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SERVANT LEADERSHIP COACHING SYSTEM

EFS SERVANT LEADERSHIP FOCUS

A monthly newsletter to promote and stimulate servant leadership

"Nothing is as fast as the speed of trust. Nothing is as fulfilling as a relationship of trust. Nothing is as inspiring as an offering of trust. Nothing is as profitable as the economics of trust. Nothing has more influence than a reputation of trust. Stephen Covey

Topic this Issue: TEAMS and TRUST

Michael J. Stabile, Ph.D.
mstabile@futurenowed.com
www.futurenowed.com

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BUILDING WINNING TEAMS

BRIAN TRACY

All work is done by teams. Your ability to assemble and manage a high-performance team of individuals is one of the keys to your value and effectiveness as an executive at every stage of your career. To help people become happy, productive members of the team, you must understand their motivations.

People at work are most motivated by Four Factors:

The first is challenging, interesting work.

Most people want to be busy and happy at work, doing things that keep them active and force them to stretch, to move out of their comfort zones, to continually learn and grow. People won't buy into the goals and objectives of a team if they are given only the most mundane tasks.

Second, people are highly motivated by working in a high trust environment.

Trust is created by keeping people in the know. Have regular weekly staff meetings where everyone gets a chance to talk about what they are doing in front of everyone else. This is one of the most powerful team building exercises of all.

Third, people are motivated by being made personally responsible for results.

Give people important, challenging work to do and then support them while they do that work. The more responsibility a person takes on, the more he or she grows as a decision maker and leader and the more valuable he or she will be to your company.

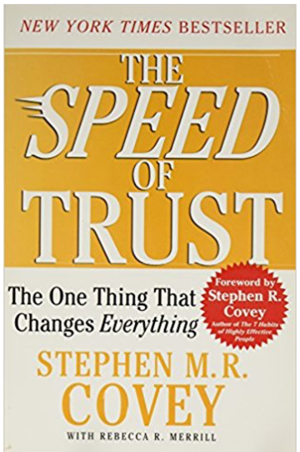
Fourth, people are motivated by opportunities for personal growth and promotion.

Many people will take or stay at a job that pays less than they can earn somewhere else if they feel that they are becoming better skilled and more competent as a result of the work they do.

Much to the surprise of most managers, money and working conditions are fifth and sixth on the list of what motivates people at work.

HOW DO WE MEASURE TRUST?

BY: STEPHEN M.R. COVEY



Every interaction, every work project, every initiative, every communication, every strategic or tactical imperative we are trying to accomplish is affected positively or negatively by trust. If our organization enjoys a trust dividend, then trust becomes the great ***'performance multiplier'***. If, on the other hand, we are paying a trust tax, then everything we do takes more time, costs more money and the outcome in terms of quality and effectiveness goes down—which ultimately impacts the customer. As Columbia Business School Professor John Whitney says, **"Mistrust doubles the cost of doing business."** Because trust is the one thing that affects everything, it is, without question, the most important strategic lever we can focus on. Since this is the case, it is critical to understand the impact that trust is having on our organizations so that we can do something about it.

We can quantify and measure organizational trust in 3 specific domains or categories:

1. ***The trust level inside the organization (Trust Levels)***
2. ***The observable behaviors that create or destroy trust (Trust Components)***
3. ***The economic impact of the trust level inside the organization (Trust Effects)***

• ***The trust level inside the organization (Trust Levels)***

Most organizations don't formally measure trust. Those that do, tend to measure it in this first category but then stop there. Nonetheless, measurement in this category can be helpful in that it creates awareness and a starting place. While some organizations ask general 'trust' questions using various methods, our analysis is that a very effective question is to ask *"Do you trust your boss?"* to employees at all levels of an organization. But to only measure trust levels and not to measure the trust components or effects is to limit our ability to solve the problem or run with the opportunity. Usually, most people already know when the trust is low and we don't need an employee survey to tell us that. What's valuable is for us to know *why* so that we can begin to behave ourselves out of a problem we may have behaved ourselves into.

