We are IntechOpen, the world's leading publisher of Open Access books Built by scientists, for scientists

6,300

Open access books available

172,000

International authors and editors

190M

Downloads

Our authors are among the

154

Countries delivered to

TOP 1%

most cited scientists

12.2%

Contributors from top 500 universities

WEB OF SCIENCE™

Selection of our books indexed in the Book Citation Index
in Web of Science™ Core Collection (BKCI)

Interested in publishing with us?
Contact book.department@intechopen.com

Numbers displayed above are based on latest data collected.
For more information visit www.intechopen.com

Trust in Leader as a Psychological Factor on Employee and Organizational Outcome

Panteha Farmanesh and Pouya Zargar

Abstract

While leadership studies have tackled the concept in various ways, it can be said that often basic psychological elements are overlooked. In this sense, the notion of trust is focused in this chapter to highlight, elaborate, and provide a thorough understanding on the vitality of trust between leader and his/her followers. Whether a business achieves success or not is highly dependent on leadership of the firm. Mutual trust among staff and their managers is a crucial matter that can hinder or enhance the process of success. With the existence of trust, workplace and environment of company become soothing for individuals, leading to positive psychological outcomes, and improved wellbeing. Therefore, we argue that building, and gaining trust should be the focus of leaders regardless of their style for it will improve performance, and thus, organizational outcome while simultaneously benefiting the staff via psychological elements. This becomes more vivid in modern business world as wellbeing of individuals and their mental health are more emphasized. Both leaders and scholars can benefit from this manuscript.

Keywords: trust, leadership, psychology, organizational behavior, employees

1. Introduction

Trust in leader has been discussed in numerous studies and across several disciplines. Trust can be defined as “the belief that something/someone is true or correct, or that you can rely on it” [1]. In current business world, leaders play a major role in the outcomes of organizations. These can be turnover, environmental responsibilities, wellbeing, social image, and market elements. It is widely believed that trust carries a vital importance in the relationship between leader and follower. The higher the extent of trust, the higher the likelihood of positive behavioral and performance outcomes. Sciences such as psychology, behavioral science, neuroscience, education, and politics have noted the aforementioned vitality. To provide a thorough understanding on the linkage of leadership and trust, an array of recent studies have been reviewed. In this sense, different styles of leadership and their impact on trust are highlighted. This provides a pathway for comprehending how trust as a psychological factor is linked to leadership and subsequently, employee and organizational outcomes.

The manner in which businesses are managed, requires leaders to meet high standards by being able to comprehend data, communicate and interact across

various media channels, be aware of political situations and changes. Notably, leaders are to provide quality services, and compete with others for achieving organizational success [2]. For leaders, it is imperative that their bonds and linkage with others (staff or clients) are recognized as a prevalence for business conduct. This becomes more explicit in service sectors as human interaction are constant or higher compared to other industries. However, empowering followers, focusing on their wellbeing, and provision of an organizational culture, where resilience is encouraged have become easier to comprehend through development of neuroscience and other relevant fields of psychology and behavior. Emergence of these disciplines have provided a combination of scientific and psychological factors that aid leaders in obtaining higher levels of effectiveness [2]. Making better decisions, finding new solutions, regulating emotions, sense of teamwork, and being more influential on others as well as implementing change more smoothly are among the traits that a leader with scientific knowledge can exhibit [3]. Neuro-leadership has been examined in human services with consideration of issues such as, effect of toxic leadership, turnover, and organizational culture. These are reflections of a leaders' approach, staff and their engagement with job, and organizational trust [4]. Leader is not a mere title in business but rather a behavioral framework, in which the linkage between leader and their staff is focused [5]. In this sense, there are three fundamental aspects, which are required to exist that are namely, leaders' commitment, harmonized followers, and a mutual aspiration towards the firms' vision among all members.

Among the attributes and traits of leaders, trust is a key factor that can lead to emergence of positive behavioral outcomes. Psychologically, trust can lead to employees exhibiting extra role behaviors, volunteer intent, engagement, higher job satisfaction, and performance. Embedded in the premise of leader-member exchange (LMX) theory [6], a two-way relationship between leader and their followers is shaped through trust, emotions, and respect. It is important to note that from psychological perspective, trust is a fundamental element for psychosocial development [7]. In this regard, leaders may treat each individual differently and thus, have high or low quality exchanges, which will lead to varying perceptions and trust degrees among staff. The higher the quality of exchanges between leader and follower, the higher the extent of trust, respect and obligation and vice versa [8]. Based on LMX, leader and follower become acquainted (from not knowing one another) in a process that matures through exchanges and is shaped by support, loyalty, respect, emotions, and trust that are mutually inclusive. This highlights the psychological, and social capabilities of a leader to establish an environment, in which individuals can thrive as their psychology is engaged with the workplace. Therefore, leadership and trust should be taken into consideration from both negative and positive aspects.

