

July 10, 2015

LOL Journal: **Trust: The Performance Platform**

Trust is core to high performing teams. We all know this. As one wag put it: “Trust is not important to team performance, unless you want to win.” Indeed, some teams manage to perform even with low trust levels, but that’s a bit like a car traveling on four flat tires. Yes, it gets from point A to point B, but it’s a rough ride.

So, today’s LOL journal entry is a review of trust:

1. Why is trust important to successful teamwork?
2. What are the steps in building trust?
3. How do you repair it? Can you?

Webster’s defines trust as: firm belief in the reliability, truth, ability, or strength of someone. The factors that lead to trusting someone have been well researched, and we’ll discuss them further below.

Trust: why it matters?

So, why do we care about trust? A fair question. In FCG’s experience, trust contributes hugely to the “workability” of a team. In short, the ability of a team to work well together. Trust enhances a team’s candor, which in turn helps to address and resolve conflicts. Candor also improves decision making, as more relevant information gets brought to the discussion. Trust improves not only the quality but the speed of decision making. Trust helps team members to stay curious and open in the face of challenges, rather than getting defensive and creating corporate “drama:” blaming, finger pointing, gossiping, and manipulating. Trust allows teams to survive the tough times. And, importantly, trust allows for continuous improvement. If I trust my co-workers, I am much more likely to give and receive useful feedback because I know their intention is good. They want to help.

Interestingly, even on teams which have low levels of trust—measured by surveys—the individual team members tell us that they want to be trustworthy. So, the paradox is: all the team members want to be trustworthy, but the team has low trust! So, how do you close that gap? What are the steps to building or re-building trust on a team?

Steps to building trust: it’s a skill

In an article called “The Decision to Trust,” author Robert Hurley shares his research into the elements that contribute—or detract—from trust. FCG uses these elements in a scorecard that measures the level of trust between two team members. The elements are as follows:

1. **Frequency of communication, or simply familiarity.** Opportunities to meet with team members face-to-face on a regular basis builds familiarity and leads to greater likelihood of trust. As a first step to trust building, leaders should promote opportunities for their team members to meet and chat with each other.
2. **Similarities.** People tend to trust those who are similar. Similarities may include common values, membership in a defined group, and shared personality traits. In deciding how much to trust someone, people often begin by tallying up their similarities and differences. For this reason, FCG encourages firms to define their core values, so that staff members KNOW the common values and, therefore, can feel more trusting of their colleagues. In the modern workforce, where diversity is common, the core values may be the most important glue that binds team members together.
3. **Alignment of interests.** This one is really important. If I feel that my team mates and I are well aligned around common purpose, values, and incentives, I am much more likely to trust them. After all, we are all trying to achieve the same thing so why wouldn't I trust them! But leaders can create trust problems when their incentive systems pit team members against one another. Trust is much harder to establish when there is internal competition.
4. **Benevolent concern.** Trust is often an issue between two people when one or both is viewed as self-centered. It is easier to trust people who care about us and look for win/win outcomes. It is harder to trust people who have win/lose frameworks and are "out for themselves."
5. **Capability.** All of the above factors mean very little if a co-worker is incompetent. I won't feel comfortable turning a client over to a colleague who repeatedly drops the ball. In a professional sense, I will only trust colleagues who are good at their jobs.
6. **Predictable and Consistent.** Team mates who are reliable are more trustworthy. Erratic behavior contributes to distrust. One of the marks of integrity is making and keeping clear agreements, that is words and actions aligning. Colleagues who say one thing and do another lack integrity. The result is distrust.

People who practice these six behaviors build strong bonds of trust with their team mates. In a perfect world, we would all busily work towards a steady increase in trust levels, until trust was absolutely flawless. But in the real world, all kinds of events and challenges arise which damage trust. Therefore, good teams are ever-vigilant around watching for trust ruptures, so they can address them quickly. FCG has worked with countless pairs of investment professionals who once had "perfect trust" for each other, but now are suspicious of the other party. John Gottman (discussed in Gladwell's book, **Blink**) is an expert on human relations and has studied carefully the erosion of trust. It follows a fairly well-defined path:

1. **Defensiveness.** Events occur in which I start to feel defensive around the other person. I feel my guard go up around the other person. I notice that I don't feel comfortable being completely open and candid with this other person.

2. **Critical**. At this second level I move beyond just feeling awkward or guarded to being critical of them. I find myself gossiping about them to third parties, often trying to confirm my suspicion that the person is, in fact, untrustworthy.
3. **Stonewalling**. This third phase involves avoiding the person. I consciously leave them out of meetings and do not copy them on emails. I write them off.
4. **Fundamental ill-will**. At this bottom level, I have determined that the person is bad and that no one should trust them. They are fundamentally flawed such that they are untrustworthy.

