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Leadership for Trust

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Understanding Trust

Heather Craig, in her article "10 Ways to Build Trust in a Relationship¹," makes a valuable point: "You cannot have a healthy relationship without [trust]. And yet, virtually all of us can bring to mind a scenario where our trust has been broken."

In an organization, a lack of trust is akin to a death knell. You need to think, as a leader, about what you are doing to establish and maintain trust with your people. To do otherwise is to cut yourself off before you have been able to lead at all. If you are looking for a way to exert influence on your organization, this is it. Consider your values, emphasizing trust, and do what you can to strengthen it. You should notice that people are speaking freely and doing their best work for each other. They seem invested in each other – and apt to believe what their collaborators tell them.

¹ <https://positivepsychology.com/build-trust/>

What is Trust

Trust is a mechanism to reduce the complexity of human interactions

— Niklas Luhmann

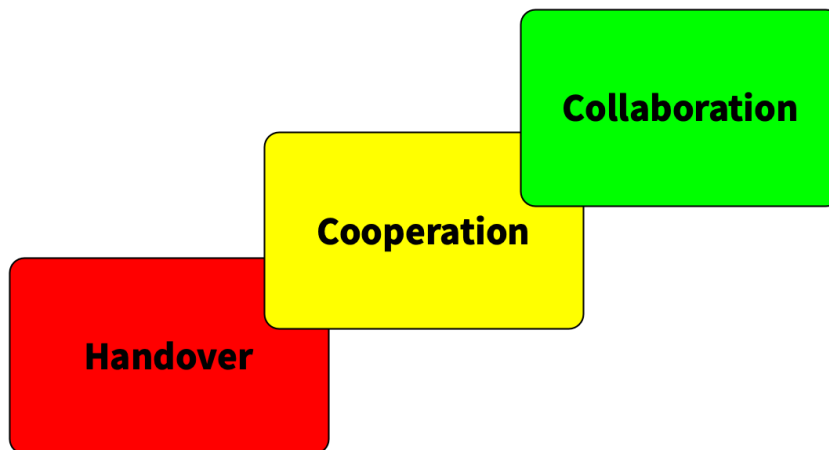
Trust only seems easy to understand until we begin to look at its ramifications. Then, it becomes *much* more opaque, difficult for us to comprehend and analyze. Many have tried, of course. Niklas Luhmann, the German systems theorist, defined trust according to its practical uses. He said, "Trust exists in interpersonal relationships. Humans have a natural disposition to trust and to judge trustworthiness. This can be traced to the neurobiological structure and activity of a human brain. A mechanism to reduce the complexity of social interactions ... to a level that allows the individual to remain capable of acting in his environment."

This definition moves trust from the „nice to have“ sphere into the area of essential business tools, but it may not do much to clear up any confusion about the topic, though. To understand trust, we need to be able to recognize it. We need to know it when we see it so that we can begin to cultivate it more habitually. Furthermore, we need to grasp the impact that it can make on teams and individuals. When we describe it, we should be able to do so in certain terms, in the ways that it will manifest within organizations.

From this definition, and the clarity that it makes possible, we can then start to build it for ourselves. To anyone who has ever operated in an environment based on trust, the advantages are evident. When you and your collaborators know beyond any doubt that you can trust each other, you are going to work together with less friction. In turn, you will be able to cut down on the inefficiencies that have held you back previously. Controls that seemed like necessities will prove themselves otherwise. You will be able to do away with safeguards and failsafes as you become more confident in the ecosystem that you are cultivating.

Signs of Trust

Let's start by breaking down the *signs* of trust in an organization. There are many, some more subtle than others.



You may, for example, notice a **handover**: this is an interaction designed for an environment with low trust, often it is also a sign that trust is low. Because a handover involves collaborators verifying each other's work, it represents a disconnect between them, leading to greater overhead and higher costs.

On the other hand, you may see **cooperation** replacing handovers. This represents a higher degree of trust, because it requires a more active interaction, but still one based on compromise. You can cooperate with someone out of necessity, even when you have totally different goals.

Collaboration is the most promising form to work together, a clear sign of trust in an organization. Everyone is working toward the same goals, which motivates synergies and then innovation. This is where you *want* to be. Trust yields all of the best components for a healthy, productive working environment: authenticity, honesty, transparency, consistency, accountability.

