

Trust: an organisation's most valuable commodity

In recent years there have been a number of corporate scandals that have resulted in spectacular breakdowns of trust. Enron's CEO Jeffrey Skilling was convicted and imprisoned on 19 counts of fraud, WorldCom admitted to deceptive accounting, Parmalat's founder faced charges of fraud, Hewlett Packard admitted to using legally questionable methods to spy on one of its directors and Xerox and their accountants KPMG were accused by the Securities and Exchange Commission of accounting malpractices..

The *Edelman Trust Barometer* is an annual survey of 3,100 "opinion leaders" in 18 countries by the public relations firm Edelman. The 2007 results showed that CEOs are trusted by only 18% of opinion leaders in the UK, France, and Germany, the lowest rating ever recorded in the survey within this group of nations. Things are barely better in the USA with 22% of respondents trusting CEOs.

For our book 'A Question of Trust' Jeremy Kourdi and I conducted an international survey of attitudes on the issue of trust. 96% of respondents believe that trust at work is either important or essential, but only 10% of people trust their colleagues.

With this backdrop, you could be forgiven for thinking that there is a crisis of trust in our organisations. Building and maintaining trust should be high on the agendas of CEOs and HR Directors because it underpins issues as diverse as customer loyalty, sales, financial management, innovation and leadership as well as affecting job satisfaction and motivation. One of the current concerns in many boardrooms is the availability of talent. Who companies are able to attract is in part dependant upon their organisational culture. An environment of trust is a plus. Who would choose to work in a distrustful culture with all the stresses and problems that that brings? The best people can choose where they want to work.

So how do you diagnose a low-trust culture and how does it need to change to become high-trust? This is a fundamental question that is sometimes lost in the myriad 'interventions' that organisations apply to attempt to change things.

It isn't difficult to spot a low-trust culture. When you pull apart the elements that make the culture untrusting there are some that you might immediately recognise as ones that obviously get in the way and some which may be less obvious and maybe even more insidious.

Scepticism about the leader. If people are sceptical about their leader it means they don't trust him or her. A leader who people believe acts more for their own personal gain than for the greater good of the organisation will never be able to create a trusting culture. On the other hand, trusted leaders are never viewed with indifference. Ask the people who work for them and they can usually tell you a lot about the leader and what is important to them. That is because the leader lets them know in words and actions and is transparent about what's important to them and what they expect from others.

Cynicism. Cynicism is a symptom of mistrust. Today's society is becoming more and more cynical. In business it is almost expected. The lack of cynicism is often perceived as weakness or foolishness. Cynicism is a refusal to trust. Cynicism closes off possibilities. It is damaging to organisations because its underlying attitude is one of 'I don't believe this, it will never work'. An attitude of cynicism provides no platform for building trust. It drains people's energy, causes them to lose hope and not to even bother.

Foolish trust. In a world where there is growing distrust there are also extreme examples of an irrational desire to trust blindly. At a micro level we see it in recruitment practices in organisations. People are hired on the basis of a few hours of interviews and, as is often the case in senior appointments, a hope that they will single handedly be able to change or rescue situations that others have been unable to. On a larger scale foolish trust is present where consultancy firms are hired to do projects when they know little or nothing about the market or industry concerned. This is a larger scale example of hoping that someone else knows better than us and can sort out the problem. At its root is either negligence or a lack of self trust.

Fear. Low trust cultures are characterised by fear of the boss and fear of making a mistake because of the repercussions. The sort of behaviour that you see in such cultures is caution, lack of risk taking and also a passive acceptance and lack of challenge of authority.

Spin. When this kind of communication occurs in organisations it is a sign of a lack of openness and transparency. When messages are 'managed' very carefully people become suspicious of what is really going on.

These factors are related to each other and are mutually reinforcing. Trying to address one of them in the way that organisational change programmes often do by focusing on a particular 'intervention' will not work because trust is systemic in nature. Nor does it work to address the surface level.

High-trust organisations, on the other hand.....

understand the key processes that need to be in place to build trust. The companies that are the most successful at mergers and acquisitions appreciate the need for the process of trust creation as critical to success. It is an *either/or*. Either trust is created or it isn't. There is no half-way house.

There are several characteristics that we have identified as ones that are present in a culture of trust. These characteristics interact with each other to create an environment where, for the most part, people trust and are trusted.

Shared values. Values-led organisations are those that create trusting cultures. Integrity and honesty are the essential values without which trust cannot exist.

A shared mission or goal. This is important - people need to be ultimately pulling in the same direction and to have a commitment to goals beyond just their own.

Open and authentic leadership. Quite simply, the leader sets the tone. People pick up on the leader's values and motivations whether or not they are explicitly stated. It is not possible to create a culture of trust if the leader is not trusted and does not trust others.

A culture of consensus not force. To coerce someone implies that unless you exert that pressure they won't fulfil a commitment or do the right thing. Trusting cultures are ones where people do things willingly.

An atmosphere of enjoyment and fun. Innovation companies have shown that the most productive environments for innovating are ones where people can have fun - they are less afraid of making mistakes so will try out new ideas.

A desire to learn not blame. In a culture of blame people cannot trust others and be open. If people detect even a hint that someone will be blamed for something going wrong trust is destroyed.

Honesty and authentic conversations. This is a basic requirement for trust. Without this there will always be a holding back of information and misunderstandings.

All of these factors, combined, make up the company culture. And the core distinguishing factor of a high-trust culture is a leader for whom trust is really important. Ironically, high-trust organisations invariably have not consciously tried to become so. Trust is such a deeply held value of the leader and is so ingrained in the culture that it is not something that is deliberately focused on. Just as in a trusting personal relationship where the two people involved are naturally trusting and trustworthy people, they do not deliberately set out to build a trusting relationship – that is a by product of their values.

Companies get it the wrong way round. They start by writing down the values they *want* instead of the values that they *have*. Their intention is to use the values as a means to an end. Those CEOs who really value trust don't need to spell it out to people – it is obvious in what is important to them because it is apparent in what they do. Actions speak louder than words. When it comes to building trust it only happens if you mean it.

***A Question of Trust: The Crucial Nature of Trust in Business, Work and Life, and How to Build It* by Sally Bibb and Jeremy Kourdi, published by Cyan . ISBN 1904879217**