In this book, Stephen M R Covey articulates why trust is so important. Inspiring trust holds the key to personal and professional success. When trust goes up, speed also goes up while cost comes down, producing what Covey calls, the trust dividend. On the other hand, when trust declines, things slow down and transaction costs go up. Covey outlines 13 behaviours that if practised consistently can increase trust.

Introduction

Trust means confidence. When we trust people, we have confidence in them – in their integrity and in their abilities. When we distrust people, we are suspicious of them.

The difference between high and low-trust relationships is palpable! In a high-trust relationship, we can say the wrong thing, and people will still understand us. In a low-trust relationship, despite precise communication, people will still misinterpret us.

Relationships of all kinds are built on and sustained by trust. They can also be broken and destroyed by lack of trust. Trust in others depends on how much we trust ourselves. If we can’t trust ourselves, we’ll have a hard time trusting others. This personal incongruence is often the source of our suspicions about others. We judge ourselves by our intentions and others by their behaviour. This is why, one of the fastest ways to restore trust is to make and keep commitments to ourselves and to others.

Trust affects two outcomes – speed and cost. When trust goes down, speed will also go down and costs will go up. When trust goes up, speed will also go up and costs will go down.

Trust has two dimensions – character and competence. Character is a constant; it’s necessary for trust in any circumstance. Competence is situational; it depends on what the circumstance requires.

The Five Waves

The first wave, Self Trust, deals with the confidence we have in ourselves – in our ability to set and achieve goals, to keep commitments, to walk our talk – and also with our ability to inspire trust in others. The whole idea is to become, both to ourselves and to others, a person who is worthy of trust.
The second wave, *Relationship Trust*, is about how to establish and increase trust vis-a-vis others. The key principle underlying this wave is consistent behavior.

The third wave, *Organizational Trust*, deals with how leaders can generate trust in different organizations.

The fourth wave, *Market Trust*, is the level at which almost everyone clearly understands the impact of trust. The underlying principle behind this wave is reputation, which reflects the trust customers, investors, and others in the marketplace have in the company.

The fifth wave, *Societal Trust*, is about creating value for others and for society at large. The principle underlying this wave is contribution. By contributing or “giving back,” we counteract the suspicion, cynicism, and low-trust that exist within our society. We also inspire others to create value and contribute.

**Self-Trust**

The first wave of trust—self trust—is all about credibility. It’s about developing the integrity, intent, capabilities, and results that make us believable, both to ourselves and to others. And it all boils down to two simple questions: Do I trust myself? Am I someone others can trust?

Credibility has four building blocks, integrity, intent, capabilities and results. Integrity which lies below the surface is the root system out of which everything else grows. Intent is the trunk that emerges from beneath the surface out into the open. Capabilities are the branches, i.e., the capacities that enable us to produce. Results are the fruits i.e., the visible, tangible, measurable outcomes that are most easily seen and evaluated by others.

**Core 1 – Integrity**

Integrity means honesty, telling the truth, and in the process, leaving the right impression.

*Congruence*. A person has integrity when there is no gap between intent and behavior... when he or she is the same – inside and out. The authors call this “congruence.” And it is congruence that will ultimately create credibility and trust.

*Humility*. Integrity also includes humility. A humble person is more concerned about what is right than about being right, about acting on good ideas than having the ideas, about embracing new truth than defending outdated positions, about building the team than exalting self, about recognizing contribution than being recognized for making it.
Courage. Integrity also includes the courage to do the right thing even when it is difficult. There is absolutely nothing we can do that will increase integrity faster than learning how to make and keep commitments to ourselves. Every time we make and keep a commitment to ourselves – large or small – we increase our self-confidence. We enlarge our capacity to make and keep greater commitments, both to ourselves and to others.

Openness inspires credibility and trust. A closed mindset fosters suspicion and mistrust. The greater our integrity – the more honest, congruent, humble, and courageous we are – the more credibility we will have and the more trust we will inspire.

Core 2 – Intent

Intent grows out of character. Our perception of intent has a huge impact on trust. People often distrust us because of the conclusions they draw about what we do. It is important for us to actively influence the conclusions others draw by “declaring our intent.” Intent has three dimensions - motive, agenda, and behavior.

Motive is the reason for doing something. When the motive is laudable, trust increases. The motive that inspires the greatest trust is genuine caring – caring about people, caring about the quality of what we do, caring about society as a whole.