2. Trust hinderer

2.1 Toxic leadership

As noted, leaders can boost or dampen trust based on their approach and behavior. Toxic leadership can be referred to as traditional, autocratic and against values and ethics of work in a social setting. Toxic leadership leads to negativity in organizational culture with significant effects on work processes, approach towards operations, which become highly vivid in times of difficulty and crises [9]. Leaders, who deploy such approach disregard and diminish social values at work and ethical means of business conduct. A negative culture is cultivated through this approach

that comprises fear, which in turn lowers engagement and response. Boldly, toxic approach of a leader can hinder welfare and wellbeing due to excessive stress. Decreased morale, emotional drainage, and lack of trust are among the explicit outcomes of this style which turns to higher rates of turnover and burnout.

The word toxic can be applied not only to leaders, but to management, organizations, and work environments [10]. Albeit, being a toxic leader varies from transactional or 'hard individual' [11]. It is interesting to note that only individual characteristics are not determinants of toxic behavior. In this sense, traits (behavioral), and factors such as, culture, climate, and environment can be influential in the extent of toxicity. While personal characteristics (e.g. hard or tough, and authoritarian-directed) are important for understanding and pinpointing toxic leadership, culture has been noted to be significant for thoroughly analyze this behavior [12]. Thus, it can be interpreted that toxic characteristics of a leader can be enhanced through proper organizational culture and environments. Such aspects can be integrated in organizational strategies for further development.

Notably, communication techniques or attitude of a leader are not the predictors of a toxic persona, but rather dynamics of toxicity are derived from negative discouraging effects [13]. Thus, such leaders may prove to be very efficient in their tasks. However, they add fuel to the fire of a climate or culture that subdues wellbeing of followers/staff. In other words, instead of motivating and aspiration, they tend to control others, leaning towards a toxic climate. Turnover, drug or substance abuse, lowered motivation and productivity, and other negative outcomes arise through such approach in the workplace.

In this sense, as trust is a psychological state which incorporates depending on other(s) based on expectations and intentions, and acceptance of being vulnerable [14]. *Cognitive* trust that is the belief of the extent of which someone can be trusted; *affective* trust, that is the expression of emotions and their vitality in shaping trust; and *behavioral* trust that is the actual disclosure and dependency through sharing important information with the other individual are the three components of trust [10, 15]. These components are formed through observations of attitudes and behaviors of others such as, leader, organization, or group based on equity, ethics, fairness, friendliness, and being considerate to others' rights. This implies that a leaders' behavior and approach should comprise of emphasis on developing trust, and not unethical or discouraging behaviors. *Cognitive* trust addresses the extent of which another person is trustworthy. These are sets of beliefs and value-related aspects. *Affective* trust explains the importance of emotions in the process of trust. The role of leader and relationship with individual is of significance due to emotions at work. This is while *behavioral* trust is the notion of sharing important/sensitive information with an individual, or being able to rely on them.

3. Trust boosters

3.1 Empowering leadership

This style is the by-product of praising shared, transformational, and democratic leadership styles, which focus on the leaders' role as a single player in decision-making, autonomy, an authority. In this sense, empowering leaders inherit foundational frameworks of the aforementioned styles, and reshape it into a different structure. Empowering leadership delegates autonomy and responsibilities of managers among members of the firm, leading to a shared power situation that constantly promotes inner motivation [16]. As empowering leaders delegate responsibilities, they create a sense of involvement, commitment, and support for

individuals for improving professional aspect of their lives. Through self-determination theory [17] individuals meet the needs to thrive, develop and psychological wellbeing via autonomy, relatedness, and competence. This leads to high levels of self-satisfaction. Empowering leaders further provide psychological strengthening that is explained through social exchange theory (SET) [18]. This theory states that emotional support, encouragement, and desirable incentives can enhance self-efficacy for carrying out tasks at job. Moreover, SET incorporates the link between empowering leadership and trust. Trust is accumulated through gathering data regarding an individual or via a cognitive evaluation of the bond and experiences with that individual. Being trustworthy is considered to be the most vital virtue of a leader. Honesty of a leader blooms trust in their followers and thus, leaders' behavior is adjusted accordingly.

