	Average	**63**	**59**

Figure 10b: How line managers rate across sectors

Rank	Sector	2010	2009
1	Education	72	70
2=	Charity	71	72
2=	Professional services/consultancy	71	70
2=	Media/PR/marketing	71	64
5	Health	70	69
6=	Catering/hospitality	68	68
6=	Engineering/manufacturing	68	68
6=	Military/defence	68	64
9=	Financial services/banking/insurance	67	68
9=	Local/national government/public sector	67	69
9=	Retail	67	73
12=	Leisure	66	58
12=	Utilities/post/telecoms	66	69
14	Distribution/travel/transport	64	61
	Average	**69**	**69**

With the new coalition government in the UK committed to removing the record budget deficit over a five year period, the public sector is in line for some far-reaching cost cutting measures. And, in some organisations such as the NHS and MOD, upheaval from significant restructuring is also likely.

In the public sector, levels of trust in CEOs are slightly lower at 62 compared with 64 for the private sector (figure 11). However, when the figures are split by segment, local and national government CEOs are among the poorest performers with a trust index score of 57 compared to an industry average of 63 (figure 10). Although there has been a one point improvement year on year in the public sector (up from 56 in 2009), the trust deficit is clearly an area for concern. Likewise, health sector CEOs score 60, illustrating a two point improvement on 2009 levels, but still three points below the national average .

Public sector fallout

The research shows that the challenge for leadership teams in public sector organisations, and CEOs in particular, is considerable. Without doubt, the public sector has not been immune from the impact of the recession. The next few years will pose a real test for trust levels in the public sector as sweeping budget cuts impact on jobs, pensions and service delivery, testing the leadership skills of CEOs and line managers.

Arguably, the public sector has already felt the impact of the recession more keenly than the private sector. Even those interventions more frequently experienced in the private sector – involuntary redundancy, and the closure of offices, factories and sites – will affect the entire public sector, despite the promise of ring-fenced frontline services. Yet, no matter how difficult it becomes to implement cutbacks and restructuring, the public sector will still be under pressure to deliver services to a high standard.

If this difficult balancing act is to be achieved, maintaining the morale and motivation of public sector employees will be crucial, as will creating a strong relationship between those employees and their line managers and senior team. High levels of trust will be vital.

By contrast, on the positive side, line managers in the public sector have accumulated considerable trust capital. They are more trusted than their private sector counterparts overall and when compared with their CEOs there is a 10 point difference in trust levels for line managers in local and national government (67), as well as health (70) and education (72). They also score better than private sector line managers or CEOs, on average, when dealing with the number and severity of impacts of the recession (figure 12).

Leadership competency

But this is little comfort to managers in public sector organisations and, in particular, to public sector CEOs. In the years ahead, public sector CEOs will, more than any other senior managers, have to focus on building leadership competency and capacity. The temptation will be to cut back on leadership development, yet senior managers cannot afford to behave in ways that erode trust within their organisations. This requires an acute awareness of which factors drive trust, the barriers to accumulating trust capital, and how trust can be built and maintained in organisations.

Whether it is stripping bureaucracy, flattening management layers, increasing communications, or even creating smaller organisations and units within larger organisations, public sector CEOs will have to implement trust building measures alongside any exercise in cost cutting. As public sector CEOs strive to implement radical transformation, and do more with fewer resources, there is

