

# How to fix a lack of trust in your business

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The current lack of trust is a major issue in many organisations. In their 2016 Global CEO Survey PwC reported that 55% of CEOs think that a lack of trust is a serious threat to their organisation's growth. Sadly, most of them have done little to improve it because they are not sure where to start.

Well help is at hand. Neuroscientists are now using fascinating experiments to explore the very nature of trust and what we can do to enhance it, especially when there is so much going on in the world that destroys it.

## Eroding Trust

Statistically the world is now a safer place for humans than it has ever been. You are more likely to die of old age or ill health than in a violent incident than at any previous time in our recorded history. Yet if you read the newspapers or watch the news you would think it is more dangerous than ever before. For example, the incessant hyping up of violent events in the media is eroding trust at a very fundamental level by making people feel unsafe. The language of many politicians is becoming very divisive, creating fear of people 'not like us' which is eroding trust in others, and the unethical behaviour of some corporate leaders and bankers is eroding trust in business.

This ever-growing lack of trust is actually damaging your organisation because trust is the foundation stone of all collaboration and teamwork. If your people don't trust you as a leader or don't trust one another as colleagues then engagement, and therefore productivity, go out the window.

## Most Managers Are Ignorant

You don't have to take my word for it, just look at any of the research on engagement and you will see that there is a positive statistical correlation between high levels of engagement and enjoyment at work with high levels of productivity and creativity that impact directly on the bottom line. However, there are still far too many managers and leaders who are surprisingly ignorant about what makes people tick, especially if you consider the hundreds of thousands of books written on the subject of Leadership and Management.

Or maybe it is not so surprising at all! It is not unusual for new managers to be given a pay rise and told that they are now responsible for the team without any induction to the role or training in the basics of management. Many also lack self-awareness let alone awareness of others.

The cutting edge of Leadership and Management development is now looking at the field of Neuroscience to better understand how to get the best out of people. Early management science was developed in the industrial revolution. It was about how to get people to work harder and faster. Workers were not expected to think for themselves. But as machinery took over and the level of skills required to do basic jobs increased, the ability to understand processes and systems became the focus. Now it is all about how to learn faster and manage rapid change. The creativity required to solve problems and make constant improvements to the way things are done requires a lot of thinking. However, thinking is very easily interfered with, so if your people don't have the right mind-set or level of trust in you and your business you are missing a trick.

## A Limited Operating System

The neuroscientists are very interested in how we think and how our thinking is affected by the various

neurochemicals that are released by specific stimuli and situations. They can now measure which parts of the brain are activated and the impact this has on our behaviour.

The phenomenal pace of change in modern life means that we are still relying on an operating system (our brain) that was designed for a very different lifestyle; one that changed at a profoundly slower pace. Early humans were only able to survive to the degree that they could trust the other people around them. As communities grew, trust was always at the core of their success because it allowed collaboration, team work and specialisms to develop. Each person no longer needed to be able to do everything to survive.

### **The Power of Oxytocin**

Paul J. Zak is fascinated by the concept of trust and has researched it for over 10 years. He is the founding director of the Centre for Neuroeconomic Studies as well as being a professor of economics, psychology, and management at Claremont Graduate University. He wrote the book *Trust Factor: The Science of Creating High-Performance Organisations* which is based on his research.

Zak has concluded that one of the most important neurochemicals related to the development of trust is Oxytocin. It is released by mothers and their new-born child, it is also found to be present in loving couples and high-performing teams.

However, there is more to Oxytocin than its bonding effect. Zac states “having a sense of higher purpose stimulates Oxytocin production, as does trust. Trust and purpose then mutually reinforce each other, providing a mechanism for extended Oxytocin release, which produces happiness”.

He goes on to say that joy on the job comes from doing purpose-driven work with a trusted team. The correlation between (a) ‘trust reinforced by purpose’ and (b) ‘joy’ is very high: 0.77. This means that joy can be considered a “sufficient statistic” that reveals how effectively your company’s culture engages employees. To measure this, simply ask, “How much do you enjoy your job on a typical day?”

The presence of Oxytocin in our blood also reduces the fear of trusting a stranger and the impact of trust on performance is pretty remarkable. According to Zac and his team’s research, compared with people at low-trust companies, people at high-trust companies report: 74% less 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.

Over a period of 10 years Zac’s experiments explored the conditions that enhanced or reduced Oxytocin production. It was no surprise to find that high stress is a very potent Oxytocin inhibitor because we all know that when people are very stressed they don’t interact with others very effectively! However, it was only when Zac and his team took the experiments out of the lab and started working with teams and businesses that he developed a framework for managers.

### **Behaviours That Improve Trust**

In a recent article Zac shared the eight management behaviours that can improve the levels of trust in an organisation. These behaviours are measurable and can be managed to improve performance.

#### **1. Recognise Excellence**

There are many books that emphasise the need for effective recognition and Zac’s experiments demonstrated that it is most powerful and long lasting when it occurs immediately after a goal has been met, when it comes from peers, and when it’s tangible, unexpected, personal, and public.

How can you and your managers organise and facilitate more of this?

