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Exploring the Impact of Trust on Leadership and Culture

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The Largest Symptom of In-Effective Leadership

Turnover and employee retention are a large concern for most employers, and are also a lag measure of the effectiveness of leadership. There is a significant cost when an employee leaves an organization, not to mention the stress felt by the remaining employees and managers until the position is filled. Human Resources is often tasked with working to reduce turnover and increase retention.

According to GlassDoor 2018, the average turnover for all industries is 19% with 12% of that being voluntary – when the employee decides to leave the organization. There is a lot of variability to this number based on industry. I once walked into a fast food restaurant to be greeted by a plaque on the wall celebrating the low turnover at the unit – 237% for the previous year.

The same Glassdoor report indicated it costs on average 33% of the departing person's salary to hire and train a replacement. The Society of Human Resource Management (SHRM) reports that the average cost to replace an employee is $4,129. This also varies by position as replacing a Registered Nurse (RN) can cost up to $50,000.

Based on these numbers, if a mid-sized hospital loses 30 RNs per year, there is a direct negative impact of $1,500,000 to the bottom line. If the fast food restaurant, which employs an average of 25 people, has a turnover rate of 237% at a cost of $4,129, that means the owner or franchisee lost $244,643 – and that was considered a good year based on the plaque I saw.

Some jobs are destined to have high turnover. The challenge there is being able to predict the turnover to prepare for it so it costs less and is less disruptive to the business. If the restaurant manager knows someone is leaving in advance, they can hire and train someone to be ready when they leave. Retaining professional and advanced positions becomes more challenging. These people often have very sought-after skills and know they can do the work they love for a variety of organizations. If they leave, it is not normally because of the work itself – there is some need that is not being met. If they leave for a promotion or to work in a different department at a different employer, that is the employer's responsibility for not understanding the needs and desires of the employee.

So, why do employees leave?

According to thebalancedcareers.com, there are 10 major reasons an employee leaves an employer:

1. Relationship with the boss
2. Bored and unchallenged by the work itself
3. Relationship with coworkers
4. Opportunities to use their skills and abilities
5. Contribution of their work to the organization's business goals
6. Autonomy and independence on the job
7. Meaningfulness of the employee's job
8. Knowledge of your organization's financial stability
9. Overall corporate culture
10. Management's recognition of employee job performance

Dear Boss,

I Quit

As we review this list, one thing becomes apparent. Each one of these items can be influenced by leadership and management of a company.

Each. And. Every. One.

Defining the Culture

"Culture eats strategy for breakfast" - Peter Drucker

Culture is the largest single component that impacts the employment experience. Employees make up the company and define the culture, so this is a critical component when examining employee retention and its tie to profitability.

Although Company Culture is listed at number 9 on the list above, this is the most important component because the other 9 indicators define the culture of a company. The concept of organizational culture has changed considerably over the years. Twenty to thirty years ago, culture was talked about in business school or graduate school. For most employees, it was a conversation that was reserved for the c-suite or board of directors. It was often believed that culture was what it was, was stagnant and could not be changed readily. We used to say that it would take five to seven years to change a culture.

We Were Wrong.

We know now that organizational culture can be changed quickly and immediately, if necessary. If you need proof, think about the last time you had a new manager or a new CEO join a company you worked for. Did the feel of the work environment change? Did you have to adjust your style to the new leader? Did things work and operate differently? If you answer "yes" to any of these questions, you experienced a change in culture. It can change that fast.

Much has been written about culture and how to define it. There are countless models and approaches to looking at culture. Although they are all different, there is a common thread. That thread is they do not put the responsibility for the culture where it belongs – with the people in the organization. Specifically, with the leadership, management and supervisors of the company.

Let me explain culture in a way that makes sense to me.

Every organization has a culture, whether they want to admit it or not. It is there and people can feel it. Supporting and helping define the culture is the Organizational Vision.

The Vision Statement defines/explains what the organization is trying to be or identify its overall objective. This statement is often inspirational and far reaching. It is something that will not likely ever be accomplished, but it is a goal of the organization. Everything that an organization does, should be viewed through the lens of the Vision. If the activity or venture does not support the organization reaching that objective, careful consideration should be taken to determine if the activity or venture should be attempted.

The Mission Statement follows the Vision Statement. By follows, I mean supports and further clarifies the position of the company. While the Vision tells people where the company wants to go or what it aspires to accomplish or become, the Mission Statement tells how it plans to get there. This tends to be more action oriented and less ambitious.

Values are a collection of statements of what the leaders of the company consider to be valuable. If the organization believes that customer service is important, a value may be customer focus. If the company is one where research and development is important, innovation may be a value. The core values of an organization are those beliefs which everyone should hold themselves to, otherwise there may not be a good "fit". All values can be seen in observable behaviors, so we can tell as customers, employees or investors if the actions of the leaders or other employees support those values. For value statements to be truly effective, they should be action oriented and not seen as stagnant or just window dressing.

Most companies stop there with values being the defining piece of the puzzle. They place these three pieces (Vision, Mission, Values) in an employee handbook or manual and place a neat design around them and hang them in the lobby so customers and vendors can admire the work that was done.

This is a mistake. Why? Because it leaves people wondering what it all means and what to do with the information. In my experience teaching supervisor and leadership development programs, when asked what the company vision is, roughly 20% of attendees could recite theirs. Fewer could recite the mission statement of their organization. Interestingly, most recall one or two values without going to their company website. When asked what the vision, mission and values mean to them in their daily job, very few could answer, which means companies are missing out on a huge opportunity.

Very few participants understood what their company stands for, what it is trying to achieve and how it is planning on accomplishing those goals. Tragically, they are often the same people who are the face of the organization to their employees. These supervisors and managers are the ones who employees come to with questions, concerns and hopefully ideas to make the company better. These are the people who hold the culture of the business in their hands, yet they often do not know how they fit into or impact culture.

Most have not made the connection to the business.

Why?

Because leaders in companies do not make their values come to life. This can be a challenge because the leaders often need to make changes to how they do things and operate to make sure their actions align with the values. It also means working

with employees to coach them on what supports or does not support company values. This takes time, energy and courage. It is not easy to address your top sales person when they are belittling others in the organization. It is not easy to address the attendance or demeanor of the lathe operator who is the only one in the company with programming knowledge. It is in these situations that culture takes a back seat to the bottom line and employees, customers and investors become confused.

Let's take this a step further. Values are a set of ideas the company wants its employees to personally mirror. We can see values in action through competencies, which are a collection of behaviors we want to see people demonstrate in the workplace. What are the behaviors we want to see? It depends on company culture and the values and competencies, so there is no way to generalize this.