The way to get to this point is, in an organization, somewhat intuitive as well. If you want others to trust you, and you want to be able to trust them, then you need to speak openly and live up to your word. Only *then*

will you be able to take risks and act boldly, unlocking the full potential of your teams and the individuals who compose them.

This may *still* sound like a large undertaking. Let's put it into context more, by examining what it calls you to do.

The impact of Trust

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, 40% less burnout.

— The Neuroscience of Trust, Harvard Business Review²

Trust in interactions has clear advantages both for the organization and for the people working in it.

The organization has an opportunity to create lean structures with less overhead, it is able to exploit synergies from the interaction of individuals and groups and needs less controlling mechanisms which have the potential to undermine moral and motivation.

The people working in the organization enjoy a positive work environment, which has clear positive impact on their motivation. In any knowledge work scenario, the motivation is intrinsically tied to productivity.

² <https://hbr.org/2017/01/the-neuroscience-of-trust>

Your impact as a Leader

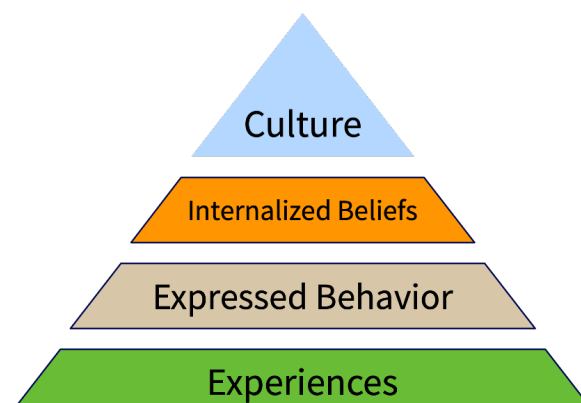
“The first responsibility of a leader is to define reality. The last is to say thank you. In between the two, the leader must become a servant.”

— Max dePree: Leadership is an Art, 2004

How do I exert effect? It is helpful to visualize the ways in which my actions (and, as a basis, my thinking) have an effect.

Certain aspects are general: people have experiences, they orient their behavior accordingly. In the long run, this influences the opinion of what is "normal" - as a collective opinion we consider this to be culture.

Of course, things are not so simple and unidirectional, but interactive and cyclical, so there is a lot to discuss here. In the team context the focus is on interactions (and some structures, like the so-called safe space), in the corporate context the focus shifts to structures, policies, governance etc.



The Culture Pyramid

You and Your Organization

Trust must be earned

Trust *never* happens overnight. It is not a switch that you turn off and on, either. To build trust, you need to earn it. Make some small commitments at first, follow through on them, and make some more, larger commitments after that. As your people see that they can trust you, they will become *more* trustworthy. A feedback loop emerges out of this process.

To get started on that loop, there are several steps that you can take. Brainstorm some ways that you can implement each of these in your day-to-day life.

- When your workload is light or heavy, let your people know. Keep them in the loop about what you are doing.
- Support your people. Coach them and help them. If they stumble, help them get back up, and if they need a hand, give it to them.
- Tell your people how much you appreciate them – and why. Recognize good deeds so that everyone is aware that you prize selflessness.
- Listen to your people. This way, your entire organization will begin to see that *everyone's* contribution matters. They will trust you when you tell them that you *want* to hear their thoughts and feedback.

There are more, of course, which we will get to later on. Let's now walk through three frameworks from which you can make your leadership style safer, more encouraging, and more conducive to *outstanding* work.