Agenda grows out of motive. The agenda that generally inspires the greatest trust is genuinely wanting what is best for everyone involved. It is natural to seek a win for ourselves. But we must also seek a win for all others involved.

Behavior is the manifestation of motive and agenda. The behavior that best creates credibility and inspires trust is acting in the best interest of others.

Core 3 – Capabilities

Capabilities are vital to creating credibility – both personally and organizationally. Our capabilities inspire the trust of others, particularly when they are specifically those needed for the task at hand. Our capabilities also give us the self-confidence that we can do what needs to be done. Capabilities include talent, attitude, skills, knowledge and style.

Talents: Talents are our natural gifts and strengths.

Attitudes: Attitudes represent our paradigms – our ways of seeing, as well as our ways of being towards work, life, learning, our abilities and opportunities to contribute.

Skills: Skills are our proficiencies, the things we can do well.

Knowledge: Knowledge represents our learning, insight, understanding, and awareness.
**Style:** Style represents our unique approach and personality.

**Core 4 – Results**

In considering results, we always need to ask two critical questions. What results are we getting and how are we getting those results? To increase trust, we must effectively communicate results so that people become aware of them.

**Relationship Trust**

In every relationship, what we do has far greater impact than anything we can say. Good words signal behavior, declare intent and can create enormous hope. And when those words are followed by appropriate behavior, they increase trust, sometimes dramatically. But when the behavior doesn’t follow or doesn’t match the verbal message, words turn into withdrawals. Covey lists 13 behaviours that can go a long way in building an environment of trust. These 13 behaviours require a combination of character and competence. The first five flow initially from character, the second five from competence and the last three flow from both.

**Behavior #1: Talk Straight**

Talking straight can go a long way in inspiring trust. The opposite behaviour is to lie or to deceive. The counterfeit behaviors are beating around the bush, withholding information, double-talk, flattery, “technically” telling the truth but leaving a false impression and so on.

**Behavior #2: Demonstrate Respect**

We must show respect, fairness, kindness, love, and civility to individuals. The opposite behaviour is showing disrespect, or not showing people we care. The counterfeit of Demonstrate Respect is to fake respect or concern, or to show respect and concern for some (those who can do something for you), but not for all (those who can’t).

**Behavior #3: Create Transparency**

This is about being open, real and genuine and telling the truth in a way people can verify. It’s based on the principles of honesty, openness, integrity, and authenticity. The opposite of this behaviour is to hide, cover or obscure. It includes hidden agendas, hidden meanings, hidden objectives. The counterfeit of behaviour is illusion. It’s pretending, “seeming” rather than “being,” making things appear different than they really are.
Behavior # 4: Right Wrongs

This is more than simply apologizing. It’s making up and doing what we can to correct the mistake. This behaviour is based on the principles of humility, integrity, and restitution. Its opposite is to deny or justify wrongs, to rationalize wrongful behavior, or to fail to admit mistakes until we are forced to do so. It involves ego and pride. It’s being humbled by circumstances instead of by conscience. The counterfeit behavior is to cover up, trying to hide a mistake, as opposed to repairing it.

Behavior # 5: Show Loyalty

This is based on the principles of integrity, loyalty, gratitude and recognition. We must give credit to others, acknowledge them for their part in bringing about results. By giving credit, we not only affirm the value of an individual’s contribution, we also create an environment in which people feel encouraged to be innovative and collaborative and to freely share ideas.

The opposite of giving credit is taking credit. The counterfeit of giving credit is appearing to give credit to someone when they’re with us, but downplaying their contribution and taking all the credit when they’re not there.

The second dimension of Show Loyalty is to speak about others as if they are present. The counterfeit of this behavior, is indulging in sweet-talk in front of people and bad-mouthing them behind their backs.

Behavior # 6: Deliver Results

This behavior grows out of the principles of responsibility, accountability, and performance. The opposite behaviour is performing poorly or failing to deliver. The counterfeit is engaging in activities instead of delivering results.

Results are always judged in relation to expectations. People run into problems because they do not take the time up front to establish clarity around what is expected. What they consider “good” or even “great” results may be “mediocre” to the people to whom they deliver. It is important in each situation to define the results that will build trust, and then deliver those results – consistently, on time, and within budget.

