

Fourth Quarter 2011  
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# Georgia

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### Building Your Leadership Credibility Impacts the Bottom Line

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# Building Your Leadership Credibility Impacts the Bottom Line



By Trudy Shay Petty  
Petty and Associates



**M**ost people will agree it is tough to be a leader today. The world as we know it is changing by the minute—economic uncertainties, new technologies, more educated and demanding customers, increased competition and younger employees with different needs and expectations from their predecessors.

As a leader, hundreds of eyes are on you—watching and critiquing every move or action you make or don't make. These eyes belong to employees or your coworkers, customers, partners on your design and construction team, vendors, suppliers, industry colleagues, referral sources, prospects, public and elected officials, civic leaders and those in the community who are end-users of the facilities you build.

In my work as an executive coach and consultant, I have observed firsthand many of the traits that contribute to a leader's ability to lead. My conclusion is a person's credibility is key to overall leadership effectiveness. I have also observed the biggest derailment factors that can seriously hurt or erode credibility, preventing a leader from building trust with others and effectively leading their team. In their best-selling book "Credibility: How Leaders Gain and Lose It, Why People Demand It," authors James Kouzes and Barry Posner conducted extensive research to make the case that leadership is above all a relationship, with credibility as the cornerstone. They address why some leaders are able to earn followers' support when so many others fail to inspire confidence.

### Defining Credibility

While you would think defining credibility is easy because most people openly admit credibility is a vital part of effective leadership and business success, this is not always the

case. Mostly the difficulty comes from the fact it is not tangible. When you introduce a dictionary definition of credibility, "the quality or power of inspiring belief," I often get puzzled looks and some people even say, "what the heck does that mean?"

Credibility is made up of behaviors, attitudes and ways of conducting oneself that goes into how leaders earn the trust and confidence of those around them. It is about what people demand of their leaders and the actions leaders must take in order to intensify the commitment of those around them to a common cause, goal, mission or vision.

When you ask people how the leaders they admire earn credibility, mostly you hear about actions that make others the center of attention. These leaders focus on serving others and making others feel important. They empower people and help people grow and develop. They believe in the inherent self-worth of others. They are about doing what you say you will do, being consistent and working hard. They act in ways that show trust in others which builds respect. These among other answers were a common theme when I asked the following construction leaders about their view on "leadership credibility:" Raymond Moody, President and CEO of Batson-Cook Company; Dan Baker, President of Duffey Southeast; and Tony Pellicano, President of Pellicano Construction and Georgia Branch, AGC's 2011-12 President.

In a continued effort to define credibility, Moody says "Demonstrating trustworthiness, showing respect, acting in a consistent manner, being persistent in the message we deliver, following through, keeping promises, exercising self-control and being patient with others are

**"Demonstrating trustworthiness, showing respect, acting in a consistent manner, being persistent in the message you deliver, following through, keeping promises, exercising self-control, and being patient with others are some of the things I believe impact our credibility as true leaders."**

Raymond Moody, Jr.,  
President and CEO  
Batson-Cook Company

## Examples of behaviors guaranteed to erode your credibility as a leader

- Not owning up to and correcting mistakes
- Lack of consistency
- Allowing problems to fester without action
- Not following through on commitments
- Not being open and honest
- Blaming other people/finger pointing
- Lack of interest in self-development
- Conflict avoidance
- Hiding during a crises
- Surrounding yourself with "yes" people
- Losing cool under pressure
- Overly task oriented
- Low emotional intelligence
- Not open to feedback
- Being detached
- Unable to build rapport or consensus
- Fear of losing control
- Betrayal of trust
- Change resistant
- Poor planning skills
- Lack of strategic agility
- Does not care about developing people
- Playing favorites
- Not treating people fairly
- Making excuses for mistakes
- Arrogance/know it all attitude
- Unclear or cryptic communication



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some of the many traits and behaviors I believe impact our credibility as true leaders".

### Why Credibility Matters

Research has consistently shown employees who believe they have a credible leader are more highly motivated to succeed, are eager to talk about where they work and the spirit in which they work, show a high degree of personal loyalty to the leader, have a greater sense of team spirit, exhibit more productivity, feel supported and appreciated, and their "buy-in" is there for the long haul.

Leadership credibility, however, is about more than your employees. It has a major part to play in attracting and retaining customers to your business. Credibility also affects the company's industry profile in the marketplace compared to competitors. Pellicano says, "Our reputations are on the line every day with employees and customers and all current leaders need to understand there is a lot at stake as to how we conduct ourselves. With this in mind, I am always looking for ways to become a better leader and not become complacent."

"There are tons of opportunities to erode credibility," says Baker, and "you have to be willing to put forth the effort to see the results; in other words, we have to live it every day and grind it out—and being credible in a consistent manner doesn't come easy. We know not paying attention to it can impact our bottom line." (see above chart with examples of behaviors that erode credibility)

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## Ways to Enhance Your Leadership Credibility

### 1. Integrity

People want to trust their leaders and want them to be honest. We want our leaders to value our ideas, our thoughts and questions as much as they value our knowledge and skills. Leaders who hide things or push things under the rug when the going gets tough are not perceived to be acting in a credible manner. People want to be included and asked for their input. We don't want leaders talking behind our backs or saying things out of school that are inappropriate or distasteful. When leaders withhold information or don't speak the truth, they lose face.

