

Create a Culture of Trust

Take 10 actions to cultivate a spirit of reciprocity.



by Noreen Kelly

CREATING A CULTURE of trust starts at the top. Leaders are responsible for creating a culture of shared values and meaning, promoting ethical behavior, and looking after their brand and reputation.

Edgar Schein, an expert on culture, states: "Culture defines leadership. Leaders should be conscious of culture; otherwise, it will manage them."

As guardians of culture, leaders need to live the values. Enron's espoused "values" of respect, integrity, communication and excellence, meant nothing. In a values-based organization, a leader's actions and behaviors align with stated values and beliefs. The leaders at Google, #1 on the list of the *100 Best Companies to Work For*, figured out the formula that works for them: treat people with respect, support their creative endeavors, and adhere to the motto of "Don't be evil."

Another basis for trust is the belief that you, as a leader, are acting in an ethical manner and promoting ethical ideas and practices. Culture plays a greater role than formal ethics and compliance programs when it comes to preventing unethical behaviors. Even after Enron and other scandals and enactment of Sarbanes-Oxley, few leaders have changed their culture to be one where ethical violations are simply not tolerated. This change can only come from the top, and leaders must involve employees at all levels.

Leaders must adopt an enterprise-wide cultural approach to ethics that extends beyond a compliance mentality. By creating a strong ethical culture, shaped by ethical leadership and values, you dramatically reduce misconduct. A well-implemented ethics and compliance program and a strong ethical culture greatly reduce ethics risk.

Reputation is a company's most important asset and a critical factor in earning and creating trust. Based on actions rather than words, reputation is about staying true to who you are. Companies that set high aspirations through their branding and marketing need to live up to that promise. When

a gap exists between who a company is and who they say they are, an environment of distrust is created.

In promoting social responsibility, leaders must do right by employees. While protecting the environment, supporting the community, and adopting socially responsible practices are all important, leaders should be first committed to their own employees.

10 Actions Cultivate Trust

To cultivate a culture of trust, follow 10 actions:

1. Live the values. Match actions with words. Walk the talk. Live up to the values you espouse. Inspire people through leading by example. Practice and promote alignment with the values daily and send clear signals about what the values are. Make ethics a priority. Model ethical behavior and support those who uphold standards.

2. Tell the truth. Be honest. Get rid of hidden agendas. Be simple, straightforward, and consistent. Admit what you don't know when asked a question, and promise to find out. Share what you know, when you know it. If you don't know, say so. If you can't tell, say so.

3. Communicate, communicate, communicate. Encourage open communication. Keep employees informed and address issues when you observe them. Create a dialogue. Listen. Engage and involve people at the grassroots of a project or decision when possible. Value people's input and opinions. Communicate the importance of ethics and integrity, along with shared vision and values. Provide clear and consistent communication to key stakeholders.

4. Be in integrity. Make good on your promises and commitments. Be realistic. Don't overpromise. Do what you say you're going to do. Take responsibility for your actions and act ethically.

5. Be authentic. Engage in honest conversations. Be credible. Be who you say you are. Demonstrate company values through thoughts, words, intentions and actions. Bring words and actions into alignment.

6. Be accountable. Admit mistakes. Hold yourself accountable for your

actions, words, and decisions to your employees and customers.

7. Be transparent. Be visible. Disclose information as needed. Clearly communicate facts to build trust and credibility with stakeholders.

8. Respect the individual. Promote mutual trust and respect. Be inclusive. Show empathy. Acknowledge and honor people's feelings and concerns.

9. Share information. Keep employees informed and address issues when they are observed. Note that decisions may change, and provide timely feedback. Involve people at the grassroots level of a project or decision whenever possible. Involve those who are or could be affected. Sharing of information within and between teams creates dialogue, promotes cooperation, and helps build community over time.

10. Do the right thing.

Most evidence supports the impact of values, ethics and reputation on the bottom line: Values driven companies are the most successful. Companies that fail to look after the reputation aspects of performance ultimately suffer financially. Companies that are

great places to work are more financially successful. Organizations with high trust benefit from increased profitability, market value, and lower costs.

Beyond bottom-line implications, leaders should create a culture of trust simply because it's the right thing to do. Adam Smith, author of *The Theory of Moral Sentiments* (1759), believed that virtues like trust, fairness and reciprocity are vital for the functioning of a market economy. Consider the high costs of breaking trust, risking reputation, and sacrificing ethical standards.

Creating a trust culture takes commitment and action. Trust begets trust. Trust sustains trust and repairs lost trust.

Leaders who choose to trust, value, respect, and empower their people are rewarded with motivated and productive people and greater profitability. Leaders who communicate openly and honestly create mutual trust, bolster credibility and engage their people.

Move away from fear-based values toward positive values, and create connections and conversations that maintain trust. In a spirit of reciprocity, participation, dialogue and hope, a culture of trust can be achieved. **LE**

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ACTION: Create a culture of trust.