Chapter 1: Establishing Credibility
Teaching Note

Hello Fellow Instructor,

I believe we’re fortunate to teach this course. It is undoubtedly one of the most important courses our students will take.

We help our students develop many skills in this course that will help them thrive in the workplace.

More fundamentally, we help our students see who they are as people, in a professional and an interpersonal sense. Better yet, we help them see the people who they aspire to be.

I encourage you to use this chapter about credibility to frame this course. I’m sure you have many tried-and-true methods of reaching your students. Try these approaches with your students in terms of credibility and let me know how it goes.

Please contact me anytime – to share your experiences, your ideas, and your requests.

Best of wishes,

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Chapter 1 Summary and PowerPoint Notes

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Establishing Credibility

Chapter One

SLIDE 1-2

The chapter covers the following topics: the importance of credibility; competence, caring, and character; business ethics, corporate values, and personal values; and the FAIR approach—facts, access, impacts, respect.

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LO1.1 Explain the importance of establishing credibility for business communications.

LO1.2 Describe how competence, caring, and character affect your credibility as a communicator.

LO1.3 Define and explain business ethics, corporate values, and personal values.

LO1.4 Explain the FAIR approach to ethical business communications.

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Credibility is your reputation for being trustworthy—trustworthy to perform your work with excellence; to care about those you work with and for; to live by high ethical, corporate, and personal values; and to deliver on your promises. In short, your credibility is the degree to which others believe or trust in you.

Do you operate from a position of trust or credibility? That is one of the first things you should consider as you communicate. In the business world, you often start from a deficit of trust. As a result, one of your first goals should be to gain trust or credibility from colleagues, clients, customers, and other contacts.

The public also increasingly views companies with less trust. Approximately 85 percent of senior executives surveyed believe that public trust in business has gone down. A deficit of trust also exists within companies. Various surveys show that employees often do not trust their own business leaders. Just 51 percent of employees trust senior management, and only 36 percent of employees believe that their company leaders act with honesty and integrity. Furthermore, approximately 76 percent of employees have seen illegal or unethical conduct in the past 12 months at their jobs.
As depicted in Figure 1.1, the trust extended by the general public to business executives is far lower than the trust extended to members of other selected professions.

In the post-trust era, the public overwhelmingly views businesses as operating against the public’s best interests, and the majority of employees view their leaders and colleagues skeptically. Regarding the post-trust era, Michael Maslansky, a leading corporate communications expert, said, “Just a few years ago, salespeople, corporate leaders, marketing departments, and communicators like me had it pretty easy. We looked at communication as a relatively linear process. . . . But trust disappeared, things changed.”

As a future manager and executive, you can control your reputation as a credible communicator by focusing on three well-established factors: competence, caring, and character. Research has shown that these three factors almost entirely account for whether a person is considered credible in professional situations. As depicted in Figure 1.2, credibility is like a three-legged stool. Without any one element, it is compromised.
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**Competence** refers to the knowledge and skills needed to accomplish business tasks, approach business problems, and get a job done. Most people will judge your competence based on your track record of success and achievement. In her memoir, Meg Whitman explains how as a young professional she gained credibility and displayed competence within her organization: “I just focused on delivering results,” she said. “You have to excel at the tasks you’re given and you have to add value to every single project, every conversation where someone seeks your input.”

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People develop competence in many ways: through study, observation, and, most importantly, practice and real-world business experiences. Your entire business program is likely centered on developing competence in a certain business discipline or industry. You may already have significant business experience. If you’re a novice, seeking internships and jobs related to your discipline will help you develop competence. How you communicate directly affects the perceptions others have of your competence.
Throughout this book, you will find an emphasis on two traits associated with competence: a focus on action and an emphasis on results. A focus on action implies that you seize business opportunities. Meg Whitman emphasized this action-oriented approach to work: “The way I usually put it is, the price of inaction is far greater than the cost of making a mistake. You do not have to be perfect to be an effective leader, but you cannot be timid.” She also described an emphasis on results: “I don’t believe that all a company needs to do is declare that it has values and then say, ‘Trust us, we know what’s best.’ To be a success, you must identify a goal with a measurable outcome, and you must hit that goal—every day, every month, every year.”

Your colleagues, clients, and even your customers will trust you far more if they know you care about them. As Mahatma Gandhi once stated, “The moment there is suspicion about a person’s motives, everything he does becomes tainted.” This statement applies in nearly all business circumstances: People distrust individuals who are perceived as unconcerned about the interests of others or disinterested in causes above and beyond themselves. In the business world, caring implies understanding the interests of others, cultivating a sense of community, and demonstrating accountability.
Your ability to gain credibility strongly depends on your ability to show that you care for the needs of others. Furthermore, your ability to show you care puts you in a rare position as a business leader. After all, less than half (42 percent) of employees believe that their managers care about them. Effective communicators gain trust by connecting with others—that is, seeking to understand others’ needs, wants, opinions, feelings, and aspirations. Virtually every aspect of communication you will focus on in this book relies on this other-orientation.

