THE **2021** TRUST OUTLOOK™

EXECUTIVE EDITION

Research presented by

TRUST EDGE
LEADERSHIP INSTITUTE

A New Kind of Trust Outlook™

The *2021 Trust Outlook™: Executive Edition* is a culmination of quantitative and qualitative data collected and used by the Trust Edge Leadership Institute over the last five years. The data is from interviews with leaders who shared their experiences about the impact of trust in their organizations. Each section in this edition contains a curated summary with highlights from our data reflecting essential ways executives can intentionally promote growth and leadership.

In this research report, you will find:

- Trends in trust
- Perspectives from executive leaders
- Opportunities for strategic development
- Space for notes and reflection
- Tactics for building trust in your teams

Over the last year, Trust Edge Leadership Institute partnered with the Social Research Lab from the University of Northern Colorado to conduct interviews with U.S. based corporate executives. We asked how the Eight Pillars of Trust (Clarity, Compassion, Character, Competency, Commitment, Connection, Contribution, and Consistency) are reflected in their leadership philosophies, strategies, and environments. Prior to our current challenges, these leaders consistently shared a desire to be part of the solution to the larger underlying question: **How do we lead well in a constantly changing world?** The common approach was to actively build trust in the workplace. Even before 2020, many leaders were already dealing with ongoing changes in their organizations. Executives shared how using their past and present experiences helped to propel them forward into 2021.

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This Executive Edition of Trust Outlook™ features thoughts about the future of leadership, as shared by executives.

LEADING WELL IN A CHANGING WORLD

The transition to 2021 will forever stand out in our minds as one of constant change. In the United States, not only was 2020 a contentious presidential election year, but some of our most serious social issues were brought to the forefront, all while we collectively endured a global pandemic. In spite of the challenges, one thing remains: **We have a daily choice** to use these hardships and experiences to either propel us forward or to hold us back.

Even good leaders and organizations can face a crisis of trust. Leadership in the year ahead must be rapidly adaptable in some ways, yet steadfast in other ways. With a rise in unemployment and companies and small businesses failing, it is valuable to take note of the organizations and leaders who are thriving. How have some companies continued to grow even in the midst of crisis?

In crisis, leading with empathy and clarity have increased trust for the long term. For example, as the pandemic expanded, numerous challenges arose at airports all around the world. One major issue was with car rental companies. Without travelers renting cars, the rental companies were left with more cars then parking spaces—something that never happens.

Quickly, the airport leader decided to flip the script. The solution to the rental car problem? Park the extra cars on the unused runways. The single move to creatively adapt displays how leaders can build trust during crisis.

People often think trust is built over the course of many interactions, but we also know that **trust is built (or destroyed) the fastest during moments of crisis** and recovery.

2021 can be seen as either a year of continuous challenges or a year to continue to learn and adapt. This special edition of the 2021 Trust Outlook™ utilizes global studies and one-on-one interviews with executives to offer insights for leaders across all industries. People are watching your response. Here and now, in the midst of unstable times, you have a chance to succeed by being a trusted leader.

Trust, not money, is the currency of business and life.

—David Horsager

—**David Horsager**, CEO,
Trust Edge Leadership Institute

Amidst the widespread societal-level upset caused by Covid-19, public protests about racial tension, and an uncertain economy, leaders are expected to adjust rapidly in order to embrace new challenges and lead their people. It is incredibly stressful when you are expected to have the answers about things you cannot control. Flexible workdays have become essential as employees find themselves becoming teachers, caregivers, and sometimes patients all at once. Technology is a necessity more than ever before. Understanding employees' needs and the obstacles they face has become crucial for maintaining operations and profitability.

Especially now, every decision a leader makes will either increase or decrease trust in themselves, in their team, and in their brand. **The only way to sustain, or even grow business in this climate is with trust.** A high-trust organization builds an environment where adaptation and innovation are possible.
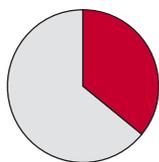
36% of employees say they are not always knowledgeable in handling unclear situations.
(Trust Outlook 2021™)

The Most Effective Leadership

Employees and customers are looking to leadership for guidance as the workplace and business commerce have evolved into something nearly unrecognizable compared to just months ago. The role of the executive is to lead effectively during change and ambiguity. While clarity is always a pillar of trust, leaders today must also guide in the midst of uncertainty. The high call of trusted leaders is to give as much clarity as possible even during cloudy storms.

The core of leadership is not just creating a strategic plan and being kind to employees. **The most effective leadership takes all 8 Pillars of Trust** which are especially magnified in times of crisis and recovery:

1. **Clarity:** Leaders who are ambiguous and overly complex lose trust.

2. **Compassion:** Leaders who lack empathy are just as dangerous as those who are overly critical.

3. **Character:** A lack of integrity undermines the ability to grow a culture of trust.

4. **Competency:** Leaders lose trust who don't pivot or stay relevant.

5. **Commitment:** Leaders who selfishly make decisions crumble in adversity.

6. **Connection:** Isolation and siloing loses trust, and the lack of connection is magnified in crisis.

7. **Contribution:** Leaders who don't deliver results, lose.

8. **Consistency:** Leaders lose trust with flip-flopping, indecision, and unpredictability.
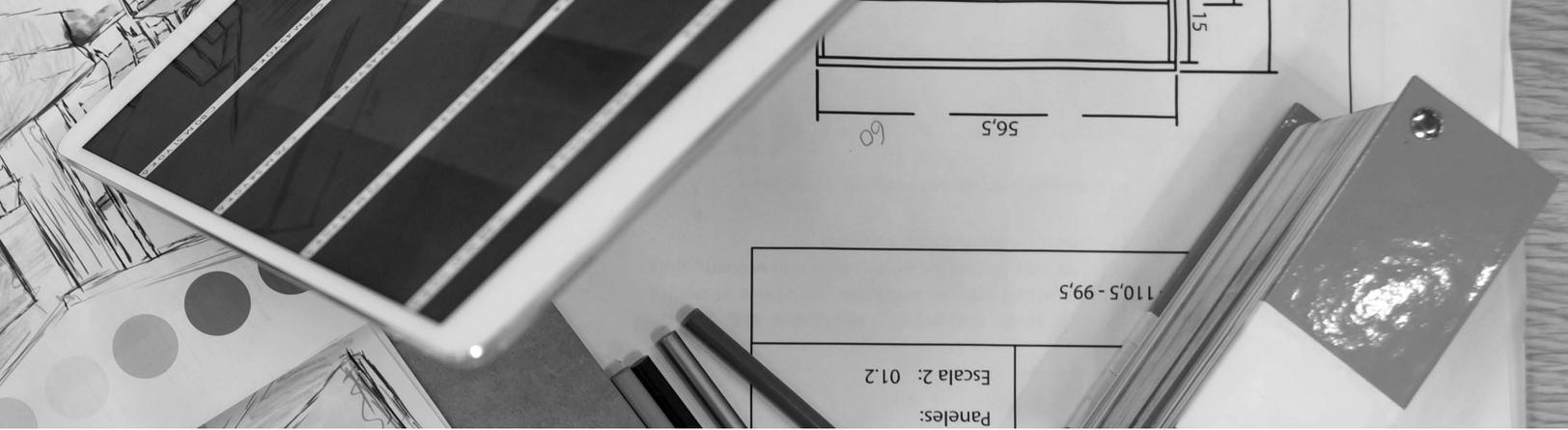
A Changing Environment

