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HOW TO CREATE A
Culture of Trust

Abstracted from *The Trusted Advisor Fieldbook: A Comprehensive Toolkit for Leading with Trust,* by **Charles H. Green** and **Andrea P. Howe.** John Wiley & Sons, Inc. October, 2011.
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{ THE VIRTUES OF TRUST }

CREDIBILITY

RELIABILITY

INTIMACY

(LOW)
SELF-ORIENTATION

{ THE VALUES OF TRUST }

OTHER-FOCUS

COLLABORATION

MEDIUM-TO-LONG-TERM
PERSPECTIVE

TRANSPARENCY

(Abstracted from *The Trusted Advisor Fieldbook*)
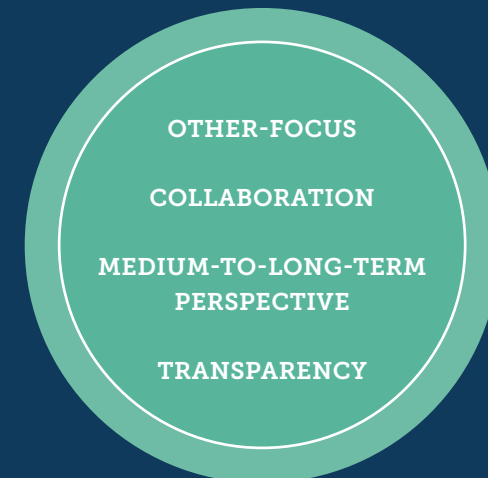
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How to Create a Culture of Trust

The surest way to create trust is by trusting and being trustworthy. Begin by trusting that the people you hired to do a job can do the job. Give power to those in your company to make meaningful decisions. Management by incentive, management by obsessive review, and all forms of micro-management are anathema to creating trust.

The case of Pediatric Services of America is paradigmatic:

Pediatric Services of America (PSA) Healthcare delivers home health care for medically fragile people, mostly children, which allows families to lead more normal lives under difficult conditions.

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When Jim McCurry took over as CEO in 2009, PSA had been declining in revenue, market share, and profitability—proving that having a great mission alone isn't enough. By the end of McCurry's first year—at the tail end of a recession—the company had increased profitability, more than doubled total profits, and turned the market share decline into market share gain. Staff morale was up enormously. Expenses were down.

Here's what made the difference: the intentional use of principles to run the business.

Previous management was a classic top-down, measure-by-the-numbers team.

Each month the bottom-performing offices were required to justify themselves on a conference call to the top management. At the annual meeting, office heads were required to double-up on hotel rooms. Orders were given, decisions had to be approved up the line, and the style was management by fear, intimidation, and numbers.

When Jim came on board, he told the staff: "From now on, this company is run for the customer. The area office managers work for the customer, and the rest of leadership works for them. Make your own decisions, and we'll help you make them. Don't wait for us to tell you what to do, you figure out what to do and do it—we trust you. No more

intimidation, no more review boards. Our new mission has three parts: Action-oriented, Care-giving, and Trust-based—or ACT."

The PSA story is a vivid demonstration of collaboration, ethics, trust, openness, honesty, and integrity as anything but fuzzy phrases with "soft" outcomes. These are utterly workable principles that deliver bottom-line results.

Trust means giving your employees the authority to do their jobs. Trust means trusting yourself, that you hired the right people. Trust means trusting that if there is a pattern of someone being unable to do the job, you and others will notice and correct it.

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Values and Virtues

An organization creates a culture of trust through values and virtues.

The virtues of trust are personal, and involve your level of trustworthiness and your ability to trust. The virtues of trust are contained in the Trust Equation: **credibility, reliability, intimacy, and (low) self-orientation.** It is virtuous

for someone to tell the truth, to behave dependably, to keep confidences, and to be mindful of the needs of others. Unless people take personal responsibility for their own behavior around trust, the organization will never be a trust-based organization.

THE TRUST EQUATION

The Trust Equation is a deconstructive, analytical model of the components of trustworthiness.

$$\frac{CREDIBILITY \ + \ RELIABILITY \ + \ INTIMACY}{SELF\text{-}ORIENTATION} = TRUSTWORTHINESS$$

The values of trust are institutional, and drive the organization's external relationships, leadership, structure, rewards, and key processes. The values of a trust-based organization are reflected in the four trust principles: other-focus, collaboration, medium-to-long-term perspective, and transparency. An organization that espouses these values treats others with respect, has an inclination to partner, has a bias toward a longer time frame, and shares information.