#### **2. Induce “Challenge Stress”**

It is important to create just the right amount of pressure that releases the right amount of neurochemicals including

adrenalin and Oxytocin to enhance people's focus, strengthen social connections and improve collaboration. This happens most effectively when the challenge requires a group effort and is attainable with a clear and specific endpoint. It also needs to relate to a bigger purpose that has meaning for the people involved. Vague, impossible or disconnected goals tend to cause people to lose interest and give up because there is a lack of motivation caused by the lack of the right neurochemicals. How are you creating the right level of challenge and ensuring you join up the dots so they relate directly to the greater purpose of your organisation?

### **3. Give People Discretion In How They Do Their Work**

Effective training and facilitating a learning culture is critical to developing an agile business but once people are sufficiently trained managers need to let go and let people execute projects in their own way (This is also a fundamental principle of SIMPLE Delegation). Providing autonomy and being trusted is very motivating: A 2014 Citigroup and LinkedIn survey found that nearly half of employees would give up a 20% raise for greater control over how they work.

Your younger and less experienced team members are going to be your best innovators because they are not constrained by the logic and experience bias of 'what usually works'. Just look at how the major car manufacturers failed to produce a driverless car despite significant investment by the US Government. After five years of frustration the Defence Advanced Research Projects Agency opened the door to newcomers and offered a large financial prize for a self-driving car that could complete a course in the Mojave Desert in less than 10 hours. Two years later a group of engineering students from Stanford University won the challenge—and \$2 million. How can you provide more autonomy while maintaining appropriate checks and balances to keep people on track?

### **4. Enable Job Crafting**

Radical new business models are emerging where people create their own jobs and choose which projects they want to work on. This means people focus their energy on what they are most passionate about. Professor Zac worked for a while at the Morning Star Company—the largest producer of tomato products in the world. They have highly productive colleagues who stay with the company year after year. People there don't have job titles and they self-organise into work groups. However, it's worth noting that this style of working requires very high levels of peer accountability and very clear expectations. A key part of this company's success is the robust 360-degree evaluations that are done when projects are completed and individual contributions are measured. How can you create more accountability and give people more autonomy so they can tap into their passion?

### **5. Share Information Broadly**

Uncertainty erodes trust and a lack of communication from leaders creates a vacuum that is quickly filled with gossip and rumours based on people's fears and insecurities. This can quickly lead to chronic stress which inhibits Oxytocin and undermines teamwork. Openness is the antidote. A 2015 study of 2.5 million manager-led teams in 195 countries found that workforce engagement improved when supervisors had some form of daily communication with direct reports. Regular and ongoing communication is key, businesses that share their strategy and explain why they are taking this approach reduce uncertainty. The social media optimisation company Buffer takes a radical approach to transparency and publishes salaries for all employees including the CEO online. What do you need to do more of to improve communication throughout your business?

### **6. Intentionally Build Relationships**

There are now numerous studies that show that teams that know each and have good interpersonal relationships outperform others with less social interaction. Our success as a species is due to our social skills and the brain network that Oxytocin activates is very old in evolutionarily terms. This means it is deeply embedded in our nature. Studies at Google found that managers who "express interest in and concern for team members' success and personal well-being" outperform others in the quality and quantity of their work. What are you doing to help people build social connections and provide team-building activities?

### **7. Facilitate Whole-person Growth**

High-trust workplaces help people to develop a Growth Mindset. This is more than developing skills, it is about

developing a learning attitude. In the rapidly changing world of work if you are not growing as a human being your performance will suffer. A number of businesses are now replacing the Annual Performance Appraisal with more regular discussions about professional and personal growth. Managers can ask questions like “how can I help you get your next promotion or job?” Zac and his team emphasise the need to include discussions about work-life integration, family, and time for recreation and reflection. This is because there is now plenty of evidence that demonstrates how investing in the whole person has a powerful effect on engagement and retention. How can you encourage managers to adopt a more frequent and more meaningful conversation about developing a growth mindset with their people?

## **8. Show Vulnerability**

Asking for help is a sign of a secure leader. Zac’s research found that when a leader asks for help instead of just telling people to do stuff it stimulates Oxytocin production in others, increasing their trust and cooperation. Many leaders feel as if they have to know all the answers and yet it is the leaders with healthy self-esteem who are more likely to be comfortable being vulnerable and engage everyone to reach common goals. Asking for help is effective because it taps into our natural evolutionary impulse to cooperate with others. What do you need in order to feel more comfortable asking for help?

## **Identifying Joy and Passion**

I was intrigued to read about Zac’s research because it correlates with the research and work of Dr. Dan Harrison who has developed a very powerful tool to tap into what people enjoy most at work. Harrison’s methodology and approach provide a simple way to quickly identify people’s work expectations, what they enjoy most and what they are passionate about. It also helps you to ensure they are a good fit with the jobs you need to be done.

Once managers have this vital information at their disposal they can have a very meaningful conversation about all of the points mentioned above and explore how to develop a mutually beneficial relationship with their people. This means you get highly engaged employees who are productive and your people get to experience a job that is highly fulfilling with a manager that helps them to grow.

Zac and Harrison’s extensive research demonstrates that you can cultivate trust by setting a clear direction, giving people what they need to see it through and getting out of their way. It is also important to recognise that this is not about being easy on your employees or expecting less from them. High-trust companies hold people accountable but without micromanaging them. They seek to genuinely understand their people and treat them like responsible adults.

If you would like to explore any of the above in more detail and help your managers quickly understand what they need to do to build trust and engage their people please feel free to get in touch with us and arrange a time to have a chat.

Remember, especially as you consider trust . . . stay curious!

With best regards,  
David Klaasen