Or is there?

Companies and their leaders are constantly being judged and evaluated. Evaluated by their employees, the public, stakeholders and customers. There has been a lot written on the concept of organizational behavior. I am here to tell you that organizations do not behave. It is impossible for the building to behave. It is the people that make up the organization that "behave". This behavior is what defines organizational culture.

The culture of an organization is defined by behavior of its employees and leaders. This is how they treat each other, interact with customers and contribute to the community in which they operate.

To simplify this for conversation, culture is defined by what employees Say, Do, and Allow.

What People Say: What is said, and how it is said, is one component to this equation. What is said gives insight into what the person believes. If they yell at their team, it tells us about them versus if they calmly speak and talk about goals. If they say they are going to change the direction of a company, people can then decide if they want to follow. In the recent case of Telsa, the CEO spoke about taking the company private from its public status and it impacted the stock price and investment community. In the case of Papa John's, the CEO's use of a derogatory term in a board meeting resulted in his departure from the board of directors, even though he was the majority stockholder.

What People Do: The old phrase "actions speak louder than words" is often the case. People will watch to see what people do and see if it matches their personal values. They will also check to make sure actions are congruent with what is said. If a plant owner tells employees that the company is struggling financially and lays off the second shift and then shows up to work the next day with new sports car,

this action does not support what was said, and people get confused about what the plant owner values.

What We Allow: What is allowed to happen is the last component that defines culture. When we ignore something or allow something to happen, we are saying to those around us that we accept and approve of the behavior. If I see my seven-year-old son in the kitchen lighting the burner on the gas stove, and I walk by him, say "hi" and move on, I just taught him it is OK to play with fire. The same thing happens at work. If I know someone is telling jokes that someone may find offensive and do not correct the behavior, I am telling people I approve of the offensive jokes being told. This reverse is also true. It is easy to focus on the negative of this concept, but this can be a positive as well. If I say that I believe in employee learning and development and then create an environment where employees can attend training programs and support the advancement of their education, I am ALLOWING them to grow. That is a powerful statement.

> *"Trust is earned when actions match words."*
>
> *Chris Butler*
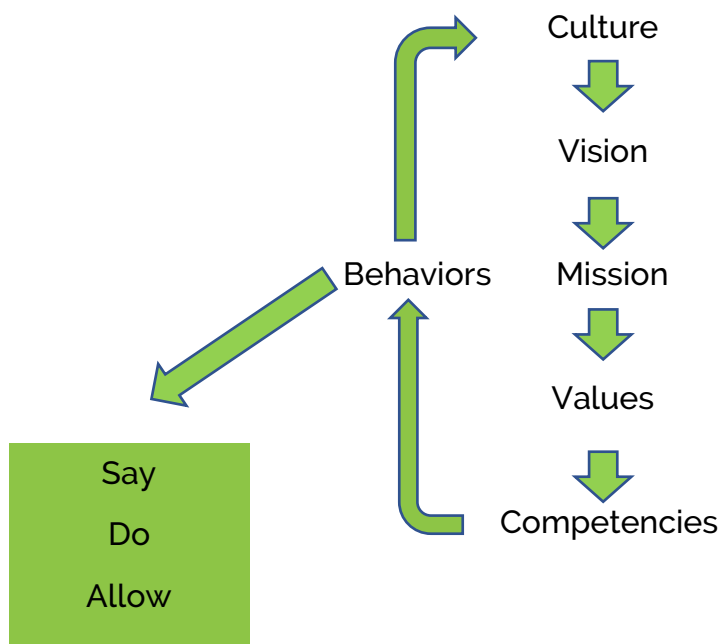
Behaviors are often attributed to individuals within an organization, because an organization cannot behave. What is often overlooked are the practices and policies an organization put in place to provide guidance to its leaders, which are often contrary to the companies stated values; creating confusion.

An organization may state that it values customer service; however, if it does not allow its employees to make decisions that impact the customer experience, this behavior contradicts its stated value. If the company states that it values innovation yet disciplines someone for making a mistake when they try something new, that behavior contradicts the stated value.

This extends to any activity that impacts the people side of the business, or anything that is often attributed to the human resource function. This includes, but is not limited to, decisions about: compensation, performance management, bonus structures, benefits, the review process, reactions to negative information or what happens when something goes wrong. And the list goes on.

Simply put, organizational or department culture, is defined by the behaviors of those in the organization or department. This is further defined by what those people Say, Do and Allow. This creates the framework where we can have a real conversation about what defines, and breaks down, organizational culture. If a behavior supports the intended culture, it is a productive behavior. If the behavior contradicts the intended culture, confusion can result and distract from organizational performance.

Let's take a look at some practices which can be deployed to help define or change organizational culture.

Selection Process – Bring the Right People In

"You can have the best strategy and the best building in the world, but if you don't have the hearts and minds of the people who work with you, none of it comes to life." – Renee West

Selecting the right people into your organization is critical to either maintaining culture or changing it. If the culture is where you want it, then you hire those who have demonstrated the behaviors that match your existing culture. If you are trying to change your culture, then you want to hire people who have demonstrated the desired behaviors of your future culture.

When was the last time you heard "they were not a fit"? Or, when was the last time the company hired someone new and you knew that they would not last or be successful? We see this more often than not and the issue is not the person, it is the hiring process. This occurs because the company placed them into a position where they will not be successful. This is often the case if the position has been open for a while or a recruiter is trying to meet hiring metrics.

The key is to hire people who have the values you are looking to create for your company. It does you no good to hire people who will fit in today, unless you are only looking at today or are 100% satisfied with your culture. You want new employees who demonstrate the values you are looking to build. They can help bring existing employees along. If you hire them into leadership positions, they can start to make the changes you want, one department at a time.

We reviewed earlier that values, and ultimately your organizational culture, are defined by the behaviors demonstrated in the workplace. With this in mind, it makes sense to then interview for behaviors you want to see. This is done through Behavior Based Interviewing. A lot can be learned from this interview approach. When you are interviewing for behaviors, you are not asking questions that speculate or ask them how they would do something or what they want or could do. You are asking them to review a situation where they were involved in something or a situation that is similar to what they may face in your organization. You are asking them to be specific about what happened, what role they played or what they did and the outcome. The idea here is that past behavior is the best predictor of future behavior/performance.

> Past Behavior is the Best Predictor of Future Behavior/Performance

In other words, if someone behaved in a way that supports your desired culture, they are likely to behave that way in the future. If they show you they behaved in a way that goes against your desired culture, they are likely to behave that way as

well. Then you will have a behavior problem you need to address, and no one wants a HR issue.