In a 2019 *INC. Magazine* article titled, "8 Ways the Workforce Will Change in 2020, According to Business Leaders,"[1] the Young Entrepreneurs Council anticipated many of the changes we are experiencing today. They predicted a greater dependence on technology, including implementing remote work platforms, focusing on flexible work options, edging toward diversity, and supporting mental health and better work environments.

When we spoke to executives prior to the pandemic, many leaders alluded to the changes outlined in this article. Even before these factors became a reality, the groundwork was being laid to support ever-changing work environments and the corresponding shift in management and operations. Leaders understood that technology and work-life changes were imminent. Themes which emerged from our conversations about a leader's future role in a productive and modern workplace included:

- Practicing mutual compassion and care
- Demonstrating character through actions
- Connecting with employees to truly know and appreciate them
- Building an inclusive company culture by leading with integrity
- Paying attention to their communication and responses

Interview participants largely agreed that leadership of the future requires taking the time to get to know employees, being human, and showing one's character. According to the interviewees, an organization's bottom line and culture are directly linked to the overall health and safety of its employees. When an organization cares for its employees, a high-trust, high-performance workplace becomes possible.

Leading in Confusing Times

We believe that compassion, character, connection, and clear communication are key aspects of the future of leadership. These ideas are more critical now as people adapt through disconnection and confusion due to the new virtual environment and social distancing practices.

Though we do not know exactly what the future workplace landscape will look like, we do know the shift toward humanizing leadership is permanent.

VUCA, an acronym which stands for Volatility, Uncertainty, Complexity, and Ambiguity, was first coined for use by the US Army War College. Pertinent to our world today, a VUCA world sets forth two questions to ask yourself: **What can I control? What should I do first?** These questions can lead to a fresh approach to leadership.[2]

THE HUMAN SIDE OF LEADERSHIP

The employee/employer relationship is often complicated. Executives who take the lead to embody the human side of leadership practice compassion by focusing on the following elements:

- Care and compassion
- Safety
- Autonomy
- Flexibility and Understanding
- Clarity and Openness

More care leads to more productivity.

—David Horsager

> **"**Character and compassion are part of the big picture in leadership...there's a major human element beyond job performance. Character is how you respond to the human element and how you show it as a priority.**"**
>
> —**Jed, Senior Vice President,** private organization
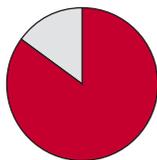
85% of people believe a high-trust work environment helps them perform at their best.
(Trust Outlook 2020™)

Care and Compassion

Organizations are moving away from the top-down structure. Moving forward, leaders are expected to be more than a visionary in order to earn trust from employees. One CEO stated: "Trust is a partnership." **Employees want to be valued, cared for, and known.** Many employees feel they cannot ask for that level of engagement from their leaders because of the power structure in most organizations. Therefore, it is up to the leader to set the tone and parameters of the relationship.

> **"**It's important to make early connection with staff. From the beginning, a key piece is connecting with all levels of the organization. Connection makes the leadership of the organization human.**"**
>
> —**Chris, CEO,** public corporation

Frances Frei, a professor at the Harvard Business School, explains in her TEDTalk called, "How to Build (and Rebuild) Trust,[3] that when a person senses authenticity, rigor in logic, and empathy, trust is more likely to occur. She elaborates, "It can be hard to create the time and space that empathy needs. The fix is pretty easy: Identify where, when and to whom you are likely to offer your distraction. That should trace pretty perfectly to when, where and to whom you are likely to withhold your empathy."

There is a need to truly listen to people. Build connection by looking up and look at the people right in front of you. Presence is important. How can this look practically in a virtual world? We can humanize our calls by showing our video, having the camera at eye level, and using real backgrounds.

TRUST TACTIC: Increased connection builds greater trust and faster business results. Ask genuine, open-ended questions. Instead of simply asking about the weekend, ask specific questions to build deeper connection.

Take care of your people by taking the time to learn about people's lives inside and out of the workplace. Value your employees beyond their productivity. Many of our interview participants believe productivity is often the unexpected benefit of prioritizing a care model that values employees as people.

> **"**We really communicate that we value each and every person. We model that or articulate it and our employees stretch themselves because of it... It's building a culture.**"**
>
> —**Price, Administrator,** athletics organization

Safety

Prior to Covid-19, safety was most often tied to physical jobs and work environments. Now, we are talking about germs we cannot see and a virus that is not fully understood. When employees feel unsafe in their work environment, whether physically, psychologically or otherwise, trust is lost, and therefore acceptance to change is more difficult. The 2019 Trust Outlook™ revealed that one way to eliminate employees feeling unsafe and to regain trust during uncertain times is to **ask them about their safety!**

> **"**Our people feel safe. And I think when you put them in a safe environment, they flourish and they're able to grow.**"**
>
> —**Daniel, CEO,** health organization

When things are complicated, ambiguous, or tenuous, leaders have an opportunity to develop trust quickly and intimately. Crisis is a leader's window to show care, to prove they are champions to their employees, and to establish and maintain a safe workplace.

| 7

Allowing for Autonomy

Many executives said their employees trust them because they demonstrate mutual trust. They allow their employees to do their jobs without micro-management or bureaucratic policies. Give your team space to make decisions.

A city administrator we spoke with shared that a gesture as simple as NOT tracking their time can show employees trust without surveillance. "I don't even have time clocks anymore," he shared. "The job getting done is how we hold them accountable for their work."

Allow people to learn to lead—beginning with how they lead their own day. Several participants believe their employees are more productive, engaged, and content because leaders enable them to take ownership of their work while still holding high expectations and being accountable. When people receive trust, they often return trust.

