



Trust : THE CURRENCY OF LEADERSHIP



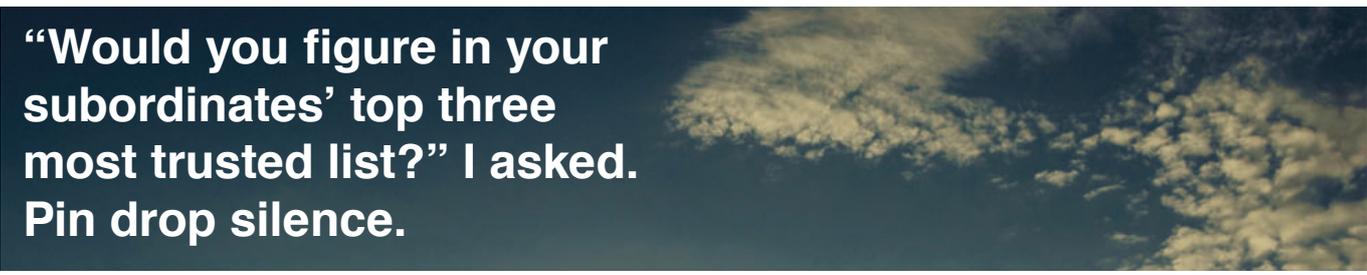
The other day, a colleague invited me to teach a session in a leadership development programme he was running for 30 senior executives from one of our client organisations. He launched the session with a provocative question: Who are three people you trust the most in your life currently, and why?

Almost all 30 executives named their mothers as one of their three choices, with fathers running a close second. The third choice varied among best friend, brother, sister, spouse, or a religious figure. Think about this for a moment. We spend the vast majority of our waking hours at work, yet not one of the participants included a boss or co-worker among the most trusted people in their lives.

When my colleague handed the floor to me, I jettisoned my lesson plan. Instead, I dug deeper into the trust question. My question became: “Who are three people currently in your life upon whom your happiness and well-being most depends?” You guess it: every single one of them listed their boss as one of them.

Imagine! The one person most people’s well-being depends upon the most does not make it to their most trusted list.

There were lots of opinions about why bosses don’t appear in the trust list – we had a very robust and animated discussion on it. Comments ranged from “My boss has no idea how hard I work to get things done here” to “All he cares about is results against stated goals so he can keep his superiors happy... when was the last time he got his own hands dirty?” After about twenty minutes, I finally got to the point I wanted to make all along. Suppose the class were filled with their subordinates, and suppose we asked them the same questions?



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“Would you figure in your subordinates’ top three most trusted list?” I asked. Pin drop silence. Next, I asked if they should be in the list, and they agreed that they should indeed. “Why?” I asked. The group intuitively concluded that high trust between them and their subordinates would equate to higher team and individual performance, and lower stress for all parties.

Granted, there are plenty of bosses that indeed should not be trusted. These are self-centred people who abuse their authority for personal gain. I have no advice for such bosses other than that they should take a hard look in the mirror. But if you the type of boss that genuinely cares for his people, and believes in the power of collaborative performance, read on.

The logic is simple. If people trust you, they will give their 110% to their work. I remember a few years ago while I was working at a global bank, I ran into trouble with a couple of powerful people who (due to their own insecurities) did not want my function to succeed. It got to a point that the huge amount of time I had to spend on watching out for land mines began to impact my work, and the work of my team as a whole. Sounds familiar? Luckily, I had a boss I could trust. I opened up to her, and she assured me that she would watch my back and take care of the issues. Based on her assurance, I went back to work with full energy, and my team and I ended up creating amazing results for the bank. Years later, when one of my subordinates was struggling to convince his peers about approaching a project in line with his suggestions, I was able to pay that trust forward. My subordinate was worried that his peers would complain to me about him being obstinate, and not a team player. He could not tolerate the thought of me (his boss) thinking of him as un-collaborative. At the same time, he was convinced that if his suggestions were implemented, our company would easily move ahead of competition. Sensing his struggle, I called him to my office for a chat, and told him that I trusted him completely. “Be your normal collaborative self, listen to what your peers have to say, and if you are still convinced, remain firm on your suggestions. If they still think of you as stubborn, don’t worry, we will correct that perception later,” I told him. He did exactly that and the project was a huge success, and was implemented in record time. Later, his peers understood too.