Behavior/Culture Based Interviewing

When someone is being interviewed for a job, they are trying to put their best foot forward. Questions that start with "how would you do….." set them up to tell you how they THINK it should be done or maybe even spout back something they learned in school or from an article. Suppose you work for a customer service based organization that prides itself on making customers happy and most of your customer complaints are logged over the phone instead of in person. You can ask a question like:

> Tell me how you would calm down a customer who called in yelling and upset because the product they bought through our web site arrived broken.

This question allows them to tell you what they MAY do or what they think you want to hear.

Consider this behavior-based question:

> Tell me about the most difficult customer you ever had to work with over the phone. What was the situation, what did you do about it and what was the outcome?

This forces the candidate to tell you about a specific experience they had and specifically what they did about that situation. You can then assess if their behavior in the job-related situation supports your culture or if the behavior goes against values.

Consider this example. I was working with a hospital and helped design an interview process for Registered Nurses. The Registered Nurse is often the person who a patient is with most often and when asked about their care, the patient will think about the nurse. This organization was looking for nurses to practice empathy and be good at resolving conflict and difficult situations. It may be easy to assume the most difficult person a nurse works with is the patient or the doctor (based on stories). This not the case. The most difficult people a nurse often encounters in their daily work are the family members who are there supporting the patient. Learning this, the interview question was changed from

> Tell me about a time you had to resolve a conflict.

> to

> Tell me about the most difficult family member you ever had to deal with.

This removed the general question; and therefore the potential for general answers, and narrowed the responses to those that matter to the organization. In this case, how the nurse interacts with family members.

For this to work and be effective, a true picture of the values, competencies and job environment is crucial. If there is any question about these three factors, this type of interview will not be effective. Bringing the wrong person into the organization can have devastating effects. The key to behavior based interviewing being effective is to understand what behaviors support the culture and which ones do not, and then being able to discern this from the responses given by the candidate.

So, the question of "is it more important to bring in the right people or retain the existing staff", the answer is both. The organization needs to be diligent in managing behaviors of its current employees as well as bringing employees in who support the future culture. This requires dedication and the understanding that once employees are given the expectation of behaviors, they need to behave in a way that supports the values. If they do not, they need to be held accountable. If they are not held accountable, it shows the rest of the organization that you tolerate the behaviors and they are acceptable. This will destroy any work towards building a new culture. In other words, no one can be protected and everyone, including top leaders, need to be held accountable. This means that you may lose some long-term employees if they chose to not behave in a way that supports your desired culture.

> If non-productive behavior is not addressed, it tells the rest of the company you accept these behaviors – even if they do not support your culture.

Culture and Existing Employees

"You can buy a man's time, you can buy a man's physical presence at a given place; you can even buy a measured number of skilled muscular motions per hour or day. But you cannot buy enthusiasm; you cannot buy initiative; you can not buy loyalty; you cannot buy devotion of hearts, minds and souls. You have to earn these things." Clarence Francis

Before we can hold leaders and employees accountable for their behavior and relationships, we need to define what this looks like. I have been conducting an exercise for multiple years when working with managers and supervisors in training and coaching environments. I ask participants to simply answer three questions and then the participants share their answers. The questions are:

What does my manager expect of me in my role?

What do those who report to me expect of me in my role?

What have I learned to NOT do to be successful in my role?

It does not matter what the industry, level of manager or supervisor or how long the people in the groups have been in supervisory or leadership positions, the answers are similar and have not changed much over time. Here is what I generally hear.

What does my manager expect of me in my role? In no particular order or level of importance.

- Lead my team
- Live the Mission and Values of the company
- Handle problems as they arise at the lowest level possible
- Motivate my team
- Create a safe work environment
- Hit my goals/production numbers
- Lead by example
- Document problems as they arise
- Communicate good and bad news up the chain of command
- Make decisions that support the business
- Support and implement company policies
- Process improvement – make things better
- And some will just say "everything" or "the world"

What do those who report to me expect of me in my role? In no particular order or level of importance.

- Coaching
- Fair and consistent treatment
- Provide resources to do the job
- Communicate things that are expected me
- Set goals
- Provide feedback
- Provide training
- Keep me safe
- Resolve conflicts
- Help me advance my career
- Acknowledge my efforts
- Help me connect to my job and how it supports the company

What have I learned to NOT do to be successful in my role? In no particular order or level of importance.

- Show favoritism
- Correct others in public
- Take credit for someone else's work
- Become too friendly
- Not addressing problem behavior
- Yelling
- Not being fair/consistent
- Setting unrealistic goals
- Apply undue pressure
- Tell an employee they cannot do something and then do that same thing
- Answering a question in haste
- Knee jerk reactions

Please note the one thing in common with each item on the three lists. Each entry on all three lists is an *observable behavior*. We can look at a situation and decide if the behavior supports our desired culture or if it goes against the desired culture.

Note the first two lists. There is one thing that underlies every item on the two lists. It is the foundation of leadership and the key to success. One way to think about this is to ask yourself one question "what is built or reinforced when I demonstrate these behaviors at work?" The answer is TRUST.

The third list is similar. Each of these are also behaviors that we can observe. Only, in the case of the third list, ask yourself this question: "what is *broken or damaged* when I engage in these behaviors at work?" The answer is TRUST.

Go back and look at the lists again. How did you feel about a boss you had that engaged in the behaviors on the first list? Probably pretty good and my guess is you supported them or at least did not actively try to cause them trouble. Also, think about the second list. How were you rated or evaluated when you engaged in the behaviors on the list? My guess is pretty good. As for the third list, how were things for you after you engaged in one of those behaviors? Or, how did things work out for the person who engaged in those behaviors? My guess is not very good.

What is expected of you on the job from your manager and employees?

Engage in Behaviors that Build and Sustain Trust

Why Do Employees Leave?

"People leave managers not companies." David Richard

There are few experiences at work that cause anxiety quite like when a trusted and long-term employee tells you they are leaving your company. Your mind immediately starts running with how you are going to replace them, how you are going to get your work done or if you are going to be able to meet your budget because you have to work some overtime. Rarely do managers reflect on the employment experience and analyze what may have caused the employee to leave.

We have all heard the reasons why employees leave. They found another job. They are going to make more money. They have a "better opportunity". These things all have one thing in common.

They are excuses and often fabricated to avoid the difficult conversations.

Let me ask you a question. When was the last time you went out and searched for another job just to see what was out there? Chances are, it was when you experienced some level of dissatisfaction with your job. Employees who are happy, or at least satisfied with their job, have no reason to start looking for another one.

When someone decides to leave and gives you their two-week notice (hopefully), they are likely to not give you the real reason or full story. Who wants to have a difficult conversation? Especially when they do not want to burn a bridge and have already emotionally left the company? As a result, you often get partial truths or no truth at all.