> **TRUST TACTIC: Leaders succeed who extend freedom, encourage the "figure it out" mentality, yet provide appropriate guidance and accountability.**

> **❝When you show people that you trust them, they will give back more, and therefore grow.❞**
>
> —**Daniel, CEO,** health organization

People thrive with a clear plan, support, and the right amount of freedom. There is a paradox between freedom and feedback. People want the freedom to be their best and want to be trusted to make their own decisions, yet they also crave critical feedback. Employees value knowing where they sit with their leader and if they are delivering on expectations. Employees want to know how and when they win.
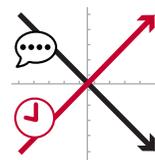
There is an inverse relationship between an employee's amount of experience and their need for feedback.
—*David Horsager*

Flexibility and Understanding

Even before Covid-19 forced employees to take on additional roles at home, there was a growing trend toward more flexible work conditions. In many cases, this means variable hours, locations, and mediums through which work can be accomplished. According to our interview participants, flexible work conditions and "Zoom meetings" are here to stay.

One leader, Jack, described his unconventional "leave" policy: "Our 'leave policy' is that they can be here when they want to be here and if they need to leave, they just leave, and it's okay."

> **❝We're moving toward more flexible schedules, allowing for telecommuting and flexing their time... We've heard directly from people that it's one of the reasons they stay.❞**
>
> —**Marley, CEO**, health organization

Clarity and Openness

The 2017 Trust Outlook™ found that employees stay longer and work harder when employers communicate openly. People feel increased security when brought into your confidence through shared knowledge. Stewart, an Executive Vice President in a finance organization shares, "People don't trust you if you don't give straight answers. They think you don't trust them with the truth."

> **❝**I believe employees trust me because I try to be as clear as possible while being consistent with what I say I'm going to do.**❞**
>
> —**Wes, Senior Vice President,**
> technology company

Because people trust the clear and mistrust the ambiguous, clarity is a key to effective leadership. Clarity and openness show employees trust by alleviating uncertainty. Trust is a proactive, not reactive exercise. Proactive communication makes it easier to address future issues when they arise. As one executive told us this year, "You have to be proactive with helping people understand why you're making the decisions you're doing."
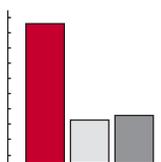
61% of employees said not communicating the "Why" for change is what most hinders leaders from building trust.
(2019 Trust Outlook™)

In uncertain times, leaders can act to provide stability in troubled circumstances:

❑ **Communicate frequently.** In times of uncertainty, share often due to rapid changes.

❑ **Be as transparent as you can** be while being as confidential as you ought to be. It is true that certain things are held in confidence, but high-trust leaders push as much transparency as possible.

❑ **Empathize.** Leaders can be insulated from what their people are feeling. (For example, during the pandemic, isolation is magnified for a person living and working alone in an apartment vs with a family in a suburban house.)

❑ **Make time and space for questions.** To increase connection, find practical ways for employees to ask questions. (For example, hold one-on-one Zoom meetings or town hall forums to have a space where questions can be asked of leaders.)

Over-communicate the "Why?" to build trust in the midst of change.

— David Horsager

YOUR TURN

Select one area below. What is one way you could improve it today or tomorrow?

❑ *care and compassion for employees*

❑ *employee safety*

❑ *autonomy – freedom with feedback*

❑ *flexible work conditions*

❑ *clear, open communication*

Character, simply defined as "doing what is right over what is easy" can either propel or derail your organizational culture. In the 2017 Trust Outlook™, 76% of employees said that character *greatly* affects trust.

Would you follow you?

—David Horsager

High-character people, whether they are leading or following, do what they say they will do, even when no one is looking. Leaders show high character by practicing:

- Accountability
- Transparency
- Vulnerability
- Availability
- Listening

One executive explained it this way: "You have to demonstrate that you're making things right through your actions BEFORE the pressure is applied."

TRUST TACTIC: Focus on developing your own character by speaking honestly, following through on commitments, and apologizing with humility.

Accountability

One of the highest rated values from our interviewees was accountability. Executives revealed that they hold themselves accountable for their mistakes, and remedy them, in order to gain the trust of their employees. One business president encouraged: "Don't hold back. They want to see that you are human."

66 The best way to exemplify integrity is to be openly accountable to mistakes. 99

— **Dwayne, City Administrator**

Several of the executives interviewed believe accountability should often be public, in order to set an example for those who follow them, as well as to set a precedent for future mistakes. Clear accountability can be used to create a culture where people are not driven by fear of failure.
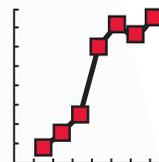
People more than double their chances of accomplishing goals with accountability from someone who cares about them. (Trust Outlook™ 2020)

ACCOUNTABILITY FRAMEWORK

1. **Clear Goal:** Determine the specific goal to be accomplished. Prepare a detailed expectation of the goal to share with those carrying it out.

   ASK: *How can they realistically hit a target goal? Do they have the resources? Training?*

2. **Clear Ability:** Decide under whose job description/role will a goal most clearly align.

   ASK: *Who currently has the capacity to add this goal as a push-forward priority in addition to their existing role?*

3. **Clear Metric:** Decide the best metric of progress and success for this goal.

   ASK: *Do they have daily and weekly metrics?*

4. **Clear Check-In:** Determine with whom and when check-ins are needed for this goal.

   ASK: *How often are check-ins needed for this goal to start, progress and be completed?*

5. **Clear Results:** Have a meaningful conversation about seeing results: Reward, Redo, Repercussion, or release.

   ASK: *Discuss rewards or consequences for the success or failure of this goal.*

6. **Clear Commitment:** Share expectations on the commitment level needed for this goal.

   ASK: *Is there anything else I can do to support your success?*

> **"**Communication needs to be transparent *and* balanced. Both parties need to have power and be able to acknowledge good and bad.**"**
>
> — **Marley, CEO,** health organization

Transparency

According to our interviews, transparency reinforces the importance of openness and clarity with employees. Transparent leaders strive for open lines of communication while avoiding unnecessary secrecy. Executives cite transparency as a top value also because it is highly valued by employees as an ongoing way to gain (and keep) trust. As one executive warned, "Communication should not have a hidden agenda."

Leaders attempt transparency by openly inviting and including the voices of others. One participant says that just gathering the voices of others is not enough. He also demonstrates follow-through on others' ideas by asking how to use them in a specific context.

> **66**We do relational, interdepartmental meetings to get better collaboration and trust. It's an opportunity to share all voices and show what is being done.**99**
>
> — **Don, Administrator,** education

One recent example of transparency is a CEO who intentionally maintained trust even though he had to lay off 2,000 people in his organization. From day one he was transparent about the impact, the budget, and his plan to furlough with a genuine hope to rehire. This leader's transparent pre-communication allowed him to remain trusted by the employees. Eventually, he was able to rehire some but not all of the employees. Trust was maintained by the leader because he shared about the process and the weight he was feeling over the unfortunate situation. He won by being open about the difficulty of the situation for everyone. This leader's genuine care and agony was authentic and continued to build trust even during this challenging time.
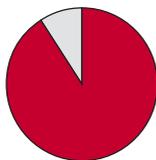
92% of people would trust their senior leader more if they would be transparent about their mistakes.
(2020 Trust Outlook™)

In comparison to this transparency, another organization immediately lost trust when they posted 800 names on the wall, listing the employees who were let go. This experience caused a distrust of management and increased fear for those left behind.