Sense of security and positivity is created, when trust in leader/manager is developed by staff. This is while stress, burnout, lack of engagement, lowered focus and other negative emotions arise when trust lacks. It is perceived by employees that personal achievements are likely to fail, when trust in leader is absent, which leads to reduced job satisfaction and development of negative attitudes towards the firm, colleagues and leader [16]. It has also been noted that empowering leaders can trigger innovativeness by fostering trust. Through trust leaders are able to exchange knowledge with their followers, which can lead to emergence of new ideas. The mediating effect of trust in leader on creativity and empowering leadership has been noted in the literature [19]. As staff are given power in the company, they are more likely to develop trust, since the organizational climate provides support and respect. Subsequently, staff will tend to be more involved and make an effort to aid the organization. If members have high uncertainty avoidance, empowering leaders should utilize trust as an element for promoting innovativeness. Thus, employees, who trust in their leader are more capable of handling risk and dealing with the unknown [20].

When concern is genuine and is combined with care and emotions, trust in leader is shaped as affect-based [19, 21]. This is reflected in a sincere feeling of empowerment for employees by the leaders' behavior, which in turn enables the staff to exhibit higher rates of creativity. Self-efficacy is facilitated when leaders are trusted, especially when their guidance is sought by their followers. Empowering leaders show confidence in their followers, which in turn enhances their performance [22]. This is while employees who do not trust their leaders will limit the effectiveness of empowering leaders on self-efficacy, hindering their creative abilities. Thus, this style of leadership is adequate for those with high levels of uncertainty avoidance, and have developed affect-based trust in their leader.

3.2 Transformational leadership

This style of leadership is effective on individual and team levels as well as being applicable in any society [23]. It focuses on improvement on a constant basis through competence of followers and their trust in leader. The extent of trust in leader is among the main predictors of organizational identification and improvement in the firm, which is highly influenced by the behavior of a leader. Transformational leaders are successful in enhancing trust for their employees, making them feel belonged to the organization, and thus, improve performance and outcomes of the company. SET implies that experiences that are shared among individuals lead to exchanges that are embedded with reciprocation. This further shows the vitality of trust in relationships among individuals, and particularly in the bond between a leader and follower. Trust is the glue that holds a linkage between a leader and their followers and is regarded as the risk and vulnerability that are perceived

[14]. Individuals in the firm assume trust based on the treatment they receive from the firm and especially, its leader. This treatment has to be fair and desirable so that trust can be built. Moreover, confidentiality, identification with the firm, and safety are important factors for an individual in a company to build his/her trust.

The leader or supervisor of a company is regarded as the agent, which makes them extremely important for creation and establishment of trust. Trust in leader has been linked to a variety of positive outcomes such as, performance, satisfaction, autonomy, extra-role behavior, and creativity and innovation as when employees trust their leader, the workplace environment becomes safe and nurturing. Transformational leaders focus on provision of motivation for their subordinates and push them towards performing beyond the norms. Additionally, they provide meaning and value for the goals that are to be achieved. This enables the transformational leader to meet higher needs of their followers, and aspire self-interest. Idealized influence is among the characteristics of these leaders, which triggers trust as followers can take their leader as a role model [24]. They emphasize on organizational goals prior to their own, which further induces affective trust in their followers. Provision of feedback, variations in tasks, and autonomy in decision-making are among the key factors that a transformational leader uses to facilitate trust. Furthermore, they use their charismatic personality to motivate followers towards seeking organizational goals with higher commitment. This leads to an environment, where trust is fostered as vision is shared and workplace has harmony [25].

Transformational leaders project trustworthiness, which is defined as integrity, benevolence, and ability and is regarded as a major element for followers to trust in their leader. Moreover, these leaders elaborate on company's vision and goals in a manner that attracts others. This is referred to as inspirational motivation and enables staff to be more focused on their tasks, and in turn have more trust in their leaders. They have high concerns for the needs of their followers and seek to strengthen them through various means. This is referred to as individualized consideration, which shows high levels of genuine care that will lead to followers perceiving their leader as a trustworthy individual. Employees are more likely to exchange information and knowledge, when trust is present [24, 25]. Though means such as, technology, management, and infrastructure aid employees in gaining knowledge and improve their abilities, it is not enough to have a sufficient communication flow. This is where trust shows its importance as personal features such as, reputation and fulfilling promises are factors that facilitate trust. Thus, the role of leader is imperative for establishing a smooth communication process, in which trust can be built. Communication becomes more efficient as trust is built, and knowledge sharing, cooperation, and better interactions are shaped as leaders provide an atmosphere, where employees have necessities for proper interaction. This in turn, leads to higher levels of trust [26].