- We must make sure we thoroughly understand the expectation. We must not assume that just because we deliver what we think are good results, we are going to hit the mark. If we really want to build trust, we have to know what “results” mean to the person to whom we are delivering.
- We must stop and ask if the commitment is realistic. To over-promise and under deliver will lead to depletion of trust.
• With customers or with coworkers, we must try to anticipate needs in advance and deliver before the requests even come.

**Behavior #7: Get Better**

This behaviour is based on the principles of continuous improvement, learning, and change. When people see us as a learning, growing, renewing person, they develop confidence in our ability to succeed in a rapidly changing environment, enabling us to build high-trust relationships and move really fast.

This behaviour has two common counterfeits. The first is being the “eternal student,” the person who is always learning but never producing. The second is trying to force-fit everything into whatever we are good at doing.

In seeking to get better, there are two strategies that are particularly helpful in maximizing our effort: seek feedback, and learn from mistakes. Seeking and effectively utilizing feedback is vital to quality improvement.

We must thank those giving the feedback and let them know how we plan to implement it. When people see us taking their input seriously, it not only inspires trust, it also creates an environment of growth and change. If we are not willing to make mistakes, we are not going to improve. We must realize that making mistakes is part of life. We must see mistakes as feedback that will help us improve.

In order to get better, we should ask three simple questions:

• What is the one thing we are now doing that we should continue doing?
• What is the one thing we are now doing that we should stop doing?
• What is the one thing we are not now doing that we should start doing?

The next time we make a mistake, rather than agonizing over it, we must reframe it as feedback. We must identify the learning from it and ways we can improve our approach to get different results next time. We must encourage others to take appropriate risks and to learn from failure.

**Behavior # 8: Confront Reality**

This behaviour is about taking the tough issues head-on. It is about sharing the bad news as well as the good. Confronting reality implies demonstrating courage, responsibility, awareness, and respect.

The opposite of this behaviour is to ignore it, to act as though it doesn’t exist. It’s burying our head in the sand, thinking that maybe it will go away or that it’s not really
there after all. The counterfeit is to act as though we are confronting reality when we are actually evading it, i.e., skirting the real issues.

When we openly confront reality, we facilitate open interaction and fast achievement. Instead of having to wrestle with all the hard issues on our own while trying to paint a rosy picture for everyone else, we actually engage the creativity, capability and synergy of others in solving those issues. Ideas flow freely. Innovation and collaboration take place. Solutions come much faster and better, and are implemented with the understanding, buy-in, and often the excitement of others involved in the problem-solving process.

**Behavior # 9: Clarify Expectations**

This is to create shared vision and agreement about what is to be done up front. By doing this, we will avoid problems later on. In contrast, if we don’t display this behavior up front, we will have trust issues later.

Clarify Expectations is based on the principles of clarity, responsibility, and accountability. The opposite of this behavior is to leave expectations undefined – to assume they’re already known or to fail to disclose them so there is no shared vision of the desired outcomes. When results are delivered but not valued, everyone is disappointed and trust declines.

The counterfeit behaviour is to pretend to be clarifying expectations, but not doing enough to pin down the specifics that facilitate meaningful accountability. Or it’s going with situational expectations that shift based on people’s memories or interpretations, or what is convenient at the time.

This behaviour is extremely important because in every interaction there are expectations. And the degree to which these expectations are met or violated, affects trust. In fact, un-clarified expectations are one of the primary reasons for broken trust.

To clarify expectations, it is useful to quantify everything: What result? By whom? By when? At what cost? How will we measure it? How will we know when we have accomplished it? And when and to whom is the accountability?

**Behavior # 10: Practice Accountability**

There are two key dimensions to this. The first is to hold ourself accountable; the second is to hold others accountable.

Trust results when people know that everyone will be held to certain standards. When leaders don’t hold people accountable, it creates a sense of disappointment, inequity, and insecurity.
To master this behavior, the authors recommend the following:

- When things go wrong and we find ourselves blaming or accusing others, we must draw back and ask, how we can stop this.
- At work, we must practice accountability by holding our direct reports accountable for their actions. We must clarify expectations first so that everyone knows what they’re accountable for and by when.
- We must look for ways to create an environment of accountability in our home.

**Behavior #11: Listen First**

It’s vital to listen, to understand first. Otherwise we may be acting on assumptions that are totally incorrect – acting in ways that turn out to be embarrassing and counterproductive.

