



The Leadership Trust Deficit

Trusting relationships are what make the difference between people's feeling good about what they do and simply going through the motions. Trust is inspiring and energy producing. ~ Dennis and Michelle Reina, Trust & Betrayal in the Workplace

Only seven percent of employees say they trust their senior leaders to look out for their best interests. In a 2011 Maritz survey, more than 90,000 employees worldwide said the No. 1 driver of employee engagement was "when senior management takes a genuine interest in me as an individual."

Employees want consistency between their leaders' words and actions. But only 11 percent of employees strongly agree that their managers "walk the talk," the Maritz poll reveals.

Fairly or unfairly, leaders' behaviors are magnified and weighted, including their values, work ethics, integrity and perceived honesty. Employees have high moral expectations for those they choose to follow.

Why, then, do almost 90 percent of leaders rate so poorly on measures of trust? It's not just a problem for rank-and-file employees. Roughly half of all managers don't trust their leaders, according to a Golin Harris survey of 450 executives at 30 global companies.

These statistics are particularly troubling. A distrustful environment creates expensive—and sometimes irreparable—problems.

The Trust Crisis

A Watson Wyatt Worldwide study of 12,750 U.S. workers in all major industries found that companies with high trust levels outperform their low-trust counterparts by 186 percent.

A Message from Nancy...

I have a couple of questions to ask you:

1. Is your business as successful as you think it should be?
2. Are you and your team able to pinpoint the solutions necessary to create positive changes to get where you need to go?



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Nonetheless, organizations are woefully slow to realize the bottom-line implications of trust deficits.

Despite trust's importance, few leaders give it the focus it deserves. Misunderstood as a nebulous "feeling," trust is earned through consistent, positive behaviors practiced over time, making it ultimately manageable.

"Trust always affects two outcomes—speed and cost," confirms leadership guru Stephen M. Covey in *The Speed of Trust*. "When trust goes down, speed will also go down and costs will go up. When trust goes up, speed will also go up and costs will go down. It's that simple, that real, that predictable."

The Fragility of Trust

We hardly need reminding of the wave of scandals that shattered the public's faith in corporate leaders: the 2008 global financial crisis, the Enron bankruptcy, the Challenger explosion, the Fukushima nuclear disaster, the sinking of the Costa Concordia cruise ship in 2012.

Trust is a measure of the quality of a relationship—between two people, among groups, or between a person and an organization. In totally predictable situations, trust is usually a given. When you know exactly what to expect, there's no need to make a judgment call.

But in organizations with a hierarchy, power incongruities and pay differences, trust is fragile. The turbulence created by outsourcing, mergers, downsizing and radically changing business models provides a breeding ground for distrust. In uncertain economic times, it doesn't take much to trigger fear and insecurity that can erode trust.

3 Types of Trust

There are three different forms of trust, according to "The Enemies of Trust," a February 2002 *Harvard Business Review* article by leadership experts Robert Galford and Anne Seibold Drapeau:

1. **Strategic trust**—the trust employees have in the people running the show to make the right strategic decisions. Do top managers have the vision and competence to set the right course, intelligently allocate resources, fulfill the mission and help the company succeed?

2. **Personal trust**—the trust employees have in their managers. Do managers treat employees fairly? Do they consider employees' needs when making decisions about the business and put the company's needs ahead of their own?

3. **Organizational trust**—the trust people have in the company itself. Are processes well designed, consistent and fair? Does the company make good on its promises?

Clearly, these three types of trust are distinct, but they're linked in important ways. For example, every time a manager violates her direct reports' personal trust, organizational trust is shaken.

The Trinity of Trust

While many factors contribute to our perceptions of trustworthiness, three vital traits comprise "the trinity of trust," writes management consultant James Robbins in *Nine Minutes on Monday*:

Character: What do your employees see when they look at you? How do they perceive your values, work ethic, integrity and honesty? Studies consistently cite honesty as managers' No. 1 attribute—consistently doing what they say they'll do. When managers act with integrity and reliability, they lay a foundation on which employees can rely.