If you want the real reason why someone is leaving, you have to dig deeper and go back a little further in time. Think about the question I just asked you. If you went out to search for another job when you experienced some dissatisfaction with your current job, what was the dissatisfaction? Was it something that happened with your boss? A new direction the company was heading? Maybe you found out that the company was being sold and you were uncertain about your future.

The reality is most people do not search for a new job or company if they are happy, have a good relationship with their boss and feel they are contributing to their company. Something happened that caused that person to start the search. If you want to know why someone is leaving, ask them what happened on the day they decided to start networking. Ask them what happened on the day they picked up their phone and went to Indeed.com, Monster.com or some other job search engine. If you can get that piece of information, then you know the real reason why they are leaving your company.

Most employees who are leaving are not lying to you when they tell you they are leaving for more money or a better opportunity. This is very likely the truth. The piece that is missing is most people would not know there was an opportunity out there offering more money or a better opportunity unless they went looking for it to begin with. As they search, they learn about the more money and better opportunities and these become the reasons why they ultimately decide to leave. So, by the time they tell you they are leaving, they have it in their mind they are leaving for the reasons they tell you. This does not get to the real reason they are leaving.

In a survey conducted by L & L Solutions, voluntary participants were asked to identify the reasons they told past companies they were leaving their job, the reason they started looking initially, and how long they were on the job after they started looking for a new job and ultimately left.

The survey results supported the theory that people often leave an organization for a different reason that they say. 86.67% of respondents told their company they were leaving for one reason while the reason they started looking was different.

Once someone made the emotional and mental decision to start looking for a new position, they were on the job an average of 30.5 weeks before they left the organization. What was the cost to the business of having someone "present, but not there"? I think we have all worked with someone who was just going through the motions and not really engaged or cared about their work. Lost productivity, bringing down other people, mistakes, active "HR" issues and relationship challenges are all symptoms of someone who is not engaged at work.

"No one ever leaves a job because everything's awesome,"

Kevin Systrom

The third factor looked at was trust. The average trust factor with the respondent's supervisor was 1.67 on a scale with "0" being no trust and "10" being high trust. This indicates that a lack of or a break down in trust is a contributing factor to employees leaving a company.

What this tells me is if we want to retain quality employees (and become a magnet for new quality employees) we need to address the employment experience before they decide to leave. This becomes the differentiator in a competitive employment landscape. This becomes what separates companies that are thriving vs merely surviving the current employment challenge.

So, why do employees leave?

> Employees Start Looking for a New Job When There is a Lack of or Breakdown of Trust

But, We Do Exit Interviews……

Let me start out by saying this…

Exit Interviews Rarely Work or Get you the Information you Really Need

There, I said it. One of the staples of the human resource tool box does not give the information you really need. Every once in a while, you will get the real reason – about 13.33% of the time, based on the survey. This is not often enough to make informed decisions. In my experience, many leaving employees will not participate even if you try to conduct them before they leave and there are several reasons why not.

They Do Not Want to Burn a Bridge

Most employees understand that their industry in small in comparison to their overall employment opportunities. They also understand that they are more likely to make more money/be more successful if they gain more experience in the same industry. Because of this, many departing employees will not say anything bad as they leave so they are not labeled a troublemaker. They know if they bad mouth their supervisor or company as they leave it may come back to haunt them, because that manager may move to their new company or they may want to return to this the company when circumstances change. In other words, no matter how bad they perceive things to be, they do not want to leave on a bad note.

It is Easier to Not Tell the Truth Than Have a Difficult Conversation

We are hard wired genetically to move towards positive experiences and move away from negative experiences. Since the dawn of time, humans have been taught to look for danger before engaging in a reward or something pleasurable. For example, ancient humans may have gone days without eating when they approach an open field, and they see berries on the other side of the field. Instead of moving right away to the berries (reward or pleasure), they will check their surroundings to make sure there is not a tiger waiting to have them for a snack. Employees are the same way. Leaving employees know that if they tell a company the real reason for leaving, that is delivering negative news and the company may not receive it well or it may cause conflict. The easiest way to avoid a conflict is to tell a partial truth or stretch the truth. If the employee is leaving because trust was damaged with their supervisor, it is easier to say they are receiving more money. There is a good chance they are receiving more money, but it is not the REAL reason they are leaving. Ultimate goal = less conflict.

This is also why counter offers do not work long term. Some managers start making counter offers and offer more money or other desired perks (more vacation, different shift, and so forth) in order to keep the departing employee. This rarely works because the stated reason is often not the reason for leaving.

Even if the employee agrees and stays, the original reason for leaving is still there and is likely to return and the employee will likely leave in the near future. Why, because the original reason for leaving has not been corrected. Many managers make the mistake of believing that money is a great motivator. The reality is that money is a satisfier or a dis-satisfier, but not a reason people engage with a company.

<div style="background:#d9d9d9;padding:1em;text-align:center;">
Money is Temporary. The Way One is Treated is Lasting
</div>

<u>They Have Already Made the Emotional Detachment from You and the Company</u>

The last reason why exit interviews do not work or provide good information is because by the time the employee gets the nerve to tell their boss they are leaving, they have already made the emotional decision to leave and in their mind, they have already left. Unless they are a truly altruistic person, they no longer have a vested interest in your success and question why they want to have the difficult conversation.

What Is Trust?

"It does not matter the nature of the relationship. Spouse, parent/child, siblings, friends, co-workers, boss/employee, company/society. The foundation of all relationships is trust. Without trust, all you have is a strategy." unknown

I have used the word trust a lot here, but we have not yet defined it. Two of the multiple definitions of trust according to dictionary.com are:

"Reliance on the integrity, strength, ability, surety, etc., of a person or thing; confidence"

or

"The obligation or responsibility imposed on a person in whom confidence or authority is placed"

Whenever I look at a definition, it seems very technical and I often think "just tell me what it really means". In most cases, like this one, there are multiple ways the words can be used with different meanings (ya gotta love the English language). However, if we break them down, we can often dissect their meaning. Let's break these down by looking at the words used to describe trust in these two definitions.

Integrity – Adherence to the moral and ethical principles; soundness of moral character

What is integrity? There is a challenge here when you ask someone to define integrity. Many will tell you they "know integrity when they see it". How do we then talk about integrity in the context of leadership that makes sense? There are two definitions/explanations that seem to resonate with those I teach/coach.

- Integrity is what you do when no one is watching.
- Integrity is the physical manifestation of our values. Our values observed.