The principles behind this behavior include understanding, respect and mutual benefit. The opposite is to speak first and listen last – or not to listen at all. It’s going ahead with our agenda without considering whether others may have perspectives that could influence what we have to say. It’s ignoring other people’s need to be understood. It’s self-focused, ego-driven behavior, and it does not build trust. The counterfeit is pretend to be listening, while thinking about our reply and just waiting for our turn to speak. Or it’s listening without understanding.

Listening is not just hearing what is said. It is important to remember that sometimes words communicate only a little of what a person really thinks, feels, or means. In fact, sometimes words do not communicate at all. Research shows that face-to-face communication regarding attitudes and feelings is 7 percent what people say, 38 percent how they say it, and 55 percent body language. So Listen First means to listen not only with ears, but also with the eyes and the heart.

Finally, and perhaps most importantly, Listen First means to listen to ourselves, to our gut feelings, our own inner voice, before we decide and act.

The book provides two insights:

- Generally, when we are communicating with high emotion, we do not feel understood.
- We will usually not ask for advice until we feel understood. To offer advice too early will usually only stir up more emotion – or cause someone to simply ignore what we say.
Behavior # 12: Keep Commitments

This is the quickest way to build trust in any relationship. To break commitments or violate promises is the quickest way to destroy trust. The counterfeit of this behavior is to make commitments that are so vague or elusive that nobody can pin us down. Or we are so afraid of breaking commitments that we don’t even make any in the first place.

Keeping commitments is based on the principles of integrity, performance, courage, and humility. It’s closely tied to other behaviors, including Talk Straight and Deliver Results. It’s the perfect balance of character and competence. Particularly, it involves integrity (character) and the ability to do what we say we are going to do (competence).

Behavior # 13: Extend Trust

This behavior is based on the principles of empowerment, reciprocity, and a fundamental belief that most people are capable of being trusted, want to be trusted, and will do well when trust is extended to them. The opposite of this behavior is to withhold trust.

The counterfeit of Extend Trust takes two forms. The first is extending “false trust,” i.e., giving people the responsibility, but not the authority or resources, to get a task done. The second is extending “fake trust” – acting like we trust someone when we really don’t.

Organizational trust

Covey lists the key attributes of low and high trust organizations. These are summarized in the table below:

<table>
<thead>
<tr>
<th>Low trust organizations</th>
<th>High trust organizations</th>
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<tbody>
<tr>
<td>People manipulate or distort facts</td>
<td>People are candid and authentic</td>
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<tr>
<td>People withhold and hoard information</td>
<td>Information is shared openly</td>
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<tr>
<td>Getting the credit is very important</td>
<td>People are willing to share credit</td>
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<tr>
<td>People spin the truth to their advantage</td>
<td>Transparency is a practiced value</td>
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<tr>
<td>New ideas are resisted and stifled</td>
<td>New ideas are welcome</td>
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<tr>
<td>Mistakes are covered up or covered over</td>
<td>Mistakes are tolerated and encouraged as a way of learning</td>
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<tr>
<td>There are numerous “meetings after the meetings”</td>
<td>There are few “meetings after the meetings”</td>
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<tr>
<td>There are many “undiscussables”</td>
<td>People talk straight and confront real issues</td>
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<tr>
<td>People tend to over-promise and under-deliver</td>
<td>There is a high degree of accountability</td>
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<tr>
<td>Low energy level</td>
<td>High energy level</td>
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If we don’t have the level of trust we want in our organization, it’s time to look at the structures and systems. Where there are excessive organizational hierarchy, layers of management, and overlapping structures all designed to ensure control, trust is unlikely.

Trust diminishes when there is too much bureaucracy and politics. Bureaucracy includes complex and cumbersome rules, regulations, policies, procedures, and processes. It’s reflected in excessive paperwork, red tape, controls, multiple approval layers and regulations. Politics is the use of tactics and strategy to gain power. Office politics generate behaviors such as withholding information, infighting, operating with hidden agendas, interdepartmental rivalries and backbiting.

Too much politics and too many rules can lead to disengagement of employees. Disengagement means people may not leave a company, but have effectively quit. They put in what effort they must to earn their salary and not get fired, but they’re not fully utilising their talent, creativity or energy. Their bodies are there, but not their minds. There are many reasons for disengagement, but one of the biggest reasons is that people simply don’t feel trusted.

Performers like to work in high-trust environments. When they’re not trusted, it’s insulting to them, and a significant number will ultimately seek employment where they’re trusted. Low trust can also cause greater turnover among customers, suppliers, distributors, and inventors.

