

Building a culture of trust

Shaping a resilient customer focus, by Philip Atkinson & Gary Devlin.

"Shaping a positive organisational culture based on trust is critical if you ever want to build your organisation through customer and consumer loyalty, yet we find that most senior management teams in organisations are unaware of how important trust is in the mixture of organisational culture. In this article, the authors outline how building a culture of trust is central in building a robust and resilient culture which is central in adapting to change. They stress that their approach is applicable for the majority of organisations whether they reside in the commercial, the public or the third sector."

The culture of trust

Why is trust so important? Trust is something we expect – yet now it seems to be something for which we have to search. Trust is hard to establish and replicate. Trust is essential in an ordered civilised society and yet, although we have developed an advanced economy based on firm societal values and positive

beliefs, we find that trust is something we can no longer take for granted. Trust is a huge driver in terms of taking personal and commercial relationships to positive conclusions. Trust tells us that we can be safe in knowing we can be certain, that if we take this action with this partner or individual, then positive results will flow from that relationship.

Trust tells us what we can be safe in believing about others, and how we can transact personal relationships. Trust enables us make assumptions so that we can move relationships forward. If we had to test for trust every time we entered into a personal or commercial relationship we would waste an awful lot of time and energy. Yet, can or should we take trust for granted? And if we cannot do that, what do we have to do to ensure that we are diligent in our decision making, not making foolish mistakes and putting ourselves at risk?

Trust does not relate only to the synergy generated in 'one on one', win-win business relationships that benefit all parties. Trust also promotes the smoothness and fluidity of how individuals



“Trust is like the air we breathe;
nobody really notices, but when
it’s absent, everybody notices”.

Warren Buffet

in groups can become super effective in bringing together their diverse talents to deliver outstanding results. Trust is essential between organisations that have to rely on each other to deliver services and products to the public. Trust is equally important for suppliers as it is for consumers. It is critical in commercial organisations where ‘lack of trust’ can result in buyer’s remorse and transference of loyalty to other providers resulting in a severe decline of that business’s profitability and continuance. Trust is essential in the provision of public services in the Police, the Armed Forces, and the NHS, the provision of all national and local services to the public. Trust is essential in the Third Sector, which provides essential services to the vulnerable and the disadvantaged.

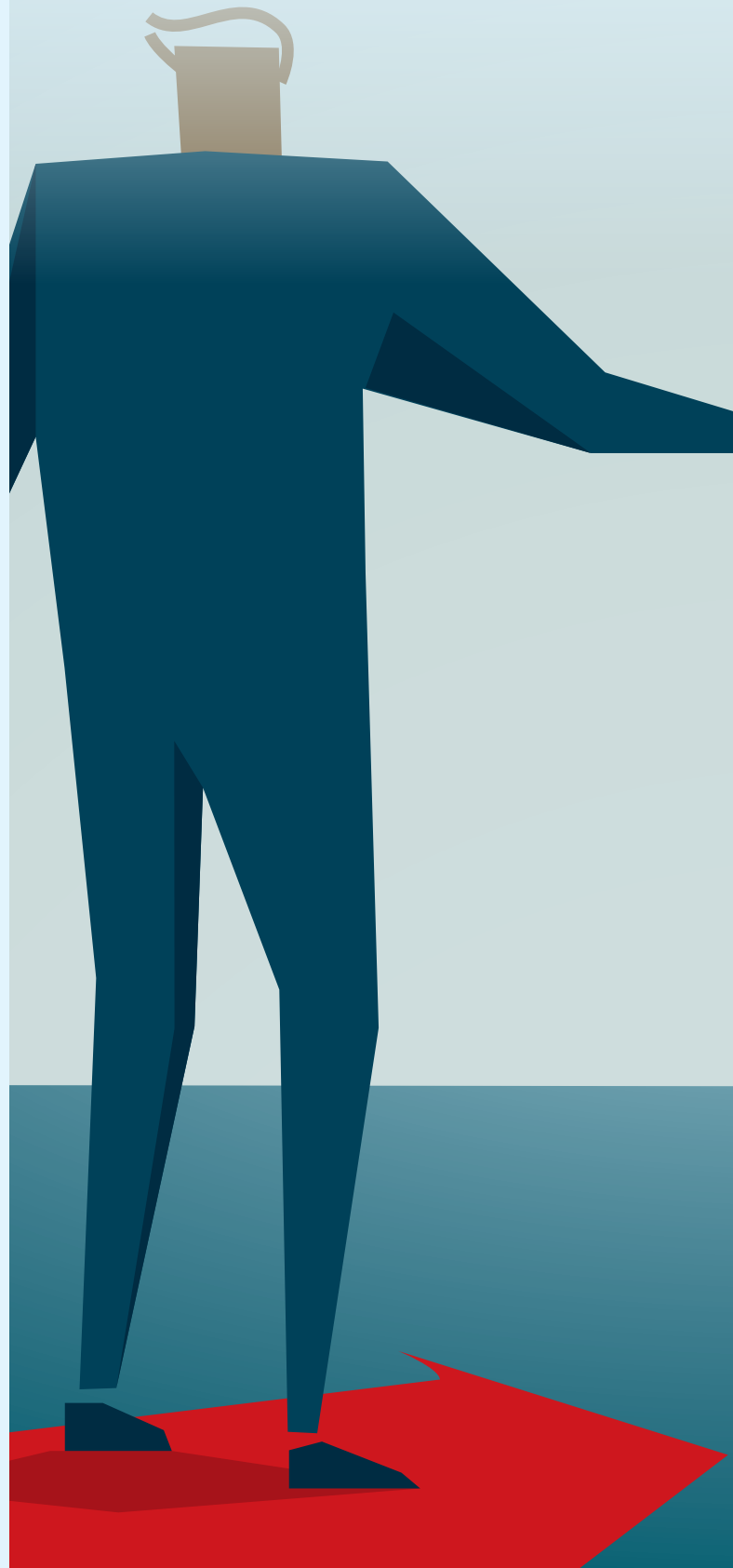
Trust is central in all consumer choice. The degree of trust which a consumer has in the choice of provider for the services and goods that they consume, will be central in shaping the fortunes of those who provide those services – yet few organisations develop strategies to build trust with those upon whom they are most dependent – their customers.

