

TRUST

The Business Case For Trust In An Age Of Uncertainty

Have you ever heard of ‘trust capital’?

Very few senior leaders, founders or CEOs have – yet it has the power to give an organisation a powerful competitive advantage. Edelman, a global communications and marketing firm, measures trust each year through their Trust Barometer. Trust, they state, is “the strongest insurance against competitive disruption, the antidote to consumer indifference and the best path to continued growth.”

Edelman’s 2019 Trust Barometer revealed fascinating results. In an increasingly turbulent, unpredictable and uncertain world, people are shifting their focal point for trust to the relationships they can control – a key one of which is the relationship with their employer.

For business leaders and leadership teams, this has powerful implications, particularly since one of the findings was that nearly 7 out of 10 survey respondents said that building trust is the number one responsibility of CEOs – which by extension likely implies all business leaders. So what can they do?

Address trust on multiple levels

Trust needs to be fostered at both interpersonal and organisational levels. It is multi-dimensional therefore needs to be addressed internally among employees, externally with customers and the general public.

Communication is key

Openness, availability, authenticity and integrity are non-negotiable for companies wanting to build genuine trust. Communication has been found time and again to be a key tool in developing trust – and poor communication is one of the major channels through which trust can be broken.

Reflecting on the following can help you decide where to focus energies:

- How, when and why do you communicate key strategic and operational decisions to the business?
- Are decisions made behind closed doors, and if so, why?
- Do you only reveal information to the business when you absolutely have to?
- What motivates the timing and method of communicating key decisions to the business and why is this important?

Actively manage and aim to fully embody the organisational values

As Simon Sinek states, “Trust is maintained when values and beliefs are actively managed.” Too many companies have a list of values on the wall that are not present in the day-to-day running of the business. Reflect on the values you want the company to embody and get feedback on whether there are any gaps between what these aspirational values and the reality of the values that are being lived.

Take responsibility when things go wrong

Trust deepens not just through doing the right thing, but also from taking responsibility when mistakes get made. This is part of the reason so many people distrust politicians – collectively, they have a reputation for being slippery, evasive and unaccountable for their behaviour.

Building trust through taking responsibility applies to relationships within the company, and to relationships between the organisation as a whole and the general public.

Build trust into the fabric of the team

Harvard Professor Amy Edmonson found that trust is a key feature of psychological safety.

Writing in a study published in 1999, Edmonson writes that psychological safety is the “shared belief held by members of a team that the team is safe for interpersonal risk-taking” and that it is synonymous with “a sense of confidence that the team will not embarrass, reject or punish someone for speaking up.”

A multi-year Google study called Project Aristotle found that psychological safety was the determining factor as to whether a team would perform at its peak or not.

Weaving trust into the fabric of the team will reap untold rewards in terms of innovation, performance and resilience.

Be vulnerable

Study after study has demonstrated that when leaders demonstrate vulnerability, trust takes root at a deep level.

Dr Brené Brown has spent years researching the power of vulnerability and her latest book, *Dare to Lead*, focuses specifically on the role of vulnerability in building trust in business environments.

Being vulnerable doesn't mean revealing all of your personal information to your employees; it can be as simple as sharing that you are stuck and asking for help.

As Simon Sinek says, “We don't build trust when we offer help. We build trust when we ask for it.”

Pay attention to the small moments

It's easy to think of trust as being something that gets earned through grand sweeping gestures. But as Dr Brené Brown's research has found, "trust is in fact earned in the smallest of moments."

Knowing the names of your teams' children, not micromanaging, and trusting them to get on with the job in hand, saying thank you for a job well done and making eye contact when communicating key decisions – the small moments add up and create a foundation of trust.

Stay in integrity – both individually and organisationally

Integrity is a key value. It repeatedly shows up in studies and directly impacts trust, psychological safety and employee engagement.

If people do not sense that their leaders are honest, they will be far less likely to trust them.

Take action on the issues that matter

The 2019 Edelman Trust Barometer found that employees' trust in their employers deepens when the employer takes a stand on the issues that employees care about. Whether it is sponsoring a charity or project (as with Morgan Stanley, whose employees vote to fund a charity for two years – the Teenage Cancer Trust just won £1 million in sponsorship), providing employees with paid days off to volunteer for causes they care about (LinkedIn give their employees two days a year to do this), or adopting a school (the multi-billion dollar technology company Next Jump do this), the key is to show up for causes that your people care about.

Evidence shows that people trust their leadership team are greater advocates for the organisation, and are more engaged, loyal and committed to the organisation. In the 100 Best Companies to Work For, produced by The Great Place to Work Institute in partnership with Fortune, highlights that trust comprises two-thirds of the criteria they use to determine whether an organisation is a great place to work.

Their research shows that "trust between managers and employees is the primary defining characteristic of the very best workplaces." These companies beat "the average annualized returns of the S&P 500 by a factor of three."

Therefore, building and having 'trust capital' should be a central focus for leaders and organisations to thrive these uncertain adverse times.

It shapes the culture, relationships, reputation and performance of a business.

About the author

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Sources

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'Trust Is Tangible' by Antoine Hararay: <https://www.edelman.com/research/trust-is-tangible>

[Dare To Lead](#) by Brené Brown

[What Google Learned From Its Quest To Build The Perfect Team](#)