High trust increases value in two dimensions: shareholder value and customer value. Research clearly shows that customers buy more, buy more frequently, refer more, and stay longer with companies and people they trust. High-trust companies are also more innovative in the products and services they offer customers, because they encourage information sharing, risk taking, tolerance towards failures and collaboration. People are less worried about who gets the credit. High-trust company environments foster the collaboration and teamwork required for success in the new global economy.

Strategy execution rather than drawing elaborate plans, holds the key to organizational excellence. High-trust companies are better able than low-trust companies to execute their organization’s strategy. High-trust companies elicit far greater loyalty from their primary stakeholders – coworkers, customers, suppliers, distributors, and investors – than low-trust companies.

**Market trust**

Market trust is all about brand or reputation. It is trust that makes us want to buy a company’s products or services. Corporate brands are important not only to companies but also to other organizational entities, including governments, charities, hospitals and cities.
Brands are judged based on people’s perceptions. A variety of factors create perceptions of trust, including history and culture.

The same principle that produces dividends to a trusted company at the level of Market Trust also operates at the Self Trust, Relationship Trust, and Organizational Trust levels. Whatever trust we are able to create in our organizations and in the marketplace is a result of the credibility we first create in ourselves.

**Societal trust**

Trust is an integral part of the fabric of our society. We depend on it. It’s hard to imagine a world without trust. Heavy costs are incurred by a closed, low-trust society. On the other hand several benefits are reaped by a high-trust society. These include shared knowledge, medical breakthroughs, technological advances, economic partnerships, and cultural exchanges. In a high-trust society, there’s more for everyone. There are more options and opportunities. People interact with less friction, resulting in greater speed and lower cost. This is why the opportunity to build a high-trust society is so meaningful. There is nothing that would so dramatically improve speed and cost and improve the quality of life. The overriding principle of social trust is contribution. It’s the intent to create value instead of destroying it, to give back instead of take.

**Extending “Smart Trust”**

The practical issues with regard to extending trust are: How do we know when to trust somebody? And how can we extend trust to people in ways that give us benefits without taking inordinate risk?

When we are dealing with trust, there are two extremes. On one end of the spectrum, people don’t trust enough. They are suspicious. They hold things close to the vest. Often the only people they really trust are themselves. On the other end, some people are too trusting. They’re totally gullible. They believe anyone, trust everyone. They have a simplistic, naive view of the world, and they don’t even really think about the need to protect their interests.

Learning how to trust people smartly is a function of two factors – propensity to trust and analysis. Propensity to trust is primarily a matter of the heart. It is the tendency to believe that people are worthy of trust. Analysis is primarily a matter of the mind. It is the ability to evaluate and come up with logical conclusions.

We can divide people into four zones.

Zone 1 (High Propensity to Trust; Low Analysis) is the “Blind Trust” zone of gullibility. People blissfully trust everyone.
Zone 2 (High propensity to Trust; High Analysis) is the “Smart Trust” zone of judgment. This is where we get both good business judgment and good people judgment.

Zone 3 (Low Propensity to Trust; Low Analysis) is the “No Trust” zone of indecision. People here tend not to trust anyone. Because their own analysis is low, they tend not even to trust themselves. This zone is characterized by indecision, insecurity, protectiveness, apprehension, tentativeness, and immobilization.

Zone 4 (Low Propensity to Trust; High Analysis) is the “Distrust” zone of suspicion. This is where we find people who extend trust very cautiously or not at all. In fact, some people are so suspicious that they do not trust anyone but themselves. People in this zone tend to rely almost exclusively on analysis (usually their own) for all evaluation, decision making, and execution.

While it may show low risk, this is actually one of the highest risk zones of all. When we are highly suspicious, we tend to try to validate everything, to analyze everything to death – which ends up decreasing speed and increasing cost. In addition, we miss opportunities. We cut off collaboration and synergy. The only analysis we really have is our own, which may well be limited or skewed and we may cut ourself off from access to the valuable thoughts, ideas, wisdom, and perspectives of others.

In extending trust, the general guideline is to extend trust conditionally to those who are earning it and abundantly to those who have already done so. But even when we extend trust abundantly, there should be accountability which actually enhances trust.

Conclusion

Trust is essential to prosperity, joy, happiness and professional success. We can, if we try, establish, grow, extend and restore trust. Our behaviour can inspire trust. By increasing trust, we can speed up things and cut transaction costs. The speed of trust should not be underestimated.