What if we had a barometer of trust?

It seems that if there were such a thing as a quotient or barometer of trust was established, then it might be sinking fast. People take trust for granted in a commercial or contractual relationship – but that trust is now largely gone, due to the following.

Critical events in recent years and months tell us that trust is a really important component of everyday life. The level of trust in many institutions has radically declined in recent years. Many organisations’ reputations, and their fortunes, have been put at severe risk simply because the level of trust with the public has been broken. Once that trust has been broken it is difficult, if not impossible, to repair. Broken or betrayed trust associated with large organisations featured in the worldwide financial crisis in 2008 has impacted the fortunes of those companies. Many do not expect that they will ever recover. Until public and private confidence is won, the share prices of the majority of these companies will suffer.

Auto manufacturers are under investigation after disclosure that data on emission levels have been falsified in certain geographies for commercial gain. FIFA is under investigation for corrupt practices around vote rigging associated with the hosting of the World Cup. Many international and national sports organisations are under investigation, because of the failure to





disclose data from drug testing and unusual biometric readings of leading world class athletes, in a wide range of sports.

Trust in politicians is at an all-time low. We still await the Chilcott Inquiry into the Iraq War. At the same time, investigative journalists have exposed the expenses scandal of politicians and MPs. There is some disquiet about the exposure of 'whistle blowers' in the NHS, The Catholic Church, the Armed Forces, the Police and many of our formerly trusted institutions no longer enjoy that trust.

As consumers and customers we need to have a degree of trust before we form a personal or business relationship. Organisations are starting to wake up to this reality. For some, it has been a long slumber – others have heard the wake up call and are taking action. Much of the energy for building trust into the organisational or corporate culture comes from the move to build lean and continuous improvement into businesses. With this trend, we find there is a strong focus on the voice of the customer (VOC).

For a long time, organisations have centred on shaping a customer focus by relying solely on staff who are generally outward externally focused on the end-user, the consumer, the customer or recipient of the service provided. Companies can spend millions on 'customer service' drives, identifying and reversing negative 'moments of truth' when customers can change allegiance, and developing strategies to encourage customers of competitors to switch from their current provider.

This is money well spent, but is not really an investment in the business – rather, it is a cost for the business. Devoting resource to improving customer service at the point of contact is a very positive move, but it is not preventing customers leaving, or consumers changing their perceptions on loyalty and retention.

