Engendering Trust

Overview

Trusting relationships are vital to the way we do business, especially in times of crisis.

In fact, the level of trust in business relationships, whether internal with employees or colleagues or external with partners, clients and prospects, is the greatest determinant of success.

That said almost everywhere we turn trust is on the decline.

Trust in our culture at large, in our institutions, and in our companies is significantly lower than a generation ago.

Research shows that only 49% of employees trust senior management, and only 28% believe CEOs are a credible source of information.

This statistic alerts us to a crisis of trust in leadership that has never existed to this magnitude before.

And of course, this will have a dramatic effect on the performance of the company’s untrustworthy leaders are running.

Think about it this way, when trust is low, in a company or in a relationship, it places a hidden "tax" on every transaction: every communication, every interaction, every strategy, every decision is taxed bringing speed down and sending costs up.

Research indicates that significant distrust doubles the cost of doing business and triples the time it takes to get things done.

By contrast, individuals and organizations that have earned and operate with high trust experience the opposite of a tax -- a "dividend" that is like a performance multiplier, enabling them to succeed in their communications, interactions, and decisions, and to move with incredible speed.

A recent Watson Wyatt study showed that high trust companies outperform low trust companies by nearly 300%!

The ability to establish, grow, extend, and (where needed) restore trust among stakeholders is the critical competency, especially for leaders and those in customer facing roles.

It is needed more than any other competency.

Engendering trust is, in fact, a competency that can be understood, learned and applied.

It is something that you can get good at, something you can measure and improve, something for which you can create significant elevation of performance both with culture and revenue.

Leaders, and organizations, cannot be effective without trust.

How do the best leaders build trust?

The first job of any leader is to inspire trust.

Trust is confidence born of two dimensions: character and competence.

Character includes your clarity of self-awareness and control.

Competence includes your capabilities, skills, results and track record. Both dimensions are vital. With the increasing focus on ethics in our society, the character side of trust is fast becoming the most important component.

That said, while not as crucial the competence side of trust must also be present.

You might think a leader is authentic, but you won't trust that person fully if he or she doesn't get results.

And the opposite is true. A leader might have great skills and talents and a good track record, but if he or she is not consistently acting as their authentic best self, leading from the heart, you're not going to trust that person either.

The true transformation starts with building credibility, reliability and intimate relationships at the personal level.

These are the foundations of trust - the real differentiators for any leader.

Effectively trust must be expressed as not only the right thing to do, but the economic thing to do.

Therefore, it is crucial to be able to measure trust, make an initial baseline measurement of organizational trust and then to track improvements over time. We will review how to do this in this paper, however before that let's review what behaviors best deliver high trust.

13 Behaviors of High-Trust Leaders Worldwide

Steven Covey after decades of research and experience with small to large organizations has identified 13 common behaviors of leaders that will rapidly allow you to build and maintain high levels of trust.

When you adopt these ways of behaving, it's like making deposits into a "trust account" of another party, an account that will pay very handsome dividends.

You will note all fit either into either one or more of the key factors of credibility, reliability and intimacy.

The 13 behaviors are as follows:

1. Talk Straight (C)
2. Demonstrate Respect (C)
3. Create Transparency (C)
4. Right Wrongs (I)
5. Show Loyalty (R)
6. Deliver Results (R)
7. Get Better (C)
8. Confront Reality (C)
9. Clarify Expectations (R)
10. Practice Accountability (R)
11. Listen First (I)
12. Keep Commitments (R)
13. Extend Trust (I)

Remember that the 13 behaviors always need to be balanced by each other (e.g., Talk Straight needs to be balanced by Demonstrate Respect and that any behavior pushed to the extreme can become a weakness.

Quantifying Trust

The challenge is having a conceptual framework and analytical way of evaluating and understanding trust. Without the proper framework for evaluating trust, there's no actionable way to improve our trustworthiness.

In 2000, 2006, and 2012 Maister, Free & Galford co-wrote three books: The Trusted Advisor, Trust-Based Selling, and The Trusted Advisor Field book.

All three books describe an equation for trust in detail. It's a model of trust that Charles H. Green has built and evolved over many years.

The Trust Equation is now a deconstructive, analytical model of trustworthiness that can be easily understood and used to help you and your organization develop and grow.

The Trust Equation uses four objective factors to measure trustworthiness. These four factors are: Credibility, Reliability, Intimacy and Self Interest.

Self interest, which sits alone in the denominator, is the most important variable in the Trust Equation. The formula was developed this way on purpose.

These variables are combined into the following tested and proven equation:

$$\text{Trust} = \frac{\text{Credibility} + \text{Reliability} + \text{Intimacy}}{\text{Self Interest}}$$

The Trust Equation has one variable in the denominator and three in the numerator. Increasing the value of the factors in the numerator increases the value of trust.

Increasing the value of the denominator, self interest, decreases the value of trust.

Credibility has to do with what you say and also your capability, experience and track record. Are you open, honest and transparent and do you clarify expectations?

Reliability has to do with your behavior. Do you keep your promises consistently, demonstrate respect, show loyalty and deliver results? Are you dependable, and accountable for your actions?

Intimacy refers to how well you know your workmates and clients and understand the challenges they are facing.

Are you genuinely interested, ask the right questions, listen and come up with meaningful and relevant solutions in a calm and resourceful way?

Self Interest refers to your focus, in particular, whether you are more interested in yourself and what's in it for you than adding value to the personal and business lives of those you interact with and serve?

A seller with low self interest is free to completely and honestly focus on the customer, not for his or her own sake, but for the sake of the customer. Such a focus is rare among salespeople, or people in general for that matter.

The truth in selling is that you succeed more at sales when you stop trying to sell. When all you focus on is an authentic heart led approach to helping customers and prospects, they will trust you more and buy from you more as well.