7 Critical Traits for Building Trust in Companies

Posted by David Grossman on Mon, Jan 22, 2018

Trust everywhere is eroding. The lack of trust inside business today is especially troubling, as reported by numerous studies over the past several years.

In 2017, Edelman's Trust Barometer underscored the scope of the problem, revealing the largest-ever drop in trust across government, business, media and non-governmental organizations. As just one measure of the trust problem in business, CEO credibility dropped 12 points globally to an all-time low of 37 percent, falling in every country studied.

On the other hand, there is clear evidence that focusing on trust pays off for organizations, which means it's well worth the effort to make trust a priority in today's business climate.

Trustworthiness Has a Financial Benefit

For instance, the corporate advocacy organization **Trust Across America** recently reported that trustworthiness has a significant financial pay off. The organization has studied corporate integrity in America's largest 2,000 public companies since 2010, identifying companies whose leadership goes well beyond legal requirements to get at what's truly right for all stakeholders. The organization reports that during the three-year period from February 2013 to February 2016, America's most trustworthy public companies outperformed the S&P 500 by 1.8 times.

"An organization's chances at long-term success are predicated on the level of trust it builds with all its stakeholders," said Barbara Brooks Kimmel, CEO and co-founder of Trust Across America, in a recent blog post.

How, then, can companies and leaders become more trustworthy?

After decades advising corporate leaders, I've come to recognize some common traits of trustworthy companies. All the traits lead to greater performance, including better collaboration, communication, innovation, stronger relationships and a greater esprit de corps.

I've seen this in my own work with corporate clients – companies focused on trust are winning the war for talent and customers. Employees want to work for companies that trust their people and are trusted in the marketplace.

In pursuing genuine trust, leaders need to strive for a consistency of words and actions that stand the test of time, and lead to a real relationship. That relationship needs to be motivated by meeting mutually beneficial needs, not selfish needs that only benefit one party. (I shared some of what I've seen work for leaders looking to build trust in a recent article for *Fast Company*, "The Five Things that Trustworthy Bosses Have Mastered."

Traits That Help Build Trust in Organizations

Building trust doesn't have to be a daunting task. To begin a greater commitment to trust in your organization, here's some important traits worth adopting:

Trait 1: Company purpose, values and culture are defined, employees know how to practice them and bring the strategy to life, and there are systems in place to support what's important and valued.

In companies with this type of DNA, company policies, procedures and systems, including rewards and recognition systems, reinforce what's important. There are also consequences for behaviors that are not in sync with the company values.

Trait 2: Leaders act in respectfully authentic ways that are consistent with the purpose and values of the company.

It makes sense that employees work best for leaders who are purposefully building and managing trust.

The first step for leaders is giving employees their own trust. Once that's established, employees return the favor by beginning to trust their leaders as well.

Respectfully authentic leaders also know that leadership is about focusing on others, being humble, operating with grace under pressure, and having quiet courage to bring more humanity to the workplace. These types of leaders care deeply about respect but also honesty – getting to the heart of the matter, yet in kind ways. These leaders also look to every interaction as an opportunity to connect with others.

Interested in learning how to lead in a respectfully authentic way so you can be your best self, motivate your team(s), and get results? In this eBook, I tell my story of self-discovery, and stress the value of leaders living authentically. Click here to get started on your journey to becoming a more authentic leader.

Trait 3: The company establishes a culture of transparency and places a strong value on telling the truth, even when it hurts.

Organizational communications are a priority in trustworthy organizations, and the communication is timely, relevant and focused on what employees need to know and why. Leaders are fully transparent in what they say, especially during times of change, sharing with employees what they know, when they know it.

Leaders are also transparent about what's working and what's not with their teams and other people. They create a feedback-rich environment focused on getting even better. Failures and learnings are celebrated, as are the big wins.

Trait 4: The organization makes communicating with their own employees a priority, and tries to ensure that leaders communicate first with their employees, before any other stakeholders.

In trustworthy organizations, there's a strong focus on internal communications and helping to ensure every employee is connected to their job and the organization's strategy. Employees feel motivated and inspired to contribute their best.

Trait 5: Trustworthy organizations focus on belonging, which goes well beyond simply valuing diversity and inclusion.

Savvy organizations know that seeking diverse perspectives leads to important outcomes. As such, diverse perspectives and people are valued and alternative points of view are welcomed.

From this strong culture, employees begin to feel a sense of belonging, which increases productivity and engagement. (On the opposite spectrum, employees who don't feel like they belong often feel disengaged, detached and not invested in the company's success).

Trait 6: There's an emphasis on relationships versus transactions, both internally and externally.

This is about recognizing that trust is ultimately about building strong relationships, ones with intimacy and vulnerability.

Employees in these organizations receive a fair, relevant and motivating employee value proposition, or "deal" outlining what they can expect from the company. That deal reflects both what the employees want and what the company expects in return.

At the same time, leaders are focused on helping the best people grow and develop, and want to see their employees make a positive contribution to the company.

Externally, customers can trust employees to deliver on their brand promise, which reflects the reality of the Brand and is delivered consistently. There's no empty aspirational brand promise that's not realistic or achievable.

Trait 7: The CEO serves as the Chief Communications Officer.

CEOs in trustworthy companies translate their vision and strategy in meaningful ways so employees know it, get it, believe it, and act on it. These CEOs are not distant leaders; they want to communicate regularly with employees and genuinely connect with them.

CEOs in these companies are also focused on helping all leaders know that their own communication matters – and that effective communication with their teams is clearly worthwhile and ultimately drives company performance.

Which traits do you see as most important in building trustworthy companies? What successes or failures have you seen in your own company's work to build trust with employees?

—David Grossman

Click below to download—*7 Critical Traits for Building Trust Inside Companies*—to get practical, strategic answers on how leaders and companies can become more trustworthy. Find out how building more trust in your organization will lead to better business outcomes.

Tags: Feedback/Trust