There is a great deal of activity when organisations commit to a customer service drive – the trouble is, they invest their commitment into the more cosmetic side of customer service, rather than putting in place strategies to prevent poor customer service in the first place. It is all about investing in prevention. If you build a culture of trust from the inside of the organisation out – then that can impact service delivery for the better.

Investing in trust

Investing in prevention is a strategy adopted by leading organisations in the commercial and the public sector. There are some strong beliefs that guide our thoughts on this approach. We have the firm views that the relationships that exist with external customers, consumers and stakeholders is a 'mirror reflection' of the relationships that exist within the firm or

Trust: People used to expect it –
now they have to search for it.



supplier of that service or product. Our belief and viewpoint is that the more attention, analysis and intervention is devoted to developing relationships within the organisation, the better the service to those external to it. Our experience and research suggests that tight, seamless and synergistic relationships within the internal supply chain are central to retaining and winning new business. In the not for profit sector, this translates to much higher CSI ratings, positive user group and consumer support, and an increase in reputational image. The key issue here is devoting time to improving the internal supply chain before building on improving external relations with consumers and customers.

If you work in the public or service sector your customer is the citizen, the patient, the taxpayer, the recipient of the service you provide. Everything we do should be focused upon building loyalty and respect in our customers, and should give us pride in the work that we do to supply them with our services. Trust is the strategy to do this.

So many customer management strategies fail because people in the organisation cannot relate to end-users as 'customers'. Most people in the average organisation never actually meet the customer, or end-user, of their products or services. Many have difficulty relating to the end-user as 'customers' because, in many cases, organisational staff do not interact daily or face-to-face with them. This may be even more extreme in the public sector, where large scale bureaucracies service literally millions of citizens and end-users.

A customer focused vision requires a creative team of staff

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at all levels, willing to anticipate all variety of futures for the business, willing to take some risks, engage in crystal ball gazing and start mapping possible strategic futures. This requires significant investment in 'scenario planning' in discussing and debating the key assumptions of the current and evolving business environments. This is an area where many businesses need to invest their energies.

Principles and tactics for increasing trust

1. Focus and strategy

Have a strong focus and strategy that projects you personally and organisationally as being authentic and living core values. Many organisations have mission and value statements, but few actually live by them. Being authentic is a mirror of attitude and intent being reflected in behaviours

2. Authenticity and integrity

Saying what you will do and doing what you say is the essence of integrity. Integrity is not something that can be taught or crafted onto the organisational culture. It has to be worked upon and is central to developing a strong and positive reputational image.

3. Empathise

Ideas for improvement can come along very quietly, and for this reason, individuals, teams and larger organisations need to listen intently to what the recipients of the service or behaviour are saying about the impact it has on them. If you want to act in the best interests of people you have to start listening to their interests and then prioritise these.

4. Deliver on commitments

Develop a reputation for delivering to requirements and focus on implementing ideas. It is important to examine the impact of your current behaviour on your future and also how others will respond to your current behaviour. Under-promising customers and colleagues is far less traumatic than over-promising false realities.

5. Critical evaluation

Trust is based on developing new ways to seek agreement about how people, teams and organisations will behave towards each other. Growth in these areas only comes about through critical examination of one's strengths and limitations, sharing perceptions and agreeing how best to work together. If this was so easy, trust would be not so high up on people's agenda. You have to work for it.

6. Behaviour change

Until behaviour changes, nothing changes. All thoughts, intent and purpose is wrapped up in people committing to behave differently, and means that someone must make the first 'leap of faith'. When you commit to this, people start trusting simply because someone committed to go first and this bestows a degree of trustworthiness on that relationship.

7. Real rather than cosmetic change

It is easy to focus on developing the right image but the recipients of service or behaviour can soon judge how genuine we are in our intent. Reject image building, and go for actions that reflect substance in the trust agenda.

8. Deal with difficult issues

It is easy to avoid difficult situations and even easier to avoid giving bad news. The real test of whether you operate in a culture of 'trust' is when key trust issues that need resolved are confronted and dealt with face-to-face.

9. Be an achiever

What gets the personal, team and organisational culture to the next level requires more energy and effort, compared to what has got you where you are today. This means setting challenging goals and ensuring you have the infrastructure and resources to enable people to act.