Trust-based organizations take values very seriously. If your organization has never fired someone for a values violation, then you have either been astoundingly successful in your hiring and development efforts, or you are not a strongly values-driven organization.

Two of the most important aspects of inculcating these values and virtues are:

☐ Leading by example, and
☐ Managing with wisdom, not metrics.

Leading by Example

When it comes to changing personal attributes, there is no better teacher than a good example. If influential people in your organization act virtuously and have the courage to address untrustworthy behavior in the organization, it speaks volumes. Likewise, the biggest trust-destroyer in an organization is hypocrisy at the highest levels. Leaders whose actions violate critical attributes or violate principles tear down values and trust.

Model the behavior you want to see. Look after other people's interests first if you want them to put your interests and the interests of the company first. Be reliable. Deliver on your promises. And give others the trust, and the benefit of the doubt, that you yourself would want to receive in their place.

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Manage with Wisdom, not Metrics

Metrics are traditionally used as a tool for managing operations and monitoring change efforts. Unfortunately, while many of the measures that leaders focus on in today's business world are considered *smart,* they are not *wise* when it comes to trust initiatives. Too often leaders:

☐ Focus primarily on transactions and processes

☐ Emphasize quantitative over qualitative measures

☐ Refuse to invest without a precise ROI justification

☐ Rely on extrinsic incentives for compliance with organizational values.

Managing only through traditional metrics doesn't further the goal of creating a culture of trust. For the values and virtues of a trust-based

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organization to be effective, people must adopt and act from higher-order mindsets.

Instead of metrics:

☐ Look for evidence of values and virtues being lived on a daily basis. Do people hold each other accountable for trustworthy behavior?

☐ Listen for changes in the language over time. Do employees talk about the organization as "we" or as "they?" Do people speak about customers and each other with appreciation and respect?

☐ Seek qualitative feedback. Interview clients, talk to vendors, and make it safe for employees to be candid about their experience of the organization.

☐ Invest in doing the right thing. Evaluate opportunities in terms of the big picture, not just the quarterly return. Make decisions that align with your company's values—period.

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Leading with Trust

Compared to many change initiatives, creating a culture of trust requires a greater emphasis on personal change, and a lesser emphasis on traditional organizational tools. A culture of trust starts with you. Trusting, being trustworthy, and living the values quickly turns viral.

What first step are you willing to take?

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ABOUT THE AUTHORS

Charles H. Green is founder and CEO of Trusted Advisor Associates. The author of *Trust-based Selling* and co-author of *The Trusted Advisor*, he has spoken to, consulted for or done seminars about trusted relationships for, or business for a wide and global range of industries and functions. Centering on the theme of trust in business relationships, Charles works with complex organizations to improve trust in sales, internal trust between organizations, and trusted advisor relationships with external clients and customers.
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Andrea P. Howe has been in the consulting profession for 20 years. From 1992 to 2000, she worked for AMS, a $1B technology consulting firm. Today, Andrea's clients include top global firms in accounting, consulting, and other professional services. A skilled facilitator, she has designed and delivered hundreds of off-sites, workshops, presentations, and learning programs.
Follow Andrea on Twitter at: **@andreaphowe**

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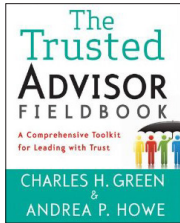
The Trusted Advisor Fieldbook: A Comprehensive Toolkit for Leading with Trust. *A practical guide to being a trusted advisor for leaders in any industry.*

In this hands-on successor to the popular book *The Trusted Advisor*, you'll find answers to pervasive questions about trust and leadership— such as how to develop business with trust, nurture trust-based relationships, build and run a trustworthy organization, and develop your trust skill set. This pragmatic workbook is one you will want to reference again and again. It delivers everyday tools, approaches, exercises, resources, and actionable to-do lists for the wide range of situations that anyone who endeavors to be a trusted advisor inevitably encounters. The co-authors speak in concrete terms about how to dramatically improve your results in sales, relationship management, and organizational performance.