We want to perceive our leaders as "playing fair" and dislike any signs of favoritism or double standards. When a leader acts with integrity, it reflects on everyone he or she leads. According to Pellicano, "It is our job as leaders to seek advice from our people and trust what they have to say just like it is crucial to seek regular input and feedback from our customers and other business partners on how we can perform our work better for them."

### 2. Competence

To be credible, a leader has to be able to do the job they are entrusted with. This might be a measure of experience—in other words, we trust in their competence because a leader has successfully fulfilled a similar role already. While technical competence is critical, people skills are also part of a leader's competence when it comes to building credibility with those around you. "As a leader, says Baker, you have to present the game plan – and your employees have to know and believe in the game plan and that you're competent to execute it. Credibility has to do with what I am doing as quarterback to motivate the team to execute the play."

For Moody, true leaders give credit to others for accomplishments and

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—Dan Baker, President, Duffey Southeast, Inc.



Doug Magnus, Company Founder and President

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recognize their contributions both in front of the employees themselves and also with owners. "When an owner thanks me for our company's efforts, I stress it is our employees (by name) who did this for them."

### 3. Inspiration

We want leaders who make us feel good. A leader who can inspire others to act, especially in tough times or tricky situations, tends to earn and keep our respect and confidence. Effective and admirable leadership requires composure. Challenges, stressors and obstacles are inherent in any company or leader's path and it is how the leader chooses to conduct him or herself during the good times and bad is indicative of their character, competence and ultimately their credibility. While transparency in a leader who expresses opinions and emotions regarding relevant business issues builds credibility, this does not mean leaders can irresponsibly let it all hang out.

Followers who see their leaders as someone who inspires them, is composed and consistent in their behavior builds trust.

A leader who cannot inspire action in others is unlikely to be successful in either the short or long-term. Moody says he makes it a point every day to go around and see each employee even if it is just for a few minutes so they know he cares about them and what they are doing despite whatever else he is dealing with that day. He learned the importance of doing this from his mentors at the company who always inspired him.

### 4. Purpose and Direction

The more difficult the climate and challenges faced at a company, the more we require our leaders to articulate a clear vision of the future and tell us where the organization is headed. Leaders who can get their mission across and can deliver on what they say they will do are

more likely to stay leaders and enhance their credibility with others. Baker reiterates the importance of consistency in leadership and the need to provide governance; however, not dictatorial governance, and discipline in decision making. He says "We have to have buy-in for everything we do—in our business, we have to build teams. Also there are countless decisions that come up weekly both small and large and we must provide the same due diligence on all of these to provide the best guidance to our people."

### 5. Charisma

There is often an unquantifiable extra that makes a difference in a leader's credibility and characterizes leaders who are the most successful and admired. This is typically summed up as charisma which reflects a confidence in yourself—it has to do with the way you communicate and your ability to speak from the heart, how well you align



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Whether it is over the phone or in person, you can certainly witness the charisma, excitement and energy in Pellicano's voice as he talks about his company seeking out and hiring the best and brightest, providing them

with the necessary tools, getting out of their way, keeping an open door, providing oversight and encouragement, stressing the positive when the going gets tough. In my conversations with Moody and Baker, they conveyed this same element of charisma when they talked about their leadership philosophy, who inspired them and the importance of being a credible leader.

## 6. Set an Example

We look to our leaders to set an example for the behavior they expect from us. We want them to practice what they preach and refrain from doing things they would not wish done by others. Also we want our leaders to refrain from asking others to do things they would not be willing to do themselves. Leaders have a responsibility to model the right behavior whether it is demonstrating a strong work ethic, showing up on time for meetings, being accountable to those you work for and with, asking others for