Figure 11: How trust levels compare in private and public sectors

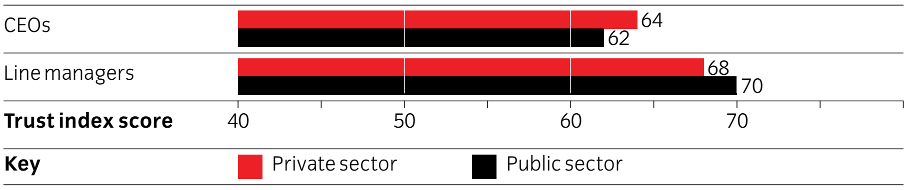
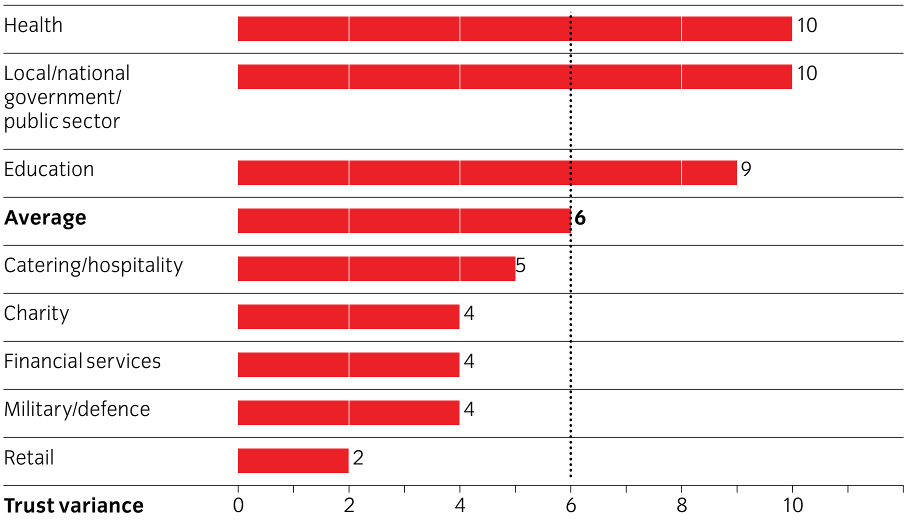


Figure 12: How line managers outperform CEOs in trust levels across sectors



Line managers consistently score higher than CEOs on the trust index, particularly in the public, health and education sectors. Across all sectors, the average variance is six points

little prospect of success unless employees trust their managers, at every level of the organisation.

Private sector

While CEO trust levels are up overall from 2009 there is considerable variation in actual scores across sectors (figure 10). The highest levels of CEO trust are in the charity (67) and professional services and consultancy sectors (66). However, CEO trust is at its lowest in the public sector, notably local and national government and other public sector organisations (57), the health sector (60), and the utilities, post and telecoms sector (60).

The private sector, in some areas at least, has emerged from the worst of the recession with trust levels relatively unscathed so far, although the knock-on effect of public funding budget cuts will be far-reaching.

The charity sector has experienced relatively little impact from the recession to date, has a higher proportion of smaller organisations than most other sectors and maintains high levels of line manager and CEO trust. But with funding for charities under the government spotlight, there are likely to be challenges to trust levels in the years ahead as the sector responds to the changing financial pressures.

In sectors such as leisure, wholesale, travel and transport, CEO trust has improved considerably from below par to average. But retail, one of the most trusted sectors in 2009, has dropped two points although it is still ranked in the top half of the ranking.

Conclusion

Trust is essential for effective leadership and efficient organisational performance. ILM has measured levels of leadership trust for two years to identify variations in trust across UK organisations and encourage line managers and CEOs alike to recognise how their behaviour creates or diminishes levels of trust, with all its consequences.

We would not expect trust to be subject to strong fluctuations, and there have not been any wild swings in the levels of trust between 2009 and 2010. This makes the patterns that are now evident that much more important.

In particular, this year's survey has shown a small but significant increase in the general level of CEO trust, particularly in medium to large organisations, which suggests that they have been demonstrating many of the features of good leadership that the Index of Leadership Trust measures. Charity CEOs and line managers in particular stand out as leaders of relatively high trust organisations.

Economic drivers

The increase in CEO trust has occurred against a backdrop of falling economic output and reduced employment. It is the success of many CEOs in minimising the recession's impact that has caused overall scores to rise. The survey has shown that those CEOs who managed to preserve jobs, by using flexible working for example, have benefited from raised trust levels, whereas those who have had to use redundancy and site closure have suffered from reduced trust.

Sectoral influences

The changes in trust in different sectors reflect this, with retail falling (a sector that has seen significant job losses) and utilities rising (a sector where employment is far less affected by economic fluctuations).

Many CEOs could rightly argue that they are victims of circumstances beyond their control, but that doesn't prevent their employees judging them on their ability to steer their organisations safely through the recession. They need to recognise this and think carefully about how they can build trust, with all its benefits.

The experience of the private sector over the last year has significant implications for the public sector as it faces dramatic reductions in budgets and consequent cuts in services and staffing levels. Public sector CEOs can expect to see their trust levels – already lower than in the private sector – fall further over the next few years, just as they need trust the most.