In the light of what was mentioned, trust in leader is regarded as a psychological process between a transformational leader and his/her followers, which leads to sense of identification with the firm by employees, and allows them to improve on a constant manner. Embedded in the premise of SET, transformational leaders are more effective in establishing trust, when compared to other traditional leadership styles such as, transactional or charismatic. This is due to the fact that transformational leaders develop the workplace through social exchanges and not economic ones. This is the main difference between transactional leadership and transformational in developing trust. Similarly, charismatic leaders are less successful in building trust, when compared to transformational due to their focus on organizational goals. SET explains how reciprocation is the basis of leader-follower linkage. Transformational leadership is more effective in building trust among traditional styles. As followers trust in their leader and exchanges between them

grow, the sense of organizational identification and belongingness improves, which positively impacts employee performance. Transformational leadership is known as an antecedent of newer styles such as, servant leadership, and has been known to be of significance in modern contexts of business.

3.3 Servant leadership

This style of leadership as the name shows, focuses on serving others. In this sense, servant leaders tend to serve their followers' needs and wants before their own [27]. The theoretical foundation and nexus of servant leadership can be found in chaos theory, where decentralization, differentiation of tasks, collaboration, flexibility and adaptability of structures and processes, participation, and autonomy are focused [28]. In the premise of chaos theory, it is important to recognize the difference between unpredictability and complexity, and randomness. While the former have causes whether known or unknown at the time of occurrence, the latter refers to events that have no cause. Chaotic systems comprise *sensitive initial conditions*, *self-similarity*, *iterative feedback*, and *strange attractor* [see [29]]. As organizations are dynamic, complex, and nonlinear systems, chaos theory is applied in organizational theory. Notwithstanding that servant leadership constructs have been linked to those of chaos theory. Personal bond created by servant leaders or the organizational culture they establish address initial conditions and strange attractor aspects through psychological effects. Moreover, servant leaders reshape their systems to achieve development and positive results. This is similar to situational variables that are incorporated in chaos theory for alteration in systems [29]. In addition, chaos and servant leadership are alike in growth manner. Servant leaders tend to grow their linkage with their followers through ever-growing systems, which links to iterative feedback and strange attractor dimensions of chaos theory.

From an individual perspective, servant leaders constantly seek skilled followers and value their input and ideas. This is a means for establishing trust between leader and followers. Moreover, responsibility of failure or negative results is taken by the servant leader, which further promotes trust. From a cultural perspective, servant leaders affectively facilitate a learning environment through role model behavior, training, and initiatives that enhances the atmosphere of work. As they create personal bonds with their followers, collaboration, value and accountability are promoted and learning is motivated. Furthermore, servant leaders exhibit high levels of integrity, which further established the notion of trust [30, 31].

Servant leaders are employee-oriented [30, 31], with significant influence on positive outcomes in different sectors and industries, and levels (personal, team, and organizational). As these leaders are people-centric, their effect in service industry has been note to be significant as they focus on others' wellbeing and serving their needs, which goes beyond the organization, and to the society. Through personal and close bonds with followers, servant leaders are able to facilitate higher qualities of relationships, which in turn can be seen in performance of their followers. Early works on servant leadership indicates a number of dimensions that are namely, listening, empathy, healing, conceptualization, awareness, persuasion, stewardship, building community, foresight, and high commitment [32]. In this sense, servant leadership and transformational leadership share features of vision, being influential, and trust. Servant leaders distinguish themselves from transformational, transactional and charismatic leaders with their emphasis on development and wellbeing of others around them. With altruism, servant leaders tend to their followers' needs and goals prior to their own, or the organizations' goals. This behavior puts the attention and focus on others and their progress rather than making the leader a sole importance.