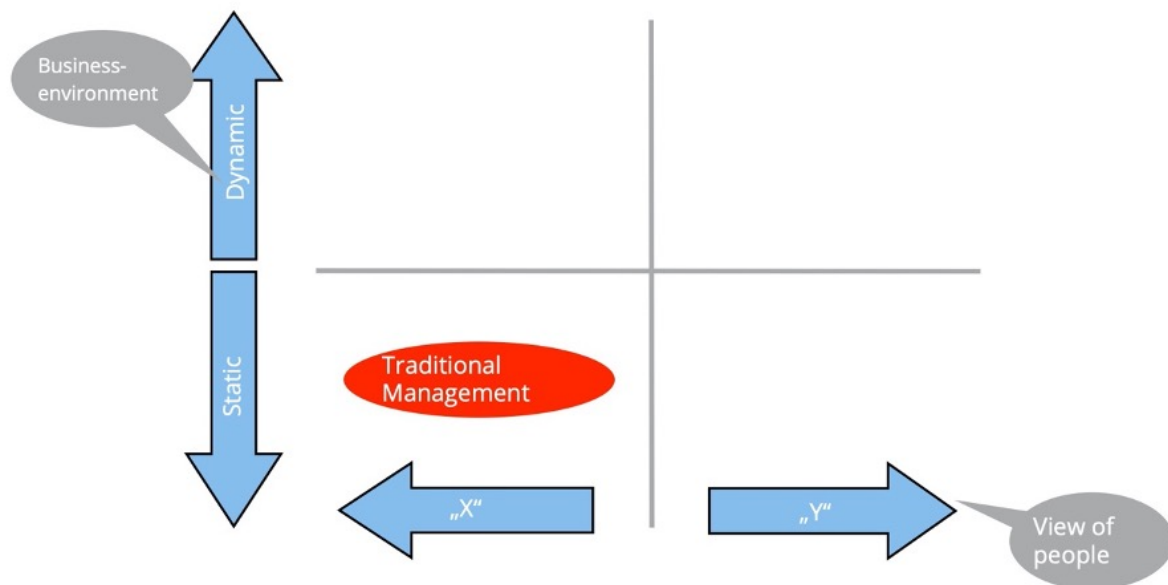
Leading with Trust

Here is an adage you may have heard before: fix processes, not people. What it means is that when things are going wrong in an organization, the proclivity is to find someone, rather than something, to blame. This proclivity is the same one that causes organizations to demand trust from their employees, while offering little or none in return. Although expecting their people to think with the ingenuity of entrepreneurs, they grant them none of the independence or freedom that entrepreneurs enjoy.

Imagine what this type of destructive thinking will do to an organization, though. Such mindsets keep creativity in a box, severely limiting people's ability to do their best work. When managers treat freedom as if it were a one-way street, they are creating untold costs from the organization.

Trust People

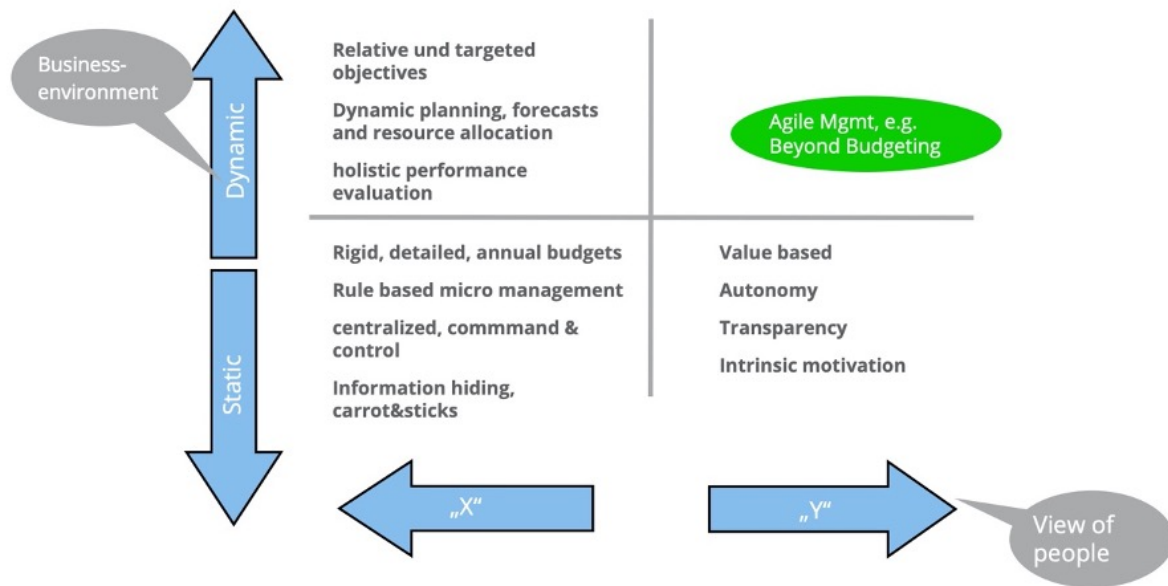
This misstep comes down to a series of discrepancies, arising from contrasting approaches of leadership and management: Theory X and Theory Y³. Let's consider each of these approaches.