Both of these definitions contain clues that indicate we can see and observe when someone is behaving with integrity. Based on our earlier conversation that values are behaviors in motion, integrity can then be observed.

Strength - moral power, firmness, or courage

Moral power and courage are very similar. When we are talking about management and leadership, both mean the same thing and have similar behavioral attributes:

Does the person stand up for the right things (in support of values) even in uncertain conditions where the stance may not specifically help them?

Is the person able to accept, and act on, feedback about their own performance and behaviors, make amends for wrongdoings and make changes going forward? Taking this a step further, does the person ask for and humbly accept this feedback?

Ability - power or capacity to do or act physically, mentally, legally, morally financially, etc.

Does the person have the skills necessary to behave in the way that demonstrates trust? Do they have the inherent traits to accomplish these goals? Some of these can be trained and modified with various tools and others through coaching. The ABILITY to behave in this manner is boiled down to self-awareness, or what is often called emotional intelligence. Is the person aware of how what they are saying, doing and allowing to happen impact those around them and their business? The ability to recognize this is one piece of the puzzle. The other is the willingness and tenacity to make the required changes.

Obligation - something by which a person is bound or obliged to do certain things

Obligation in this context is that behavior which is expected of the person by the position. Does the person understand the difference between power and authority and when to use each? Does the person understand their obligation to the company, its stakeholders and employees and do they OWN the responsibility to uphold that obligation?

Responsibility – The state or fact of being responsible, answerable, or accountable for something within one's power, control or management

The key component here is accountability. There is a big difference between being held accountable by others and voluntarily holding yourself accountable for behaviors and outcomes. When the individual realizes themselves, or through the support of others, that they engaged in behavior to break down trust, do they have the fortitude to acknowledge it, admit to the error, ask for forgiveness and offer to make amends.

<u>Confidence</u> - full trust; belief in the powers, trustworthiness, or reliability of a person or thing

> This is a dual component. The first is do those around the person believe they are trustworthy, support them and believe the person has their best interest in mind? The second component is, does the person in question believe they themselves are trustworthy and reliable and believe in their own ability to behave in line with the values? Both need to be present for trust to fully be present.

> Confidence brings the other components together. Does the person, and others, understand the impact of strength, ambition, obligation and responsibility on culture and performance?

Now that we have broken down the components of trust, we have to bring this to something that we can act on and observe.

> Trust: The General Feeling /Belief, Demonstrated Through Behaviors, That Tells Me Someone has my Interests in Mind and I Can Count on Them in Difficult or Emotional Times

This is the emotional definition we can use for conversation purposes. What this misses is tangible areas where we can focus.

> Trust = (integrity + confidence + productive behavior) x
> non-productive behavior

With this formula, we can have a different conversation about trust. Integrity is the physical manifestation of our values. What does a person believe and how do they act on those beliefs? Confidence is the belief that the person knows the right thing to do, and they do the right thing. The third additive component is productive behavior. Productive behavior is defined by those behaviors that advance the organization and supports or advances culture (and builds trust). When someone behaves in a manner that matches our expectation of them from the integrity and confidence perspective, we have productive behavior. Over time, these positive experiences build and/or regain trust.

This sum is multiplied by non-productive behaviors. Non-productive behaviors are those behaviors that do not positively advance the organization, erode culture or cause confusion – or break down trust. Notice this is a multiplying factor and not an addition or subtraction factor. This shows the non-productive behavior a person demonstrates is magnified based on the past experience and expectation outlined

with integrity and confidence and productive behavior. One negative experience can overcome and overshadow the positive experiences in the equation. If the non-productive behavior is serious enough, trust can move to zero. If the non-productive behaviors are not that severe, they can add up over time and the cumulative effect is a breakdown of trust.

This also shows us that trust can be repaired based on behavior. If there is a breakdown in trust, the person needs to focus on more productive behaviors and eliminate the non-productive behaviors. This involves forming a new relationship with the person and it can take time. If the trust is so far broken down, the only way to salvage the relationship may be to create a new one.

When Trust Breaks Down

"When trust is broken, it does not need to be the end of a relationship. Much can be learned from staying in a relationship and learning from the conflict situation."   Dr. Margaret Paul

If exit interviews do not give us what we need, what can we do to stop good people from leaving the organization? Is there a way to catch employees before trust has been eroded to the point where they want to leave?

Most of us have experienced situations where trust has been broken down over a period of time. Small things happen that individually are not that big of a deal. When added together, they fester until they become a large problem. The main cause of this is unresolved conflict brought by misunderstandings and a lack of communication.

"We need people in our lives with whom we can be as open as possible. To have a real conversation with people may seem like such a simple obvious suggestion, but it involves courage and risk."

Thomas Moore

Before I was married, my bride to be and I were speaking with the person who was going to be officiating the ceremony and he asked us a question that did not make sense at the time. He asked if we (individually) rolled or squeezed the roll of toothpaste as it was used.   He went on to explain that one day, we may have an argument about our differences on this topic. He approached this as us needing to learn how to communicate and not sweat the small stuff. This was partially correct. He missed a larger piece of the potential lesson.

Yes, it is possible to argue over the use of a tube of toothpaste. Although it may sound ridiculous, I can see it happening, and it could even be the trigger that leads to divorce. What was missed in our toothpaste lesson was this may become a large issue due to previous unresolved conflict. If we have a conflict or disagreement with someone, it needs to be resolved to the satisfaction of both parties. If it is not resolved, resentment builds and can cloud the thinking the next time there is a small disagreement. It can be something small, but the unresolved conflict will play a role in the current conflict, and it will likely be worse than it needs to be. This can go on over time until the tube of toothpaste becomes the final breaking point. The same thing happens at work.

Actions taken to actively resolve conflict, disagreements or misunderstandings build trust. Ignoring the conflict or not addressing it erodes or breaks down trust. Most of us are not prepared or willing to address a conflict with a co-worker or a supervisor due to fear of retaliation. Many organizational cultures I have seen have not created the environment where non-productive behavior can be discussed openly and without fear of retribution. Combine these two factors and we create a

situation where challenges between people are not addressed, and they build on each other until they become unbearable. This creates the situation where the employee says to themselves, "that's it, I need a new job" and starts looking.

There is a situation called "presenteeism" where someone is at work physically, but they are not fully engaged with their company or job. This can be more damaging than if someone outright quits. When someone quits, the company can search for a replacement and get back on track pretty quickly. When someone leaves emotionally but is still physically filling the spot, the minimum gets done and likely there are performance concerns.

