



BUILDING A WINNING CULTURE: INSPIRE TRUST

In his classic book, *The Speed of Trust*, our colleague Stephen M. R. Covey explained that the first imperative of a leader is to inspire trust. It's to bring out the best in people by entrusting them with meaningful stewardships, and to create an environment in which high-trust interaction inspires creativity and possibility.

**“TRUST IS THE
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— STEPHEN M. R. COVEY

TRUST — A PERFORMANCE MULTIPLIER

Only 10 percent of workers trust their bosses to do the right thing, and only 14 percent believe their company's leaders are ethical and honest. Less than a fifth of the general public trusts business leaders to be ethical and honest.

For companies known as being trusted, the bad news is good news. People are hungrier than ever to do business with people they can trust. A Watson Wyatt study found the high-trust organizations outperform low-trust organizations in total return to shareholders by threefold. Why is that?

Consider this: Trust always affects two measurable outcomes — speed and cost. When trust goes down, speed goes down and cost goes up. This creates a *trust tax*. When trust goes up, speed goes up and cost goes down. This creates a *trust dividend*. It's that simple, real, and predictable.

How do you feel about relationships where trust is high? How effective is your communication with a person you trust? In our experience, it's easy and fast. Conversely, when trust is low, communication is nearly impossible, even about the most trivial things.

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Once we understand the hard-edged, measurable economics of trust, we can see the quantifiable impact everywhere. While these trust taxes don't show up on the income statement, they're still there, disguised as other problems: redundancy, bureaucracy, politics, disengagement, turnover, churn, and fraud.

When trust is high, the dividend we receive is a *performance multiplier*, elevating and improving every dimension of the organization: increased value, accelerated growth, enhanced innovation, improved collaboration, stronger partnering, higher engagement, better execution, and heightened loyalty.

In an organization, trust is critical both internally and externally. In fact, given the performance-multiplier effect of high trust, leaders who used to campaign to be the “provider of choice” in their markets should now campaign to become the *most trusted* provider. Those who make building trust a priority are going to have a strategic advantage.

THE JOB USED TO BE...	THE JOB THAT YOU MUST DO NOW...
To become the provider/employer of choice in your industry	To become the <i>most trusted</i> provider/employer in your industry

TRUST STARTS WITH WHO YOU ARE

Your personal credibility is the foundation on which all trust is built. Credibility is a function of two things: your character (who you are—your integrity and intent) and your competence (what you can do—your capabilities and results). Competence is visible above the surface, while your character, like the roots of a tree, lies beneath the surface and feeds your success—or your lack of it.

THE MOTIVE THAT BEST BUILDS CREDIBILITY AND TRUST IS WHEN YOU CARE ABOUT THE PEOPLE THAT YOU'RE LEADING — AND THEY KNOW YOU CARE ABOUT THEM.

If we were doing business with you, and you knew that we had all the right professional qualifications and skills but didn't keep our word, you wouldn't trust us. Our lack of character would prevent you from doing business with us, even though we might be the best at what we do.

Conversely, if we were doing business with you, and you knew that we were honest and cared about you, but that we didn't have the right capabilities, were no longer relevant, and didn't have a track record of results, you also wouldn't trust us. Our lack of competence would undermine the trust, even though we might be extremely honest and caring.

Drilling a level down on the character and competence dimensions enables you to assess yourself against what Stephen M. R. Covey calls “The 4 Cores of Credibility”—the first two cores belonging to character, and the second two belonging to competence.