The first approach treats people with something that resembles disdain. According to this theory, people *crave* specific directions and orders. They do not want to take on any responsibilities, and their ambitions do not extend past their next paycheck. Their thought processes are all anti-work and anti-team. They respond to coercion, threats, and punishments. The best that an organization can hope, according to this theory, is to minimize the havoc that its people wreak.

Doesn't that sound discouraging?

³ Actually, McGregor's Theory X and Theory Y is more of a management approach or belief system than a scientific theory - but imho a useful distinction: https://en.wikipedia.org/wiki/Theory_X_and_Theory_Y.



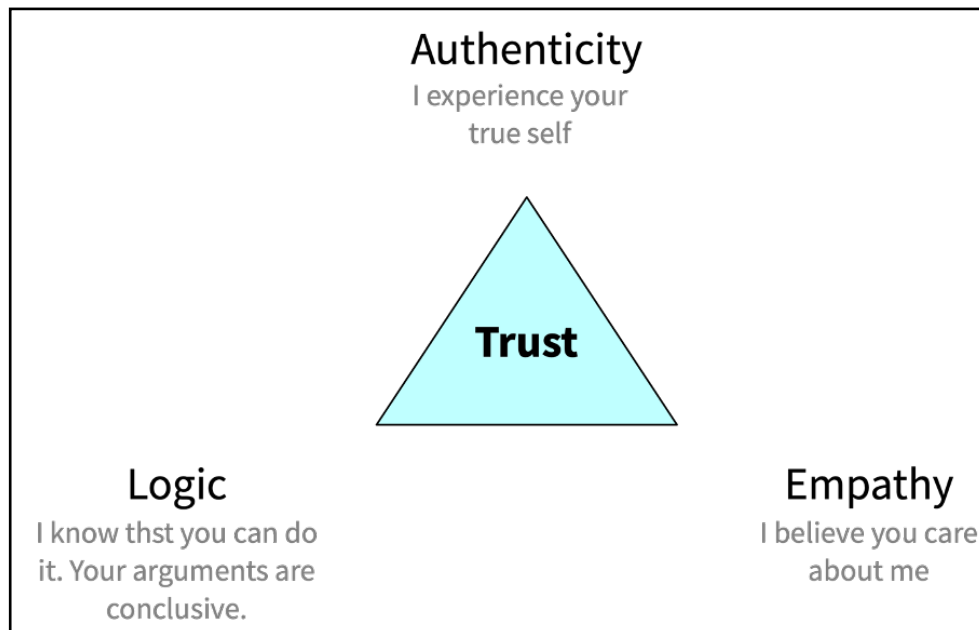
The opposing, the second theory views people as *driven* to do work, to take on meaningful tasks and work toward goals with which they resonate. When you afford people the power to decide their own direction, they will do so happily. They will not waste that power on trifles, but put it to good use, striving toward their shared objectives. According to this theory, people cherish responsibility. They seek it out because they know that along with responsibility, comes achievement and recognition. This theory sees people for the innovators, engineers, and dreamers they are. It celebrates their true potential.

My personal advice is to go with Theory Y and to trust people as a default approach: even if you may sometimes be disappointed, it will have a tremendous impact on your environment: people will make experiences of an environment of trust, will reflect this in their general behavior and with time this will engrave a positive attitude into your company culture.

Often, what determines the theory that an organization will follow is not so much conscious will, but the means by which the organization processes and communicates information. In a **pathological organization**, people will hide information as it suits them, and in a **bureaucratic organization**, information comes to a screeching halt because of heavy-handed regulations. It is within a **generative organization**, however, that information can flow freely – and people can work from the advantage of trust.

| Pathological (power oriented) | Bureaucratic (rule oriented) | Generative (performance oriented) |
|-------------------------------|------------------------------|-----------------------------------|
| Low cooperation | Modest cooperation | High cooperation |
| Messengers shot | Messengers neglected | Messengers trained |
| Responsibilities shirked | Narrow responsibilities | Risks are shared |
| Bridging discouraged | Bridging tolerated | Bridging encouraged |
| Failure leads to scapegoating | Failure leads to justice | Failure leads to enquiry |
| Novelty crushed | Novelty leads to problems | Novelty implemented |

The Trust Triangle



In the generative organization, we find a complete, flowing **trust triangle**⁴. This is a structure through which we can understand how people build trust with each other and what they are doing to exhibit trust routinely and openly. On each side of the triangle, there is a different value: authenticity, logic, and empathy. Each of these values is critical to trust in an organization, just as each of them is critical to trust in a personal relationship. Without authenticity, people feel that they don't know each other, and without empathy, they feel that they can't support each other. Logic, meanwhile, assures your people that the organization is working on their behalf, not leading them astray.