Employee engagement is a much talked about topic in the business environment, yet it can be difficult to define. Some call it an emotional connection to a company. Others equate it to the living the purpose of the company. These definitions make sense; however, it is difficult to manage or bring to life. I like to think about engagement in terms of behavior. Most employees know the minimum requirements of the position and expected behaviors. We spell them out clearly in job descriptions. Employees know the minimum they have to do to stay off the radar and stay out of HR jail. This is meeting expectations. If an employee provides more than the minimum expectations, it is because they want to for the company or their supervisor. Sure, there may be other incentives like overtime, an incentive bonus or other carrot that may be a factor in giving extra effort, but these are temporary and do not create engagement. True engagement is when an employee voluntarily gives additional/discretionary effort above the minimum expectations. This effort is voluntary and freely given because the employee wants to further support their company or supervisor.

> Engagement = Discretionary Effort
>
> Discretionary Effort is Not Possible Without Trust

So, what happens when trust starts to erode and employees are "present" and not fully engaged? I am sure all of us have worked with someone who was just treading water, looking for another job and not really contributing to the team.

Based on the survey from earlier, the average time an employee was on the job after they started looking, or made the emotional disconnect from the company was 30.5 weeks. Think of the harm or lack of forward progress a company experiences when an employee is "present" and not engaged. From the employee perspective, imagine doing something for 30.5 weeks that you did not want to do and had emotionally disconnected from. The cost hits both the employee and the company. While not everyone stays after they have made the emotional decision to leave, many do.

If many companies have a culture that does not support having difficult conversations about conflict, and many employees avoid conflict until it becomes a larger problem, what can a company do?

Stay Interviews

"We can not stop employees from leaving unless we have a plan to make them stay." Unknown

We have already reviewed that a popular diagnostic technique is often not effective in exit interviews. If a company and its leaders are serious about retaining top talent, they need to be able to detect unrest and presenteeism before it gets to the point of emotional detachment. Stay interviews are a tool to accomplish this goal. Stay interviews are used when an employee is still with a company. The interview is a short series of questions designed to assess the emotional attachment of the employee to the company, manager and position. The key to this being effective is it has to be done while trust is present. If trust is broken or damaged to the point an honest conversation can not be had, stay interviews will not work.

> **Trust Must Be Present for Stay Interviews to Work**

Stay interviews are often conducted annually or when there is information to believe there is unrest or trust may be damaged. This information is often obtained through observable behaviors such as attendance changes (late, using all sick time, late from lunch, not volunteering for overtime), not getting along with co-workers, decreased production, decreased quality, customer service concerns, etc. Stay interviews cannot be tied to compensation or discipline. This can not be a punitive process or the employee will not be honest with you in the future. This is an information gathering session to see what can be done to re-engage the employee. Sample questions are:

1. What about your job makes you want to jump out of bed?
2. What about your job makes you want to hit the snooze button?
3. What are you passionate about?
4. What's your dream job?
5. If you changed your role completely, what would you miss the most?
6. If you won the lottery and didn't have to work, what would you miss?
7. What did you love in your last position that you're not doing now?
8. What makes for a great day at work?
9. If you had a magic wand, what would be the one thing you would change about your work, your role and your responsibilities?
10. What do you think about on your way to work?
11. What's bothering you most about your job?

The main purpose of these questions is to identify the intrinsic drivers of satisfaction and see if they match what they are currently receiving at work. If the employee wants to hit their snooze button because of the "politics" in the office,

you can dig deeper to see what is the concern. If they jump out of bed because they love problem solving, does the current position allow for this experience? If done correctly, you can identify areas of unrest and areas where trust may have been damaged. You can then work to rebuild trust and re-engage and retain a good employee.

Moving Forward When Trust is Damaged

"Trust is like a paper, once it's crumpled it can't be perfect again. You can flatten the paper and try and make it as straight as you want, but it will never be perfect again." unknown

All hope is not lost. Even though trust may be damaged, it is possible to rebuild trust and re-engage someone to your business. The biggest mistake I see leaders and employees making is they try to restore the relationship to its previous state and "make things the way they were". This is a mistake and can not happen. Although it is possible to forgive something that broke-down trust, it is not possible to forget. We do not need to be defined by these actions; however, we do need to learn from them. Because of this new knowledge, it is not possible to go back to the way things were. To have a successful working relationship going forward, a new relationship needs to be developed based on a new foundation. This requires the effort of all involved. It requires an acknowledgement of the person who engaged in a behavior that broke down the trust to change the behavior for the better. It also requires the person who with whom trust has been damaged to trust again. If both of these do not occur or are not possible, building a new relationship is not possible.

The Old Relationship Must Die and a New Relationship Must Be Built

One question I ask both mangers and employees as they contemplate their current situation is, "is the relationship salvageable" and "is trust possible to restore"? If the answer is "no" to either question, from either party, they must agree to part ways. If they do not, neither will be happy at work and resentment will grow.

If the answer is "yes", the person who damaged trust needs to learn and implement new behaviors. Also, the person who was injured must allow time for new behaviors to become consistent and not rehash old conflicts. There are two things a company can do to assist a leader in this process.

"Rebuilding trust when it's been broken is not dependent only on the person who has broken it, or how many times they can prove they are honest. It depends on the person who has decided not to trust anymore. Though they may be totally justified in their decision not to trust, as long as they choose not to, the relationship has no hope of survival and should be ended. If or when they decide to trust again, there is hope reborn"

Doe Zantamata

Help Managers Who have Damaged Trust Start a New Relationship with Their Team

The first option is general leadership skills training. Many managers and leaders are thrust into a position without having the necessary skills to lead. It is assumed that if someone is good as an individual contributor, then they must make a good supervisor. If there is reasonable success there, they are often promoted to higher levels of responsibility until they become ineffective. Peter Drucker called this the *Peter Principle*. He stated that a company will promote someone to their highest level of incompetence. When this occurs, it often looks like the employee is at fault because they stopped performing. The opposite is true. If the company did not provide effective tools for the leader to be successful, the company is at fault. This is akin to asking someone in grounds maintenance to cut the 12 acres of grass around your building and providing them with a set of cuticle scissors. Then, you get upset because they have not completed the task on time.

There are several different approaches to leadership development training and one size does not fit all situations. In my experience, there are two things in common that lead to failure of leadership development training.

1) The training is based on theory and not tangible behaviors/strategies that the student can implement immediately
2) The newly trained behavior is not supported or reinforced at the workplace

Leadership training is often a band-aid to hopefully fix a problem. The reality is, it is not magic or the miracle pill that will fix everything. Before someone is sent to training, they should be told why they are being asked to attend and what results are expected. In other words, what behaviors are to be changed or learned and implemented at work? Without these expectations set in the beginning, the participant can not be expected to make the changes. Additionally, if the leadership of an organization does not support the newly trained behaviors, the new behaviors will not be ingrained and implemented. Managers and leaders need to know what will be learned and give the participant the opportunity to practice the new skills and develop them over time.

