JAMES M. KOUZES
BARRY Z. POSNER

BESTSELLING AUTHORS OF *THE LEADERSHIP CHALLENGE*

Credibility

How Leaders *Gain* and *Lose* It
WHY PEOPLE DEMAND IT

ALL NEW AND REVISED

Table of Contents

Chapter Nine: The Struggle to Be Human

Epilogue: Character Counts

Notes

More Praise for Kouzes and Posner's Credibility

"If you have been searching for the one book this year that will help you become a more effective leader, you have found it. Kouzes and Posner have done it again: gone straight to the heart of the matter. Developing and sustaining credibility is the core task of effective leaders in today's organizations, and this revised edition of *Credibility* provides fresh insight, practical wisdom, and relevant examples for managers everywhere on how to become such a leader. Like your own leadership GPS, *Credibility* provides the essential roadmap for managers everywhere on how to establish, enhance, and maintain the trust and followership of your constituents."

— Michael Burchell, corporate vice president, Great Place to Work®

Institute; coauthor, *The Great Workplace: How to Build It, How to Keep It, and Why It Matters*

"We are living in a time of extraordinary challenges— economic, political, environmental, and even familial. But we'll never resolve these looming challenges if we can't trust our leaders. We don't know of a better book than this one for those leaders who really want to gain and hold the credibility to lead people forward."

— Jennifer Granholm, former Governor of the State of Michigan,

and Dan Mulhern, Haas School of Business, University of California, Berkeley

"In *Credibility*, Jim Kouzes and Barry Posner have done something unique and important. They have uncovered the very essence of why we follow some leaders

enthusiastically and yet reject others of apparently equal or even greater ability. But this is just the beginning. Through worldwide research, they have answered the critically important question of whether the same characteristics, among different cultures, are equally important for leading. You cannot read this book and apply its lessons without acquiring a much deeper understanding and greater capacity to lead. I highly recommend it."

— William A. Cohen, PhD, Major General, USAFR, Retired; author, *Drucker on Leadership and Heroic Leadership*

Credibility

How Leaders *Gain* and *Lose* It
WHY PEOPLE DEMAND IT

JAMES M. KOUZES

BARRY Z. POSNER

situation. You should consult with a professional where appropriate. Neither the publisher nor author shall be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages.

Jossey-Bass books and products are available through most bookstores. To contact Jossey-Bass directly call our Customer Care Department within the U.S. at 800-956-7739, outside the U.S. at 317-572-3986, or fax 317-572-4002.

Jossey-Bass also publishes its books in a variety of electronic formats. Some content that appears in print may not be available in electronic books.

We're pleased to dedicate this volume to some exceptionally credible colleagues—Warren Bennis, Ken Blanchard, Irwin Federman, John Gardner, Frances Hesselbein, and Warren Schmidt. In working with them over the years we've benefited greatly from their wise counsel and keen insights, and it is with deep gratitude that we recognize them publicly.

Introduction

On Credibility and the Restoration of Trust and Confidence

Credibility is the foundation of leadership. This is the inescapable conclusion we have come to after more than thirty years of research into the dynamics of the relationship between leaders and constituents. People have to believe in their leaders before they will willingly follow them. That's why we first wrote *Credibility: How Leaders Gain and Lose It, Why People Demand It* twenty years ago, and it's why we have taken the time to thoroughly update and revise it.

  Credibility is about how leaders earn the trust and confidence of their constituents. It's about what people demand of their leaders as a prerequisite to willingly contributing their hearts and minds to a common cause, and it's about the actions leaders must take in order to intensify their constituents' commitment.

  Timing is everything. When the first edition of *Credibility* was published in 1993 we noted that nearly half of America's workforce was cynical. Worldwide, 60 percent or more of workers believed that their management wasn't honest with them, more than half had lost confidence in the abilities of their top management, and overall confidence in major business was at a historic low of only 26 percent.[1] We wanted to remind leaders how important it was to attend to the fundamentals. We thought they should take the importance of earning and sustaining credibility more seriously. We wanted to offer a useful framework and practical suggestions on what leaders could do to increase

the trust and confidence others had in them. We hoped we could play some small part in restoring people's faith in their leaders.