Vulnerability

Vulnerability and transparency are closely aligned. When a leader is guarded, they appear disingenuous and suspicious. Vulnerability is not weakness but shows sincerity. Employees value a leader who appears to be affected by things that matter. It is particularly challenging in difficult situations, but it can be a great opportunity to build a trusted culture. As Wes, a Senior VP in a tech company reminded us, "It is harder to be vulnerable when people are hurt, but that is the most important time to be vulnerable."

> **66**Vulnerability from leadership creates safety for others.**99**
>
> — **Daniel, CEO,** health organization

Availability

An accessible leader closes the gap between strategy and integration.

Visibility + Approachability = Accessibility

Leadership is not a private affair. **Visibility** means being present and available. Our interview participants agree it is not enough to stay behind your closed office door.

> **❝I think it's important that I'm the face behind the messages that people get. I need to be out in front of folks on a very regular basis.❞**
>
> — **Chris, CEO,** public corporation

Approachability means people know they have access to your time and are not afraid to address you when they *need* it most. Leaders have to be willing to be approached and employees have to be willing to approach leaders. Linda, an educational leader, suggested fostering ways for people to get to know each other without fear. "You really can't trust someone you don't know," she explained.

Everyone can agree that approachability does not mean people have access to you at all times. Open door policies can be detrimental to productivity and relationships if not managed appropriately. One example of a helpful practice is posting an open time on your calendar in which you are available for brief, one-on-one, check-in meetings.

> **❝As a leader, your heart should be open, but your door doesn't ALWAYS need to be. Approachability does not mean open access.❞**
>
> — **Marley, CEO,** health organization

Our interview participants have various versions of approachability, but all agreed that employees should not be afraid to address leadership. Leaders are responsible for setting the tone and cultivating an atmosphere of genuine openness in their organization's culture.

Listening

Listening is key. One important step is setting and establishing patterns to allow employees to feel they have an engaged audience. Several of the executives in our study share they often show up in places where employees will be gathered, just to be present and accessible. Some host group lunches, open office hours, and/or company forums.

A few listening rules for meetings include:

❑ Stay off your phones.

❑ Do not stay behind your desk.

❑ Do not have a computer between the two people meeting.

Voices need to be heard, listened to, and applied as necessary. Leaders cannot do everything everyone wants, but they can listen and respond.

Doing, not saying, builds trust.

— David Horsager

YOUR TURN

Name a person of character you greatly respect. What is one thing you could do this week to emulate them?

_____

_____

_____

_____

_____

Even in a changing world, leaders can employ simple strategies to create connections. Our interview participants value simple gestures and know regardless of the format, the intention matters most. One participant shares about a small, extremely effective and meaningful action: "I send a handwritten note to the spouses of my lead department heads every so often to thank them for their contribution to the organization," suggests city administrator Dwayne. Other participants echo the same sentiment. Several host non-work-related meetings just to get to know people.

Life is better as a team sport.
—David Horsager

66 Knowing things about their family or their interests really can help build trust because it shows that I value their humanity. 99

— **Janelle, Director,** Education

Intentionality with virtual connections is essential. One company takes the time to go "around the room" virtually with one quick question to humanize the conversation. This can be a positive attempt towards the missing water cooler or lunch conversations.

Another hospital took a step towards connection with patients. The nurses were noticing that children were fearful of the masked workers. They came up with a simple solution: wearing buttons that showed a picture of their entire face. This allowed patients to connect with the real person, smile and all.

Building Connections

Sharing some or all of these aspects, extracted from the Trust Shield exercise, can be significant in connecting with your team:

1. *Background*–impactful, memorable, emotional, or shaping events
2. *Values*–underlying, guiding principles
3. *Life Priorities*–important aspects of life
4. *Mission*–your driving purpose
5. Strengths–characteristics, abilities, talents, and other unique qualities
6. *Improvements*–areas where you would like to grow
7. *Life Goals*–key things you want to accomplish in the short and long term
8. *Legacy*–what you want said about you when you are gone

Trust Shield

Background
Values
Priorities
Mission
Strengths
Improvements
Life Goals
Legacy
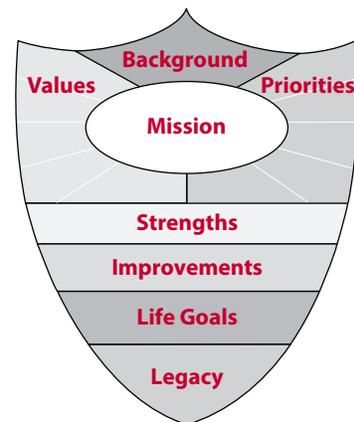
Appreciation

Even during the best of times, employees will leave an organization if they do not feel appreciated. In fact, the 2020 Trust Outlook™, found that **a lack of appreciation is the #1 reason people decide to leave their job.** Genuine appreciation and compassion increase retention and engagement.

Genuine appreciation can be expressed in a variety of ways. One organization started giving appreciation awards during the Covid-19 shutdown. Leaders set up an online platform to give accolades to people who were showing an effort towards their companies' values. Being noticed made a difference.

Another way to show appreciation is by equipping people with what they need to do their jobs. For example, in hospitals there was a correlation between employees feeling safe during Covid and how appreciated they felt. People require to have basic needs met in order to do well emotionally.

The late Don Soderquist of Walmart explained how appreciation was important in building their company. Soderquist said they initiated 7:00AM meetings at all locations to share highlights and notice best practices of ideas and people.
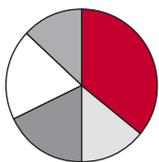
36% of employees would leave an organization if they did not feel appreciated.
(2018 Trust Outlook™)

> **"**Go to each one of your staff and show them appreciation. It's got to be one-on-one. It can't be something that comes from just HR.**"**

—**Stewart, Executive Vice President,** finance organization

Appreciation goes beyond knowing who people are and showing positive reinforcement. Critical feedback must also be delivered in a constructive and supportive way. Many leaders avoid critical feedback, especially when they are trying to build trust, but the 2020 Trust Outlook™ research found nearly 60% of our global respondents said they'd rather know what they are doing wrong so they can improve their work. Ron, an executive at an automotive corporation shares, "I try and set their expectations, give feedback formally and informally to help them do what they need to and to show that I'm looking out for their best interests."