The second thing a company can do to assist a leader during this time of transition is provide leadership coaching. This is one-on-one coaching with the leader and a coach who is not involved with that part of the business. Ideally, the coach will be from outside of the organization who has a firm grasp on the culture and expected behaviors of leaders. I have seen an internal employee be an effective coach; however, they need to be neutral and truly have the best interest of the leader in mind. If they are involved politically or can be moved by other forces inside the company, they will not be seen as credible and the coaching will not likely be successful.

For coaching to be effective, it must be a short-term engagement. Normally, six sessions are enough to get the desired outcomes and determine if the coachee is

willing to change and try new approaches. Anything longer and it becomes too much like therapy. If additional time is needed, it should be limited or have new goals established.

Specific goals need to be established at the beginning of the relationship and agreed upon by the coachee, the coach and the manager/leader. The coaching sessions should remain private between the coach and coachee (absent information about damage to the company) to establish trust. The environment should be one of learning where the coach is skilled at helping the coachee understand the impact their behavior has on the workplace. In other words, a mirror should be held up for the person to see their own behavior. This has to be done in a way that does not demotivate the coachee, but allows for introspection and time to try the new behaviors.

The third piece of the puzzle is the leader needs to allow time for the coaching to be effective. It is unrealistic to expect immediate results. The environment needs to be one where the coachee can try new things and experiment. It is difficult to measure specific results with coaching. The main reason is if trust has been broken or damaged, it can take a long time to restore and results may take a while. When reviewing coaching to determine if it has been effective, you want to assess if the behavior has changed to support the rebuilding of trust. If there is progress in that direction, the coaching has been effective. This does not mean the relationship has been restored. As mentioned earlier, it takes both participants for this to occur. If behavior has changed is the key component. If the coachee's behavior has changed and the relationship is not getting better, it may be time to look at the other person in the relationship.

> *"The ability to establish, grow, extend, and restore trust is the key professional and personal competency of our time." –*
>
> *Stephen M.R. Covey*

The Foundation of Leadership

"The day soldiers stop bringing you their problems is the day you have stopped leading them. They have either lost confidence that you can help them or concluded that you do not care. Either case is a failure of leadership." – GENERAL COLIN POWELL

At the time of this writing, a couple of on-line searches were conducted.

Leadership
>Google - 1,920,000,000 pages
>Amazon – 70,000 options

Trust
>Google - 1,070,000,000 pages
>Amazon – 10,000 options

Trust at Work
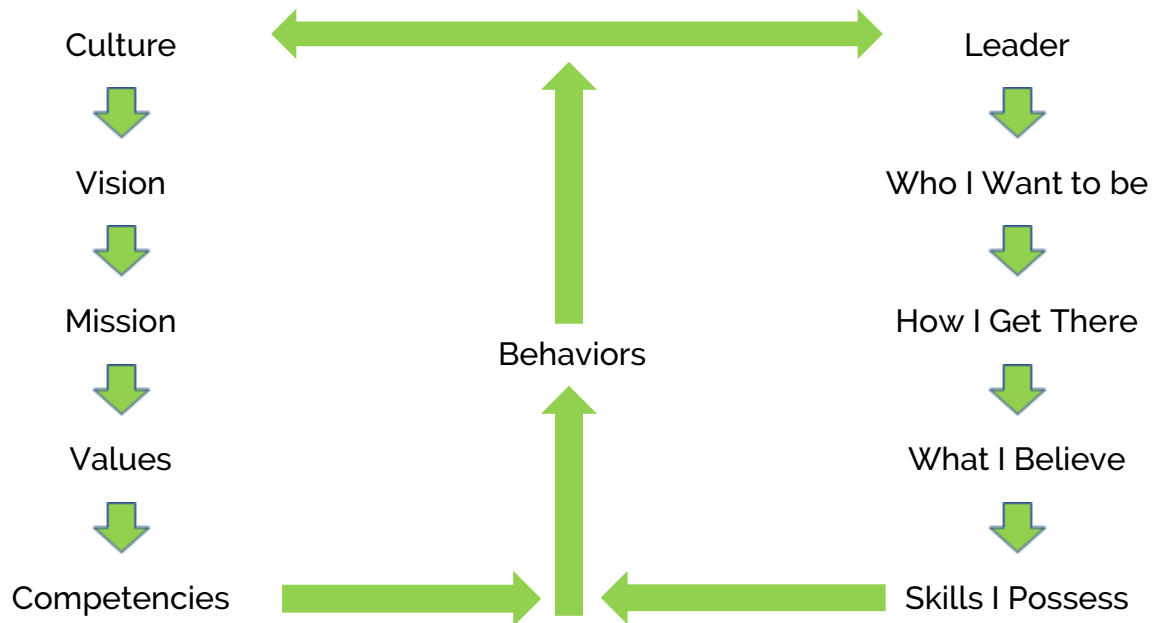>Google - 866,000,000 pages
>Amazon – 3,000 options

What this tells me is there are a lot of writings about leadership and a lot of people trying to figure it out. No matter your position in a company or role, from the CEO to the entry level employee, trust is at the foundation of success. Without trust, you do not have a relationship. Without a positive relationship, you have nothing but forced compliance.

> Without Trust, You Have Forced Compliance

Forced compliance does not foster engagement. Trust is born, established, built and rebuilt based on the behaviors we demonstrate towards each other. Those behaviors are defined by what we say, do, and allow to happen around us.

As we have discussed, culture is a vague concept that can be difficult to talk about in a meaningful manner. Leadership is much the same way. Most of us believe we know a good leader when we see them or work for them. It is great that we can recognize a good leader, but I have yet to see two or more leaders that are the same. Situations change.   Environments change. Circumstances change.

Trying to define effective leadership is making an assumption that people have the same life experiences, educations, values and are facing the same situation. This is not ever going to happen. Many have tried to define the characteristics of an effective leader while acknowledging this by offering models with several "leadership types". This still makes the assumption that all leaders will fit into a mold of 6 to 12 types. Let's take a look at leadership using the same model we used to define culture so we can have a meaningful conversation regarding the two.

Culture	↔	Leader
↓		↓
Vision		Who I Want to be
↓		↓
Mission	Behaviors ↑	How I Get There
↓		↓
Values		What I Believe
↓		↓
Competencies	→ ↑ ←	Skills I Possess

Organizational Culture and the Individual Leader

Culture and Leader top the respective models. Culture in an organization is present whether the people in the company want to believe it or not. It may not be defined formally, or there may be something in the employee handbook and on the walls. Culture is there, good or bad, and people experience the culture based on their filters and circumstances. Leadership is the same way. The impact of a leader is there, whether the leader wants to acknowledge it or not. They have an impact on those around them and the environment where they work.

