



WHY TRUST MATTERS...TO YOUR BOTTOM LINE

Trust Tips for Leaders

1. Take time to understand the capabilities of each team member so that you can support their full contribution. Find opportunities to openly value each person's expertise.
2. Work out with your team an agreed communication charter.
3. Don't promise things that you aren't sure you or others can deliver. If you can't keep a commitment, take time to explain why.
4. Monitor and measure trust levels from time to time. Take prompt action to address any deficits.
5. Establish a common direction and purpose and make sure everyone is clear about their role in supporting this purpose.
6. Treat all team members equally and fairly. Don't give anyone preferential treatment.
7. Set up clear guidelines on appropriate team behaviours. Make sure you yourself model these behaviours and hold others accountable too.

Trust in the spotlight

We find ourselves in the midst of a rather troubling downward trend: the erosion of trust across all sectors of business and public life, fuelled by scandals and revelations that have eroded public confidence in leaders and organisations.

For example, roughly half of the managers surveyed in a recent US study said they didn't trust their CEOs. Another report found that trust in business leaders has steadily fallen, with less than 1% of respondents saying they held a high opinion of their organisation's integrity. In yet another survey, 69% of respondents agreed with the statement, 'I just don't know who to trust anymore'. According to the World Economic Forum, levels of trust in both governments and companies are at one of the lowest levels since tracking began in 2001.

Here in Australia, shareholders are speaking up more frequently. They want more say in the design of executive remuneration, for instance, because they no longer trust CEOs and Boards to behave responsibly. Politicians – the people we elect to deliver fresh thinking and good decisions – are now among the least trusted among professional groups.

Finally, a scan of the media on any day of the week reveals that we no longer believe markets are rational and self-correcting. We now accept that they are continuously affected by public levels of trust and confidence.

Why trust matters: the evidence

These low levels of trust also affect productivity and results, as people try to minimise their sense of vulnerability by playing safe. More elaborate and costly checking systems have to be introduced. Advice is ignored. Valuable knowledge and information are withheld.

In diverse teams, differences in values and work practices become a source of frustration. Trust is eroded in a downward spiral of miscommunication and misevaluation. Where trust is low, we can expect to find people's energies diverted away from the task at hand into protecting their own security needs.

In sharp contrast, there is now clear research evidence demonstrating the strong link between high levels of trust and critical success factors such as stronger engagement, more innovation, improved flexibility, increased willingness to change, better performance, more effective problem solving and better working relations.

Indeed, most business leaders now accept that a high level of trust is a competitive advantage in their efforts to retain talent and engage employees. It is one of the cheapest (and most under-explored) levers of high performance.

When was the last time you explored trust openly with your colleagues?

How many meetings or development programs that you attend put the question of trust directly on the table for measurement and scrutiny? How often does your organisation actually measure trust levels and take explicit action on those deficits that pose a risk to your business? Organisations need to tackle the management of trust with the same rigour that they bring to other core business processes.

Decoding the mystery of trust

In fact, trust is not mysterious or magically created. The factors involved in people's choice to trust (or not) can be identified, analysed and influenced. By understanding how trust works, leaders can take concrete steps to help trust to flourish. The old cliché applies: what gets measured gets done.

At UGM, we start by surveying ten specific criteria using our Trust Inventory. These criteria capture the behaviours and practices that can either build or destroy trust. They've been consistently identified in research as the essential facets of trust. Factors include, for example, competence, predictability, and integrity. They also fall into two groups. Those which are known to be vital in order to get a project team or a leadership team off to a strong start ('*swift trust*') and other factors such as compatibility, which become more significant as the project moves forward in its life span ('*deeper trust*').

Our online survey instrument identifies a team's current strengths and weaknesses, providing a solid base for a trust action plan. The Trust Tips in the side bar will help you get started.

Closing the trust gaps

Often, simply talking about the survey results can help a team to see where they can take action to address mismatches in trust needs. One client noted, 'How could I have been proactive when I didn't know my team needed these behaviours from me? Now I know what they need and why, I can achieve better alignment of effort'.

Mismatches in trust needs and trust cues present a particular challenge for an international team. Culturally-based expectations and assumptions about how trust translates into specific behaviours can cause people to be at cross purposes, despite their good intentions. As well, if your organisation is implementing a major change initiative, you'll need to closely monitor and manage trust levels.

There's no shortcut when it comes to building trust. It's an intangible we have to nurture constantly. It's easily damaged and, once lost, it can be hard to retrieve. But the good news is that it certainly can be measured, managed and influenced. So how would you rate current trust levels in your organisation?