YOUR TURN

Who did you notice doing something well this week?

_____

_____

Write them a thank you note with specific ways they've made an impact.

TENSION IN DECISION MAKING

Leaders who have done well in crisis have learned to make good decisions in the midst of competing options which creates tension. It is like the strings of a violin; when they are too tight or too loose, it sounds terrible. When the strings have the right tension, it sounds great. There are many types of tensions in decision-making. For example, we have been taught that the early bird gets the worm, but also to be patient. **Asking "What should I do now?" is key.**

Possible tensions leaders may need to consider include:

- persevere vs. pivot
- take risk vs. stay safe
- be patient vs. act now
- generalize vs. specialize
- seek diversity vs. maintain homogeneity
- show value vs. discount
- give vs. get
- be transparent vs. stay confidential

Leaders often work with consultants who teach that there is only one way. But it is how we apply our situation or contextualize the tensions that is important.

What are some of the tensions you face? For instance, should you pivot or should you persevere? Leaders have won and lost taking either option. Some leaders will not last because they do not persevere or did not persevere long enough. Asking the question: "Which one should I do right now?" is important.

Another example is hearing about executives who have lost or gained enormous trust when furloughing their people simply based on the way they did it. How leaders make decisions in the midst of seemingly true contradictions or tensions can propel them forward or make them obsolete.

Here are a few tips for dealing with tensions:

- ❏ be aware of them
- ❏ learn to ask the right questions
- ❏ consider the current environment and context for buy-in
- ❏ get advice from others.

THE KEY TO CHANGE

Change is here. It is no surprise that your organization has needed to change and adapt quickly. In many cases gradual change is no longer an option.

Trust is the key to making change successful. **Clarity in communication is key to sustaining trust** during change efforts, whether emergent or gradual. Employees need to understand the reasons they are being asked to make changes. Consistent, clear communication creates a culture of trust, even amidst change.

> **❝**We do frequent huddles where we get together and talk about what's changed, what's different, and what's coming down the pipeline.**❞**
>
> — **Jack, President,**
> local business organization

Jack explains how he established trust by building communication patterns to allow his organization to be nimble. To him, trust allows him to change rapidly without risking his credibility. His methods establish clear and consistent lines of communication in order to reassure people how the changes will benefit everyone—not just the organization.
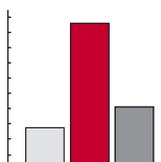
61% of people said not communicating why change is being made is what most hinders leaders from building trust.
(2019 Trust Outlook™)

Leaders should be communicating during change more often than previously thought. While some leaders may feel like they were overdoing it, the feedback is clear: employees respond well and feel included when communication is ongoing and frequent.

> **❝**We over-communicate to people to try and bring people together. It takes work to get everybody on the same page.**❞**
>
> — **Linda, Regional Administration,** education

Communication must change to be relevant to the times. Instead of sharing a yearly vision, start by sharing a vision for the week. This intentional close-range planning helps employees see a realistic approach and further gain trust in the leadership during times of change.

YOUR TURN

How can I share the vision more clearly this week?

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A clear vision unifies and motivates.

— David Horsager

INCLUSIVE LEADERSHIP

Trust allows inclusive leadership to be successful. Without trust, inclusion is an inauthentic requirement for workplaces which can actually contribute to a lower trust environment. People can sense insincerity a mile away. In this challenging year, executives who lead their decision-making and culture efforts with humility (character) and with empathy (compassion), will propel forward.

Integrity

In the 2020 Trust Outlook™, we shared that a diverse perspective leads to higher level thinking and decision making. Adopting an inclusive mindset may mean making difficult decisions and implementing changes in your organizational culture for the good of all employees. Leaders need to have strong integrity to usher in a better era of diversity and inclusion in the workplace. Inclusive leadership means sometimes making a more difficult choice, so you lead with integrity. For example, making the choice to focus more on inclusion to create clarity and unity will bring gains towards a high trust environment.

> **"**Integrity is what you do when you hold all the cards and you still make the decision that benefits everyone and not just you.**"**
>
> —**Stewart, Executive Vice President,** finance organization

The path toward inclusivity demands an integrity-based mindset. **Choosing what is right over what is easy is required to foster inclusive workplaces.** As people with power, leaders must demonstrate that helping others feel a sense of belonging is a high value to them. A leader's character sets the tone for the organization's culture.

One executive explained how he saw inclusive leadership linked to integrity. He stated, "We have a diversity course in our internal professional development programs that helps develop the kind of people that we think exude integrity in the work they do."

It's Complicated

True inclusive leadership means developing a culture in which people are chosen and valued for their differences and not just as an immediate or single response to social unrest. Diversity on its own can be complicated to foster and sustain if you have not first created a culture of trust.

Many leaders create an "inclusion policy" as a response to a lack of diversity in their organizations. Historically, this has looked like the creation of non-discrimination policies and hiring quotas. This surface-level approach to diversity does not foster building a trusted organizational culture.
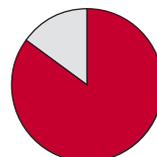
85% of people surveyed said diversity is important to a high-performing team.
(Trust Outlook™ 2020)

In 2020, 85% of people said diversity is important to a high-performing team (Trust Outlook™), but over half want to work with people who are similar to them. These numbers are slightly down from the previous two years, but this contradiction leads to a deep complexity when striving for equitable work environments.

As several years of the Trust Outlook™ indicate, increasing diversity in the workplace can create tension, despite employees believing diversity is important. Diversity is generally preferable in theory, but when it comes to practice, employees do not always know how to value it.

The workplace is making strides towards inclusive diversity, but this research demonstrates leadership is often struggling with a system that builds trust in the midst of diversity.

Creating an Inclusive Culture

Many of the interview participants shared they have developed an approach to creating a culture of inclusion. One step in this direction is to create a common unifying language.

> **❝**We're trying to get creative and integrative with our culture programming around diversity and inclusion.**❞**
>
> —**Alaine, director,** health organization

Linda knows creating a culture of inclusion is not optional. She shares the following about the pillar of Competence, "We hold professional development pretty high with regard to inclusion and diversity because we're going to cease to exist if we don't stay competent and relevant."

YOUR TURN

How can you build trust with people who are different from you?

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How can your company ensure that every voice is heard?