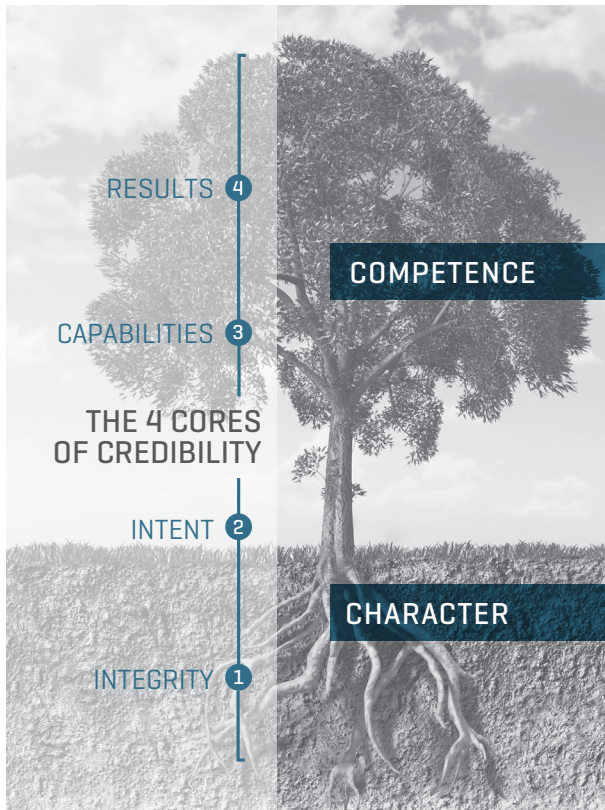
The first core of credibility is *integrity*. To use the metaphor of the tree, integrity is the root. It means honesty, truthfulness, and congruence. It means doing the right thing and sticking to your word.

The second core of credibility is *intent*. In our tree metaphor, it's the trunk—part of it is beneath the surface, part of it is above. Intent refers to our motive and agenda. The motive that best builds credibility and trust is when you care about the people that you're leading—and they know you care about them. The agenda that best builds credibility and trust is when you are open and seek

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mutual benefit — that's called win-win. Think about it: When you suspect someone has a hidden agenda, you question everything they say and do.

THE 4 CORES OF CREDIBILITY



The third core of credibility is *capabilities*. On our tree, capabilities are the branches that produce the fruits. Capabilities refer to your ability to inspire confidence. The key question here is this: Are you relevant? A doctor might have integrity and his motives might be good, but unless he's trained to perform a particular task at hand, he'll be lacking in credibility.

The fourth core of credibility is *results*. Results refer to your track record and performance, and they matter enormously to your credibility. As Jack Welch said, having results is like having “performance chits” on the table. They give you clout. They classify you as a producer, a performer. Results are

what convert the cynics. Returning again to the metaphor of the tree, results are the fruits — the tangible, measurable, end purpose and product of the roots, trunk, and branches.

Each of these four cores — integrity, intent, capabilities, and results — is vital to personal and organizational credibility.

TRUST IS STRENGTHENED BY HOW YOU ACT

After credibility, the other key building block to trust is *behavior*. People not only judge your results, they also judge how you achieved them.

The Speed of Trust identifies thirteen high-trust behaviors, including keeping commitments, righting wrongs, practicing accountability, demonstrating respect, listening first, and talking straight. The opposites of these thirteen behaviors destroy trust: breaking commitments, denying wrongs, shirking responsibility, showing disrespect, failing to listen, and lying. While the behaviors are straightforward,

RESULTS ARE WHAT CONVERT THE CYNICS.

all too often they are uncommon. More frequently, people and organizations use *counterfeit behaviors*, like “spinning” a story instead of telling it straight, covering up a mistake instead of righting the wrong, having hidden agendas instead of creating transparency, blaming others instead of practicing accountability, and overpromising and underdelivering instead of keeping commitments. It's fairly obvious the opposite behavior will destroy trust (e.g., lying), while the counterfeit behavior appears to work but ultimately diminishes the trust (e.g., spinning).

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BUILDING TRUST AT FRITO-LAY

While studying and applying Stephen M. R. Covey's work on trust, the executives of Frito-Lay became fascinated with the idea that building trust could speed things up and lower costs. "Frito-Lay was never a low-trust company," Covey says, but CEO Al Carey wanted to reignite the corporate culture. Like all good leaders, he wanted things to be cheaper, faster, and better, but he also wanted to energize and engage his people.

The methodology transformed Frito-Lay. Hundreds of bureaucratic rules and procedures were swept away. Layers of decision making were removed. "We didn't just teach skills—we changed the culture," says Cheryl Cerminara, a vice president at Frito-Lay.

For the first time they critiqued their untrustworthy behaviors. They held regular "Trust Talks" at every level, identifying and winnowing out problems. They held quarterly meetings to evaluate their progress in becoming a trusted company. "We learned to trust each other," Carey said. "So there was no need for the extra bureaucracy."

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THE COMPANY."**

— AL CAREY, FRITO-LAY CEO

In 2008, the company faced a sudden spike in fuel prices and the worst economic collapse in seventy years. Then the cost of their raw material—potatoes—went up tenfold because heavy rains spoiled the crops. Financial disaster threatened. But Frito-Lay was ready with a new perspective and a new skillset. With their highly accelerated

decision-making processes, they navigated through the threat. The entire pricing system was quickly and effectively reengineered. "What would normally take us two months of wrangling, we did in ten days," Carey said.