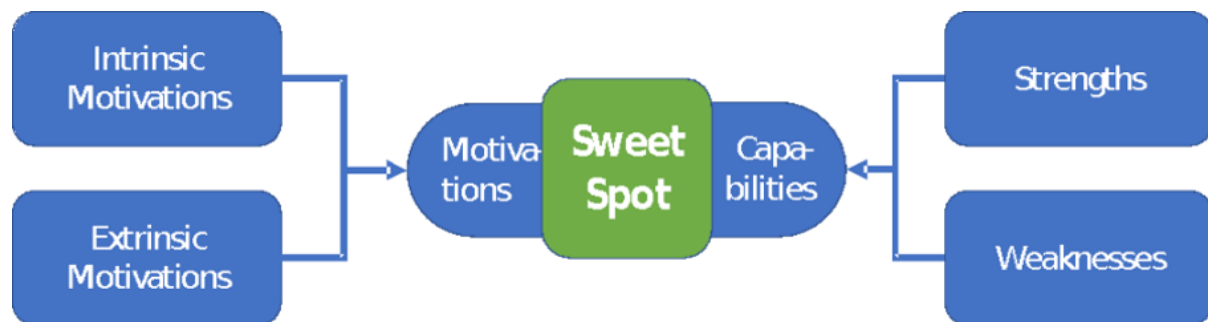
Remove one of these values, and the triangle ceases to be a triangle. What you get then is a **leadership wobble**, which hinders organizations, keeping people feeling unsafe and uncertain, preventing them from doing their best work.

Now, let's dive deeper into another one of the core frameworks: authenticity.

⁴ <https://hbr.org/2020/05/begin-with-trust>

Leading with Authenticity

The first step on your path to be authentic⁵ is to understand yourself: your motivations, external and internal and your capabilities and limits. The second step is to make yourself transparent to others.



Authenticity is, like trust, disconcerting for some people because of the risk that it asks us to take. When you drop all of your facades, and let down all of your defenses, there is no longer anything protecting you from other people's honest judgments. Let's not sugarcoat anything here: within a collaborative environment, you will from time to time offer an idea that one of your collaborators dislikes. In that moment, you may feel a pang of regret for your authenticity.

What you need to do, in that moment, is remind yourself that you have *chosen* to take a risk on yourself. You have chosen authenticity over any of the alternatives because you know that it's right for yourself, your people, and your organization. Leading with authenticity, you are of course setting an example for others to do the same. You are showing your people that they too can present their most genuine selves and speak freely, offering the ideas that make sense to them, even if there is a possibility that their ideas will not make complete sense to others.

There is an inherent balance for you to strike here. When you are leading with authenticity, you need to act on what you believe is right *and*

⁵ Bill George: Authentic Leadership, Jossey-Bass 2003

presume that others will do the same. Although your people should be working toward shared goals, disagreements will happen. One person will see the shared goal one way, and another person will see it another way. What do you do *then*? Isn't this a paradox?

The truth is that it *isn't*. There is no paradox here because if everyone is authentic *and* if you have established a safe environment based on trust, then the risks are fleeting. Your message about how you want your people to carry themselves is consistent, aligning with the freedom and autonomy that you know will yield better results. Everyone is talking, communicating sincerely, which means that if there is a disagreement, it will become one more form of productivity for the organization – one more tool that you can all use to grow together.

Authenticity means that you are seeking out all of the skills available to you, even the undeveloped ones, and nurturing them. You are treating people with the humanity that they deserve, approaching them with positivity and optimism with regards to every project and task they take onto their shoulders. Profit and share price fade into the background, taking a secondary role to the primary motivations everyone can agree on, such as ethics and excellence.

