

“Love does not consist in gazing at each other; but in looking together in the same direction.”

Antoine de Saint Exupery, French aviator best known as the author of *The Little Prince*

The Trusted Leader

A Management Forum Series presentation by

Robert Galford

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Synopsis by Rod Cox

“As today’s headlines remind us, trust is the hot-button issue in business, especially for investors, managers, workers and consumers. More than ever before, the success of an organization depends on leadership that fosters strong connections across teams and among bosses, colleagues and subordinates. Companies are in urgent need of trusted leaders, but how can managers meet that need? ‘Be trustworthy’ is the short, logical answer, of course. But being trustworthy and building trust in an organization are not one and the same thing. The former is an inherent part of a person; the latter requires developed talent and considerable skill.”

Inside a company, trust provides focus, fuels passion, fosters innovation, and helps employers hire and retain the best employees. Effective leaders are encouraged to master three critical types of trust: strategic, organizational and personal. In his Portland presentation, Galford focused on the latter two.

“There is no universally ‘right way’ to build trust in the long term. But the key, I believe, lies in understanding that (. . . the process . . .) is multi-faceted. It’s not simply being able to say, ‘I am a trusted leader.’ It’s not simply being able to say, ‘This organization is trustworthy.’ It’s being able to say, ‘I am a trusted leader in an organization that can be trusted (. . . over time . . .). It’s about ensuring that trust is absolutely a foundation of the environment.”

Barnes Boffey, the Aloha Foundation

Known for his fast-paced, insightful and highly interactive presentations, Galford looks at what it takes to be seen as a Trusted Leader, and why trust should concern any leader who is interested in his personal success as well as the success of the entity he leads.

Robert Galford is managing partner of the Center for Executive Development in Boston. He teaches executive education programs, and works with senior executives on the issues that lie at the intersection of business strategy corporate organization, and leadership. He has taught at the Boston University Graduate School of Management, Columbia Graduate School of Business, the Kellogg Graduate School of Management, and Harvard. Galford's earlier professional career included stints as executive vice president and chief people officer of Digitas, and as vice president of Gemini Consulting. While there, he worked for a number of years in Western Europe. Galford practiced law with an international firm and has worked in investment management for Citicorp.

Galford's publications include contributions to the Harvard Business Review and the Boston Globe where he served as one of the “Job Doc” advice columnists. In addition to *The Trusted Leader* (co-author Anne Siebold Drapeau), upon which this Management Forum Series presentation is based, he co-authored *The Trusted Advisor*. His latest book (co-author Regina Fazio Maruca) is *Your Leadership Legacy: Why Looking Toward the Future Will Make You A Better Leader Today*. Galford's educational background includes Liceo Segre, Turin, Italy; a BA in Economics and Italian Literature from Haverford College, an MBA from Harvard, and a JD from Georgetown University Law Center. He may be contacted through the Center for Executive Development (www.cedinc.com) at rgalford@dedinc.com.

This synopsis includes concepts and quotes from *The Trusted Leader*.

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A

ny effective leader is entrusted with two sets of interrelated responsibilities:

- **Organizationally**, she must ensure the organization’s vitality (not necessarily its longevity). She must also develop a community of future leaders.
- **Individually**, she must identify and model appropriate personal attributes and behaviors. She must also consciously plan and execute her legacy.

On the surface, these look relatively simple; but they are complex, slippery and elusive. Even if a leader thinks she’s doing a great job, there’s always the danger of too much individual trust getting in the way of collective trust. The reverse can happen, as well. Or she can slip from being appropriately personal to being inappropriately private. Or misjudging the perceptions of those she leads.

The need for balance between individual and collective trust creates a condition of ambiguity. It’s like piloting a sailboat. Setting the course is the easy part. The hard part is being constantly vigilant, initiating regular corrective actions in response to the unpredictable and ever-changing conditions of wind and water.



Trusted Leaders are charged with:

1. Executing flawlessly
2. Thinking strategically on both individual and organizational planes
3. Formulating and articulating persuasive business cases with clarity, rigor, logic and awareness of impact
4. Keeping three flavors of trust constantly in play:
 - ✓ strategic trust – On a mission level, is the organization doing the right things with its goals and energies?
 - ✓ organizational trust – Are appropriate processes and decision-making in play so that things are done in the way in which they should be done?
 - ✓ personal trust – Does two-way trust flow between the leaders and the people throughout the organization?

(Organizational trust and personal trust is where savvy leaders are most likely to have leverage.)

5. Behaving with scrupulous neutrality on the entity’s behalf
6. Understanding their personal legacy; knowing how what they do will impact the organization and all of its stakeholders
7. Constantly striving to play high on the leadership ladder (see page 8)
8. Helping others build their own best legacies

When disparities of trust occur, we see people leaving their organizations. Statistically, the number one reason people abandon their jobs is because “my boss is an idiot”; i.e., trust has evaporated. “My company is run by idiots” is not far behind.