For several years, it seemed that leaders were listening. Things got better—perhaps because leaders took notice, or perhaps because things couldn't get much worse. The public's mood changed. The decade of the nineties and the turn of the century saw increases in trust, confidence, and credibility among leaders of major institutions. But these shifts turned out to be short-lived.

In 2010, during a cab ride to the airport in Flint, Michigan, we were chatting with the driver, a laid-off automotive worker. He was telling us that he once had a great job on the assembly line at a nearby General Motors plant, but that now he and his buddies were convinced that they wouldn't find another manufacturing job. He told us how he was worried that they'd never be able to return to the lifestyle they once enjoyed. Then he said, "How can it be that GM lost $38 billion in 2007 and then in the first quarter of 2010 they made $1 billion in profits? They must have been hiding the money!"

We could hear the anger and cynicism in his voice. He was clearly suspicious of the company, and it was evident that he spoke for more than himself. He was expressing something, he said, that his friends, family, and former coworkers had discussed quite often. While his numbers may not be entirely accurate, his mood was unmistakable.

After rising for a decade, in the early 2000s confidence in institutions and leaders began to slide, and by 2007 trust (the key ingredient of credibility) took a nosedive. Whatever gains had been achieved had been lost.[2] Organized religion, Wall Street, Congress, business executives, the presidency, public schools, newspapers, banks, insurance companies, car salespeople, HMOs, and more have taken hits. No single incident accounts for the whole decline, but many point to

Enron as the beginning of the fall. WorldCom, Tyco, Fannie Mae, other corporate accounting scandals, and illegal trading in mutual funds confirmed the suspicions of many about corporate greed, with folks like Bernard Madoff and Calisto Tanzi of Italy's Parmalat only reinforcing these fears. Sex scandals surfaced in churches, as well as in the halls of Congress and statehouses. A housing and mortgage crisis in the United States, with a corresponding collapse in the financial markets, set in motion a prolonged economic recession that had the potential for bankrupting countries around the globe. Millions lost their jobs; millions lost the roof over their heads; millions watched helplessly as the value of their retirement savings dwindled or disappeared. Adding to the anger of ordinary people was the fact that once-powerful organizations were given government bailouts while at the same time paying massive bonuses to their top executives. To exacerbate the misery, in recent years environmental disasters have ruined communities and cost jobs in already fragile economic regions. And to top it all off, the politicians on the campaign trail proclaimed in their political ads that their opponents were liars, instead of offering solutions that might help. The net result was that public trust in all politicians declined.

It's no shock, then, that institutional trust, confidence, and credibility once again all hit new lows. And along with it interpersonal trust has also declined, even more than trust in institutions.[3] People are growing more reluctant to believe in their coworkers and their neighbors, especially in highly diverse organizations and communities where people are unfamiliar with the norms and expectations of their colleagues.

Many wonder if there are any leaders left who have the strength of character to sustain their trust. Substantial numbers of people believe that leaders lack the capability to guide business and governmental institutions to greatness

in this intensely turbulent and competitive global marketplace. There is the gnawing sense in many corridors that leaders are not competent to handle the tough challenges; that they are not telling the truth; and that they are motivated more by greed and self-interest than by concerns for the customer, the employees, or the country.

Admittedly, opinions about the people who occupy leadership positions tend to rise and fall with current events.[4] When times are good, people exhibit more confidence in their leaders, and when times are bad they exhibit less. The more severe the events and the more compressed the time frame, the more cynical people are likely to become. It is natural to expect, then, in a prolonged recession—with attendant layoffs and shrinking family incomes—that the credibility of business, labor, and government leaders would decline. A natural suspicion of power, a host of unrealistically positive expectations, and the confluence of events setting off the worldwide economic crisis beginning in late 2007 can explain a great deal about why leaders have lost credibility. Bad timing can often ruin credibility as much as bad actions.

But dismissing credibility problems as simply a function of the times permits leaders to escape responsibility for their own actions. The entire economic system is based on trust. It's not based on a particular investment model, price-earnings ratio, income statement, or balance sheet. It's not based on any of these rational concepts. It's based on whether people *believe* in the numbers and in the people who are supplying them. If people don't trust those who handle their money, their livelihoods, and their lives, they'll just refuse to participate. Leaders must accept that it is their responsibility to take the first step in earning back what has been lost and then further steps to sustain it.