Organizational Vision and Who the Leader Wants to Be

In the organizational context, the Vision is what an organization desires to be. The vision is an aspirational statement and is rarely attained. It defines a goal of what the organization wants to be, and it should guide all decision making. This is the same with leadership – we call this "Who I Want to Be". Some leaders have a personal vision statement. As with culture, this component is aspirational in nature and is rarely achieved. How leaders define this varies. Some try to mimic others from the past who they felt were great leaders or a mentor. Others attach themselves to an idea or a concept they read about in a book or article.

An insightful leader knows who they want to be and the impact they want to have. To quote Simon Sinek, they have found their "Why". They are not interested in just being a leader for the sake of being a leader. They understand the impact they

want to have on others and their environment. This vision guides their thinking and decision making as they aspire to become and live their purpose.

Organizational Mission and How the Leader Gets There

The Mission for an organization is the *how* the vision will be achieved. We will be the best service provider of X (vision), and we will get there by providing exceptional customer service at a reasonable cost (mission). This gets a little tricky when talking about leadership. When the leader knows who they want to be as a leader, they then have to determine how to achieve that goal.

As we grow and develop as human beings, we are exposed to different environments, stimuli and experiences. These experiences combine to provide the foundation of who we are and what we believe. They can shape our thoughts, emotions and reactions to things we experience. In this model, it is important for a leader to understand how their past experiences have shaped them. Equally important, it is important for the leader to not let their past experiences define them entirely. It is important to learn from past experiences, but the leader also needs to apply that learning to new environments in light of their leadership vision, or who they want to be.

The next component to how the leader gets there is ongoing growth and development. Having the understanding of one's blind spots is crucial in self-development. Taking steps to learn what to do about those blind spots and acquiring new knowledge and skills defines the future effectiveness of the leader. Times and situations change and if a leader becomes stagnant, they will eventually be left behind as they will no longer match their organization as it changes.

Organizational Values and What the Leader Believes

Values to an organization are commonly held beliefs we want everyone in the organization to hold themselves. For example, does everyone believe in innovation, customer service or continuing education? If these are identified as core values, then you want all employees to embrace these same values. The leader also needs to know what they believe in and value.

The leader's understanding of what they value is key to them leading others effectively. They need to understand their belief system and how it impacts those around them. If they join an organization with different values, there will be a disconnect and the leader will struggle. This unfortunate situation plays itself out in many areas. A company thinks it wants a new skill or way of doing things, but does not have the internal culture to support the new skills. This often falls on the new leader as the scapegoat for not performing; however, the true responsibility falls to the company. They hired someone that did not match their values, and they were not open to change in a way that supported their stated desired outcome (vision).

The leader's role in this is understanding what they believe and either create the environment where those beliefs are lived, find a company that matches their belief system or find a way to adjust their actions in a way that supports the values of the organization and not create internal stress within the leader.

Organizational Competencies and the Skills of the Leader

Competencies in the cultural sense and skills the leader possesses are the same thing. Competencies are a collection of skills desired by an organization and the skills a leader has are those they possess as a result of their experiences and continuing growth. The question becomes, does the leader display the skills in an appropriate manner that supports the values and competencies of the company. If the leader has the skills, does the leader have the desire to display those skills when necessary and have the support of the organization for learning and trying new skills as situations change? When this happens, we have a leader that is operating in a culture that is a match for both the organization and the leader.

Both organizational culture and leadership effectiveness are defined by the actual behaviors demonstrated in the workplace. Culture is defined by what the employees say, do and allow. Leadership is defined by what the leader says, does and allows.

Trust is built and broken down by behaviors. Trust is at the foundation of culture. Trust is at the foundation of leadership effectiveness. Trust is at the center of culture and leadership. In other words, culture and effective leadership cannot exist without trust. Leadership defines culture and culture is defined by the behaviors of its leaders. It is not possible to separate the conversation of culture from leadership and the impact of trust.

Culture ⟺ Trust ⟺ Leadership
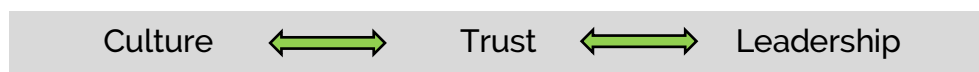
If you want to know why good employees are leaving or not engaged, look to see if something happened to erode or break down trust.

Based on this, leading in a way that fosters trust also fosters a culture where people want to come to work, provide discretionary effort and help a company be successful.

Before you try a new skill or try the new flavor of the week to increase productivity or quality, or before you blame the employee base as not caring, assess the level of trust with your team. This can be a difficult process and you have to be ready for the results as they are not always positive or what we think they will be. Be ready to listen and develop an action plan for change.

The conversation now changes from the abstract concept of culture or general leadership effectiveness and narrows it down to things we can impact – behaviors that build and break down trust. There is not a one-size-fits-all definition to either of these topics and I do not try to define them here. Behaviors that build or break trust can and are applied differently in every company as every organizational culture is different. This model provides the framework to analyze the desired culture of a company and leadership that may be successful in the company. Both are rooted in behaviors. When those behaviors match, there is likely to be success. When those behaviors do not match, you are likely to have confusion and discontent.

As culture, leadership and trust are intertwined, it takes courage to examine what is happening. As you start your journey, take people with you who support the organization, can provide accurate feedback and help make the connections between behavior and the performance of the company.   More effective yet, take someone with you who can help you understand the reflection in the mirror as you examine these culture and leadership components.

About the Author

Rob Burn is the founder and principal consultant at L & L Solutions, Inc. He has been in human resources and leadership development for over twenty years and specializes in helping new and experienced leaders navigate the often-challenging people side of the business. He has been told he can take a seemingly complex or difficult situation, break it down into manageable pieces and help develop creative solutions. His focus is on helping employers and leaders create a true competitive advantage through people practices. Rob is also produces the 15 Minute Leadership series designed to provide leaders with tools on an on-demand basis to help them navigates some common leadership and management challenges.

Rob holds a Master's in Business Administration degree from Robert Morris Graduate School of Business and a Bachelors in Psychology from Illinois State University. He is certified as a Senior Professional in Human Resources (SPHR) through the Human Resource Certification Institute and a Senior Certified Professional (SHRM-SCP) through the Society of Human Resource Management. Rob lives in Peoria, IL with his wife and two children, enjoys coaching youth sports and is active in volunteer activities in his spare time.