In the recent US elections, about 90% of incumbents retained their jobs despite many surveys that indicate a precipitous loss of trust in the government at large. So trust in individual leaders may remain strong even though trust in the entity has eroded. But both need to be in place; the positive influence of Trusted Leaders is seriously handicapped by the negative effect of untrusted entities.

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The primary enemies of trust – the things that get in the way of trust or that cause it to evaporate – at last count numbered 22, grouped into three overarching categories:

Inadequate Communication	Misbehavior	Situations Not Remedied or Addressed
<ul style="list-style-type: none"> People with unhealthy need for promotion, power or recognition 	<ul style="list-style-type: none"> People whose personal agendas are at odds with those of the organization 	
<ul style="list-style-type: none"> Volatile personalities and/or ‘Class A Jerks’ 	<ul style="list-style-type: none"> A corporate history of underperformance 	
<ul style="list-style-type: none"> Pulling a rewards ‘Bait and Switch’ 	<ul style="list-style-type: none"> Behavior of ‘controlled vengeance’ or undermining 	
<ul style="list-style-type: none"> Inconsistent messaging 	<ul style="list-style-type: none"> Complicated situations 	
<ul style="list-style-type: none"> Unintended consequences 	<ul style="list-style-type: none"> Endless management reorganizations 	
<ul style="list-style-type: none"> Rapidly changing situations 	<ul style="list-style-type: none"> Misplaced benevolence 	
<ul style="list-style-type: none"> False feedback 	<ul style="list-style-type: none"> Elephants meandering undisturbed in the parlor 	
<ul style="list-style-type: none"> Inconsistent reactions or standards 	<ul style="list-style-type: none"> Excessively strict or inflexible standards 	
<ul style="list-style-type: none"> Scapegoating 	<ul style="list-style-type: none"> Taking away part of the cultural ‘glue’ or amenities 	
<ul style="list-style-type: none"> Paralysis in the face of difficulty 	<ul style="list-style-type: none"> Incompetence, perceived or actual 	
<ul style="list-style-type: none"> An atmosphere of failing to trust others 	<ul style="list-style-type: none"> Our own sweet selves 	

In your own organization, which of the above enemies of trust exist? How did they get there? Are they unique to a specific leader or can they be found throughout the organization? What effect do they have on the individual, as well as on the organization as a whole? What would it take to erase them? More specifically, what can you yourself – as a Trusted Leader at your own level – do about it?

Levels of Personal and Organizational Trust: The Tangible Argument

Definitely not abstract concepts, levels of trust can be identified and plotted on two axes: breadth and intimacy. Simply said: the greater the breadth and the intimacy, the greater the level of trust. This consistent approach is true whether the subject at hand is expertise, sales or any other business component.

Breadth and Intimacy Levels	Driver	Trust Levels In Matters of Expertise	Trust Levels In Matters of Business Development
Four	Trust	Trusted Advisor	Trust Based
Three	Relationship	Valuable Resource	Relationship Based
Two	Solutions	Expert-plus	Solutions Based
One	Service	Subject Matter Expert	Product or Service Based

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This is not to say that personal trust levels lower than Level Four are unimportant. But building relationships at higher levels of trust nearly always pay off in very tangible ways. *“As individual leaders, there is a direct relationship between the levels of personal trust we build and the success of our firms.”*

The Personal Trust Equation looks like this:

$$T = \frac{C + R + I}{S}$$

Trust is a product of **C**redibility plus **R**eliability plus **I**ntimacy
diminished by
Self-interest

All four ingredients must be contended with, and always – because we may not be our own best critic – as perceived by other people:

- **Credibility** – Do we do what we say? Are we good communicators? Competent?
- **Reliability** – Have we helped in similar situations before? Are we likely to do it again?
- **Intimacy** – Are we connected? Respectful? Do we acknowledge others? Are we more likely to praise than to criticize? *“When given a choice, customers buy what they need from those who understand what they want.”* A trusted leader may not always be able to give people what they want, but he can give them a sense that he cares about them and understands them.
- **Self-interest** – Is there too much of it (selfishness, arrogance, “me-first-always”) or too little (“step on me,” an unwillingness to preserve the entity’s vitality), or do we maintain a comfortable balance between self- and other-interest?