The most effective business leaders in today’s corporate environment have generally risen to their positions because of their sense of community and teamwork. Throughout this textbook, you will see techniques for communicating your “we” and “you” orientation rather than a “me” orientation. Speaking about “our needs” or “your needs” as opposed to “my needs” engenders trust and helps you come up with solutions that achieve mutual benefit.

A sense of accountability implies an obligation to meeting the needs and wants of others. It also involves an enlarged vision of those affected by your business activities. It takes a stakeholder view that includes all groups in society affected by your business. Thus, a sense of accountability involves a feeling of responsibility to stakeholders and a duty to other employees and customers. By placing a rationale for accountability in your communications, you will generate substantial trust and goodwill from others.
Character refers to a reputation for staying true to commitments made to stakeholders and adhering to high moral and ethical values. Character has always been important in business relationships, especially long-term, collaborative relationships. It is becoming even more important—especially for leaders—in an increasingly open, transparent, connected, and interdependent workplace.

Character is central in creating trust. Consider the recent research, depicted in Figure 1.3. Business executives were asked what the most important determinants of trust in workplace projects were. Overwhelmingly, character-based traits—that is, honesty, ethical behavior, willingness to exchange information—ranked at the top.
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**Ethics** are “rules of conduct or moral principles that guide individual or group behavior.” **Business ethics** are the commonly accepted beliefs and principles in the business community for acceptable behavior. At a minimum, business ethics involve adhering to laws; safeguarding confidential or proprietary information; avoiding conflicts of interest and misuse of company assets; and refraining from accepting or providing inappropriate gifts, gratuities, and entertainment. **Transparency** involves sharing all relevant information with stakeholders. Transparency International defines transparency as “a principle that allows those affected by administrative decisions, business transactions or charitable work to know not only the basic facts and figures but also the mechanisms and processes.”

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You will soon be in leadership positions within your organization. You can create a transparent workplace by being accessible, acknowledging the concerns of others, and following through when you don’t have immediate answers. Trust-building behaviors include extending trust, sharing information, telling it straight, providing opportunities, admitting mistakes, and setting a good example by following rules.
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Often employees fail to speak up when they observe potentially unethical behavior. Business professionals remain silent for four basic reasons:

1. They assume it’s standard practice.
2. They rationalize that it’s not a big deal.
3. They say to themselves it’s not their responsibility.
4. They want to be loyal.

Prepare now to speak up constructively when you observe unethical behavior. It’s part of your job. You can challenge rationalizations with questions such as these:

- If this is standard, why is there a policy against it?
- If it is expected, are we comfortable being public about it?
- I may be new here, so I might not understand our policy clearly. But, shouldn’t we...?

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Corporate values are the stated and lived values of a company. The Society for Human Resource Management espouses corporate values as the essence of business ethics. It defines business ethics as “organizational values, guidelines, and codes,” and it emphasizes “behaving within those boundaries when faced with dilemmas in business or professional work.

Personal values are those values that individuals prioritize and adhere to. If one is living corporate values that do not match one’s personal values, then there is a lack of integrity.
eBay’s culture of trust is embodied in its Code of Business Conduct (see Figure 1.4).

Over her corporate career, Meg Whitman became adept at identifying when executives were avoiding reality: “At some companies, board meetings are mainly a mind-numbing series of happy PowerPoints. From the agenda and the demeanor of the CEO, you would think that all is sweetness, light, and ice cream.” Her comment points to three important issues. First, by avoiding open and honest communication of business problems, employees doom a business to poor financial performance. Second, dishonesty is among the primary reasons for lower employee morale. Nearly six in ten employees say that they’ve left an organization because of lack of trust—the key reasons being lack of communication and dishonesty. Finally, dishonesty can be reason for dismissal.
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The FAIR test helps you examine how well you have provided the facts; how well you have granted access to your motives, reasoning, and information; how well you have examined impacts on stakeholders; how well you have shown respect. As you respond to these questions, you ensure that your communications are fair to yourself and others.

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One way to evaluate your communications is to use the FAIR test of Ethical Business Communication (see Figure 1.5).