10. Show and tell

To build trust in the longer term, you have to demonstrate the behaviours you want others to emulate, adopt and apply. This means you have to model the way and demonstrate the core competencies that will build a real high degree and climate of Trust. You have to be willing to make the first step.

11. Respect confidences

Trust is built on people displaying degrees of honesty which are not always easy to express. Being sensitive and respecting openness is critical. People need to express themselves in a 'safe environment' so build the personal, team and organisation relationship to respect those confidences.

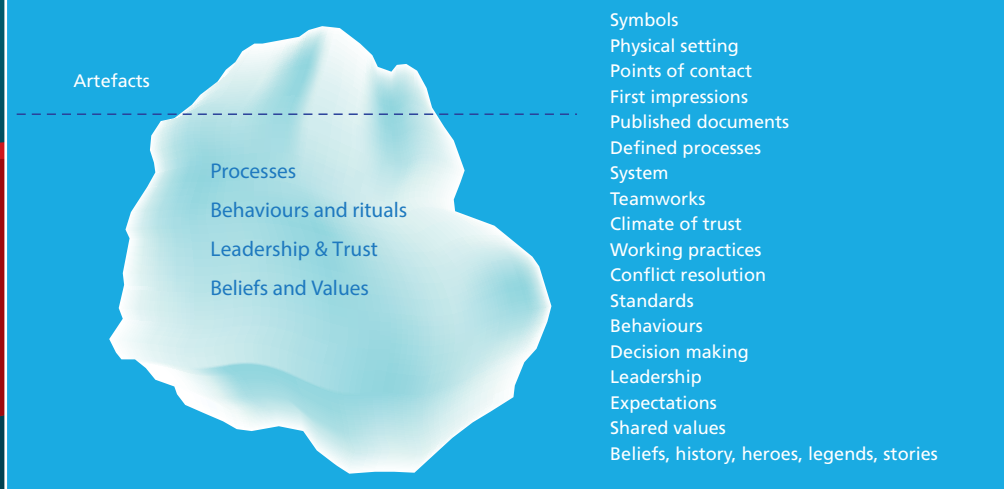
12. Document progress

Vague exhortations are insufficient to ramp up the progress you are about to make. It is not a PR exercise you are embarking upon, but a genuine authentic approach to build a strong foundation in which customers and team members can have confidence, believing it to be solid, reliable and tangible. You can only demonstrate this by taking baseline measures on trust and build action plans to commit to improvement.

For a long time, organisations have focused on shaping a customer focus by relying solely on staff that are generally outward externally focused on the end-user.

Corporate Culture

Figure 1



Building a culture on trust

A key issue in trust is building from the inside out. We also need to be aware of demographics shifts in both our consumer base and our staff. We are now peopled mostly by generation X, Y and Millennials. Those who manage business are of the Baby Boomer generation, and hold many different values to Generation X and Ys. They demand less control, and more trust in developing their potential. The contribution at work is just as important to them as what they do outside work. Organisational cultures have to change to accommodate the customers and the staff of the future, rather than the past.

Typically, most organisations do not devote a lot of time to designing and delivering the culture by which they wish to operate their business. Organisational culture is more a product of history, the impact of critical incidents, accidents and by default. The focused management team takes responsibility for this process and designs and delivers their own culture.

The culture is founded upon a simple model of the 'Cultural Iceberg', which evolved from 'The Iceberg Agenda', which details and documents the core components of developing a high performance business culture (See figure 1.) Most organisations focus on changing those elements of the iceberg that are easily visible (above water, using the Iceberg analogy), but have little impact on performance. Tinkering with a logo or branding and changing the physical environment leads to less dissatisfaction in the culture, but does not lead to performance improvement. However, working on the deeper element of the culture requires working in ambiguous areas and instigating serious research into how corporate beliefs and values surface and manifest themselves in working practices, group dynamics, and leadership into expected and actual behaviour. What is required is a thorough diagnosis of the cultural components and assessing cause-and-effect relationships so that one can create leverage to impact the culture and the behaviour of the majority towards significant performance improvement.

Why 'trust' leads to staff engagement

Trust does not exist without a great deal of leadership effort. Trust is a core value by which most organisations should do business. We find the higher the quotient of trust 'within' the organisation the higher the customer retention, which,

in turn, leads to more certainty and stability in the business environment.