The Personal Trust Equation becomes even more meaningful when we put numbers around it. As a case-in-point, compare the potential return-on-investment you can expect from a recruiting a Brand New Client to the return-on-investment you can expect from maintaining an Existing Client:

Recruiting a Brand New Client: $(C = 2 + R = 5 + I = 2) \div (S = 7) = 1.29$

Keeping An Existing Client: $(C = 7 + R = 9 + I = 5) \div (S = 5) = 4.20$

In this hypothetical example, net return-on-investment for keeping an existing client is nearly four times higher than for recruiting a brand new client. Said another way, it costs four times as much to gain a new client than it does to retain an existing one. (Industry-wide surveys show that the actual figure is closer to seven times as much.) Since sales costs are typically 25-30% of the cost of doing business, this helps explain why wise companies pay copious attention to maintaining the trust of their existing client base. They can’t afford to do otherwise.

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Based on interviews across industries and functions, Trusted Leaders consistently use five personal trust *skills* as well as five personal trust *tools*:

	Skills	Tools
Engage	Encourage people to be open.	Continuously reinforce and perfect the ‘contact contract’ using the right tone, time, topic, people and meeting place.
Listen	Pay attention to what is important and real.	Know how to name it and claim it. Recognize and respect the unseen, unstated, and unspoken. It doesn’t have to be resolved, but it does have to be acknowledged.
Frame	Identify, frame and phrase taproot issues.	Have mastered the art of truth telling. Whenever possible, tell the whole truth openly; use wiggle room sparingly; refuse to lie.
Envision	Jointly envision an alternate reality of possibility and hope.	Frame issues with elegance. What would a solution look like? What am I willing to do to resolve the problem?
Commit	Gain commitment to constructive action.	Use catalysts of speech to move people from passive to purposeful

Organizational Trust is measured somewhat differently; but like Personal Trust, the outcomes are mathematically predictable:

$$T = \frac{A_1 + A_2 + A_3 \times A_4 + A_5}{R}$$

Trust is a product of **A**spirations plus **A**bilities plus **A**ctions
times
Articulation plus **A**lignment
diminished by
Resistance

Thus, Organizational Trust that is made up of high Aspirations, Abilities and Actions multiplied by high Articulation and Alignment is likely to remain strong even when high levels of Resistance come into play. But note what happens when even a single one of the “A” items is low:

$$(A_1 = 7 + A_2 = 8 + A_3 = \underline{8}) \times (A_4 = 7 + A_5 = 7) \div (R = 8) = \mathbf{40.3}$$

$$(A_1 = 7 + A_2 = 8 + A_3 = \underline{2}) \times (A_4 = 7 + A_5 = 7) \div (R = 8) = \mathbf{30.8}$$

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In this example, although the other “A” components remain strong, a low level of Actions causes the net outcome to drop by 25%. A trusted leader has to pay attention to all of them.

Overcoming Resistance and Rebuilding Trust

Not every company or leader has positioned itself/himself/herself as a monument to trust, and not every organization or employee will enthusiastically embrace movement in that direction. Even forward-focused organizations may harbor pockets of skepticism and resistance. Note the following common sources of resistance, the tools for overcoming resistance, and definitive steps to take to rebuild trust.

Resistance Sources to Overcome	Tools for Overcoming Them	Steps for Rebuilding Trust
<ul style="list-style-type: none"> ▪ Skepticism that statements or actions are sincere or realistic ▪ Fear of negative consequences to actions, or failure to act (knowing that risk takers are often shot) ▪ Frustration because of micromanaging (the reluctance to delegate) or under-managing (“don’t bother me”) ▪ The embedded “we-they” which assumes that respective interests are fundamentally in opposition 	<ul style="list-style-type: none"> ▪ Admit past mistakes even if they aren’t yours ▪ Invite people into the process by using neutral social venues (lunches), allowing them to opt in or opt out, and humanizing the conversations ▪ Force yourself to delegate by allowing high levels of ambiguity, personal responsibility, eliminating your own high levels of perfectionism and tendency to personal insecurity ▪ Incent and reward owner-like behaviors ▪ Over-deliver, over time 	<ul style="list-style-type: none"> ▪ Recognize the intensity, depth and impact of the loss of trust ▪ Use Personal Trust Elements (Credibility, Reliability, Intimacy, Self-interest) and Organizational Trust Elements (Aspirations, Abilities, Actions, Articulation, and Alignment) to examine where the breach occurred ▪ Place it out there fast ▪ Acknowledge its impact on the individual, group of people and/or the organization at large ▪ Identify as precisely as possible what you’ll be doing in an attempt to rebuild trust ▪ Raise the bar of performance: over-deliver ▪ Reflect on what is happening and what needs to happen ▪ Repeat the process for a good long time so that it becomes acknowledged, accepted and part of the normal fabric

“The most critical lever in making change successful is trust. The biggest challenge in making change successful is making it last even after you are gone.” The experience people take away comes not only from one action, but also from the continued mosaic of actions over time. It can take a lifetime to build trust; for an effective leader, that’s too long. How can a leader build trust *now*?