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| 19
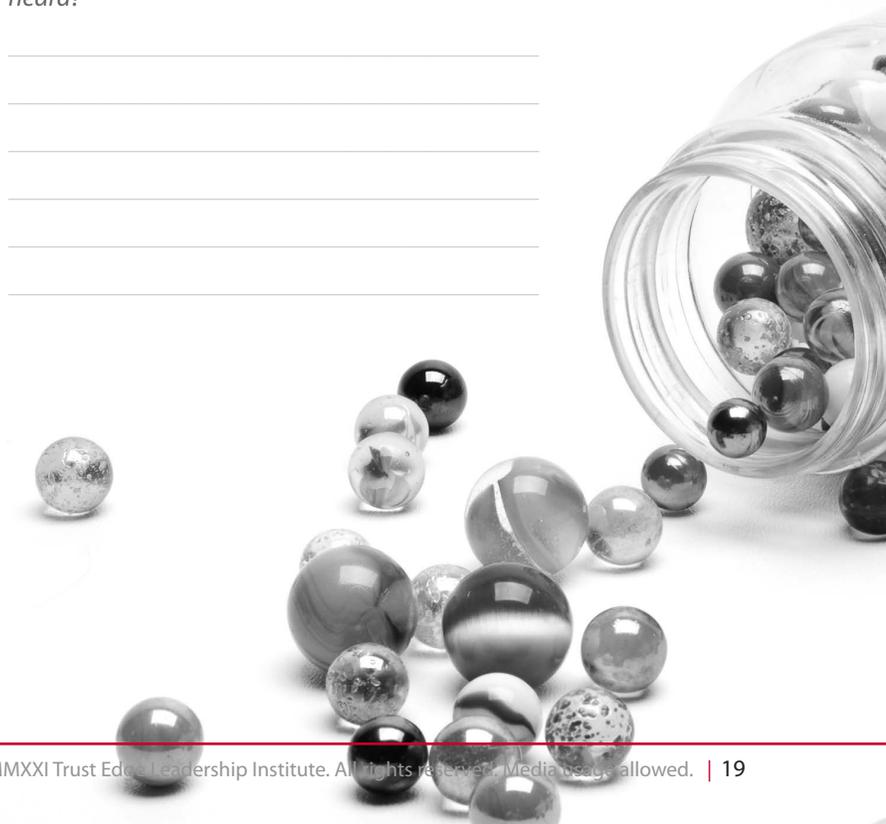
If you respect people, they will step up.

—David Horsager

It's inevitable. The future of work will include virtual environments. Some workers love this and some absolutely hate it. To propel forward, leadership must seriously consider adapting to a new virtual workplace. In 2019, the Trust Outlook™ featured a special report about trust in technology. In the data from the study, respondents shared they do not believe technology increases trust or builds organizations faster, but rather **it's the value of people leading well that builds trust.**

Employees may want freedom to work from home while leaders may believe communication, accountability, connection and other efficiencies will get lost. But if you want to hire the right talent, you may need to consider virtual. After moving to virtual, some leaders reported they got more output from employees. Personalities and personal situations come into play, just like before, but it is good to keep an open mind as to how this could fit into your company's future. A new way of thinking about accountability, for example, is to focus on specific results as opposed to time in office. This allows employees autonomy but still promotes clear expectations and results.

TRUST TACTIC: Consider the cost benefit of virtual work vs. office space.

More than ever before leaders are focused on leading with technology rather than allowing technology to lead them. Participants know staying current with technology is essential to serving clients and to keeping their organizations relevant.

> **"You have to be developing your people. Technology moves so fast and there is no alternative."**
> — **Andy, CEO,** engineering organization

Help Employees Adapt

Despite the benefits of technology, employees are often resistant to the changes tied with these advances. The key to help employees adapt is for leaders to prioritize clarity and consistency. Also, providing resources for employees shows commitment to these changes.

The tips we shared in the 2019 Trust Outlook™ still hold true in this current cultural shift. As with any change effort, the Pillars of clarity, compassion, commitment, and consistency build a cushion of trust that helps soften the impact of change.

Clarity

Instead of focusing on the ambiguity that you cannot control, focus on where you can add clarity. The higher the clarity, the lower the levels of confusion and fear.

> **"To have a healthy culture, you've got to be very candid with people...and answer tough questions."**
> — **Dean, Executive,** health organization

Commitment

Commit to staying true to your mission, vision, and values despite the changes. When commitments are made and kept, they can be one of the greatest catalysts for increasing and rebuilding trust. Wes, Senior Vice President of a technology company shares,"I always assure employees that they are safe and stable, assuming that we're all on the same side and going in the same direction."

Compassion

Express empathy with those who are fearful or skeptical of your organization's evolution. Start conversations with care, compassion and personal connection.

> **"**I think that trust exists between the company and employees here based on a willingness on both sides to admit that we're not all perfect. We're humble about it...and we don't dwell on mistakes.**"**
>
> — **Matthew, Vice President,** engineering organization

Consistency

The more your company can stay consistent amidst change, the more you will retain and grow trust. Alaine, director of a health organization reminds, "Predictability, even in the face of disruption shows that we follow through on things. We do what we say we're going to do."

YOUR TURN

What is one tool you could use to make virtual teams more effective AND connected?

Character is shown in leadership by having an awareness of what employees might be facing outside work, even if unspoken. Compassion comes from understanding. Connection grows with a whole-person perspective on your employees.

Employees are also parents, partners, teachers, caretakers, and innovators, but in these times, perhaps they might also be feeling isolated. Home might be the place where trust is most challenged under our current circumstances. Employees who are in less secure environments may face challenges receiving and giving trust. A start to building trust with employees could be to simply ask, "What is your environment like?" If they have a family, "How is your family?" The key to this communication is context. **Leaders show care by asking about personal situations** in a way that helps the employee.

It's the little things done consistently that make the biggest difference.

—David Horsager

> **"**We had one-on-ones where we laced the business and personal stuff so that we can see where their priorities were together. If I ask them, what's your top priority, and they don't answer family first, I think it's a real problem.**"**
>
> — **Wes, Senior Vice President,** technology company

Building Trust at Home

When the study for the 2020 Trust Outlook™ was conducted, families connected a lack of quality time to a lack of trust.

Technology is a leading factor contributing to this breakdown in quality time. However, a recent article from the Pew Research Center in June of 2020 stated that changes of our overall usage of technology is neither degrading nor generating social order, but rather is simply a tool.[4] Technology is a major factor in our lives, but it can be helpful *or* harmful. For example, technology can increase focus and efficiency, but it can also create distractions and wasted time. Trust increases faster meeting face to face. However, when in-person meetings aren't an option, technology offers a way to still connect.

