

Why Trust Matters

It's the glue that holds us together.



by Noreen Kelly

TRUST IS THE GREAT intangible at the heart of every relationship. Building an environment of trust is a leadership imperative, since a lack of trust leads to distrust, declines in integrity and ethics, and breakdowns in credibility and reputation.

As W. Edwards Deming noted, “97 percent of what matters in business can’t be counted.” The intangibles make trust critical to the bottom line. Trusting relationships increase profitability, boost market value, add competitive advantage, lower costs, and provide efficiencies. Creating bonds of trust leads to higher morale, lower turnover, and improved productivity. Partnerships based on trust provide the greatest value at the lowest cost.

Trust need not be measured in standard business or financial terms. The word *faith* comes from the Latin *fidere*, meaning “to trust.” The concept of fiduciary responsibility is about more than financials. Trust in Spirit, trust in ourselves, and trust in each other create the bottom line. We can look at trust in economic terms, after we acknowledge the first priority.

To create a culture of trust, leaders need to be authentic, credible, and in integrity—communicating honestly and being forthcoming about the company’s prospects, and what leaders expect from and offer employees, including the future of their jobs: bringing actions and words into alignment; saying what you mean and meaning what you say; consistently living by clearly stated values and by delivering on your promises; creating a culture of trust; helping people trust that changes will work toward a better way; trusting your employees, then relying on the data to assess performance; helping people trust in others in a team effort so that goals can be met; and helping people trust in themselves as they work to achieve outcomes. Once you lose trust, you lose the ability to communicate and lead.

Trust is founded in the respect and confidence of management’s ability to provide leadership, guidance, and

direction. Trust is not an entitlement; it must be earned. Without trust, employees question authority, decisions, and remain unmotivated.

Since people look for transparency from their leaders, speak the truth with employees; trust and value people’s opinions; provide opportunities for face-to-face interactions; avoid “management speak”; be accountable, just as employees are held accountable for their performance; involve employees in the ownership of ideas and the planning process; fairly reward and recognize employees for their contributions and efforts; boost the credibility of management as leaders to create high engagement and retention, collaboration, teamwork, and trust.

Open and honest communication



creates mutual trust and understanding. Trust matters in communication: trust between managers and employees, trust between people in teams, and trust on a one-on-one basis. Trust, the essential ingredient for collaboration and effective communication, is critical for organizations in creating more open, caring and ethical cultures.

To create trust-building communications, follow these four tips:

- Tell people what you know and don’t know. Then tell them when you think you’ll know more, and get back to them with that information.
- Explain why you or the company took a particular action, especially when communicating unpleasant or unwelcome information. If you don’t do this, actions will be misinterpreted.
- Be consistent. Repeating key messages reinforces them. Make sure your actions also reinforce those messages. Mixed signals are perceived as lies.
- Don’t try to “spin” bad news to

make it look positive. People know that you’re lying to them—and they won’t respect you for it. We handle the truth better than a lie or half-truth.

Knowledge-sharing and collaboration. Lack of trust hinders knowledge-sharing. Sharing of information in a climate of respect and collaboration leads to an increase in knowledge and understanding, and, therefore, trust. If distrust and fear are present and the culture doesn’t foster trust, knowledge-sharing won’t occur. Trust is the glue that holds people together.

Public relations. Trust is an integral part of maintaining relationships with the media and the public. Speaking the truth enhances the credibility and reputation of your organization. It is important that your organization understands its unified message to the public, and works honestly and ethically to disseminate that message.

Personal trust. Erosion of trust can occur from large corporate scandals like Enron, but also through the daily erosion of trust through breakdowns in relationships. Leaders can learn how to install trust into their personal practices and create a culture that allows for honest, authentic conversations.

Leaders can help people trust in themselves and others, work with others as a team to build trust and accomplish objectives, and believe that the work will succeed. This is not blind trust, but a deep faith which flows from Spirit. If trust is lacking, people can’t hear their truth or practice courage. The willingness to surrender and let go of struggles is about opening the heart to the wisdom of speaking and acting on Truth, and promoting hope and trust. Freud said, “In small matters, trust the mind; in large ones, trust the heart.”

Leaders don’t have to choose between integrity and prosperity. They can have both. Companies that take values seriously, resolve ethical dilemmas, and serve as good corporate citizens will be successful. A symbiosis operates between the business and the community, resulting in greater transparency. A healthy business serves the community; and, if the community feels that the business is honest, the community will support the business.

Trust is *the* most important currency in business. By opening up to what is true and creating a vision for the highest good, leaders can build a culture of trust and enhance the bottom line. **LE**

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ACTION: Cultivate a culture of trust.