Cultivating A Culture Of Trust: The Ultimate Competitive Advantage

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Whether a business incident makes headlines or stays within the walls of an organization, we often wonder what went wrong. Of course, things can go wrong due to logistics, process, management and other reasons. However, in the majority of cases, all business incidents have one root cause: lack of trust.

A lack of trust is always a business risk, but especially so in the backdrop of the Covid-19 pandemic. It's more important than ever to safeguard your organization from setbacks by cultivating a culture of trust.

But first, what exactly *is* trust? There are various definitions. I've been helping individuals and organizations build cultures of trust for over 30 years, and when I work with them, I take them through an exercise where I have them come up with their own definition of the term. However, in its simplest form, trust results from a high correlation between expectations and observed outcomes. In my three-part article series, I'll walk you through everything you need to know about building trust. But first, let's start with the many advantages your business will gain by creating a culture of trust.

At its core, trust creates psychological safety. Your employees won't be scared to be vulnerable; they'll show up to work as their authentic, genuine selves. The valuable emotional and intellectual energy they would have spent fretting about, say, whether or not they'll look bad making a suggestion about a project's scope or desired outcomes will be freed up. Instead, they'll be able to focus on more important matters that will grow your business, such as brainstorming a new product line or fixing a customer retention issue.

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By extension, once people feel psychologically safe, they'll be more comfortable with challenging the status quo, pointing out errors and flaws before you go public with a new product or idea. It could be a matter of life or death. Consider this: what if Boeing engineers had felt like it was OK to speak up about the 737 Max aircraft model? Countless deaths could have been avoided.

When they're no longer afraid of looking bad or being perceived as out of line, people will be more likely to contribute in meaningful ways on a day-to-day basis. I call this "trading intellectual paint." Just like how race cars can scuff each other up a bit (but not crash) and exchange some paint, so can employees. They'll have the mental and emotional space to be more creative, or, depending on the field they're in, more innovative. For instance, your customer success manager might feel more empowered to start a conversation with your lead developer about how users are having a difficult time with a new feature. This conversation can lead to resolving the issue and possibly even more, such as a new feature idea altogether.

Additionally, having a high degree of trust at work creates transparency. People will be able to hold themselves and each other accountable. They'll be able to own when they make mistakes and work towards bettering themselves—instead of just emotionally checking out. This growth mindset approach is a hallmark of successful sports teams. Coaches will show players a recording of the game and break down exactly what went wrong. In turn, players have a heightened sense of accountability and personal responsibility for their performance on the field.

There's another benefit to transparency, too—it can ward off malfeasance. People with fixed mindsets and bad work ethics are good at sensing transparent cultures and will self-select out.

Ultimately, when it comes to trust, the numbers don't lie. According to the Harvard Business Review, employees at companies with higher degrees of trust experience 74% less negative stress, 106% more energy at work, 50% higher productivity, 13% fewer sick days, 76% more engagement, 29% more satisfaction with their lives and 40% less burnout.

Throughout the Covid-19 pandemic, many companies have shifted to remote work and are navigating other business challenges, such as declining revenue. We've seen how critical it is to have a culture of trust. Companies with higher degrees of trust have had a much easier time adapting to these changes because employees feel empowered to speak up.

When there's a jolt in the system, your ability to respond quickly in creative ways will make or break you. In my next two articles, I'll help you work through some of the fundamental roadblocks to building a culture of trust and show you the tools you can use to do so.

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