So what can leaders do now to restore trust and confidence? What positive actions can leaders take to

strengthen credibility over time? What can you do? What can anyone do? These are the questions we answer in this book.

Our Research into Credibility

Much has been written about what leaders do to get extraordinary things done, but little has been written about leadership from the constituent's point of view. There are a few books and articles about being a good follower, but we have not been satisfied with the perspective they present. These turbulent times require energized *constituents* who enthusiastically participate in the process and take up the call for more leadership at all levels. So we thought it was essential to look into the specific behaviors constituents need from a leader if they are to become fully engaged in and committed to a leader's call to action.

Credibility is the result of an intensive, ongoing investigation. In writing this book, we have relied upon our own surveys, which over the years have been administered to well over 100,000 people from around the world. The data reported in *Credibility* is from our continuing study, and, as we note later, the results have not varied since we began our research in the early 1980s.

In addition, we have accumulated more than double the number of written case studies since the first edition of this book, and they now total well over a thousand. Along with our students, we have also conducted hundreds of in-depth interviews with individuals "admired as leaders" in order to deepen our understanding of and gather personal stories about the key actions and behaviors of credible leaders.

From the surveys, we identified the qualities people *most* looked for in those individuals they would be *willing* to follow; from the case studies and interviews we identified specific actions that give leaders credibility. Focus groups

and subject-matter experts helped us define and refine the most significant behaviors. Further survey research projects, both within and across organizations, enabled us to validate the importance of these leadership actions and to determine empirically that credibility makes a difference in work attitudes and performance.[5]

Who Should Read This Book?

With *Credibility* we continue our commitment to assist people in all parts of the globe, at all levels, and in all types of organizations—public, private, educational, religious, voluntary, governmental, military, and not-for-profit settings —in furthering their abilities to lead others to get extraordinary things done. Therefore, in the course of writing this book we collected data from aspiring and experienced organizational managers (from all functions and sectors), as well as community leaders, volunteer leaders, religious leaders, political leaders, labor leaders, and student leaders. After more than thirty years of research, we are more convinced than ever that leadership is everyone's business. Consequently, we believe *Credibility* will be of interest to anyone—whether at work, at home, or in social and volunteer activities—who wishes to step forward and guide people to places they have never been before, to new personal, organizational, and social futures.

As a result of reading this book, you will learn

- The qualities that constituents look for and admire in leaders, the people whose direction they would willingly follow
- The foundation of leadership and of all working relationships
- The principles and disciplines that strengthen leadership credibility

- Actions you can take immediately to apply the practices to your own leadership initiatives
- The struggles leaders face in living up to their constituents' expectations

In short, you will learn how credibility is the foundation of leadership and, in fact, of all relationships that work. And you will also learn that credibility is measured not by you but by those you lead.

What's New and What's Not

This second edition of *Credibility* is a completely revised and slimmed-down version of the original. In addition to the worthy goal of saving the planet some paper, we trimmed the length for several reasons. First, we sharpened the focus on our central theme: how leaders earn and sustain credibility. In the first edition, we took detours into issues of service quality, for example, which, while important, weren't directly on message. Second, technology now allows us to move some of what we had written to the cloud. You will find material on our research, for example, at www.leadershipchallenge.com/go/credibility. Third, we developed an entirely new companion volume to accompany this book. *Strengthening Credibility: A Leader's Workbook* provides many developmental and application exercises for building and sustaining credibility.

This new edition of *Credibility* has a longer and broader reach than the earlier book. Our research is global, and the cases in this edition reflect that. From Asia and Australia to Europe, the Middle East, and North and South America, we show how people around the world affirm that credibility is the foundation of leadership.

All the cases in this book have been updated, and 90 percent of them are new to this volume. They are fresh illustrations of the changing nature of the context in which

people now work. Part of that new context is a more open organizational environment—due in part to the globalization of the economy, the increased use of social media, and the rise of a whole new generation of younger leaders. This edition reflects this changing landscape.

What's not new is our intense interest in how values clarification and culture creation are at the top of a leader's agenda. Some of our earliest research clearly showed that commitment, satisfaction, productivity, and other positive outcomes were significantly higher when people shared the values of their organizations. This finding is reaffirmed in our most current studies.[6]

As our research evolved we discovered that unless *personal* values were clear it really didn't matter how clear the organization's values were. People don't get more committed to a company or to a cause because the organization nails its credo to the door. They get more committed because it matters to them.