Characteristics of a servant leader predict various behavioral outcomes such as, trust. They can further enhance trust in organization as they act as stewards of the firm. Due to the fact that trust plays a major role in the relationship between a leader and his/her followers, interpersonal trust, communication, harmonization, and integrity of the leader become vivid elements. Notably, trust and its existence provides a stable climate within the organization, which leads to positive results. Servant leaders foster trust by being role- models and serving others. Long-lasting relationships with their followers, trusting their peers and strong personal bonds distinguish servant leaders from traditional styles. Regardless of philosophy of the firm, servant leaders focus on provision of care to others and exhibition of trust-worthiness behavior [33]. Via open communication, honesty, moral integrity, and empathy, servant leaders create an atmosphere, where trust can shine and commitment is promoted. As followers perceive care for their wellbeing, and support for their professional and personal development, they are more likely to trust in servant leaders [27].

3.4 Neuro-leadership

This style merges the science of brain with leadership for better motivation, influence and adjusting changes while promoting engagement with the staff to comprehend their responses [34]. Various circumstances trigger reactions in the brain that can be linked to marketing, economics, and leadership. Leaders and leadership can benefit from the emergence of neuroscience and its bond with psychology to better grasp the factors that influence behavior unconsciously. Leaders with knowledge of biology can deploy their awareness towards enhancing performance of those, who work with/for them. Considering the recency of this area, it has been argued that neuro-leaders can generate trust as they understand the mechanisms of brain and implement this understanding in their strategies. In turn, they can shape a climate at workplace that fosters wellbeing, retention, productivity, effectiveness, and more energy for work [34, 35]. Neuro-leaders are to exhibit vulnerability, humility, and integrity alongside being optimist, present, and actively engaging with their subordinates.

Linked to transformational leadership model, an atmosphere of positivity is shaped in the organizational culture that leads to better performance levels. Usage of influence and authenticity for bonds between leader and follower is shared in neuro and transformational leadership styles. Furthermore, servant leadership emphasizes on serving others that fosters positive relationships and promotes appreciative, engaging and integrated behavior from the leader. Organizational trust has been noted to be shaped through *ovation, expectation, yield, transfer, openness, caring, invest*, and *natural* factors [35]. These factors can be seen in **Table 1** with their linkage to leadership traits. Production of oxytocin in the brain is bound to promotion of trust in the behavior of leaders in neuro-leadership style. This chemical is what apprises the notion of trust that is not limited to those whom we are familiar with, but to any social or professional context that we face or interact with. Particular to leaders, this understanding can be used to increase performance, enhance organizational culture, and sow trust. Studies have shown that oxytocin is released significantly amid being trusted or trusting another individual [35].

Neuro-leaders can emphasize on trust through their knowledge of science and psychology, leading the firm towards a higher level of change acceptance, resilience, and retention of talent. When trust is highly embedded in a company, productivity increases, collaboration develops, and relationships among members last longer, when compared to firms in which trust is lower. As trust is a psychological and vital factor, wellbeing and quality of life are affected by its level. For instance, chronic

Trust factor	Leadership trait
Ovation	Recognition of excellence and expect logical performance
Yield	Discretion in task completion, and encouragement
Openness	Communication, listening and sharing
Caring	Authentic relationship creation with intent
Invest	Facilitate growth for individuals
Natural	Authentic leadership, integrity, being humble and vulnerable

Table 1.
Trust factors and leadership traits – derived from Zak [35].

stress can be lowered, which adds to the overall healthiness of individuals. Leaders commonly understand this crucial factor and tend to focus on development of trust in their firms. However, neuro-leaders possess the know-how of enabling trust to grow. Having purpose can release oxytocin similar to sense of trust on a mutually inclusive manner. Work becomes joyous when it is combined with purpose and a trustworthy environment. Thus, neuro-leaders focus on stimulating oxytocin to increase engagement, wellbeing, performance, and other positive elements in the workplace [34, 35].

Neuro-leaders can reshape organizational culture through building factors, situations and practices that trigger oxytocin for individuals in the company.

3.5 Virtual/e-leadership

The environment of work has changed as the technological advances reshape our world. Virtual or online platforms now allow people to carry out their work from a laptop regardless of their location. Communication has evolved from its traditional form and individuals can work together without having met each other in person. Accordingly, the context of leadership and management has adjusted to this new business environment [36]. This virtual era has aided firms to become more resilient, and flexible to meet the demands of market and thus, a leadership style that is adequate for this instance is referred to as E-leadership or virtual leadership. The concept can be explained as a means of being influential on behavior, attitude, thoughts and feelings, and performance of workforce through the medium of technology [37]. E-leaders have to overcome the challenges of this modern and advanced working environment. In this sense, both traditional challenges of handling teams and virtual management become apparent.