In his book *The Speed Of Trust*, Stephen M.R. Covey points out that high trust equals high speed and low cost, whereas low trust means low speed

and high cost. He cites the case of aviation security in the US. Prior to 9/11 one could reach the airport just half an hour before flight time and easily make it on board. Why? Because people had a high degree of trust in aviation security. Now it takes anywhere from 1.5 to 2 hours. While the extra security measures have made flying safer, Covey points out that the added cost of TSA security ultimately shows up on every airline ticket. In another example, Covey cites the added time and money costs of implementing the Sarbenes-Oxley Act which was designed to improve trust in public markets in the wake of the Enron and Worldcom scandals. On the other hand, he gives the example of Warren Buffet deciding to acquire McLane Distribution – a \$23billion company – from Wal-Mart in just one two-hour meeting because of high trust between Berkshire Hathaway and Wal-Mart. Besides the speedy conclusion of the deal, both companies saved millions of dollars in legal and investment banker fees.

A team with high trust will similarly produce results faster and at lower cost. It is clear that trust is one of the keys to organisational or group performance. I therefore call it the currency of leadership. But can bosses ever make the Most Trusted list? Does the authority that bosses have over their subordinates automatically make them untrustworthy in the eyes of subordinates? As one participant put it, “Besides being good to them, I also have to ensure discipline in my team, and I need to provide tough constructive feedback when needed. This automatically puts me at a disadvantage when it comes to winning their trust..... no matter what you do, no matter how fair you are, the moment they take one tough stand, bosses are seen as self-centered, authoritative, and therefore untrustworthy.....” After grappling with this issue for quite a while, I have to admit there is at least some truth in what this participant said. Let’s take a very real scenario. One of your direct reports has been under-performing for a while now. You have invested in training, coaching and have given them a lot of direct feedback on how to improve, but have seen no improvement. You are now convinced that he is a misfit on your team, and needs to be let go. Even if you handle the conversation (of letting him go) in the nicest possible way, what are the chances that he will trust your judgment and respect the fact that you gave him every possible opportunity to succeed?

Even in situations that don’t demand firing someone, the chances of earning the trust of a subordinate

with less than stellar performance are low. As a manager, you will need to give tough feedback, and demand higher levels of performance. Very few people have high enough maturity and self-awareness to fairly judge their boss' behavior towards them. Let's face it, it is much easier to blame the boss than to accept responsibility for your own performance.

So what are bosses to do here? Should bosses give up on trying to earn their subordinates' trust? Clearly, that would be a shame in light of our "high trust = high performance and low cost" argument above. One idea to maximise trust, and therefore performance, in your team might be the 20:60:20 strategy:

1. Ensure your highest performing and most dedicated (top 20%) subordinates trust you without a doubt

2. Maintain a reasonably high level of trust with your solid citizens (the middle 60%) – subordinates that are good but not great
3. Don't invest too much time trying to get your bottom 20% to trust you

If you are wondering why the 20:60:20 strategy and why not 100:0, you have a legitimate question. Here's my perspective: In most organisations, the 80:20 rule applies, meaning that 20% of the people produce 80% of the results. To this rule of thumb, add the fact that the top 20% need to be supported by the next 60% in order for the organisation to achieve its full potential, it is easy to see why it is a good idea to focus on the next 60 as well. As for the bottom 20, well, no matter how much you try, not everyone will love you. Trying to win the trust of your least productive people is, unfortunately, not an efficient use of time and effort, particularly for today's time starved business leaders.

High trust = high performance and low cost



Earning Trust

Now, if you buy the above arguments (that trust is the currency of leadership and that leaders need to at least ensure they have the trust of the 20+60%), then another key question emerges – how can leaders best earn the trust of their subordinates? While the answer differs according to context, I have generally observed that leadership trust is a combination of six factors: Commitment, Character, Competence, Consistency, Caring, and Centricity. Let me explain each of them briefly.

1. COMMITMENT

Commitment is the cause or purpose the leader pursues. It is the vision she has for a better future. If this vision provides hope and inspiration to people, they willingly give their trust (and followership) to her. On the other hand, if they don't connect with the leader's vision at an emotional level, or doubt the commitment of the leader towards the vision, they will find it difficult to trust the leader. Commitment towards a purpose is the primary driver of leadership trust. If one is to follow a leader with full commitment, there should be no doubt that the leader is also fully committed to the stated purpose.

What is your leadership purpose? Are you fully dedicated to it?

