Creating A High-Trust, High-Performance Culture

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You have optimized your supply chain, streamlined your production processes, and ensured that your marketing is effective. Each aspect of your business can be made more efficient with continuous measuring, testing, and improving, yet many businesses fail to optimize a key dimension that can substantially grow profits — culture. Your culture influences people's behavior and interactions with colleagues at work, which in turn influences how efficiently they go about creating value for your organization. It is not static; culture can be measured and improved like any other business process. If, that is, one can figure out what to measure and where to make changes.

I spent eight years measuring brain activity while people worked in order to uncover the aspects of culture that have the biggest impact on performance. My research revealed **organizational trust** as a key part of culture that directly influences how willing your employees are to go above and beyond in their roles. Frictions naturally occur when humans congregate, but at the same time, our brains are built to work in teams so there is a tension between wanting to be a team member and seeking to avoid conflicts with others by avoiding other humans. My research on the neuroscience of trust has shown that trust acts as a social lubricant, reducing social frictions so working with others is easier, more efficient, and more enjoyable. And when people work more effectively together, <u>productivity and innovation levels</u> rise.

Here's the good news: trust can be measured. When we are trusted by others, our brains release a chemical called oxytocin. Oxytocin activates a brain network that says, "Let's work together to get this done." But, measuring oxytocin directly involves blood draws — not something most businesses want to subject their employees to (though a number of brave businesses did let me do this).

Organizations need an easier way to quantify trust, and after measuring activity of the brain's cooperation network multiple ways in my laboratory and conducting field experiments that took me from factory floors to the rainforest of Papua New Guinea, I developed a survey that measures the eight components of organizational trust that cause colleagues' brains to produce oxytocin. Conveniently, these eight building blocks of organizational trust can be remembered using the acronym OXYTOCIN:

Eight
building blocks
of organizational
trust

	0	vation	recognize excellence
		l	reoughize exocilence
Ε	X	pectation	create challenges
	Υ	ield	delegate generously
	Т	ransfer	enable job crafting
	0	penness	share information broadly
	С	aring	intentionally build relationship
	1	nvest	facilitate whole-person growth
	N	atural	be authentic and vulnerable

These eight components can be managed to improve trust and stoke performance. My team and I measured the OXYTOCIN factors, health, happiness, and work-relevant performance indicators in a nationally-representative survey of over a thousand U.S. working adults. We found that those working in companies in the top quartile of trust, compared to those in the lowest quartile, have 106% more energy at work, are 76% more engaged at their jobs, are 50% more productive, and suffer 40% less burnout. Those in high-trust workplaces are 50% more likely to stay with their employer over the next year and 88% would recommend their company as a place to work to family and friends. Not surprisingly, employees in high-trust companies are 56% more satisfied with their jobs. When one enjoys being at work (high trust colleagues experience 60% more joy at work than those in low trust companies), satisfaction with one's life outside of work is also higher — 29% higher for those who have the good fortune of working in high trust companies. Trust improves performance no matter how you measure it.

Compared to those in the lowest quartile, people working in companies in the top quartile of trust are:

76% more engaged

50% more productive

50% more likely to stay

Source: Zak, Paul J., Trust Factor: The Science of Creating High-Performance Companies, 2017

Companies can improve trust in their organization by focusing on one or more of the trust factors at a time. Start by <u>measuring organizational trust</u> and planning interventions around your lowest-scoring OXYTOCIN factor — that's where the biggest performance gains are to be had. Most companies I've worked with struggle the most with Invest (facilitating whole-person growth, e.g., through professional development or by nurturing personal interests). Interventions for Invest could be to subsidize employees to take classes at a nearby college,

attend professional meetings, or even just teach their colleagues something fun like clog dancing.

One company my team worked with scored lowest on Natural (being authentic and vulnerable). We launched a three-month intervention to raise Natural that started with ten days of microlearning videos sent via email, followed by ten weeks of pulse questions that collected data on Natural and subtly reminded them to focus on bringing their true selves to work. The company measured organizational trust six months after the intervention and found that the proportion of colleagues reporting a favorable Natural environment increased by 53%, in turn increasing favorable views of trust by 17%.

Here's the key takeaway: Trust is a dimension of your business just begging to be improved. The science shows that actively measuring and managing a company's culture for high trust is a powerful lever to improve performance. Trust improves the triple bottom line: it is good for colleagues, improves KPIs, and strengthens communities.

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