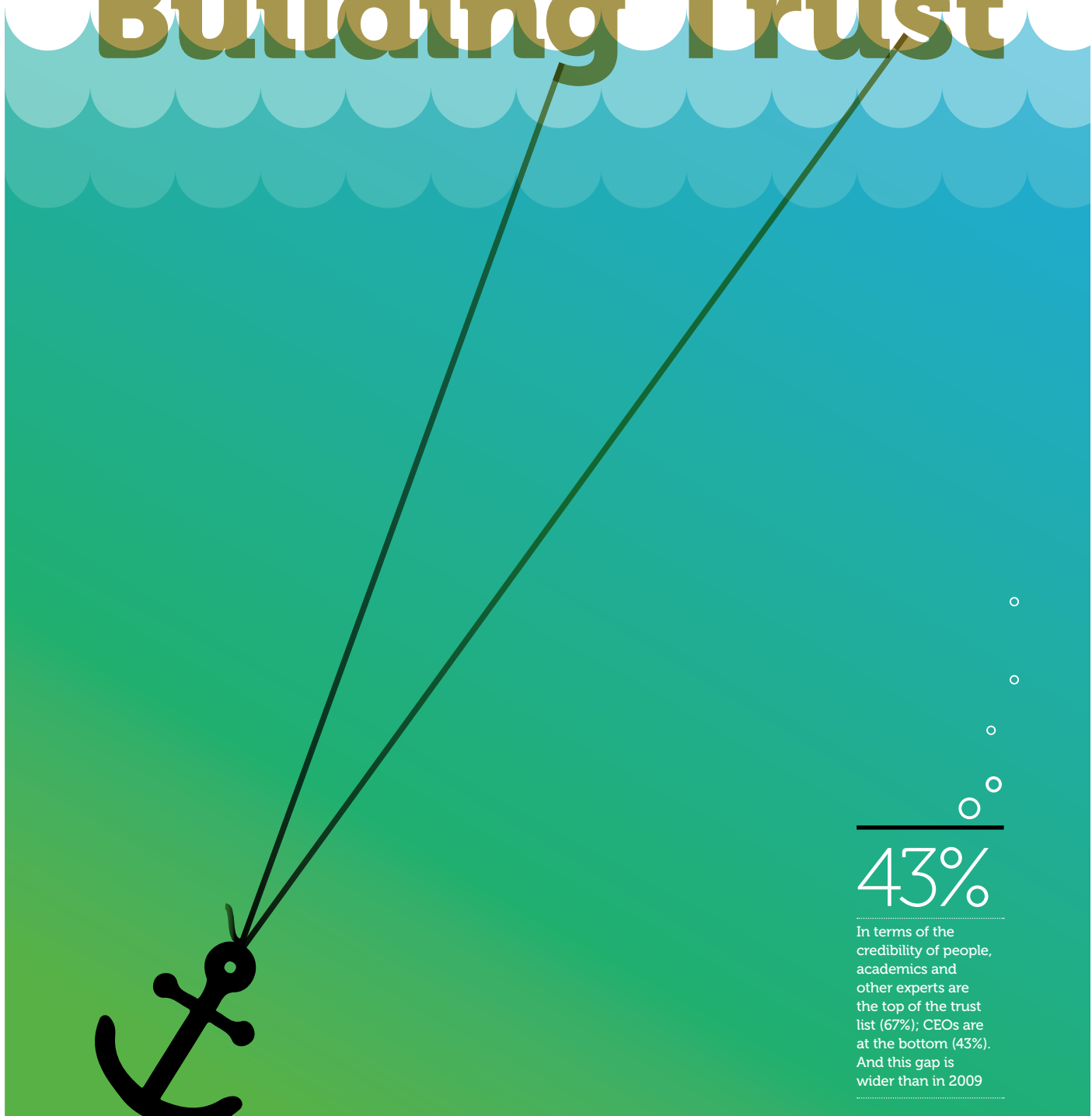


Confucius said that rulers need three resources: weapons, food and trust. The ruler who cannot have all three should give up weapons first, then food but should hold on to trust at all costs. **David Watkins** explains

The toughest leadership challenge?

Building Trust





Trust is the emotional glue that binds followers and leaders together. The accumulation of trust is a measure of the legitimacy of leadership. It cannot be mandated or purchased; it must be earned

112

After more than a decade of careful study of 112 considered characteristics, "honesty and integrity" stood out as being the most universally "desirable" leadership characteristics

2139

Bernie Madoff, having run the largest Ponzi scheme of all time and swindling some \$65 billion, was sentenced to 150 years in prison he will get to taste freedom sometime in 2139

Trust has become one of the most pervasive – and perhaps for that reason least noticed – aspects of social and business life. We need it in order to live at all. Think about how we conduct our daily lives – would you go to a dentist or doctor with a suspicious reputation?