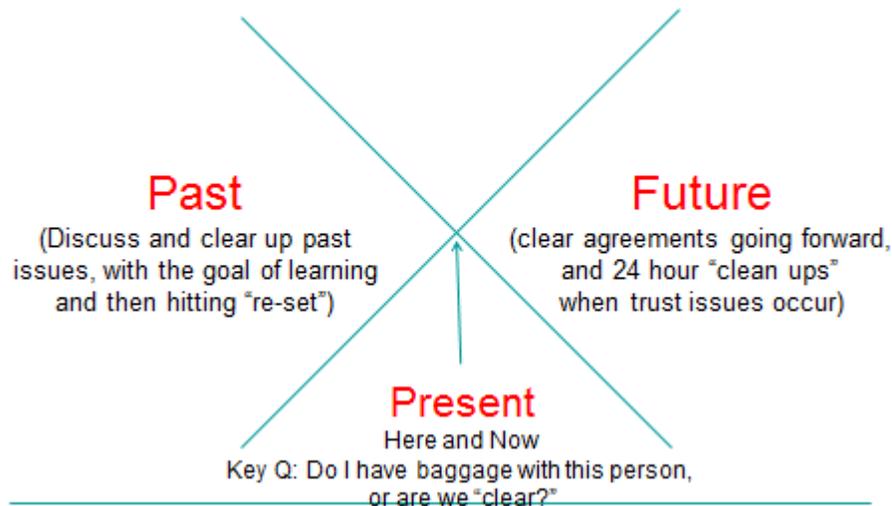
As I stated earlier in this piece, FCG has yet to meet a person who says, “I am pretty untrustworthy and I don’t care!” And yet, we OFTEN hear from clients that so-and-so is fundamentally untrustworthy! So, there is the “trust gap.” Everyone wants to be trustworthy, but many are viewed as completely untrustworthy by team mates. (Note: FCG’s view is that there are sociopaths who are fundamentally untrustworthy, but we’ve met very few in our client work. Nearly everyone can become trustworthy if they care to.)

Repairing and rebuilding trust: ever vigilant

Obviously, if you and your team mates enjoy high levels of trust—based on the factors listed above—then that’s wonderful. You just need to maintain it by continually addressing and resolving small issues so that they don’t fester and become big ones. Ray Dalio at Bridgewater calls this “staying in sync.” FCG calls it “cleaning up” trust issues.

But what about trust issues that have festered and grown into Gottman’s third or fourth level? (FCG calls them G3 or G4 levels.) Is there any way to fix them? The answer is yes, if the parties are willing to. Of course, the problem at G4 level is that you may really believe that the other person is fundamentally untrustworthy. They are one of those sociopaths that just can NOT be trusted. My only response to this stance is what I said earlier: FCG meets very few people who fit this description. We do meet people who are very sloppy around trust and deserve the “bad reputation” they have built. But these people are not fundamentally “evil” and are not unconcerned about being trustworthy. They’re just careless and un-conscious about their behavior. They can do better.

So, if both parties are willing to fix the trust issues, here is a reliable process for doing it. Start with this framework:



The steps are as follows:

1. **The past.** Open up the door to the past. Allow each party to go back and discuss actions and attitudes that caused the trust issues. Use the Trust Scorecard described above to score the other person on a scale from 1-10. For example, “On the capability factor, I would give you a 9. You are very good at your job. However, on the benevolent concern factor, I would give you a 3. You seem to be only interested in yourself and willing to throw people under the bus.” Obviously, it helps to have a neutral third party facilitate these sessions because they can get heated. In the case I just cited, the facilitator might ask for examples: what actions constitute “throwing someone under the bus? When did that happen?” Often in these sessions, there are some significant “ah-has” and valuable insights. Remember: all people have significant blindspots. The person hurling team members under the bus may not realize that he is doing it! Or may have rationalized it—we’re all good at this skillset!—so that it didn’t seem like a big deal to him. A skillful facilitator will help the person take responsibility for his actions without embarrassing him. Also, the facilitator should remind the participants that “holding on to grudges” doesn’t serve any purpose. In these discussions, the goal is to clear out the past. Each person will surface the infractions, clear up any misunderstandings, apologize where appropriate, and then let them go. Keep exploring the past—using the scorecard--until both participants can honestly say, “ok, I better understand the past, can let it go, and start fresh.”
2. **The present.** If the facilitator can get the two people to let go of the past and get “present” in the here-and-now, then there is every chance for reconciliation. The work at this stage is to discuss and make clear agreements going forward such that the old problems don’t crop up. In the case we’ve been using as an example, the facilitator could help them create a “no bus throwing” agreement, in which each party clearly understands what happened in the past and what will NOT happen in the future. All of the agreements should be written out clearly, and the facilitator should test with participants that it actionable and that they do agree to it.

3. **The future.** Once the “rules of engagement” are crafted, the work then becomes monitoring each other’s behavior. The 12-step concept of “one day at a time” is very useful here. Obviously, the parties won’t trust each other just because they’ve cleared the air and made some agreements. They will have to monitor the behaviors and follow the “trust but verify” concept. FCG has used this process successfully many times. It works if the people are truly committed to being trustworthy. Fortunately, most of us are.

Oh yes, and one more thing. This process requires a lot of courage. I always appreciate each person who is willing to do this work. It’s not for sissies. You may have to look at your own behaviors that are less than pretty. But there are huge payoffs. So, don’t labor under the delusion that “what we don’t know won’t hurt us.” Yes, it will. If there are trust issues on your team, sooner or later they will bite you. So, have the courage to surface them and resolve them. It will pay big dividends.

Curiously yours,

JW