

TRUST IS SCARY!

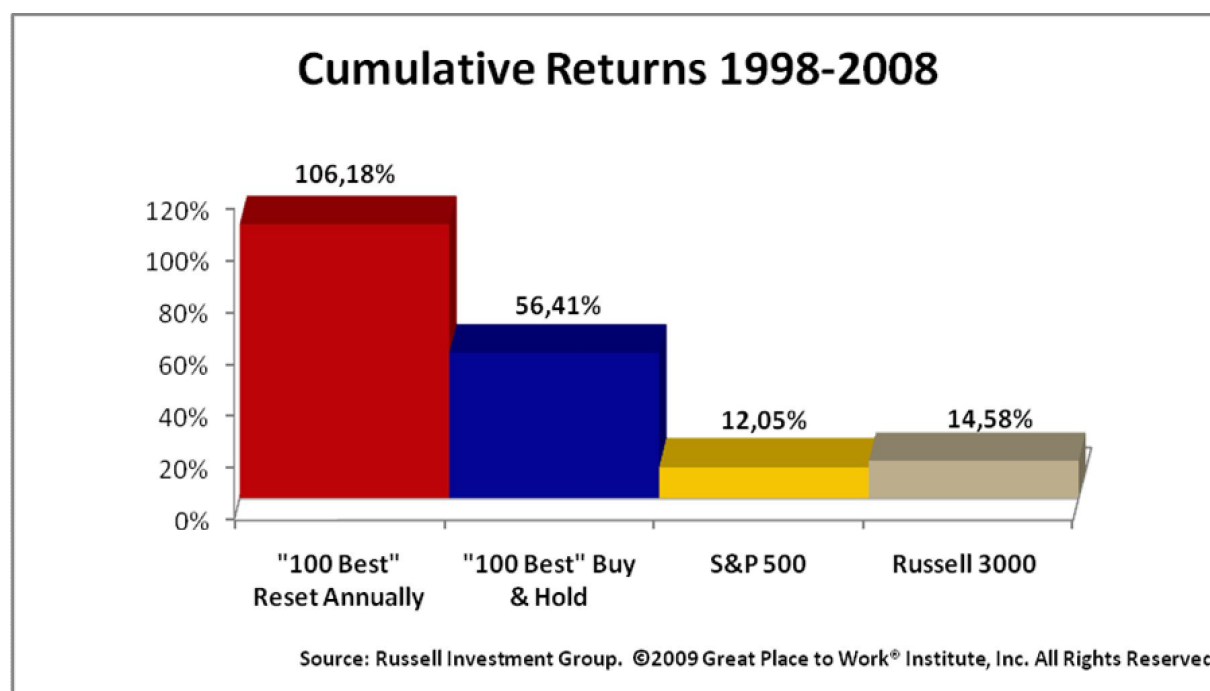
But it is worth taking the chance.



For many managers, the shift toward trust-based management can be intimidating, as it often means letting go of the traditional mechanisms for controlling employees' behavior. For example, you cannot say you trust your people, then insist that they punch a time card at the beginning and end of the work day. Trust is not a verbal commitment; it can only be built on *action*.

This lesson was reinforced through the 2009 European Best Workplaces study, a survey of more than 250,000 employees conducted by the Great Place to Work® Institute, a global research and consulting firm that conducts similar surveys in 40 nations. For European employees, the *reliability* of management – i.e. when managers do as they say and keep their promises – is the factor most closely tied to whether a company is perceived by employees as a great workplace.

The Best Workplaces study also shows consistently that companies with the highest levels of trust in the workplace are those that grow faster, are more profitable and innovative, have less absenteeism and employee turnover, and receive more unsolicited job applications than other companies. As the graph below indicates, the stock market performance of the Best Companies to Work for in America outperforms the Standard & Poors and Russell 3000 indices. Similar results have emerged from studies in other parts of the world, including the UK, Brazil, and Denmark.



So what should a manager do if he/she wants to reap the benefits of trust-based management practices?

First, realize that there is no such thing as a trust-neutral action. Every time you speak with your people or take some kind of action, it will either build trust or break trust. Thus, managers should

use any opportunity available to build trust, for example by reaching out to employees for input before business-related decisions are made. When people are **involved** in the decision process, they are more likely to support the final decision, even if the decision does not follow their recommendation.

Second, be **available** for questions and feedback from people, and respond swiftly to ideas from people in all areas of the organization. You will be amazed how much energy and innovation this can release in the organization. Many of the Best Workplaces have highly effective systems for gathering ideas from employees. Often there is a single point of contact (in some cases the CEO) who commits to responding to employees' ideas within 24 hours. The idea is swiftly forwarded to the right person in the organization, and he/she analyzes the feasibility and makes a plan for implementation – or provides a solid response for why the idea cannot work. Such workplaces receive hundreds of great ideas every year, and often the employees are recognized and rewarded with a percentage of the savings generated.

Third, leaders at the Best Workplaces continually reinforce the importance and value of each person's contribution, and they speak frequently about the value of creating a winning culture and setting high goals. It is each manager's role to encourage employees to maintain a **positive attitude** toward reaching their goals, and to continually **recognize and reward** people for a job well done.

Although trust-based management may mean abandoning "control mechanisms" and empowering people with more freedom to make decisions, it is very important not to lose control of the culture. The key to building a strong culture is **hiring the right people**, and also in **helping people to understand and behave according to the value system** of the organization. Remember that no action (or inaction) is trust-neutral.

To help organizations to move toward trust-based management, the Great Place to Work® Institute provides a wide range of books, magazines, and other materials, including lists of Best People Practices from the world's best workplaces. We encourage you to use these resources, and work with your own people to develop a trust-based management approach that is authentic and original within your own organization.

Scary as it may be, you can do it – and your employees – and shareholders – will love you for it.

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