2. CHARACTER

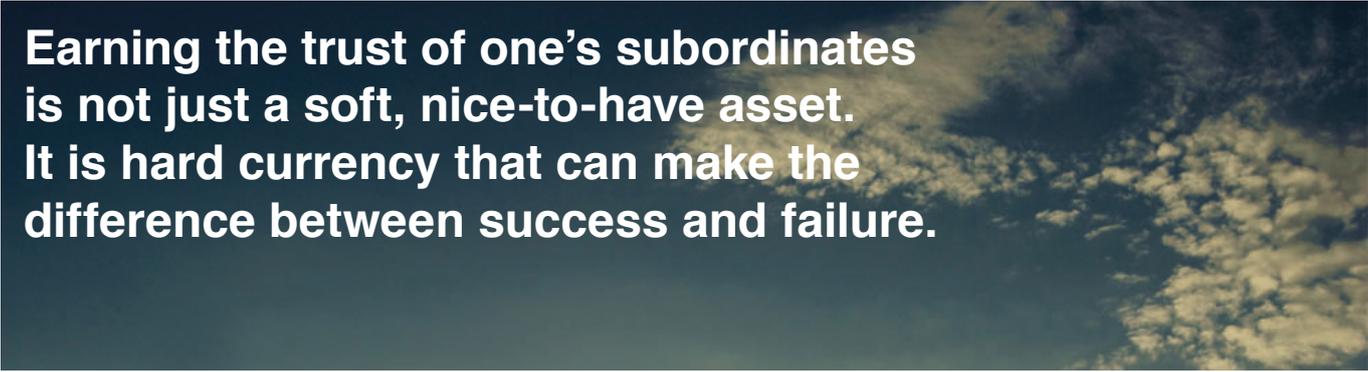
Next is Character, which is the set of values that the leader lives by. Not only is it important for followers to know that the leader is committed to a worthy purpose, they must also believe that the leader wants to pursue that purpose by playing according to the right set of values. Imagine two leaders are fighting for a just cause that you strongly believe in. One is pursuing success through violent means, while the other is using peaceful means. Which one will you trust more and follow? The answer will depend on your own set of values. My goal here is not to differentiate between right and wrong. Rather, it is to highlight the fact that character (deeply held values) plays a huge role in earning trust.

What are your deeply held values that you will never compromise, no matter what?

3. COMPETENCE

In today's increasingly complex world, just having strong people skills is not enough. To earn trust, a leader must have core competence in her chosen field. The old school of management says that a general manager need not be a subject matter expert. In today's highly complex markets, it has become almost impossible for a rank outsider who does not have sufficient knowledge and expertise about the business to earn the respect of his subordinates.

Do you have core competence in your chosen field? Does your level of expertise attract people to work on your team?



Earning the trust of one's subordinates is not just a soft, nice-to-have asset. It is hard currency that can make the difference between success and failure.

4. CONSISTENCY

Consistency is about delivering on your commitments without fail. If you do what you say, and deliver what you promise, people will trust you. If you don't, they won't. Simple. Let's face it, it is hard to trust someone who is inconsistent with their dependability. In today's increasingly competitive world of business there is very little room for error. One member's inconsistency can cost the entire team dearly.

Do you keep your word and deliver what you promise almost all the time, regardless of circumstances?

5. CARING

There are two types of bosses in the world, ones that genuinely care for their people and others that don't. If I know that my boss will always take care of my best interests, I will be more willing to give her my very best efforts and energy. If, on the other hand, I have a boss that is likely to throw me under the bus to save his own skin, I will use a big part of my energy in taking care of myself.

Do you truly care for your people, and do they know that you do? Do you feel their pain, and do you derive intrinsic pleasure from enabling their success?

6. CENTRICITY

Finally, the focus of the boss' actions and intentions determines his trust worthiness. Some bosses are self-centric and some are other-centric. Self-centric people care most about themselves, and strive hard to create a better future for themselves. In the words of Adam Grant, author of Give and Take, such people are Takers i.e. they take more from society than they give. Their worldview is one of self-preservation: "If I don't take care of myself and maximise my own gain, no one else will." Other-centric people are Givers i.e. they give more than they take from society. Their worldview is one of win-win: "If I take care of others, my interests will be taken care of automatically." It is well documented through research that Givers enjoy a much higher level of trust from their subordinates than Takers; and that in the long run, Givers are more successful.

Are you self-centric or other-centric? Are you a Giver or a Taker?

Earning the trust of one's subordinates is not just a soft, nice-to-have asset. It is hard currency that can make the difference between success and failure. There are hardly any professions today in which individuals can be successful without the help of team members. To ensure you have enough trust from your subordinates, consider the 20:60:20 strategy and make sure your top 20% performers fully trust you, and the next 60% adequately respect you. A good place to start might be to try and honestly answer each of the six-C questions. Just as you can assess your own trustworthiness by honestly reflecting on the six-C questions, you can also use them to assess the trustworthiness of others.

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<http://www.forbes.com/sites/rajeevpushawaria/2013/09/22/trust-the-currency-of-leadership/>