During the past three decades, we've continued to ask another fundamental question, "What do you look for and admire in a leader, someone whose direction you would *willingly* follow?" You might expect we'd get a different set of responses over this period of time. After all, people keep telling us that the world is radically different today from what it was in the eighties.

But we haven't heard a different answer. No matter whom we've asked and no matter where we've asked it, *credibility* is still *the foundation of leadership*. In fact, given what the world has been going through these past few years, this lesson is even more relevant today.

Overview of the Contents

In Chapter One, "Leadership Is a Relationship," we present our view that leadership is a relationship between those

who aspire to lead and those who choose to follow. We also describe the results of our long-term research projects to identify the qualities people most look for and admire in their leaders, and we explain how the data clearly indicate that credibility is the foundation of leadership.

In Chapter Two, "Credibility Makes a Difference," we discuss the positive influence credible leaders have on people and organizations and the negative impact that low-credibility leaders have on morale and performance. Through anecdotes and examples from the leaders and constituents in our studies, we bring the research findings to life. Then we introduce the idea that earning and sustaining credibility requires six disciplines, which we explain in the next six chapters.

In Chapter Three, "Discover Your Self," we talk about how the credibility journey begins with the process of self-discovery—with an inner exploration of credos, competence, confidence, and character. Credos are your guides, competence provides the skills to enact your credos, and self-confidence gives you the will to behave in a way that is consistent with your beliefs. The sum of it all is character.

In Chapter Four, "Appreciate Constituents," we show that leaders are seen as trustworthy when they have their constituents' best interests at heart. To strengthen credibility, leaders explore others' aims and aspirations. Credible leaders learn to listen and to listen well. They appreciate the hopes and dreams of their diverse constituencies.

In Chapter Five, "Affirm Shared Values," we discuss why it is so important for credible leaders to integrate diverse viewpoints into unifying themes. We present our findings that shared values make a significant difference in the health of individuals, organizations, and communities. We talk about how leaders can find common ground, build

community, and resolve conflicts on the basis of principles, not position.

In Chapter Six, "Develop Capacity," we observe that people cannot act on the values they espouse unless they have the knowledge, skills, and resources to do so. Credible organizational leaders continuously develop the capacity of their organizations to put values into practice. They educate, offer choices, inform, foster self-confidence, and create a climate for lifelong learning. In short, they liberate the leader in everyone.

Constituents do not serve leaders; leaders serve constituents. Both serve a common purpose. In Chapter Seven, "Serve a Purpose," we examine ways that credible leaders demonstrate their personal commitment to the shared values and visions of the organization. They stay in touch with constituents, are the first to accept responsibility, spend time on the important values, teach others, and hold themselves accountable.

In Chapter Eight, "Sustain Hope," we examine how credible leaders attract constituents by lifting people's spirits and restoring belief in the future. They sustain hope by taking charge and demonstrating the courage of their convictions, by arousing positive thoughts and images, and by seeking and giving support. Credible leaders keep hope alive—which is a critical task since, in the end, only people with hope achieve greatness.

In Chapter Nine, "The Struggle to Be Human," we discuss the tensions leaders grapple with as they try to respond to constituents while remaining true to their own beliefs. We also identify some excesses of leadership and of expectation and offer antidotes for dealing with these tensions. Building and strengthening credibility is an ongoing struggle, and we remind you in this final chapter and in the brief Epilogue following that the life you live is the legacy you leave behind.

You Make a Difference

Leadership matters. And it matters even more in uncertain times than it does in stable times. Organizations and communities certainly have their share of turbulence right now. You can expect many more massive and wrenching changes in the years to come. Adversity and hardships test leaders, and they test followers, too. These times call for bold actions and risky moves, often without predictable outcomes. You will have to ask your constituents to change, to transform, to do things differently. And the only thing they will have is your word that this is the right thing to do.

Success in initiating or responding to change is inextricably linked to the credibility of those leading the efforts. Constituents will commit to the extent that they believe in those guiding the change. It is wise, therefore, for leaders to begin every significant change with a "credit check." It's not just "Do my constituents believe that the new system will improve our performance?" Or even "Do they believe that this risky policy is for the greater good?" It's also "Do they believe in me and my ability to lead this effort?"

