

Building Sustainable Trust: Your Competitive Advantage

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Trust makes organizations work. In a trusting environment, employees have more energy, take risks, innovate more frequently, collaborate with co-workers, are responsible, treat customers better and drive results.

Simply put, organizations that foster trust are more profitable. A Watson Wyatt Worldwide study found that organizations where front-line employees trusted senior leadership, posted a 42% higher return on shareholder investment over those firms where distrust was the norm.

In a recent University of British Columbia report, economists found that trust in management is the most valued determinant of job satisfaction. They cite that a small increase in trust of management is like getting a 36% pay increase! Conversely, they found that if the same amount of trust is lost, the decline in employee job satisfaction is like taking a 36% pay cut! Organizations with trustworthy management do not experience the high cost of turnover. Their employees stay.

These examples point to the value of a trusting environment and the competitive advantage it yields. Yet trust is complex and hard to earn. There is only one thing that builds trust: the way we *behave*. To earn trust, leaders must become aware of the behaviors that build it and practice them consistently!

BUILDING SUSTAINABLE TRUST We call trust “transactional trust” because it is reciprocal in nature; you have to give it to get it and it is created incrementally over time. There are three types: contractual trust, communication trust and competence trust. Each has essential behaviors.

Contractual Trust. Contractual trust implies mutual understanding between people; each will do what they say they will do. Managing expectations, encouraging mutually serving intentions and keeping agreements are examples of behaviors that build trust. When practiced, people understand what is expected of them; roles and responsibilities are clear; promises are kept or renegotiated; and employees collaborate freely, depend on each other, and deliver results.

People need to understand what their leader expects and what they can expect in return. They are misguided when expectations are not clear. Expectations are most successful when they are mutually serving—when we are as invested in the best interests of others as well as in our own. When employees encourage mutually serving intentions, efforts are aligned, and shared success is sought. This is when there are no hidden agendas and trust is nurtured.

Unfortunately, hidden agendas are often a part of an organization’s culture. Most are inclined to occur when people are fearful or anxious. When present, individuals work to meet their needs covertly. Rather than openly share information and views, people withhold them for personal gain.

Hidden agendas are self serving, diminish trust and derail efforts.

When people are focused on themselves and lose sight of others, agreements may not be kept. The failure to keep agreements breaks down collaboration and affects others’ ability to deliver.

Communication Trust. Trust influences communication and communication influences trust. The two are closely related. Sharing information, telling the truth, and speaking with good purpose are examples of behaviors that create Communication Trust. In such an environment, people feel safe to ask questions, honestly speak their minds, challenge assumptions, raise issues, give and receive feedback



Sharing information, telling the truth and speaking with good purpose are examples of behaviors that create Communication Trust.

TRUST TIPS

WE ARE INCLINED TO TRUST PEOPLE...

- ✓ Who are self-aware
- ✓ Who take responsibility for their role in the relationship
- ✓ Who demonstrate that they consider the best interests of others rather than just themselves
- ✓ Who do what they say they will do
- ✓ Who practice the values they tell us are important to them
- ✓ Who are willing to recognize and consider both sides of the story
- ✓ Who listen and respond to our needs and interests
- ✓ Who are willing to think about what they have to give as well as what they hope to receive

WE ARE NOT INCLINED TO TRUST PEOPLE...

- ✗ Who we experience as selfish and self-absorbed
- ✗ Who do not demonstrate an interest in the needs of others
- ✗ Who are not willing to accept responsibility for their actions
- ✗ Who gossip/talk about others behind their back
- ✗ Who blame others without looking at their role in the experience
- ✗ Who make snap judgments and draw conclusions before hearing all the information
- ✗ Who are not open and receptive to the ideas and views of others; people who consistently feel that they know all the answers and their way is the only way and the right way
- ✗ Who change the rules all the time
- ✗ Who are inconsistent in their behavior so we don't know what to expect from one interaction to the next
- ✗ Who distort the truth by omitting information for their own purpose

or acknowledge that they don't understand and ask for help.

Critical to Communication Trust is speaking with good purpose. When people speak directly to one another regarding their issues and concerns, they speak with good purpose. When people fail to do so, they fuel gossip and backbiting.

Our research in over one hundred organizations, using our trust-measuring surveys, has found that gossip is the number one killer of communication trust! The damage to trust is too great to be ignored!

Competence Trust. Competence Trust is the ability to perform job responsibilities. Involving others, seeking input, and helping people to learn new skills are behaviors that build competence trust.

When a leader does not trust their employees, they tend to micromanage and not delegate appropriately. As a result, people don't free feel to use their skills and knowledge and consider themselves discounted and robbed of opportunities to grow and develop.

Competence Trust is enhanced by helping people learn new skills: "When I help my employees learn new skills, I am investing in their competence and the capacity of my team. Everyone benefits, and the team's competence increases."

Trust is the foundation of an organization's competitive advantage.

Contractual Trust sets the tone and direction and shapes roles and responsibilities.

Communication Trust establishes information flow and how people talk with one another.

Competence Trust allows individuals to leverage and further develop skills, abilities and knowledge.

Leaders of high-trust organizations value relationships and link trust-building behaviors to their strategy. Trust-building is an integral part of their work. These leaders reap the rewards of their behavioral choices through employee satisfaction, organizational performance and competitive advantage in the marketplace. [MW](#)

Adapted from Trust and Betrayal in the Workplace: Building Effective Relationships In Your Organization. (Berrett-Koehler Publishers, Inc. January, 2006). Michelle L. Reina, Ph.D., and Dennis S. Reina, Ph.D., are founders of The Reina Trust Building Institute and co-authors of Trust & Betrayal in the Workplace: Building Effective Relationships In Your Organization, 2nd ed. (Berrett-Koehler, 2006). For more information:

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