One key factor from the 2020 Trust Outlook™ still holds true for trust in the home: *quality* time together only happens when the *quantity* of time increases. The difference today is although the quantity of time people share in their homes has increased, they are often facing different adversities than they were only a year ago. These new challenges can make the quality component of this formula more complex.
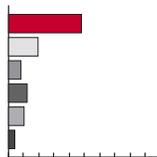
47% of Americans said a lack of quality time is what inhibits trust in families. (2020 Trust Outlook™)
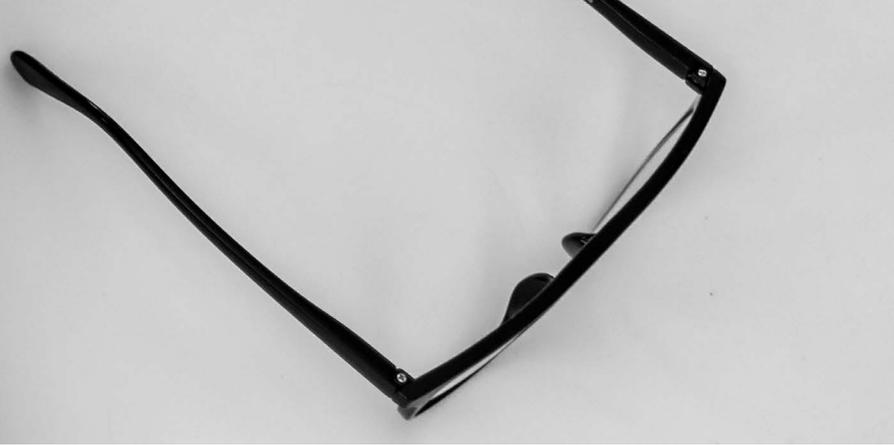
It is not your job as a leader to solve the riddle of what quality time means in your employees' homes. However, it *is* your job to **be aware their homes might not look like they once did,** which may be disruptive and possibly affect their work.

> 66 How does our employees' time with us impact their family life, their home life, you know, things outside of work? We really want to make sure that they feel better about themselves at the end of the day than when they came in. 99

— **Corrine, Vice President**,
retail corporation

There may be generational differences in what "home" looks like as well. For example, millennials are much less likely to live with a family of their own than previous generations. Pew Research Center stated that only three out of ten Millennials live with a spouse and child of their own. With the fresh and innovative way Millennials are doing life, some of our old policies and expectations seem antiquated to them.

One leader shared he felt like attendance policies dehumanize the employee/employer relationship. He believes, "You're going to be in a situation where you're going to miss some work or you're going to have a bad attitude because something happened at home, and it's really got you upset." He emphasized the importance of understanding and acknowledging the impact of employees' emotions and situations.

YOUR TURN

How can we systematize regularly and genuinely checking in on employees' wellbeing?

EMPLOYEES WEIGH-IN

Employees also shared their perspectives on how trust is impacted by certain factors during this uncertain time. In early August 2020, we surveyed over 1,000 employees from several major industries. We asked them about what matters to them as they establish and maintain trust with their leadership and how they know they can trust their leaders in unstable times.

Here are some of the highlights:

- **82%** of employees believe that work-life has changed forever, but only **69%** believe that it has changed for the better.

- **36%** of employees say they are not always able to handle situations that are unclear. About the same percentage are not enthusiastic about new ways of doing things. Essentially, this means over a third of your employees may be feeling unstable and removed because of the ongoing uncertainty.

- The majority (**52%**) of survey respondents say leadership should be aware of employee morale and workplace culture.

- **42%** say the biggest reason that leaders in their organization misunderstand problems is because they do not listen to employees' concerns.

What Matters to Employees

The following questions were asked of employees to determine the importance of various factors when establishing trust with their leadership. As you can see, throughout all of the change and uncertainty, the principles behind The 8 Pillars of Trust™ remain consistent and reliable.

How important are the following for trusting your organization's leadership?

They own and fix mistakes if they make them. *(Commitment Pillar)*	88%
They handle conflict with patience. *(Compassion Pillar)*	87%
They believe in supporting the well-being of their employees. *(Compassion Pillar)*	86%
They manage difficult times with positivity. *(Character Pillar)*	86%
They create a safe and inclusive environment for all people. *(Compassion Pillar)*	86%
They allow me the space to do what I need to do without micro-managing. *(Competency Pillar)*	86%
They do what they say they're going to do. *(Commitment Pillar)*	85%
They are open with me and share what's going on in the organization. *(Clarity Pillar)*	85%
They encourage me to be flexible with my time and location for work. *(Compassion Pillar)*	77%
They clearly take an interest in me as a person. *(Connection Pillar)*	77%

There are effective ways to build trust during a conflicted and difficult time of change. The following list of behaviors from the Trust Edge Leadership Institute are *musts* during times of crisis:

1. Take an active approach.

Be present and make decisions before they need to be made.

2. Deal with tension.

Treat tension like an opportunity to address things that may be underlying in your organization's culture.

3. Lead with compassion.

Lead with an open heart and a human presence. Make an effort to understand where people are coming from.

4. Define one priority.

When everything feels like the most important thing, choose one to focus on in order to alleviate overwhelming conditions.

5. Over-communicate.

When you've said it 100 times, say it again. Leaders need to communicate the next thing more than they think they do.

6. Over-connect.

It may seem invasive, but trust comes from a true connection with people. Be with them, not just near them.

7. Seek wisdom.

You are not alone. People have gone before you and have likely faced crisis and challenge. Seek them out and learn what you can.

8. Think long and short term.

Be present with what is happening and make efforts to address those things, but also be aware of the future ramifications of your actions. Don't make a policy or practice you will have to undo later when conditions have changed again.

9. Cultivate SEEDS.

Sleep, Eat right, Exercise, Drink water, Seek a Source of Strength beyond yourself.

If you're doing leadership alone, you're doing it wrong.

—David Horsager

Readers of *The Trust Outlook 2021*™ receive **FREE access** to watch the "Building Trust In Crisis" webinar!

Simply go to *www.youtube.com/ watch?v=PiqYnAX34eM*

THE 8 PILLARS OF TRUST

CLARITY: *People trust the clear and mistrust the ambiguous.* Clarity unifies, motivates, increases morale, and inspires trust. Clear communication leads to trusted colleagues, happy employees, and satisfied customers.

COMPASSION: *People put faith in those who care beyond themselves.* Caring leads to trust. Think beyond yourself and put people before things to improve relationships.

CHARACTER: *People notice those who do what is right over what is easy.* Building integrity takes work but gives the biggest reward. Always ask yourself, "Is this the right thing?"

COMPETENCY: *People have confidence in those who stay fresh, relevant, and capable.* Stretch your mind with new ideas, fresh thoughts, and different perspectives. Find a circle of professionals with whom you can grow and find a mentor who is successful or wise in the same ways you would like to be.

COMMITMENT: *People believe in those who stand through adversity.* In this instance, actions definitely speak louder than words. So if you say something matters to you, be prepared to show it to the people whose trust you want. It can mean demonstrating tenacity and stubbornness and making it clear you will see things through to the end.

CONNECTION: *People want to follow, buy from, and be around friends. Engage your staff and collaborate.* Ask questions, not only of your employees but your customers, and be sure to listen to and deliberate over their answers.

