

## The business case for trust

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'Hard edged tools like cost-cutting, while vital to short-term performance, prove useless for sustainable success' asserts Forbes columnist and author Rich Karlgaard in his book 'The soft edge – where great companies find lasting success'.

Exploring practices at Apple, FedEx, Specialized Bicycles and a variety of other large local and international organisations, Karlgaard shows how the soft edge boosts innovation, raises profit margins, builds brand awareness, increases employee commitment and enhances customer loyalty. He identifies the five pillars of the soft edge as 'trust, teams, smarts, taste and story'.

Click read more to learn why an environment with trust is the foundational requirement for long term performance.

Critical to developing what Karlgaard calls a 'soft-edge advantage' is creating an environment of trust. The late management guru and author Stephen Covey suggested a culture of high trust was an essential element for timely execution, asserting 'speed happens where there is trust'.

In his book, 'The soft edge – where great companies find lasting success', Karlgaard highlights the internal and external benefits of a trusting environment. From an internal perspective his research shows 'Companies that develop trust have a recruiting advantage. They have a retention advantage and a productivity advantage'. In the external environment 'trust means that your product or service is authentic and robust enough to withstand the immediacy of today's media. When things go wrong, customers and stakeholders believe you'll do the right thing. Trust buys grace'.

So what can leaders do to nurture an environment of trust?

### WALK THE TALK

Karlgaard encourages leaders to 'walk the talk' and be 'predictable'. We all know the power of the leader's actions over a set of values on the wall. He encourages leaders to develop high levels of self-awareness and to take time to reflect before acting to consider how their actions might be perceived by people around them.

Author and former UK Head of Government Robin Ryde highlights why this is so important for leaders because of the amplification principle. He suggests 'as they are a great source of interest, the words, actions and behaviours of senior leaders can become quickly amplified, magnified and disproportionately imbued with meaning across (and sometimes beyond) an organisation'. You can read more about this principle in an earlier blog [Are you a leader or a manager?](#)

### PROVIDE A COMPASS

Trust is strengthened when your staff understand the organisation's direction and how their role contributes to the desired outcome. Karlgaard encourages leaders to identify their team or organisation's purpose, communicate it clearly to staff, and help them understand how their work delivers on the purpose and more importantly 'benefits their [clients], society and themselves'.

### BANISH FEAR

You can't have trust if your employees work in an environment of fear. Think about how you reacted the last time something exploded in the media for your department or the last time someone brought you bad news. How you react to failure will influence your team's willingness to take risks, and ultimately 'fear is an anathema to curiosity and creativity' states Karlgaard. [Effective leaders embrace failure](#), learn from it and structure projects so they can fail quickly and cheaply.

### TRUST YOUR TEAM

'Our employees will live up, or down, to the expectations we set' cautions Karlgaard. As leaders it is important that we are clear about the results we expect from others, set the bar high, hold our employees to account and trust them to deliver. How you show you are listening to the ideas of the team, provide a sense of direction, and deal with failures will all send messages about how much you trust your team.

To learn more about the other pillars of the 'soft edge' and how you can drive improved performance through the 'soft edge', click [here](#) to download the first chapter of Karlgaard's book.

## 1 comment



- [Comment Link](#) Tuesday, 04 November 2014 16:39 posted by Graham Phelps  
Absolutely agree with the case for trust.

Organisations are primarily aggregations of people providing services or products to other people and so the quality of the relationships between all of those people will surely be critical to the success of the organisation. And we know that building trust between two people is the essential factor that builds stronger relationships. Therefore building trust must be the foundation of organisational success.

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