Given the impact that this is likely to have on service efficiency, they need to take equally dramatic action to inspire their people to trust them. The six dimensions we have used to measure trust give a clear indication of the areas of behaviour where CEOs should concentrate their efforts. In particular, they need to make every effort to engage employees, and be honest, fair and open to their ideas in determining how to respond to the cuts.

Gender split

The relationship between gender and trust, which was evident last year, is even clearer in 2010. We can see that women CEOs are more trusted than men, especially in the eyes of male employees. And when we look at the reasons, we find that women CEOs are slightly better on five dimensions and far better than their male counterparts on one, their understanding of the role of the people they lead. This is particularly impressive amongst CEOs of larger organisations, where this is a much more difficult feat to achieve.

Our research indicates this is because female CEOs display a more pronounced interest in and concern for employees at all levels. There is a lesson here for male CEOs to ponder – by demonstrating more interest in and awareness of the roles of the people they lead, they could enhance their levels of leadership trust.

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Institute of Leadership
& Management

Methodology

In the second annual Index of Leadership Trust survey, ILM and Management Today commissioned independent research company Freshminds to explore the levels of trust in CEOs and managers, and to assess the impact of the recession on trust across organisations

The research is based on an index metric for trust in leadership, developed by ILM in 2009. For the 2010 survey, FreshMinds used the same research design and survey instrument as 2009 to ensure comparability.

The study was conducted via an online survey and a total of 5,000 people participated over a three week period between 19 May and 9 June 2010. Participants were drawn from three distinct sample groups:

- A general population sample of employees was sourced from the same online panel provider as used in 2009. This group was quota controlled to ensure an appropriate balance of managers and non-managers (80:20 ratio) and public and private sector employees (40:60 ratio).
- ILM members were invited to participate in an identical survey during the same fieldwork period
- Management Today readers were prompted to participate in the survey via links on the MT website and electronic mail-outs.

Comparisons between the 2009 and 2010 general population samples demonstrate a general consistency year on year. The 2,501 general population group forms half of the total survey population of 5,000. The remainder of the sample consists of ILM members and readers of Management Today.

For the purposes of analysis, the general population group consists solely of respondents drawn from a nationally representative panel. The managers group comprises all respondents from the general population sample who have managerial responsibilities as well as managers from the ILM or MT samples. The non-manager group comprises all general population, ILM and MT employees without managerial responsibilities.

Of the 5,000 respondents, 48% were managers and 52% were non-managers. The manager and non-manager groups are mutually exclusive, although they each overlap to some degree with the general population group.

The respondents' role level was non-manager (71%), first line manager (11%), middle manager (6%), senior manager and director (2%), and others (9%).

The general population sample was 63% female and 36% male, and the manager split was 51% female, 48% male. The non-managers were split 66% female, 34% male. The sample split into six age brackets: 18–24 (8%); 25–34 (28%); 35–44 (27%); 45–54 (26%); 55–64 (11%) and under 1% aged 65 plus.

Constructing the Index

The Index measures trust in relation to six defined dimensions of a trusting relationship. These dimensions are based on significant and robust research, and align with ILM's framework of leadership and management – the triad of knowing, doing, being.

The six dimensions are:

- **Ability** – the manager's ability to do their job (knowing)
- **Understanding** – displaying knowledge and understanding of their employees' roles and responsibilities (knowing)
- **Fairness** – behaving fairly and showing concern for the welfare of employees (doing)
- **Openness** – being accessible and receptive to ideas and opinions (doing)
- **Integrity** – striving to be honest and fair in decision making (being)
- **Consistency** – behaving in a reliable and predictable manner (being)

The survey asked respondents to assess the importance they placed on these six dimensions, allocating a total of 60 points across the six factors. Respondents were then asked to rate their CEO and line manager against these measures.

The relative importance the respondents applied to the six dimensions was applied to the scores. This ensured that the qualities considered most important in establishing trust were transparent. The resulting trust index scores range from zero to a maximum of 100.

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The Institute of Leadership & Management (ILM) is Europe's leading management organisation. We partner with individuals and organisations to help them fulfil their potential and achieve success.

With a broad range of industry-leading qualifications, membership services and learning resources, ILM provides flexible development solutions that can be blended to meet the specific needs of employers and learners. We are also undertaking a significant programme of original research to contribute to our understanding of global leadership and management practice. This will ensure our products are benchmarked against best practice standards and easily tailored to the economic, social and cultural context of individual organisations and their operating environment.

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