Competence: Employees place more trust in you when they believe you're capable of effective leadership. This does not mean you're the smartest one in the room—a position of superiority that, in fact, undermines perceived competency. Your managerial competency should not be measured by your technical skills, but by your ability to understand and influence people.

Caring: The most neglected ingredient in the trust trinity is the ability to show you care. Employees don't want to be cogs in a wheel. They want to feel that they matter and their bosses actually care about them as people. Only then can they reciprocate with trust.

Repair the Trust Deficit

Even the most competent managers and leaders will suffer a trust deficit if they fail to communicate.

Business professors Lynn Offermann and Lisa Rosh urge leaders to do a better job of opening up to people in a June 2012 *Harvard Business Review* article.

“Studies indicate that senior leaders who reveal something about their lives outside the office do so without undermining their authority,” they write, while cautioning against excessively intimate disclosures.

Offermann and Rosh offer the following tips for a balanced approach to “skillful self-disclosure”:

- **Open up.** During the course of your workday, squeeze in an occasional impromptu conversation with a subordinate about interests other than work, such as children’s activities, restaurants, sports, movies and the like. Share a glimpse into your personal life while taking time to listen.
- **Empathize.** Offer brief, personal acknowledgments of significant events in employees’ lives, such as additions to family, marriage, family death and serious illness. Share how a similar event impacted your life without overshadowing the employee’s circumstance.
- **Remain professional.** Share information that enhances the work relationship, yet doesn’t harm your reputation. Exercise discretion; avoid over sharing.

“There is considerable evidence that leaders who disclose their authentic selves to followers can build not only trust, but generate greater cooperation and teamwork as well,” the professors write.

5 Steps toward a Culture of Trust

Improve your connection to people and build trust with these techniques:

1. **Go on a walkabout:** Walk around the office each day to touch base with individual contributors to your company’s success. While email and group meetings are important, one-on-one “face time” is critical.

2. **Capture vital statistics:** Learn about each employee’s life: spouse’s name, children’s names and ages, major hobbies. Use questions to elicit meaningful information: “Where are you from?” or “What do you do on your days off?”

3. **Find similarities:** Instead of focusing on differences, find mutual interests (hobbies, desires, career goals).

4. **Ask for ideas and feedback:** Trust must already be established for people to be honest with you. Ask what they need to perform their jobs better. Acknowledge that you hear their opinions and will think about what they’ve said. Don’t dismiss or argue the merits of their input; offer a simple and genuine “thanks for sharing that.”

5. **Acknowledge progress and milestones:** In many organizations, problems are solved, barriers are surmounted, tasks are completed... and nothing is noted. People crave acknowledgment and recognition, so seize these opportunities to build trust. Celebrate progress. Don’t let it slip by unnoticed.

When Trust Is Broken

It takes years to build up trust and only seconds to destroy it. ~ Anonymous

When trust is broken, take immediate steps to fix the problem instead of ignoring or downplaying it. Employees will be skeptical and/or suspicious, so choose your words carefully. Acknowledge that trust has been damaged, and start the recovery process as quickly as possible.

You needn’t have all the answers or a detailed plan. There can even be a lag between naming the problem and describing what you’ll do. Just let people know that you’re aware of the issue and its impact on them, and that you’re committed to setting things right.

Identify the problem as precisely as possible. Is there an adversarial relationship between people in the sales offices and those at headquarters? Are people doing end runs around a department that has a reputation for arrogance?

The Path for Building Trust

Imagine what trust will feel and look like in practice. You may, for example, establish clear roles and responsibilities, an exceptions policy, a dispute resolution process, and submission and response protocols. In meetings, you can spend less time assigning blame and more time on what the staff is doing right.

With greater trust, managers and leaders can reap tangible business benefits: increased productivity, improved performance and genuine employee engagement.



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