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Establishing credibility allows you to communicate more easily and more influentially. Extensive research has shown that high-trust relationships lead to more efficient and superior work outcomes. In terms of ease of communication, credibility leads to less resistance from others, increased willingness to cooperate, and less likelihood of miscommunication. In high-trust relationships, since individuals willingly and freely give the benefit of the doubt, communication is simpler, easier, quicker, and more effective.
When business leaders and managers are considered credible, the positive effects on company performance are dramatic. One recent study of 32,000 employees examined the relationship between employee engagement and profitability. **Engagement** is a measure of how much employees are connected emotionally to their work, how willing they are to expend extra effort to help their organizations meet their goals, and how much energy they have to reach those goals.

A study showed that companies with highly engaged employees were nearly three times as profitable as companies with low engagement among employees. A key influence on this employee engagement was the credibility of business leaders. For example, in highly engaged companies, 77 percent of employees said that their managers act consistently with what they say, whereas just 29 percent said the same in disengaged companies.

Regardless of your present skill level, this textbook gives you opportunities to deliberately and consciously elevate your communication skill set. It also gives you tools to continue developing your communication abilities over the course of your career. Figure 1.6 provides an overview of the topics we will cover in this textbook.
After studying this chapter, you should understand the following topics: importance of credibility; competence, caring, and character; business ethics, corporate values, and personal values; and the FAIR approach—facts, access, impacts, respect.
Suggested Approaches and Solutions to Learning Exercises

In these suggested approaches and solutions, you’ll find key points to look for in students’ responses.

1.1 Chapter Review Questions (LO 1.1, LO 1.2, LO 1.3, LO 1.4)

A. Important parts of this answer could include the following: (a) Other people judge your comments, presentations, emails, and other communications based on your personal credibility. When you are viewed as credible, your messages are viewed as more plausible. When you are not viewed as credible, others will doubt your messages. (b) As a business professional, you often operate from a position of distrust. By establishing personal credibility, you are more likely to gain trust in your messages and other communications.

B. This answer should include short explanations about each aspect of credibility. Competence involves skills and knowledge to accomplish work tasks. Caring involves understanding and showing interest in the professional and personal needs of others. Character involves adhering to high ethics and values. The second part of this discussion item involves explaining how these aspects of credibility are interrelated. Students should be rewarded for mentioning how these aspects overlap in some situations, especially when they provide specific instances. For example, asking others to participate in a meeting may be viewed as competence and caring. It shows skill at running an effective meeting. It shows caring because of a sincere interest in the views of others.

C. Business ethics are the commonly accepted beliefs and principles in the business community for acceptable behavior. Corporate values are the stated and lived values of a company. The text explains that the Society for Human Resource Management has defined corporate values as the essence of business ethics. Students should be rewarded for providing nuanced answers about cases where corporate values may not align with commonly accepted beliefs and principles in the business community within an industry or even more broadly.

D. The FAIR approach helps professionals ask key questions to evaluate whether their communications are ethical. By asking questions related to facts, access, impacts, and respect, professionals can get a good sense of whether they are truly being fair to others. Students should be rewarded for providing examples from their school and work experiences.

E. Credibility makes communication more effective and efficient because each person in a high-trust relationship tends to put up less resistance to the ideas of others in the relationship. The persons in a high-trust relationship also tend to give each other the benefit of the doubt when misunderstandings arise.

1.2 Communication Q&A Discussion Questions (LO 1.1, LO 1.2, LO 1.3, LO 1.4)

A. Washington provides several examples of competence in its contribution to credibility. He explains how his ability to provide reliable forecasting helped him establish credibility. He also
points out that competence alone does not produce credibility. He provides an example of a former colleague who was highly competent but lost credibility because she shared confidential information with others.

B. He explains that employees who believe their leaders care about them are far more likely to follow those leaders.

C. He mentions character many times in a few short paragraphs. He explains that colleagues should not divulge information shared in confidence. He also explains the importance of keeping promises to employees, clients, and customers. He cites several cases of how difficult it is to build back trust once promises are broken.

D. Answers will vary widely here. Students should be rewarded for their thoughtful responses.

1.3 Character and Rules (LO 1.2)

Responses will vary. Key points/angles may include: (a) ethical behavior cannot be forced upon professionals; (b) professionals must have their own moral compasses; or (c) rules cannot account for all ethical dilemmas.

1.4 Transparency (LO 1.3)

Responses will vary. Key points/angles may include: (a) employees will follow leaders who they believe share information and decision-making openly with them; (b) an open and honest work environment leads to higher morale and productivity; or (c) employees who know more about their organizations and its leaders will be more engaged.

1.5 Gather Information from Websites about Ethics in Business (LO 1.3)

Responses will vary widely. Students should be rewarded for choosing specific and challenging topics.