There isn’t a magic bullet. But you can initiate the trust process immediately. You can maintain it assiduously. You can *“allow people to become part of the trust-building process. Ask for their advice. Use their responses. Show them that their input is valuable. One of the absolutely fundamental tools of trust-building is getting people engaged by inviting them into the process rather than mandating their participation.”*

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Legacy Roles

Consider your legacy, “*what others (peers, colleagues, employees and other constituencies) take away on an enduring basis as a result of having worked with you.*” Sounds simple enough, yet consider: “*As individuals, our most tragic outcome is to have been there all the time, and for no one ever to have noticed.*”

Why is it so hard to focus on one’s legacy? Well, it’s a very BIG topic. It’s also amorphous. It involves the core of who we are. And where do we start?

The six legacy roles are Advocate, Ambassador, Builder-Creator, Ombudsman, People Promoter and Wise One, each of them essential.

Role	Characteristics	Self-Identifiers
Advocate	Principled and passionate	Spokesperson, champion
Ambassador	Flexibility, savoir faire	Breaks ground without breaking glass
Builder-creator	Visionary, restless	Builder of the new
Truth Seeker	Fairness, justice	Quest for the right answer
People Mover	Talent spotter	Puts people into roles, gets them promoted
Wise One	Grounded, sage, objective perspective	Sought out as therapist

“For some people, a winning legacy might be framed in terms of business accomplishment: organizational growth, geographic expansion, survival or salvation. For others, legacy has to do with more of a stewardship role, where their legacy is one of keeping the asset going and handing it over to a new generation. All of these are laudable.

When trusted leaders respond to the question of legacy, the answers that emerged with the greatest frequency included the legacy of people . . . the people they brought into or retained in the organization . . . the people they have mentored or developed . . . the people to whom they gave an opportunity, a chance, a career path. You hear about skills taught, values imparted. You hear much less about the edifices built, the financial results achieved, or the processes improved.”

Based upon research and observation, there are three primary ways in which legacies are felt:

- **In their way of approaching a problem or doing certain things.** “If X were here, he would handle it this way.”
- **In their ways of dealing with people;** with listening and respecting; with extending trust; with patience.
- **In their way with using words and phrases that ring true;** with their singularity of message; with their faithfulness to a set of values.

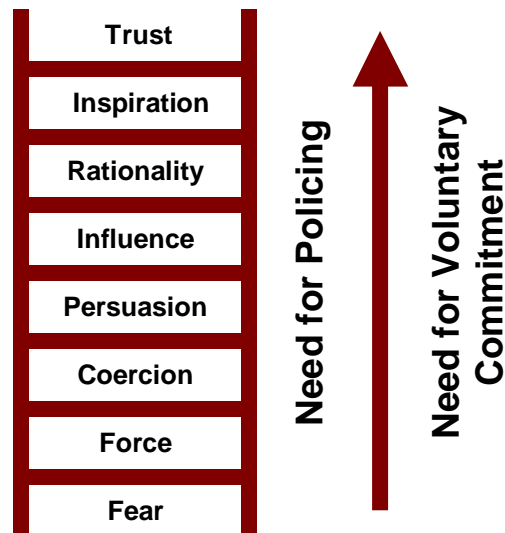
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Curiously, women often handle legacy roles better than men do. Locally, Peggy Fowler at PGE was singled out for her grace, gratitude and progress during a very difficult time in the history of her company. In your own company, who are the legacy leaders? What can you learn from them and emulate?

The Ladder of Trusted Leadership

In matters of Trusted Leadership as in other aspects of life, *“we are measured by where we spend the preponderance of our time.”* At the bottom of the ladder is Fear; at the top is Trust. As we move up the ladder, the need for policing increases. So does the need for voluntary commitment.



Consider enlisting three tactics in your quest to move up the ladder and expand your legacy:

1. **Know that it's already underway.** If you were to query the last ten people you interacted with, what would they talk about? What did they take away from the interaction?
2. **Compare your walking-out agenda.** Are the plans you have going into the interaction in synch with the impressions you leave when you walk out? This is critical.
3. **What are the tangible measures?** As a result of working with you, what do you want people to have received? What do you need to stop doing; start doing; continue doing; learn; and avoid?

“Our lives are not exercises from school that have no relevance. In fact, they have the ultimate relevance. Our lives can damage other people; our lives can heal other people; our lives can nourish other people, and our lives can transform other people. Our lives become the stars that others steer by, and if we live them well, the world will change.” Barnes Boffey

“What will you do with your one wild and precious life?” Mary Oliver

For extensive additional detail, illustrative stories and examples, Executive Forum heartily recommends that you buy and read *The Trusted Leader* (ISBN 0-7432-3539-8) or *Your Leadership Legacy: Why Looking Toward the Future Will Make You a Better Leader Today* (ISBN 1591396174) available at most bookstores.