Trust is like a bank account. You can make deposits and withdrawals. The higher the trust account, the more likely that the company (or person) will attract more business. We trust in the things that we have confidence in.

Therefore, leaders must deal and trade in trust. They should have an understanding of how trust is built, sustained and if necessary recovered. As Warren Bennis stated in his book *On Becoming a Leader*, one of the basic ingredients of leadership is integrity. Integrity is the basis of trust. Integrity, however, cannot be acquired – it must be earned.

Project Globe, a study conceived by Robert House of the Wharton School of Business in the US, set out to measure the most universally acceptable great leadership characteristics. After more than a decade of work and careful study of 112 considered characteristics, "honesty and integrity" stood out as being the most universally "desirable" of those leadership characteristics.

Nevertheless, we appear to be beginning to witness a crisis of trust in leadership. Too many scandals, too many examples of misused power and too many broken organisations are leaving us with a predisposed assumption that leaders cannot be trusted.

Take Bernie Madoff, for example. He ran what appeared to be a successful finance and investment firm and as a non-executive chairman of Nasdaq at the time presumably generated a perception of great integrity. One who could be trusted with an individual's life savings.

But hiding behind the mask was a leader who, according to Denny Chin, his federal trial judge, committed crimes of "extraordinary evil". Madoff, having effectively run the largest Ponzi scheme of all time and swindling some \$65 billion, was sentenced to 150 years in prison. Madoff has dealt his last card as, on paper at least, he will get to taste freedom sometime in 2139.

According to the Edelman Trust Barometer of 2014, trust in company leadership has plateaued. In terms of the credibility of people, for example, academics and other experts are the top of the trust list (67%); CEOs are at the bottom (43%). And this gap is wider than in 2009. This surely means that the time is ripe for business leaders to have the courage to act aggressively through transparent engagement in their activities.

Company results are driven by actions and actions are driven by attitudes, perceptions, behaviours and beliefs about what is right or wrong.

In the book *Leaders: The Strategies for Taking Charge*, co-written by Bennis and Burt Nanus, it is claimed that "Trust is the emotional glue that binds followers and leaders together. The accumulation of trust is a measure of the legitimacy of leadership. It cannot be mandated or purchased; it must be earned".

If this is true, then our leaders must recognise and understand within their leadership process how others around them feel. And this understanding must come from within – the head and the heart. Great leaders are able to face up to the reality that they need to manage stakeholder expectations and the dual commitments of relationships and results; not put one over the other. Maximising profit in the short-run may hurt trust-building with other stakeholders in the long-run.

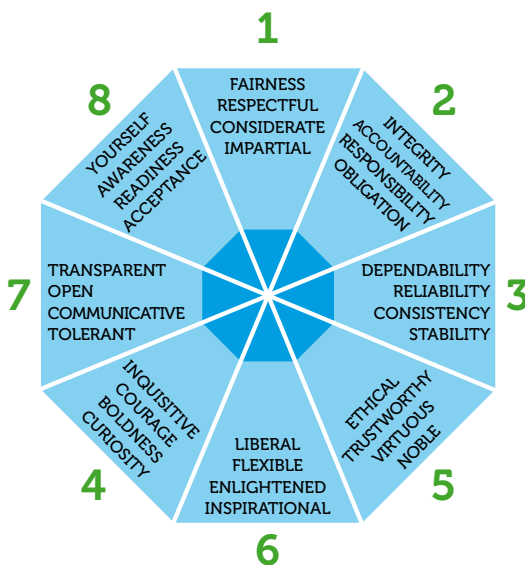
Perhaps, therefore, we should consider that establishing trust is much more about behaviour rather than processes. Good leaders are followed chiefly because people trust and respect them rather than the pure technical skills they may have.

If leaders can get this right, they typically produce consistently high performance almost any way you can measure it – gross sales, profits, talent retention, company reputation and customer satisfaction.

But where to start?

One approach is my pragmatic model the “Eight axioms of honest leadership”. (see diagram below) The model collates the traits and behaviours that I believe represent trust and honesty. These behaviours are grouped together into eight axioms. These further combine into the easy-to-remember acronym FIDELITY:

The axioms are not a list of tasks to plan and do. They are behaviours to consider and master. Leaders work at embedding these behaviours into observable actions in order that all or some can become habits. A leader should aim to achieve “habitual honesty”.



EIGHT AXIOMS OF HONEST LEADERSHIP

Anchoring the axioms

Actions that ranked highest in the Edelman survey included clear and transparent communication, telling the truth (regardless of how unpopular or complex it is) and regular engagement with employees.

But building trust is not just a matter of being truthful. Rather, it requires a concerted effort to change personal behaviour and, in doing this, careful consideration of the observable actions. Here are some ideas:

ANCHOR 1: Look in the mirror

The best place to start is with yourself. If you are honest with yourself you will be seen as honest by others. Self-awareness and control help demonstrate integrity and moral intelligence. Self-honesty starts with the recognition of your main responsibilities – to yourself, to your followers, to your organisation and to other stakeholders.