The role of these leaders are vital as the virtual workplace does not provide constant in-person interaction. It has been noted that leading the virtual workplace is reliant on both transformational and transactional leadership [38]. Efficiency of teams can be enhanced through the aforementioned styles as they can facilitate uncertainty and where trust is not present. Efficiency of online/virtual teams incorporate both satisfaction of employees and the extent of their performance. In such environment, communication can vary from distance to face-to-face depending on the work itself and thus, conflict management becomes more difficult to handle. Due to varying communications, interactions differ from standard and members can grow apart as they do not interact physically. As such, e-leaders face issues regarding coordination, trust building, conflict management, and shared mental settings in their teams. Comparably, this is much more complex than having a traditional organizational format [39].

Accordingly, various levels of work require leaders to have strategies and measurements for each construct. Team level consists of global, shared, and configural

constructs [40]. Global construct explains a team-level setting that does not include individual elements [39]. In other words, global features of team are not based on individual characteristics. Shared construct refers to a collective situation, where members share perception (e.g. quality or extent of cooperation and coordination to task completion among team members). Experiences, attitudes, perception, values, cognitions, and behaviors that are common among the members are referred to as the shared construct [40]. Cohesion of the team, its norms, climate, and mental models are among the shared constructs. Similar to shared construct, configural features of a team reside in the characteristics of individual team members. This construct includes pattern, variations and array of each members' characteristics such as, interpersonal network density of the team, its personality composition, and diversity (e.g. age).

E-leaders are aware of the abovementioned constructs and utilize this understanding to overcome challenges of lack of social presence among team members. This lack leads to decreased trust, which e-leaders must control through collective identity and proper communication means for their teams. Thus, e-leaders endeavor to establish a common meaning and perspective so that trust is enhanced [37]. In this sense, a number of factors are influential on trust in virtual teams such as, time, culture, geographical proximity and interactions that can be both online and face-to-face. As virtual systems are temporary, trust in such systems is also not permanent. This is mainly due to lack of direct management. Therefore, trust has been noted to be instant in a virtual setting. As virtual teams are vulnerable, trust becomes more important and difficult to establish. Hence, the strength of transformational leadership has been proven to be significant in this case, more than transactional. Both styles are linked to virtual settings and their effectiveness in establishing collective trust has been shown. Through expression of concern for needs of members, a transformational leader can generate trust, and exhibition of will to achieve the goals of the group. This is while transactional leader establishes trust through maintaining their promises and showing respect and fairness. It is imperative that trust is built so that a virtual team can obtain its goals and remain efficient. As interactions are coordinated, existence of trust enhances performance and increases satisfaction for the individuals in the team.

Leaders use different means of technology to provide feedback, signals and messages through an integrated format and tailored tones for each individual in the team. This is referred to as media richness that is a moderating factor for e-leaders in online settings of work, and its efficiency that is based on trust and cohesion [37].

Especially in the occurrence of global pandemic, virtual leaders have become more crucial for organizations. These leaders can aid the business to survive and avoid bankruptcy. E-leaders operate remotely and maintain virtual interactions with more emphasis on those, who might have issues with the technology and thus, are less likely to trust and communicate through virtual settings [41]. Ethical issues, cultural differences, and communication means are main challenges of building trust for e-leaders alongside usage of technology in a manner that will keep the leader effective. In this sense, e-leaders rely on education, training, and development practices to build trust for their followers, and they endeavor to maintain a high standard of communication, and coordinating tasks among team members.

4. Conclusion

Leaders can deploy different aspects of highlighted models in this chapter so that their approaches are enhanced and developed. While some characteristics are deeply embedded in individuals, recent studies show that organizational elements,

culture, environment, and psychological dimensions such as, coping mechanisms, burnout, and wellbeing are influential. This suggests a pathway for leaders to adjust their styles with current demands of business in the modern world, especially during and after global pandemic of Covid-19, which has drastically changed work environment. Resilience, flexibility, and change are essential for leaders to maintain competitiveness in markets. Thus, regardless of its difficulty or uncertainty, leaders should endeavor to effectively lead their firms towards sustainable advantages, and higher levels of productivity. Leaders can adjust their approach towards their followers, considering various elements that can boost trust. In turn, this will lead to better performance and a positive workplace, leading to organizational achievements.