But you can't do it alone. Neither can your organization, your community, or your country. Everyone—leaders and constituents alike—shares responsibility for getting extraordinary things done. You need every constituent's energetic involvement as much as constituents need your courage of conviction. You need to make leadership everyone's business, not just your business.

We all contribute to the renewal of mutual trust and understanding. By making leadership about *us* and not about *them*, we all take responsibility for doing what we say we will do. And, in the end, everyone becomes more credible.

James M. Kouzes

Barry Z. Posner

May 2011

Chapter One

Leadership Is a Relationship

"Although it was probably subconscious, I did not readily admit to my friends where I worked," Beth Bremner told us. "I just used to say, 'A big bank.' " The reason, she said, "predominantly had to do with the fact that I did not believe that our leaders were acting with the integrity and honesty that I hold so dear to my heart. I did not feel management set the kind of example that I wanted to abide by."

Beth, South African by birth, was educated in the U.K. She holds an MBA from the Hong Kong University of Science and Technology and has worked throughout Europe, the Middle East, and Asia.[1] But Beth's sentiment is one that we hear time and time again all over the globe. Beth wants what the vast majority of people want from their leaders and their organizations:

I want to work for a company where I believe in the message being passed down from my top management team. I want to feel as though I am part of the team and that I have the same beliefs as the company does. I have learned that one needs to love what one does and believe that one is doing a good job for a great company. My best performance will never be ensured by feeling like a cog in the wheel of a company for a salary. I want to work in a company where I can share the direction and vision of my leaders. I have learned that most individuals are driven by the same thing as I...the possibilities that surround us and being excited about the future and what it holds.

Beth is right. The same things drive most people. They are energized by values and visions that give their lives meaning and purpose. They want to be surrounded by something that uplifts and excites them. And it is also clear that the thousands of professionals like Beth have certain expectations of their leaders. They won't commit themselves to work harder and more effectively for just anyone.

Leadership may once have been conferred by rank and privilege. It may once have been something that was characterized by a command-and-control, top-down, do-as-I-say style. But no more. Those days are long gone. Today, leadership is only an aspiration. It is something you have to earn every day, because on a daily basis, people choose whether or not they're going to follow you. It's something you keep striving to achieve and never assume you've fully attained.

The old organizational hierarchy just can't generate the kind of commitment that's required in our global society. This isn't a call for open elections inside organizations. But managers should not kid themselves. People do vote—with their energy, with their dedication, with their loyalty, with their talent, with their actions. Don't you put forth higher-quality effort when you believe that the people leading you are there to serve your needs and not just their own interests?

Leadership is a relationship between those who aspire to lead and those who choose to follow. Any discussion of leadership must attend to the dynamics of this relationship. Strategies, tactics, skills, and practices are hollow and fruitless unless the fundamental human aspirations that connect leaders and their constituents are understood and appreciated.

So, what do constituents expect from leaders? What do leaders expect from constituents? What purpose do leaders

serve? Why do people believe in some leaders but not in others? Why do some people choose to follow one leader while others reject that leader? What actions sustain the relationship? What actions destroy it? What is the state of the current relationship between leaders and constituents? These are the questions that intrigued us and that drove the research behind this book. We wanted to understand more deeply what formed the foundation of a constructive and positive relationship between constituents and their leaders, and what leaders needed to do to build and sustain that kind of relationship. Organizations and communities cannot be renewed and revitalized, nor can towering institutions even be dreamed about, until these and related questions are answered.

Consider what the late John Gardner—former cabinet secretary, founder of Common Cause, adviser to six U.S. presidents, and respected author and scholar—had to say about all this:

> A loyal constituency is won when the people, consciously or unconsciously, judge the leader to be capable of solving their problems and meeting their needs, when the leader is seen as symbolizing their norms, and when their image of the leader (whether or not it corresponds to reality) is congruent with their inner environment of myth and legend.[2]

From his decades of experience in working with some of the most powerful people in the world, John learned that people willingly follow the direction of someone who is attuned to their aims and aspirations, worries and fears, ideals and images. He also found that ultimately the constituents are the arbiters of the quality of leadership they receive. In the end, leaders don't decide who leads. Followers do.

Loyalty is not something a boss (or anyone for that matter) can demand or even command. It is something the people—