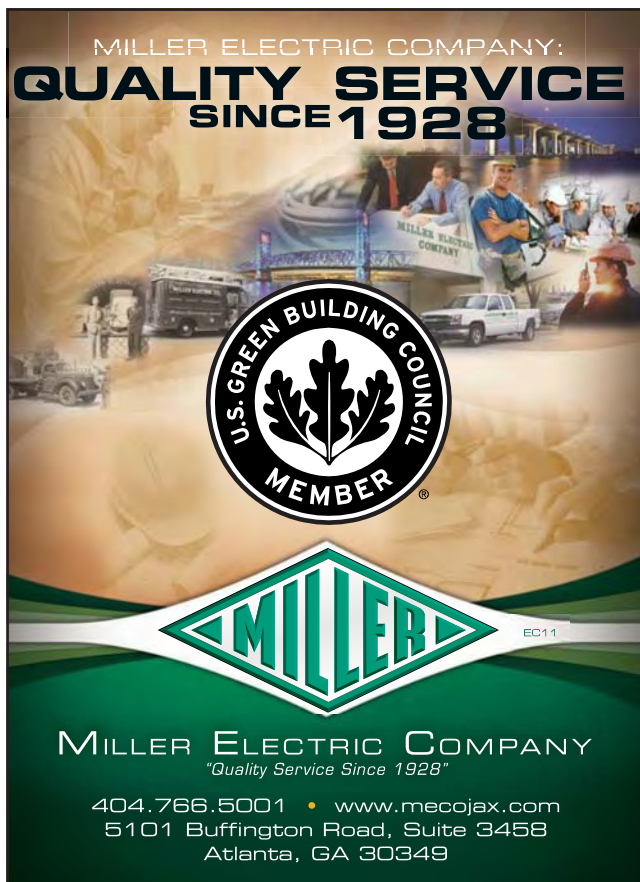
their input and valuing what is said, being willing to grow and change, or taking ownership when mistakes occur to resolve them. Baker says "our team members are expected to communicate, cooperate and collaborate with each other in taking care of customers and solving issues that come up. This is only possible when they see me and those of us in upper management practicing the same thing with them."

Here's a useful tip: Give a second thought to any statement you make starting with "You need to ....." and examine whether you would be willing to take this advice if you were in the same circumstance as the listener. The behavior you show as a leader determines the culture of a work setting and is typically reflected in the behavior you see in those around you.

## Concluding Thoughts

Certainly the impact on your company's bottom line of being a credible leader cannot be emphasized enough—it can lead

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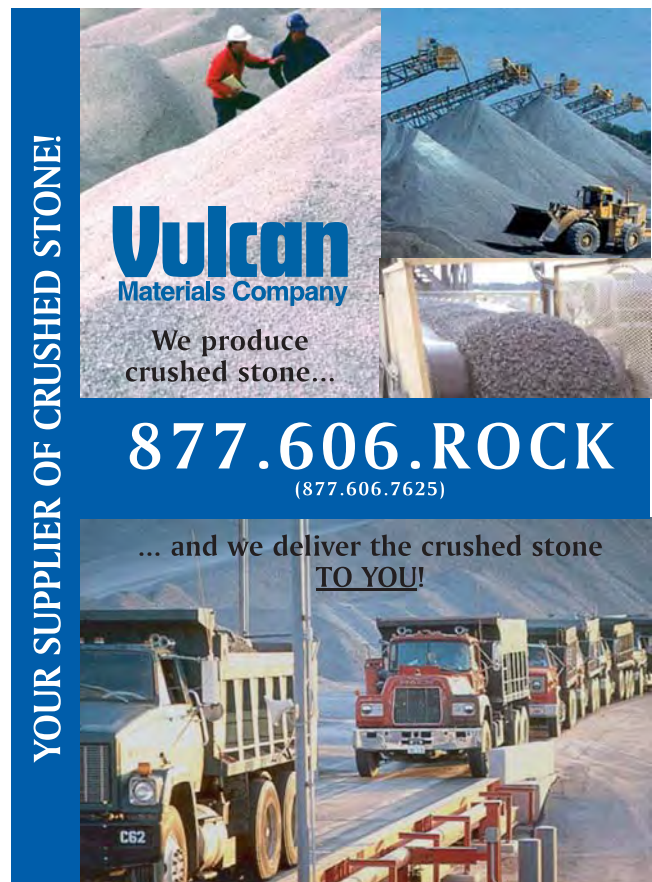
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to increased employee satisfaction and retention, increased customer satisfaction and retention, an improved ability to differentiate your firm in winning new work, and greater industry respect and recognition. Pellicano says at his firm "we live off of referrals and can't afford to develop a reputation for being less than credible in the way we conduct ourselves."

While it is important to have a clear understanding of what credibility means to you, it is even more important for each person to have a clear understanding of how other people around you define it. Credibility rests in the other person's perception of you and your credibility is determined and judged by them. The truth is no matter how great you see your own personal integrity, for example, it is how others see and experience evidence of this integrity that matters the most. Becoming aware of this fact is often a tipping point in one's personal journey of leadership development. ■

**"Our reputations are on the line every day with employees and customers and all current leaders need to understand there is a lot at stake as to how we conduct ourselves. With this in mind, I am always looking for ways to become a better leader and not become complacent."**

*—Tony Pellicano, President, Pellicano Construction*

*Trudy Petty is owner of Petty and Associates, a Dallas, Texas-based management consulting firm founded in 1989. She helps successful companies in the AEC industry increase market share, enhance customer loyalty, and compete more effectively to win new work. As an executive coach, Trudy supports*

*company leaders and teams in the office and field to become higher-performing and more customer-focused. She works with high profile clients in the U.S. and numerous industry organizations including Georgia Branch, AGC. Contact Trudy at 214.341.1713 or [trudy@pettyandassociates.com](mailto:trudy@pettyandassociates.com).*

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