As a leader, you would do well to *think* about your organization and your leadership style while you are embracing authenticity. For example, work from a clear vision and focus on your core business. Diversify wherever possible, stay up to date on the latest market trends, and expand upon your skillset. Each of these steps will, in conjunction with authenticity, set you up to make the most of the talent already within your organization and to spot the talent that your organization can pick up and develop later on.

Best of all? Because you are leading with authenticity, talented people will *want* you to notice them. The highest-performing individuals will see that you have put serious consideration into your motivations, your strengths, your weaknesses, and your culture, and they will feel compelled to join you, to become a part of the safe, trustworthy team you have assembled. They will note that intrinsic motivators (personal growth, a sense of accomplishment, service to others, positive leadership,

stronger relationships, meaningful work, ethical work, and impacting the world) are much more important to you than extrinsic motivators (money, power, titles, fame, status, winning, prestige).

Before we tie all of this together, let's look at the third framework from which you should be leading: confidence.

Leading with Confidence

Create a safe space

Does *your* organization provide a safe space for your people? If it doesn't, you need to ask yourself why that is before you do anything else. After all, without a safe space, you are never going to see, the biggest, exciting work that your people have to offer you. You will continue to miss out on the successes that they ought to be delivering and can't.

Within a safe space, your people will thrive because they can handle more social threats, which the brain perceives as equivalent to physical threats. Free from their fight-or-flight response, they will be able to work creatively, solve problems, make quick decisions, and connect with others more efficiently. Collaboration will arise naturally as a result: your organization will operate from a center of trust as a matter of course.

Stress is the primary detriment to any environment. When stress gets past a certain level, the environment no longer functions as a safe space. As a leader, you should see that in the same way you would not be able to live and work confidently if you were always looking over your shoulder, your people can't either. Think of what little you would accomplish in six hours if you were to spend five and a half of those six hours fending off attacks.

| Status | Certainty | Autonomy | Relatedness | Fairness |
|--|--|---|---|--|
| Importance in relation to others | The ability to predict future. | The sense of control over events | The sense of safety with others. | The perception of fair exchanges. |
| The perception of a potential or real reduction in status can generate a strong threat response. | The brain is constantly trying to predict the near future. Even a small amount of uncertainty generates an 'error' response. | The feeling of having a choice greatly influences the level of stress | The feeling of belonging to a group is important. Collaborating and sharing information are closely tied to the level of trust. | Unfair exchanges generate a strong response. Greater transparency, communication and participation can have a positive impact. |

This is not to say that all stress is bad, though. When you are in a crunch, and everyone is working swiftly and passionately, what looks like stress is in actuality motivation.

Sometimes tension is unavoidable: in any organization, these days happens a lot of change, which can people throw out of their comfort zone.

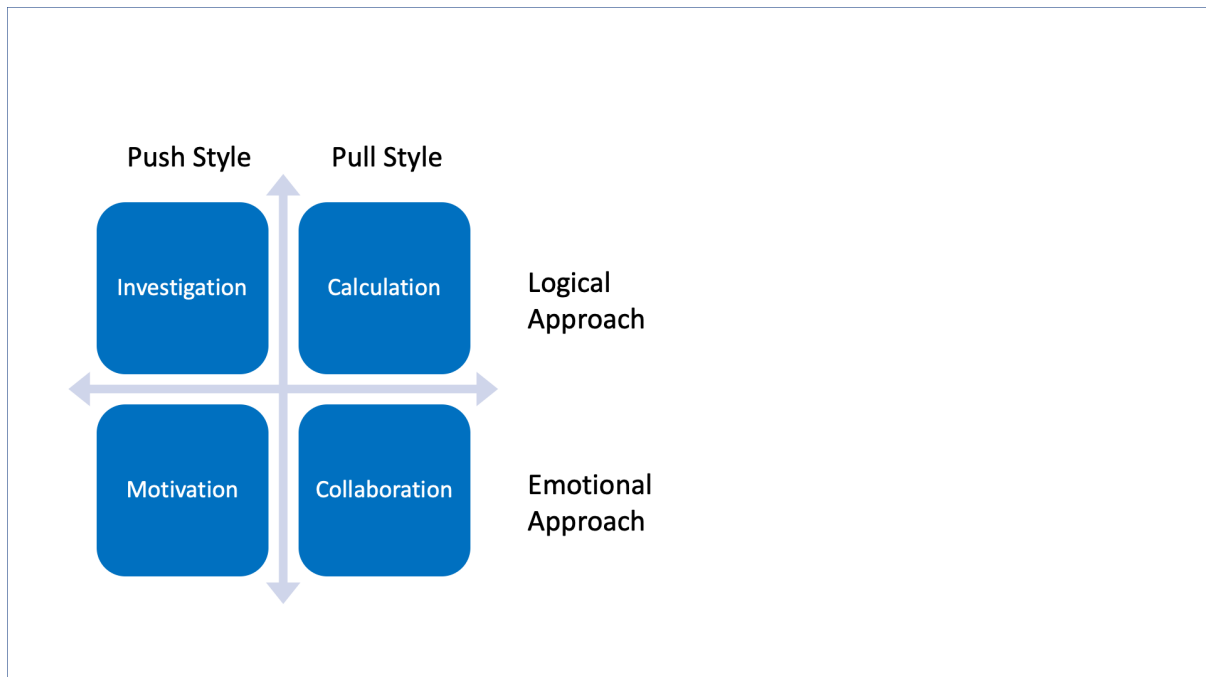
To avoid that this turns out pernicious stress and hurts your people, you have to understand it and learn to balance and reframe it.