CONTRIBUTION: *People immediately respond to results.* Give your attention, resources, time, opportunity, and talent. Ultimately, you must deliver results in order to be trusted.

CONSISTENCY: *People love to see the little things done consistently.* The track record of trust is built over time; there is no other way to lasting success. Deliver the same quality of results every time, and you will maintain trust.

SUMMARY & TAKEAWAYS

There is no doubt these are difficult times for you, and for your organization, and for the world. The future of work and the workplace are changed forever, which means leadership must change too. The 8 Pillars of Trust™ are relevant and reliable guides in all the changes.

The 2021 Trust Outlook™: Executive Edition offers key takeaways for leaders to implement:

1 Humanize your workplace.
You are a real person and so are your employees. Know them, understand them and show empathy as much as possible. Equip them to grow and change with relevant training and by giving them trust through autonomy.

2 Make connections intentional & meaningful.
Be thoughtful and intentional about how you connect with employees. Take the time to understand who they are and what they are going through.

3 Lead with clear communication.
Consistent communication is key to trust through change during these evolving times. Be open, share often and try to be as agile as possible as challenges arise. Employees will follow your lead. Over-communicate the "Why" during change and transformation efforts.

4 Build an inclusive workplace.
This is not new advice, but it's more essential than ever before. A high-trust workplace builds in authentic inclusion for future success.

Organizations don't change. People do.

—David Horsager

The Author

Trust Edge Leadership Institute (TELI) is a Saint Paul, Minnesota-based company with a mission to develop trusted leaders and organizations around the world. Since 1999, TELI has pioneered trust development through research, speaking, human capital development, and consulting, all on trust and its proven impact on the bottom line.

Trust is the world's most valuable resource.

—David Horsager

The Trust Outlook™ is produced annually by TELI. CEO **David Horsager** is a global authority on helping leaders and organizations become the most trusted in their industry. His work has been featured in prominent publications such as Fast Company, Forbes, The Wall Street Journal, and The Washington Post. David has worked with clients ranging from Verizon and Delta to national sports teams and governments around the globe. As bestselling author of The Trust Edge and inventor of the Enterprise Trust Index™, David has taken the platform across the United States and on six continents.

Endnotes

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Research Methodology for 2021 Trust Outlook™

Interviews: Twenty-one interviews were conducted through the Social Research Lab using an interview guide designed based on an intensive literature review about the concepts behind the 8 Pillars of Trust™. Interviews were transcribed using a software system and then coded thematically. Questions correspond with objectives provided by Trust Edge Leadership Institute. Emergent themes were specific to The 8 Pillars of Trust™.

The names of all interview participants have been changed to protect their identities. We have generalized their roles and organizations in an attempt to illustrate their perspective.

Survey Data: A survey was launched by the Social Research Lab in August of 2020 to a national panel of over 1000 (1051) employees from various industries. Participants were located in the United States and their ages ranged from 25-55. The following is a brief snapshot of the demographics of our survey respondents:

- 44% are male, 56% are female

- Nearly 50% have been in the workforce more than 10 years

- Nearly 50% are in a manager or director role in their current workplace

Overall, the Social Research Lab of Northern Colorado validated each of the 8 pillars as necessary components for organizations to foster and maintain trust. The literature, existing survey statistics and executive interview data that were triangulated in order to scientifically validate the pillars also allowed the research team to verify that **trust is an essential factor that leads to organizational success** and that these pillars help form trust. The Social Research Lab validated the Trust Edge Pillars of Trust through a combination of theory, qualitative empirical data, and quantitative data from the survey that has been in the field for a prolonged amount of time. Multiple forms of data and theory were used to evaluate, so to systematically triangulate the information to find common themes and categories.

Learn more about the research at www.trust-edge.com/the-research.

2020 Trust Outlook™ Methodology

The custom online survey was administered to 1,156 adults (ages 18-65) in the United States, and at least 475 adults in each of the following countries: India, Singapore, United Arab Emirates, and Venezuela. The sample is representative of the current census data for age, gender, and region, and participants were screened for age, employment, and education level. The survey was conducted online from June 28, 2019 and July 31, 2019 and the total sample has a margin of error of +/- 1.8%.

2019 Trust Outlook™ Methodology

The custom online survey was administered to over 1,000 U.S. adults, ages 18-65 and at least 400 adults, ages 18-65 in each of the following countries: Kenya, Malaysia, Mexico, Russia, and the United Kingdom. The sample is representative of the current census data for age, gender, and region, and participants were screened for age, employment, and education level. Data that may represent the broader population was calculated out based on the most recent census data and intended purely as an estimation of the broader impact. The survey was conducted online from June 18, 2018 to June 27, 2018 and the total sample has a margin of error of +/- 1.8%.

2018 Trust Outlook™ Methodology

The custom online survey was administered to 1,202 U.S. adults, ages 18-65 and at least 400 adults, ages 18-65 in each of the following countries: Australia, Brazil, Canada, China, Germany, Japan, Kenya, Nigeria, and the United Kingdom. All countries were chosen based on highest GDP per continent, except Canada, Japan, and Kenya which were special interest countries. The sample is representative of the current census data for age, gender, and region, and participants were screened for age and education level. The survey was conducted online from September 7–12, 2017 and has a margin of error of +/- 3.1%.

2017 Trust Outlook™ Methodology

The custom online survey was administered to 1,001 U.S. adults ages 21-65. The sample was weighted to the current census data for age, gender, and region, and participants were screened for U.S. citizenship. The survey was conducted online from August 9, 2016 to August 12, 2016 and has a margin of error of +/-3.1%.

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Everything of value is built on trust.

—David Horsager

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SOLUTION
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MEASURABLE RESULTS
400-point increase in engagement score over two years, increased sales, efficiency and effectiveness

CASE STUDY #2
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International organization of 2,100 members

CHALLENGE
Losing members and rapidly decreasing.

SOLUTION
Inspiring keynote at national and presidential meetings, created strategic plan and roll out, three-year coaching and consulting commitment.

MEASURABLE RESULTS
Decreased attrition by 20% in a three-year period, established common language across the organization and increased alignment.

CASE STUDY #3
Health Center
13 location, 600+ employees

CHALLENGE
Ongoing attrition, unempowered managers and departmental divisions.

SOLUTION
Implemented an 18-month company-wide Human Capital Initiative to equip leaders, coaches and employees with actionable tools which led to a ongoing transformation process

MEASURABLE RESULTS
18% decrease in attrition in 12 months, lower skepticism and inefficiencies in communication, improved engagement and morale from senior leaders, Enterprise Trust Index increase of 12% in one year, and 8-Pillar Framework implemented for a common language, and consistency

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