• ***The observable behaviors that create or destroy trust (Trust Components)***

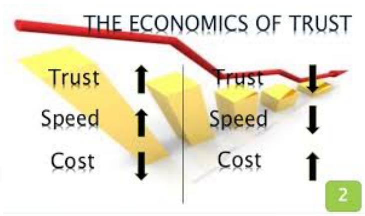
When individuals, teams and organizations live by **4 Cores of Credibility—*Integrity, Intent, Capabilities and Results***—trust will correspondingly increase. When the opposite of these behaviors, or the more common *'counterfeit'* behaviors are displayed, trust erodes. Going beyond the general and focusing on which specific 'trust' behaviors are strengths and which are deficiencies is very valuable. We can then focus our training, communication, processes, systems, etc, to strengthen the behaviors, and ultimately the Cores, that create trust.

• ***The economic impact of the trust level inside the organization (Trust Effects)***

Wouldn't it be great if "trust" showed up on the financial statements as either a 'tax' or a 'dividend'? Organizations would then use resources to eliminate the tax or create a larger dividend! Although a high trust or low trust culture doesn't literally show up on financial statements, it does show up in the tangible ways, which are measurable, observable and economically relevant all of which make a strong ***"business case for trust."***

THE ECONOMICS OF TRUST

BY: STEPHEN M.R. COVEY



A cynic might ask, *"So what? Is trust really more than a nice-to-have social virtue, a so-called hygiene factor?* ***Can you measurably illustrate that trust is a hard-edged economic driver?"***

Here's a simple formula that will enable you to take trust from an intangible and unquantifiable variable to an indispensable factor that is both tangible and quantifiable.

The formula is based on this critical insight: ***Trust always affects two outcomes – speed and cost.*** *When trust goes down, speed will also go down and costs will go up.*

Trust = Speed – Cost

When trust goes up, speed will also go up and costs will go down.

Trust = Speed – Cost

Immediately following the 9/11 terrorist attacks, our trust in flying in the U.S. went down dramatically. We recognized that there were terrorist bent on harming us, and that our system of ensuring passenger safety was not as strong as it needed to be. Prior to 9/11, I used to arrive at my home airport approximately half an hour before takeoff, and I was quickly able to go through security. But after 9/11, more robust procedures and systems were put in place to increase safety and trust in flying. While these procedures have had their desired effect, now it takes me longer and costs me more to travel. I generally arrive an hour and a half before a domestic flight and two to three hours before an international flight to make sure I have enough time to clear security. I also pay a new 9/11-security tax with every ticket I buy. ***So, as trust went down, speed also went down and cost went up.***

Recently, I flew out of a major city in a high-risk area in the Middle East. For geopolitical reasons, the trust in that region was extremely low. I had to arrive at the airport four hours before my flight, I went through several screenings, and my bag was unpacked and searched multiple times by multiple people, And every other passenger was treated the same.

Clearly, extra security measures were necessary, and in this instance I was grateful for them, but the point remains the same: ***Because trust was low, speed went down and cost went up.***

Our distrust is very expensive. -Ralph Waldo Emerson

Consider another example. The Sarbanes-Oxley Act was passed in the U.S. in response to the Enron, World-Com, and other corporate scandals. While it appears that Sarbanes-Oxley may be having a positive effect in improving or at least sustaining trust in the public markets, it is also clear that this has come at a substantial price. Ask any CEO, CFO, or financial person in a company subject to Sarbanes-Oxley rules about the amount of time it takes to follow its regulations, as well as the added cost of doing so. It's enormous on both fronts. *In fact, a recent study pegged the costs of implementing one section alone at* ***$35 billion-exceeding the original SEC estimate by 28 times!***

Compliance regulations have become a prosthesis for the

This publication was produced by Michael J. Stabile, Ph.D. at FutureNow, Consulting

Coaching reminders:

Mike is available for individual leadership coaching.

Call or email for appointments.

www.futurenowed.com
mstabile@futurenowed.com
513-460-1015

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"EVERYTHING RISES OR FALLS WITH LEADERSHIP."

CULTIVATING THE EFS WORK CULTURE