Research into the relationships between staff and engagement and trust suggests there is a strong causal relationship – but engagement does not lead to trust – it is the other way around.

A high level of trust within the culture is the driver behind enhanced staff engagement. Research further suggests that an increase in organisational trust can have the same positive impact on organisational effectiveness as a 36% increase in pay. Studying 12 engagement models reveals that the number one driver in the corporate culture is trust.

Trust, customer service and less stress


When customers feel that they are important and their needs are being met, they assume that is the norm. There is a good chance that they will not need to seek better service from others. Satisfied customers stay longer with their service providers, and will only migrate to another supplier should a problem arise which causes them to look elsewhere. Even if this happens, we know that if the original provider goes the extra mile, then a significant number of customers will forgive them and trust them.

How to develop a strategic thrust in trust

This has to be top team driven. It rests on three key stages that are integrated into the business planning process.

Stage 1: Soft due diligence – undertake current assessment

You have to know exactly where you are before you can take a step towards improvement. Management teams need to get a handle on the relative health of their organisational culture and it is critical that they develop the right strategy based on where they are currently, rather than where they think they are. This means the management team has to focus on the scope of the project, paying attention to our 'Iceberg Model of Organizational Culture' (see diagram). Building inside out, it is a good idea to see how trust operates between functions and within departments. It is wise to assess the strengths and limitations of culture, focusing entirely on a cultural analysis based on trust climate and behaviours. This investigation is developed by tailoring existing research materials precisely to



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the needs and wants of the organisation.

The usual methods of data collection include 1:1 interviews, questionnaire analysis and the use of focus groups, using the most relevant research in trust and organisational change. It may be necessary to work with diagonal slices of the organisation and focus on the end-users, user groups, consumers, customers etc. The focus, nature and context of the organisation enables the research team to decide on how best to collect the most reliable data.

Stage 2: Design implementation strategy

Here, data has been analysed, presented and shared with the top team and a strategy is orchestrated to build, invest and create trust first within teams, then between organisational teams and units, then focus cross-functionally on key processes using other trust models and, finally, let this filter out to the customer or consumer. This is a staged implementation plan where key roles and responsibilities are outlined and tangible, measurable action plans are set for approval and review.

Time is invested in looking at the 'soul of the organisation' – that is the performance management process. We are interested in the process rather than the system, because the allocation, distribution of rewards and advancement and development is usually pivotal in the buildup of trust within the culture. Further, a major element of trust is the use and applications of L&D in developing potential and talent management.

Stage 3: Strategy implementation and customer focus

Although the end result may be the consumer or the customer, the first steps are taken inside the organisation, focusing on managing the performance management process – rather more than the mechanics of the performance management system. Invariably this is central to the commitment to leadership, change and personal and staff development. Typically the following 12 principles are incorporated into a plan for roll out.

Summary

Trust is a central guiding value in all our personal and business relationships. A relationship without trust generates very little in terms of value, and trust is central to how we manage our lives and our businesses. We suspect that many people have

worked in businesses with low levels of trust and have witnessed what little life, positivity and satisfaction we have gained from that experience. Replace that experience with a culture where trust is a vibrant beacon that promotes enthusiasm, risk taking, creativity, innovation and satisfaction. Which one would you prefer to work within? Which organisation would you have more trust in as a consumer or customer? That culture of trust can be shaped through the three stage process above and can lead to significant improvement for all staff, stakeholders and customers.

Reference

1. *The Iceberg Agenda*, Philip Atkinson, BT Batsford, 1998 – new edition to be released in February 2016.

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Philip Atkinson specialises in strategic cultural and behavioural change. For the last 25 years he has been engaged as a consultant supporting organisations in strategic development, leadership, organisational design, post-acquisition integration, lean six-sigma, quality management and culture change. He has partnered with a variety of blue-chip companies in industries ranging from pharmaceutical to genetics, and the automotive industry to finance and banking. He regularly presents at conferences and workshop sessions and has written seven books on change management. Philip is also Director of Business Transformation with Scott Moncrieff. He can be contacted through his website www.philipatkinson.com or that of www.scott-moncrieff.com Email Phil.Atkinson@scott-moncrieff.com or T: 44 131 473 3500 M: 44 7999-799286.

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