1.6 Watch Interviews with Business Executives about Corporate Values (LO 1.2, LO 1.3)

Responses will vary widely. You may need to help students find useful and current interviews with executives. See the textbook website (cardonbcom.com) and Facebook page (facebook.com/cardonbcmm) for options.

1.7 Learn About Corporate Citizenship (LO 1.3)

Responses will vary widely. Students should be rewarded for choosing specific and challenging topics.
1.8 Identify Specific Approaches to Corporate Citizenship (LO 1.3)

Responses will vary widely. You might direct students to particular companies. Most public companies create annual corporate social responsibility (CSR) reports, which are nearly always housed on their websites. You might also direct students to corporate Facebook pages, YouTube channels, or other outlets where CSR initiatives are often publicized.

1.9 Business Ethics and Changing Values (LO 1.3)

Responses will vary widely here. Consider rewarding students for providing a nuanced view of this issue, such as giving examples where expressions of values vary over time and examples where expression of values do not change over time. For example, students might argue that values such as ensuring the safety of employees by having no workplace accidents is a constant expression of a value. On the other hand, they might argue that values such as providing fair compensation to employees remain constant but that what constitutes fair compensation will naturally evolve over time.

1.10 Compare Two Individuals’ Credibility (LO 1.1, LO 1.2)

Responses will vary widely. You might prompt students to do the following for this exercise: (a) make sure they are constructive with their comments; (b) choose individuals from the workplace or school if possible; and/or (c) use pseudonyms to protect the identity of others if they feel the information is sensitive.

1.11 Assess Credibility (LO 1.1, LO 1.2)

Responses will vary widely. You might prompt students to do the following for this exercise: (a) make sure they are constructive with their comments; (b) choose individuals from the workplace or school if possible; and/or (c) use pseudonyms to protect the identity of others if they feel the information is sensitive.

1.12 Evaluate a Communication Event (LO 1.1, LO 1.2)

Responses will vary widely. You might prompt students to do the following for this exercise: (a) make sure they are constructive with their comments; (b) choose individuals from the workplace or school if possible; and/or (c) use pseudonyms to protect the identity of others if they feel the information is sensitive.
1.13  **Examine Personal Credibility** (LO 1.2)

Responses will vary widely. I’ve found that some students are hesitant to share personal information if they think it might be shared with other classmates. You might consider telling the students that you will be the only person who sees this assignment and that you won’t share it with anyone.

Alternatively, if you intend to have peers share the information with one another, you might consider telling them to write only about information they are comfortable sharing with classmates.

1.14  **Apply the FAIR Test** (LO 1.4)

Responses will vary widely. You might prompt students to do the following for this exercise: (a) make sure they are constructive with their comments; (b) choose individuals from the workplace or school if possible; and/or (c) use pseudonyms to protect the identity of others if they feel the information is sensitive.

1.15  **Personal Mission Statement and Code of Conduct** (LO 1.3)

Responses will vary widely. You might ask students to work in teams initially and brainstorm about what they’d like to include in their personal statements. You might also consider asking students to share their personal statements with small groups or with the entire class. Finally, you might consider asking students to modify their personal statements at the end of the semester after they’ve spent several months developing their communication skills and career aspirations.

1.16  **Statement of Career Aspirations** (LO 1.3)

This is not an easy assignment for many students. Many of them have not thought deeply about these issues. Tell the students that being certain is not essential. Rather, by committing their thoughts about their goals—however undeveloped they may be—to a document, they are pushing themselves to become strategic and purposeful about their career directions. Over time, these ideas will evolve. You might even consider asking them to return to this exercise at the end of the semester.
1.17 Review the comma rules C1 through C4 in Appendix A. Then, rewrite each sentence to add commas where needed.

A. Financial advisors who have CFA certification can provide better advice. (C1)
B. Janice and Jim Atkinson, who are certified financial advisors, pay attention to your unique investment situation. (C1)
C. Janice received her CFA certification at the same time that I did. (C1)
D. Janice Atkinson, president of Atkinson Financial, will speak at the next Chamber of Commerce event. (C2)
E. Level 1 of the CFA exam focuses on ethical standards, and Level 2 focuses on security valuation and portfolio management. (C4)
F. Janice spent almost three months preparing on her own for the CFA exam but still didn’t pass it on her first try. (C4)
G. As a result, she took a workshop in portfolio management from one of the top local experts. (C3)
H. Janice received her CFA certification last year, the same time that I did. (C1)
I. Janice specializes in retirement planning and Jim specializes in tax preparation. (C4)
J. Jim, not Janice, prepares all their slide decks. (C2)