Conflict of interest

The authors declare no conflict of interest.

Notes/thanks/other declarations

The authors would like to show appreciation and gratitude to Mr. Mark Unwin, and Ms. Marjaneh Arasteh.

Author details

Panteha Farmanesh* and Pouya Zargar
Girne American University, Girne, Northern Cyprus, Turkey

*Address all correspondence to: pantehafarmanesh@gau.edu.tr

IntechOpen

© 2021 The Author(s). Licensee IntechOpen. This chapter is distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

References

- [1] Oxford English Dictionary. Oxford: Clarendon Press. 1993.
- [2] Pittman A. Leadership rebooted: Cultivating trust with the brain in mind. *Human Service Organizations: Management, Leadership & Governance*. 2020 Mar 14;44(2):127-143.
- [3] Ringleb AH, Rock D. The emerging field of neuroleadership. *NeuroLeadership Journal*. 2008;1(1):3-19.
- [4] Liu Y, Fuller B, Hester K, Bennett RJ, Dickerson MS. Linking authentic leadership to subordinate behaviors. *Leadership & Organization Development Journal*. 2018 Apr 10.
- [5] Bennis W. The challenges of leadership in the modern world: Introduction to the special issue. *American psychologist*. 2007 Jan;62(1):2.
- [6] Dansereau Jr F, Graen G, Haga WJ. A vertical dyad linkage approach to leadership within formal organizations: A longitudinal investigation of the role making process. *Organizational behavior and human performance*. 1975 Feb 1;13(1):46-78.
- [7] Rosenthal DA, Gurney RM, Moore SM. From trust on intimacy: A new inventory for examining Erikson's stages of psychosocial development. *Journal of Youth and Adolescence*. 1981 Dec;10(6):525-537.
- [8] Graen GB, Uhl-Bien M. Relationship-based approach to leadership: Development of leader-member exchange (LMX) theory of leadership over 25 years: Applying a multi-level multi-domain perspective. *The leadership quarterly*. 1995 Jun 1;6(2):219-247.
- [9] Lipman-Blumen J. Toxic leadership: When grand illusions masquerade as noble visions. *Leader to Leader*. 2005 Mar;2005(36):29-36.
- [10] Behery, M., Al-Nasser, A. D., Jabeen, F., & El Rawas, A. S. (2018). TOXIC LEADERSHIP AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR: A MEDIATION EFFECT OF FOLLOWERS' TRUST AND COMMITMENT IN THE MIDDLE EAST. *International journal of Business and Society*, 19(3), 793-815.
- [11] Blomme, R. J., Kodden, B., & Beasley-Suffolk, A. (2015). Leadership theories and the concept of work engagement: Creating a conceptual framework for management implications and research. *Journal of Management & Organization*, 21(2), 125-144.
- [12] Smith, N., & Fredricks-Lowman, I. (2020). Conflict in the workplace: a 10-year review of toxic leadership in higher education. *International Journal of Leadership in Education*, 23(5), 538-551.
- [13] Burton, J. P., & Hoobler, J. M. (2011). Aggressive reactions to abusive supervision: The role of interactional justice and narcissism. *Scandinavian Journal Of Psychology*, 52(4), 389.
- [14] Rousseau, D. M., Sitkin, S. B., Burt, R. S., & Camerer, C. (1998). Not so different after all: a cross-discipline view of trust. *Academy of Management Review*, 23(3), 393-404.
- [15] Gillespie, N. A., & Mann, L. (2004). Transformational leadership and shared values: the building blocks of trust. *Journal of Managerial Psychology*, 19(6), 588-607.
- [16] ATIK, S., & CELIK, O. T. (2020). An Investigation of the Relationship

between School Principals' Empowering Leadership Style and Teachers' Job Satisfaction: The Role of Trust and Psychological Empowerment. *International Online Journal of Educational Sciences*, 12(3).

[17] Ryan, R. M., & Deci, E. L. (2000). Self-determination theory and the facilitation of intrinsic motivation, social development, and well-being. *American psychologist*, 55(1), 68.

[18] Bandura, A. (1986). The explanatory and predictive scope of self-efficacy theory. *Journal of Social and Clinical Psychology*, 4(3), 359-373.

[19] Martono, S., Wulansari, N. A., & Khoiruddin, M. (2020). The role of empowering leadership in creating employee creativity: moderation-mediation mechanism. In *IOP Conference Series: Earth and Environmental Science* (Vol. 485, No. 1, p. 012060). IOP Publishing.

