

## ***Building High-Trust Organizations***

**Warren Schuh**

In his instant-classic book, The Five Dysfunctions of a Team, Patrick Lencioni identifies TRUST as the necessary foundational building block for any organization that desires to be healthy and performing at peak potential. I think it's fair to say we all desire to lead or participate in organizations that perform at a high level, are characterized by healthy interaction and operate with a deep sense of shared purpose. According to Lencioni, none of that is likely if trust is missing.

Why is trust so important? Well, first of all, bottom-line results depend on trust. For instance, football teams win games when everyone on the team trusts the coach's game plan, the team trusts the quarterback's decision making and the team members trust each other's ability to do their part. The same is true in business and all kinds of meaningful endeavors. If trust is lacking, there are cracks in the foundation that will make it impossible for those involved to invest their best effort. Secondly, creativity and innovation tend to flourish in climates of trust but these characteristics tend to shut down when distrust is prevalent. And thirdly, distrust is very expensive. The Sarbanes-Oxley Act is a prime example of how financially costly it can be (to companies and consequently all of us) when distrust requires legislation to force corporations to behave in a trustworthy fashion.

Of course, if building a high trust organization were easy everyone would do it. The truth is it isn't easy and it takes constant vigilance on the part of leaders to stay locked on to the value of being a high-trust organization. In their recent "Leader to Leader Journal" article, Pamela S. Shockly-Zalabak and Sherwyn P. Morreale identified five dimensions that are the key components in building and maintaining high-trust organizations. Here's the essence of what they identified:

### **Dimension One: Competence**

If an organization is to achieve 'high-trust' status, it is essential that its stakeholders perceive and experience it as a competent organization. The competence dimension is the ability of the organization, through its leaders' strategies, decision making and other capabilities, to meet the challenges of its environment. Leaders build trust when they commit to continually improving and developing a culture of competence. Employees, customers and other stakeholders need to consistently experience the organization as capable of accomplishing the stated objectives of the organization. Furthermore, the organization proves it is committed to consistently addressing areas where growth in competency is necessary. (In the case of non-profits, donors are more likely to contribute financially and otherwise when they believe an organization is competent to accomplish its stated mission.)

### **Dimension Two: Openness and Honesty**

The openness and honesty dimension is reflected in how organizations communicate about problems, engage in constructive disagreements, and provide input into job related

decisions. Employees and other stakeholders will trust an organization when they believe they are receiving truthful, meaningful, sufficient and timely information from the leadership of the organization. While openness and honesty seem straight forward and certainly related to trust, over 80 percent of all surveyed organizations report communication problems, with credibility of leadership communication generally rated low. Organizations that desire to create a high-trust environment need to make proactive, meaningful communication a high priority. Building trust in openness and honesty is based on adopting a “need to share” instead of a “need to know” strategy and mentality throughout the organization including leaders, employees and significant stake holders. This is not one way communication but requires an active listening stance on the part of all leaders.

### Dimension Three: **Concern for Employees and Stakeholders**

For employees to trust that the organization has concern for them, they need to believe they are heard and action is taken on their needs, ideas or concerns. Other stakeholders tend to evaluate concern based on service quality, dispute resolution policies, timeliness, and overall ease and accessibility of interacting with the organization.

Building trust in concern for stakeholders is based on a genuine caring for others, a commitment to doing what is right, and a belief that caring and commitment will generate organizational excellence. This requires continual examination of communications, policies, practices and processes for the concern and caring they reflect. The intent to be caring must align with action and understanding of how people perceive those actions.

Concern for employees requires a comprehensive understanding of policies and practices that goes beyond the most obvious to include conflict resolution, financial controls, reward and recognition programs, medical benefits, leave policies, and a host of other potential areas of concern.

High-trust organizations excel at communicating their concern for stakeholders by continuously aligning actual practice with communication efforts.

### Dimension Four: **Reliability**

The reliability dimension is about leaders, supervisors, and managers keeping commitments and maintaining basic follow through. It’s about consistent behavior day to day (which is distinct from status quo/staying the same), doing what we say we’ll do, responding in a timely way and consistently listening. The point is that inconsistency in our actions in areas of stated commitments will tear down trust. Conversely, high trust in reliability assists organizations in working through crises and problems. When crises and problems arise, stakeholders trust, based on prior experiences, that the reliable organization has the ability to meet present challenges.

To build trust in reliability, leaders must personally act reliably but also understand the organization’s reliability profile. Words and action must align. There must be accountability



for results and leaders must be transparent, taking personal responsibility for their own results.

#### Dimension Five: **Identification**

The identification dimension is the connection between the organization and individual employees, most often based on core values. Identification comes when individuals believe their values are reflected in the values the organization exhibits in day-to-day behaviors. Identification or the lack thereof is directly related to the quality of management-employee relationships. Employees identify and trust organizations if the organization conducts itself in a way closely related to the way employees believe the organization should operate.

Stakeholders experience strong identification with organizations when they share values and purpose and experience connection to organizational members, services and products. Trust in the values of an organization provides stakeholders the bonding it takes to work through difficulties.

Understanding the norms and values of the culture of the organization, and the extent to which all stakeholders identify with those norms and values is critical to building trust through identification.

#### Final Thoughts: **Trust is the Main Thing**

It is essential that leaders who desire to build highly effective organizations understand that trust is fundamental to stimulate the innovation, creativity, and risk taking needed to bring about productive change. High organizational trust transforms individuals and entire organizations for the better and is therefore a primary imperative for leaders.

While distrust creates an environment of fear, trust stops fear in its tracks! If you want your organization to reach its maximum potential, start by making sure you are building trust at all levels.

© Warren Schuh, 2012