Instead of suffering financial disaster, Frito-Lay shot past expectations. "It was the best profit growth we'd had in ten years," Carey said. "I credit the Speed of Trust process. We moved through decisions that are enormously complex at breakneck speed. We made five sets of tough decisions throughout the whole year, and we never before would have been able to make those decisions as quickly as we did...It's the most exciting culture change I've seen in my 28 years with the company."

As a leader, your influence counts. By building up your own credibility and then behaving in ways that establish trust, you'll inspire high-trust behavior in others.

Watch the full Frito-Lay story on our web site.

ACTION PLAN

ABOUT THE 13 TRUST BEHAVIORS:

Which of these behaviors are strengths for you? Which ones do you need to work on? What will you do about them?

CONSIDER THE KEY RELATIONSHIPS IN YOUR LIFE:

What are you doing that is potentially eroding trust? What will you do to improve the level of trust?

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BUILDING TRUST: ACTION STEPS

To begin the process of building trust within your team follow these four steps:

STEP	CHECKPOINTS
1. Assess Your Character	Integrity How do you view your own actions? Are they aligned to your own deepest values?
	Intent What's your agenda? Is it hidden or out in the open?
2. Assess Your Competence	Capabilities Can you deliver what you promise? Are you still relevant?
	Results What's your track record?
3. Practice the 13 Trust Behaviors	<ol style="list-style-type: none">1. Talk straight. Are you honest? Do you tell the truth?2. Demonstrate respect. Do you genuinely care about the people around you?3. Create transparency. Do you tell the truth in a way people can verify for themselves?4. Right wrongs. Do you apologize quickly? Do you make restitution where possible?5. Show loyalty. Do you give credit to others? Do you badmouth people behind their backs?6. Deliver results. Do you get the right things done?7. Get better. Are you a constant learner?8. Confront reality. Do you address the tough stuff directly?9. Clarify expectations. Do you write them down? Do you discuss them? Do you violate them?10. Practice accountability. Do you take responsibility for results, good and bad?11. Listen first. Do you assume that you know what others think and feel without listening?12. Keep commitments. Do you attempt to spin your way out of a commitment you've broken?13. Extend trust. Do you trust others based on the situation, the risk, and credibility of the people involved — but err on the side of trust?

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TRUST AS A COMPETITIVE ADVANTAGE

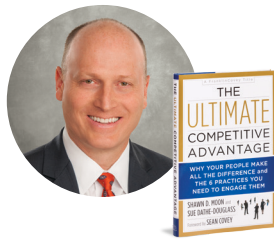
There is a significant, direct, measurable, and indisputable connection among high trust, high speed, low cost, and increased value. Inspiring trust and extending trust are often the keys to gaining an unbeatable competitive advantage. And creating such trust is a

skill — a performance multiplier — and arguably the key leadership competency needed in today's low-trust economic environment.

Learn more about the fifth key practice to engage your people in our next white paper, *Building a Winning Culture: A Legacy of Sales Leadership*.

Ready to build a winning culture in your organization? Contact us at 1-888-868-1776 or visit franklincovey.com.

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For over 30 years, Shawn D. Moon has worked with clients across the globe, bringing experience in leadership and management, sales and marketing, program development, and consulting services to help them achieve remarkable results. His deep knowledge and robust experience inspires others to become leaders through personal effectiveness and execution. Shawn is the author or co-author of several books, *Talent Unleashed: 3 Leadership Conversations to Ignite the Unlimited Potential in People*, *The Ultimate Competitive Advantage: Why Your People Make All the Difference and 6 Practices You Need to Engage Them* and *A Winning Culture in Government: The Ultimate Mission Essential*.



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Sue Dathe-Douglass draws on more than 30 years of organizational and leadership experience, and is a catalyst for high performance and engagement at all levels of the organization. Sue joined FranklinCovey in 1996 as a Leadership Delivery Consultant responsible for designing, developing, and delivering customized leadership engagement solutions that met the unique needs of her many clients. She is the co-author of *The Ultimate Competitive Advantage: Why Your People Make All the Difference and 6 Practices You Need to Engage Them*.