For this, the **SCARF model** is a very useful tool:

In the SCARF Model,

- the S is for **Status**. This determines how we view ourselves and what we believe our place is within the organization.
- The C is for **Certainty**. This is the clarity with which your people can make their decisions. The fewer stressful decisions they have to make ("Do I hide this information from my peer because it may damage me?" and "Is this person trying to make me look bad in front of our boss?"), the more brainpower they can divert to more creative, more productive tasks.
- The A is for **Autonomy**, which creates a sense of ownership and control that feels *wonderful* for people. Without autonomy, we feel threatened – like our input is neither valuable nor welcome.
- The R is for **Relatedness**. Because of our social nature, relatedness builds teams. The more easily we can see ourselves in others, the stronger the organization will become as a whole.
- The F is for **Fairness**. Without a reasonable presumption of justice and equality, your people will become combative. They will start to ask questions like "What's in it for me?" instead of questions like "How can we work together on this?"

Decide on your Power Style



As a leader, your power style has a huge influence on the stress level of your people and your credibility. Say that you are used to using a coercive power style: you are exacerbating the problems in your organization and preventing a safe space outright. To correct your power style, you may consider what you can do to *reward* your people or *communicate* with them. You may try to win them over by legitimating your position, establishing your expertise, or appealing to their values so that they respect you.

However you adjust your power style, make sure that you are adjusting it in *every* way that you interact with your people. This includes the ways that you organize, delegate, persuade, listen, motivate, direct, educate, converse, learn, advise, coach, mentor, and even follow. To lead with confidence, you have to consider every aspect of the power that is available to you – and whether or not it is appropriate to use it, in terms of the safe space you *know* you want for your organization.

The results, if you can lead according to these guidelines, will far outpace anything that you would have gotten if you had tried to cajole and fight your way into the future. What does that mean for *you*?

True Cohesion for Unparalleled Productivity

Intuitively, we all know that we need trust in our personal relationships. We understand that without trust, something is missing. The same is equally true in our work relationships, however. Without trust, we miss out on the very magic that leads us to do our most creative, most ingenious work.

Within your organization, there will be many opportunities for you to cultivate trust. If you take those opportunities, people will notice. They will pick up on the mood that you are striking for them. Leading with trust, you can take on fewer burdens for yourself, depending more on others, which will be good for you *and* for them.

Authenticity will then emerge. You will speak openly and honestly, and your people will do the same. Whatever risks you perceived, whatever small embarrassments would have kept you in your shell, they will seem small next to the grandness of your collaborations. Your collaborative powers will *skyrocket*, thanks to the safe space that you have so kindly established.

In turn, you can plan *bigger*. Your next risk can seem even bolder to onlookers, but to you and your people, it will seem like the only reasonable course of action. Thinking fresh thoughts, planning decisively, you will catch glimpses of what your organization can become, not merely what it is, not merely what doubters would tell you it can be.

Your people will be thankful to you, for taking that first risk on them, so that they can take all of the subsequent risks on themselves and each other. This is the effect trust makes on an organization – its impact without rival.

Go ahead: make your next move, knowing that your people will be there to support you along the way.