This also means accepting what you discover. If you suffer from self-delusion that everything is not your fault – for example, you lay the blame on difficult customers, an unreasonable boss or soft market conditions – then you mislead yourself and your team, and you will make faulty decisions.

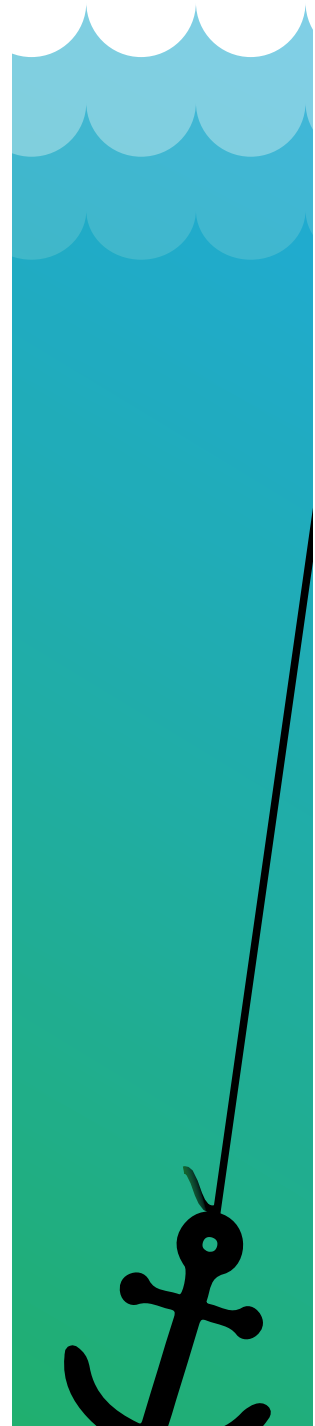
ANCHOR 2: Increase your focus

To build trust you need to focus on it. But when you focus on something it tends to increase. For example, if you focus on the fact that your car is old and needs expensive repairs, you get a bit depressed.

Then when you think about this and focus on it, what happens? You start to think of other things that you had forgotten about and you need to repair – the crack in the bathtub, the kids’ broken bikes and so on. Focus increases the thing you are focusing on.

With this in mind, try to focus on the things you need to do to instigate the axioms. Think about just one thing.

For example, if you are the type who tends to work behind a closed door, think for a few minutes about the message that your closed door provides to your team. Does it demonstrate that you are ready to guide others and act as an inspirational leader? Probably not – how could it when you put up a barrier between yourself and your followers? Focus on keeping it open.



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Honesty and building trust is a never-ending job; you have to maintain your focus to do these things and continually question yourself and monitor your actions

ANCHOR 3: Communicate with inspiration

Of course you know it is critical to communicate. I do not mean a town hall meeting and assuming everyone is on board – the success of any communication lies within the receivers' heads; they determine if they understood and accept your message.

Some simple rules:

Do not lie or hide the truth

Eventually lies will catch you. Tell it like it is. If it is bad news, say so. But tell people what you are doing to make it better. If it is good news, say so and thank people. Be humble. Integrity starts in your communication.

Be personal

Do not be afraid of sharing experiences and telling stories. If you stay at arm's length then you can expect others to hold back and stay reserved. This will not promote a transparent and trusting culture and is not inspirational. Open up.

Avoid vagueness

Specificity is better than ambiguity. Learn to communicate with clarity. Simple and concise is better than complicated and confusing.

Focus on giving

The best communicators are adept at transferring ideas, aligning expectations, inspiring actions and spreading their vision. Communication is not for you – it is for your followers.

Listen first

Great leaders know when to dial it up, dial it down and dial it off (mostly you should focus on down and off). This is not about all-round dialogue.

Be empathetic

Ensure that your communication is candid, empathetic and caring and not full of an inflated ego.

Be aware of your gaps

Be aware of what you are not saying or doing.



ANCHOR 4: Look around, benchmark the best

If you see a great idea there is no reason to be ashamed to borrow it and adapt it to your needs. As the great investor and philanthropist Warren Buffet said: "It's better to hang out with people better than you. Pick out associates whose behaviour is better than yours and you'll drift in that direction". Look out for your benchmarks wisely and follow them.

ANCHOR 5: Show your care

This is vital as you have to execute with people not processes. This means you must show the people that you care about them and build a baseline trust. And people will determine the success or failure of your efforts.

Finally, honesty and building trust is a never-ending job; you have to maintain your focus to do these things and continually question yourself and monitor your actions. What are you waiting for?

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ABOUT THE AUTHOR

David B Watkins is a consultant, coach, author, facilitator and leadership shaper with over 20 years business and leadership experience across the world. He recently published his first leadership book *Where's my dog? The Search for Honest Leadership* available in Amazon stores worldwide.
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