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Keep the faith

Trust is a precious commodity and must be handled with care -maintain it and your employees will go the extra mile for you; lose it and your business performance will suffer

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Trust is something of a woolly concept for organisations, which is why many have found it difficult to get to grips with. It's always easier to talk about more concrete topics, such as leadership or performance. But being woolly does not make trust unimportant.

Over the past year, a consortium of business leaders has been working on leadership and trust. Participants in the work, led by Tosca Consulting Group, include Manpower and the United Nations Refugee Agency (UNHCR), while those who worked with the group include HR guru Dave Ulrich, mountaineer Cathy O'Dowd and research company Pharos International's Banu Golesorkhi, an expert in trust across cultures.

The group, whose thoughts can be found below, came to several conclusions, with arguably the most important being that trust is akin to a currency and building up a healthy deposit account is essential so that withdrawals can be made when something goes wrong.

Workplace trust needs to endure beyond the personalities of the individuals within it, who will inevitably come and go. It needs to be embedded in the organisation as "the way things are done around here". This is because trust creates three types of value for an organisation. First, that stock price is influenced by investor/analyst trust in the management team; second, that customers trust the organisation's brand and reputation; and third, that employees are willing to offer discretionary effort if they trust that the organisation will reciprocate.

And the bottom line, according to the participants, is that trust encourages co-operative behaviour, information sharing and personal risk-taking – all essential for the modern organisation as it strives for greater efficiency. As Tosca's managing director, Pam Hurley, says: "The consortium started by being about leadership and trust. But trust soon became more important. The big take-away is that trust is not something soft and fluffy. The absence of trust has a direct impact on the bottom line. It affects financials and the business performance. You ignore it at your peril."

This is what the group had to say:

The HR guru:

Dave Ulrich, professor of business administration, University of Michigan

Organisations don't think, act or behave: people do. And, in any collective of people, common ground is needed. Trust allows us to work together with differences in skills, opinions and orientations, but to know that we will each sacrifice personal gain for the collective good. When organisations help individuals to create trust, the organisations are more likely to succeed over time.

Trust allows for actions to occur. Inevitably, trust must occur for people to act on anything. Trust is an act of faith: "If I do A, I will get B." This cause-effect relationship is the inherent power by which all things are done or actions taken.

Individuals have a limited number of people that they fully trust or know that their interest will be taken care of by someone else. Organisations create trust among their employees when they act like a clan or a community of common values.

Trust also requires equity. If there is an imbalance of what we get for what we give, trust will not continue. At an organisational level, leaders build trust by doing things that are credible and then building on those things.

The practitioner:

Jemma Fitzgerald, learning and development manager, EMEA, Manpower

Trust is at the core of all relationships – and not just the personal ones. It needs to exist between an individual and their colleagues, between an individual and their boss, between the employee and the organisation and between the client and the supplier/service provider.

It's like a currency. Every time you meet your commitments, effectively manage expectations, keep people informed or give people an opportunity to have their say, you make another deposit into the "trust bank".

I'm a realist, and we all know that, particularly in large organisations, things change – you can't always tell everyone everything and sometimes have to take decisions that people can't understand or don't like. In short, sometimes you have to make a withdrawal. But if you've saved enough up, it doesn't have to be a deal-breaker.

The mountain climber

Cathy O'Dowd, the first woman to climb Mount Everest from both south and north sides:

When you climb Mount Everest there are two key statistics: the failure rate, which is 75 per cent, and the death rate, which is one in a hundred. People always assume that the reasons for this lie in the spectacular external obstacles, such as avalanches and blizzards. In reality, most teams never encounter such dramatic events. They have been defeated long before by the intangible obstacles that exist within their own team structure.

One of the biggest challenges on a climb is establishing trust within the group. Team members are likely to be talented climbers and, in keeping with their chosen activity, are accomplished, driven, ambitious individuals. They are putting their lives on the line. They may not compromise easily. They may not take orders readily. The ability of a leader to take difficult decisions quickly can be crucial in the rapidly changing environment, but unco-operative team members always have at hand the ultimate response: to refuse to carry out such decisions, or more often to carry them out without conviction.

For team members to be prepared to follow tough decisions without question requires the leadership to have built up a bank of trust on which to draw in difficult times. Trust is as important a tool on a mountain as tents, ropes or oxygen, and it is equally important in business.

This is not a process that occurs quickly, nor can it be easily faked. Trust does not require friendship between the individuals concerned but it is, crucially, founded in mutual respect. The most important point is that trust is not a quick-fix; it can't be created in a hurry. Every action, every attitude, every conversation, builds up or whittles away at trust. It is not a tack-on to the business of a company; it is an integral part of the way it interacts with the world.

The cross-cultural researcher

Banu Golesorkhi, director, Research Centre for Pharos International, Brussels:
Trust appears on many corporate value statements and it has been shown to have many benefits in organisations. When there is trust, employees collaborate more willingly and more fully, they are more motivated to perform and are more loyal to their organisations. In large, globally dispersed organisations, trust is critical for collaborating to get work done.

The problem is that in cross-cultural situations, particularly in multi-cultural organisations, people behave according to their own values and beliefs of right and wrong; not according to ours. So, when there are several cultures working together, the chances of misunderstanding and mistrust are higher.

Trustworthiness can be in the eye of the beholder. For example, Asian managers expect their colleagues to show benevolence towards others. A co-worker who is not benevolent is not trusted, regardless of their level of expertise or power. By contrast, northern

Europeans tend to distinguish between work and personal life, so they don't expect their co-workers to behave like their friends. Such cultural differences in the willingness to trust others, and in judgments of trustworthiness, have real implications for building trusting relationships at work.

The legal counsel

Helmut Buss, chief of legal affairs, United Nations Refugee Agency (UNHCR)
Trust is already embedded in our management and leadership training. It's there in security training when we send emergency teams to Sudan, Chad or Afghanistan... But, at the same time, UNHCR has changed dramatically over the past 10 years. The world is a lot more risky and the UN isn't as respected as it once was.

The UN expects its people to uphold the highest standards of integrity, competence and efficiency. We require the highest levels of impartiality, fairness, honesty and truthfulness. Unfortunately, we don't always live up to it.

I'm involved in management training and part of my role is to build a better organisation. The consortium helped me to have more informed internal discussions on ethics, our code of conduct and managerial/leadership issues. We now have a better understanding of why things happen, and the environment and context they've come from.

I've tried to feed it back into the development of our learning materials and management training. It's given us a language and a vocabulary to talk to non-HR specialists – to pin down the notion of trust. It can be an empty word – but for us, trust is life and death. More than 50 per cent of our positions are in non-family duty stations. If we cannot trust each, we become a liability to the organisation. When we're attacked, when people are taken hostage – things that happen every day in our work environment – if we don't know each other and don't have the trust to open up to see the implications, then it becomes a life-and-death security issue.

Further Information

Previous consortia have tackled the future of work (PM 27 January 2005) and what it takes to be a great employer (PM 4 May 2006). Tosca's next consortium is on human capital metrics – measuring what knowledge workers are doing and ensuring they are delivering organisational goals while staying fully engaged. It is also rolling out a series of mini projects on topics such as global talent management, future leaders and leveraging learning • www.toscagroup.com