

Restoring Corporate Trust - Why We Must Try

When I wrote about earning trust with co-workers last year, Rich Tafel of The Public Squared, a true leader in the public policy field, called to suggest that a closely related and equally important subject is corporate trust.

I immediately went and sat on my front porch and thought about Rich's observation. I agree completely. This is a critical issue, and there is a real need for companies to commit to the long-term process of restoring trust.

Can it be done? Not easily, that is for sure. And with the pressure from Wall Street to maximize earnings every 90 days, it will take special leadership of any publically traded company to regain lost trust.

Here's the background from my standpoint. In the late 80s and early 90s, many companies in the U.S. were striving to improve customer service, productivity, processes, employee satisfaction, and to help their people grow and succeed. Very admirable objectives, for sure! This was the Total Quality Movement that was gaining great attention.

It was exciting – everyone can make a difference, everyone can satisfy a client, the best ideas are bottom up, our co-workers are internal clients, and everyone can strive for continuous improvement, individually and as a team. The movement was taking hold more quickly and effectively in some companies than others, which is natural, and I believe most companies would have achieved similarly significant improvement in their service, their productivity and their financial results. Their people were becoming more excited, engaged, and were working smarter and more collaboratively.

What happened? Why did the quality movement, the emphasis on people, their development, and their ideas about how to improve customer service and productivity, and not simply quarterly numbers, disappear?

What I saw was Wall Street, the investment banking community, asking CEOs and high level corporate managers how much they were investing in "quality," how did they know it would pay off and how long would that take? And why not just acquire a competitor and then lay off people to reduce expenses?

Essentially, much of Corporate America, spurred by Wall Street, was focusing on growth by acquisition and reducing expenses by eliminating people, not by investing in their people and striving to get better at their business.

That was an expedient way to make money for their stockholders (and while it was not discussed, a quick way for corporate management to become wealthy, and yes, for the investment bankers to make multi-million dollar fees).

And so the quality movement was replaced by the rush of acquisitions and massive layoffs. Layoffs by the thousands. Good people, who had been loyal to their companies, who were doing good work, who had families and outside responsibilities, and who did not deserve to be laid off.

I remember well, as I grew up in the business communities of New York and Chicago, counseling people, "Choose the field you love, get with the best company in that field, do a great job, and make that your career - loyalty pays off!"

That was good advice – at the time!

Then came conglomeration, consolidation and the frenzy of acquisitions, and the enormous demand and pressure to meet or exceed quarterly earnings estimates for publicly traded companies.

There were no more guarantees that loyalty would pay off. In fact, way too often, just the opposite occurred. When I was in Chicago with Johnson & Higgins, I saw so many great companies that were not only Chicago institutions, in many cases they were America's institutions, that were taken over by new management, and to drive expenses down, very often thousands, of good people were let go. These were people who had been dedicated to their companies and were doing good work.

Today, a great many very talented young people leave college and graduate schools with a strong desire to be in control of their own destiny, to be an entrepreneur or to join a small or mid-size company. Sure, some want to go with a financial institution, consulting or marketing firm specifically for the experience and training, with the intent to leave and then join a start up or a smaller business. In fact, currently, people are in a job an average of 3.7 years.

Who can blame them? They know there is little assurance that loyalty will pay off.

Trust is gone in so many instances, often because of the actions and failures of the predecessors of today's senior management, and there are plenty at the helm today who have done little to try to restore trust. Wall Street still influences senior management's behaviors, every bit as much as it did during the past 30 plus years.

Can corporations regain the trust and loyalty of its people?

They certainly should try. In publicly owned companies, it will be challenging, and it will require exceptional leadership. I am here to tell you that it is possible. Publicly owned companies need servant leaders, women and men who not only drive for results, they put equal focus on their people and organizational culture. People need a sense of purpose and meaning in their work along with a paycheck. Yes, even on Wall Street. Especially there, where morality tanked and people were humiliated.

We can look to the success of Southwest Airlines to see how organizations can meet their targets while serving their people. Colleen Barret, Southwest president, motivated 32,000 employees and kept 96.4 million customers happy at the same time. She is thought of as inspiring and supportive, a servant leader. She led with a shared vision for the company, and supported her teams, who did their very best work.

Starbucks, Medtronic, Wegmans, REI, Best Buy, UPS, Ritz Carlton, Room & Board, Whole Foods, and TDIndustries are succeeding with servant leadership at the senior level. This is because senior leaders who connect with their team members, and can inspire and communicate a meaningful shared vision for their company and then give their team

members the chance to flex their skills, create a culture of hard working teams who strive to accomplish those goals.

How is this done? The leaders of great companies have to free themselves up, get off their floors, get out of the endless flow of meetings and treat their team members as their internal clients, to show they genuinely care about them and want to help them learn, grow and advance in their careers. Their team members want to be successful, as we all do. Help them. Ask for their ideas and advice. What can we do to better serve our customers? To improve how we work? What would help morale? What do you need and want from me? What advice do you have for me?

And we must listen attentively to understand and learn.

Leadership must earn relationships with the people doing the work of their companies. They can only do that with conversations, not emails and newsletters.

It is practically essential to have diversified leadership. Women are generally more conversational than men and they value relationships and tend to be all about the team, not themselves.

Definitely, private and family-owned companies have a huge advantage. They do not have the enormous pressures of quarterly earnings and they may invest long term in their people, helping them feel appreciated and valued and helping them grow in their careers.

Clearly, regaining the trust that has been lost over the past 30 or 40 years will take a strong unwavering commitment to restore that faith.

Trust must be earned. It requires an attitude of servant leadership, truly making helping your team members a top priority, and wanting your team to be a community founded on strong and loyal relationships.

Interesting, the senior management of practically every companies states, even brags, that their greatest asset is their people. Yet that is often simply rhetoric.

It's true though; a company's great asset is its people!

To gain the hearts, minds and faith of our team members, it must be our attitude, the way we carry ourselves, the way we think and act, and what we say, really, our "being", and the way we treat our team members that leads the way. Do we demonstrate that we genuinely care about them? Do we think about them as partners or teammates rather than staff or even employees? To me, there is a difference.

I hope these thoughts are helpful. Having an organizational culture that is founded on trust, loyalty and a sense of community will make a great difference. Yes, trust has been violated over and over by corporate management, and yet there will be great benefits from a sincere commitment to regain that trust. Recognize that while it will take a long time, you can make progress, show your commitment and you will begin to see the benefits in the positive energy and appreciation of your people.

Happy, engaged, and aligned team members who respect senior management do better work, thus generating improved results.

It's a challenge, no doubt. And it is your privilege and duty as a senior manager, ideally as a true leader, to help your team members with their work and their success, and to help improve your organizational spirit!

Remember – managers focus on numbers; leaders focus on people!

About The Author



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