[20] Zhang, X., & Zhou, J. (2014). Empowering leadership, uncertainty avoidance, trust, and employee creativity: Interaction effects and a mediating mechanism. *Organizational Behavior and Human Decision Processes*, 124(2), 150-164.

[21] McAllister, D. J. (1995). Affect-and cognition-based trust as foundations for interpersonal cooperation in organizations. *Academy of management journal*, 38(1), 24-59.

[22] Siachou, E., Gkorezis, P., & Adeosun, F. (2020, April). The relationship between empowering leadership and volunteers' service capability: intention to share knowledge as mediator. In *Evidence-based HRM: a Global Forum for Empirical Scholarship*. Emerald Publishing Limited.

[23] Bass, B.M. (1997), "Does the transactional-transformational leadership paradigm transcend

organizational and national boundaries?", *American Psychologist*, Vol. 52 No. 2, pp. 130-139.

[24] Zhu, W., Newman, A., Miao, Q. and Hooke, A. (2013), "Revisiting the mediating role of trust in transformational leadership effects: do different types of trust make a difference?", *The Leadership Quarterly*, Vol. 24 No. 1, pp. 94-105.

[25] Khattak, M. N., Zolin, R., & Muhammad, N. (2020). Linking transformational leadership and continuous improvement: The mediating role of trust. *Management Research Review*.

[26] Holtz, B.C. and Harold, C.M. (2008), "When your boss says no! The effects of leadership style and trust on employee reactions to managerial explanations", *Journal of Occupational and Organizational Psychology*, Vol. 81 No. 4, pp. 777-802.

[27] Zargar, P., Sousan, A., & Farmanesh, P. (2019). Does trust in leader mediate the servant leadership style-job satisfaction relationship? *Management Science Letters*, 9(13), 2253-2268.

[28] Wheatley, M. J. (2006). *Leadership and the new science: discovering order in a chaotic world* (3rd ed.). San Francisco, CA: Berrett-Koehler.

[29] Rennaker, M. (2006). Servant-leadership: A model aligned with chaos theory. *The International Journal of Servant-Leadership*, 2(1), 427-453.

[30] Lowder, B. T. (2009). The best leadership model for organizational change management: Transformational verses servant leadership. Available at SSRN 1418796

[31] Greenleaf, R. K. (1998). *The power of servant-leadership: Essays*. Berrett-Koehler Publishers.

- [32] Van Dierendonck, D. (2011). Servant leadership: A review and synthesis. *Journal of management*, 37(4), 1228-1261.
- [33] Bavik, A. (2020). A systematic review of the servant leadership literature in management and hospitality. *International Journal of Contemporary Hospitality Management*.
- [34] Angela Pittman (2020) Leadership Rebooted: Cultivating Trust with the Brain in Mind, *Human Service Organizations: Management, Leadership & Governance*, 44:2, 127-143, DOI: 10.1080/23303131.2019.1696910
- [35] Zak, P. J. (2017). The neuroscience of trust. *Harvard Business Review*, 95(1), 84-90.
- [36] Avolio, B.J., Kahai, S., Dumdum, R. and Sivasubramaniam, N. (2001a), "Virtual teams: implications for e-leadership and team development", in London, M. (Ed.), *How People Evaluate Others in Organizations*, Mahwah, Lawrence Erlbaum, NJ, pp. 337-358.
- [37] Sedrine, S. B., Bouderbala, A., & Nasraoui, H. (2020). Leadership style effect on virtual team efficiency: trust, operational cohesion and media richness roles. *Journal of Management Development*.
- [38] Avolio, B.J., Kahai, S. and Dodge, G.E. (2001b), "E-leadership: implications for theory, research, and practice", *The Leadership Quarterly*, Vol. 11 No. 4, pp. 615-668, doi: 10.1016/S1048-9843(00) 00062-X.
- [39] Liao, C. (2017). Leadership in virtual teams: A multilevel perspective. *Human Resource Management Review*, 27(4), 648-659.
- [40] Klein, K. J., & Kozlowski, S. W. (2000). From micro to meso: Critical steps in conceptualizing and conducting multilevel research. *Organizational research methods*, 3(3), 211-236.
- [41] Samartinho, J., Silva, P., & Faria, J. (2014). Good practices in virtual leadership—the e-3cs rule (communication, trust and coordination).