

Trust and Economic Prosperity

How Trust Helps Organizations Drive Success

Agenda

- The Nature of Trust
- Trust and Performance
- How to Gauge, Build, Restore and Extend Trust

Economic Prosperity

“...One of the most important lessons we can learn from an examination of economic life is that a nation’s well-being, as well as its ability to compete, is conditioned by a single, pervasive cultural characteristic: the level of trust inherent in the society.”

(Trust: The Social Virtues and the Creation of Prosperity, ©1995 by Francis Fukuyama)

But first...

- What does *Trust* mean to you?
- Assume that trust has TWO dimensions
- Please think for a moment and write down TWO words or phrases that identify these two dimensions, and together, express the idea of trust

The Nature of Trust

- Assured reliance on the character, ability, strength, or truth of someone or something (Webster's College Dictionary)
- The one thing that changes everything
(Stephen M.R. Covey)
- Nothing is as fast as the speed of trust
(Stephen M.R. Covey)
- We know when we have it, we know when we lose it
- Slow/hard to earn
- Quick/easy to lose

What did you say?

What Others Say

character	competence	Stephen M.R. Covey
live the values	deliver results	Jack Welch
extreme personal humility	intense professional will	Jim Collins
preserve the core	stimulate progress	Jim Collins
integrity	intelligence	Warren Buffet
strong culture	strong controls	Catherine Finamore Henry

Culture

Culture

- The set of shared attitudes, values, goals and practices that characterizes an institution, organization or group. (Wikipedia)

Controls

Control

- Any action, taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organizes, and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved. (Institute of Internal Auditors)

Culture and Controls

- Compliance and Ethics Professionals are uniquely positioned to help build strong cultures and strong controls
- Culture creates trust in People
- Controls create trust in Processes

The Ripple Effect

- Self Trust
- Relationship Trust
- Organizational Trust
- Market Trust
- Societal Trust



Stephen M.R. Covey

The Ripple Effect

Trust	Principle	Result
Self Trust	Credibility	Influence
Relationship Trust	Consistent Behavior	Enhanced relationships and better results
Organizational Trust	Alignment	Structures, systems and processes
Market Trust	Reputation	Loyalty
Societal Trust	Contribution	Social good

Stephen M.R. Covey

Trust and Performance

- Trust-based outsourcing contracts, + 40% value
- High trust organizations, 3x return to shareholders
- High trust schools, 3x higher chance of improved test scores
- Warren Buffet, McLane acquisition

Stephen M.R. Covey

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13

Trust and Performance

High trust individuals are more likely to:

- be promoted
- make more money
- receive the best opportunities
- have more fulfilling and joyful relationships*

- *and commit fraud*

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*Stephen M.R. Covey 14

Trust Taxes and Dividends

The Trust Tax

- The hidden costs associated with low trust relationships and interactions

The Trust Dividend

- The benefits associated with high trust relationships and interactions

Stephen M.R. Covey

Organizational Trust

Taxes	Dividends
Bureaucracy and redundancy	Effective collaboration and execution
Unhappy employees and stakeholders	Strong innovation, engagement, confidence and loyalty
Hidden agendas	Positive partnering, transparent relationships
Slow approvals	Effortless communication
Misaligned systems and processes	Fully aligned systems and processes
CYA behavior	Focus on work

Stephen M.R. Covey

The Trust Gauge

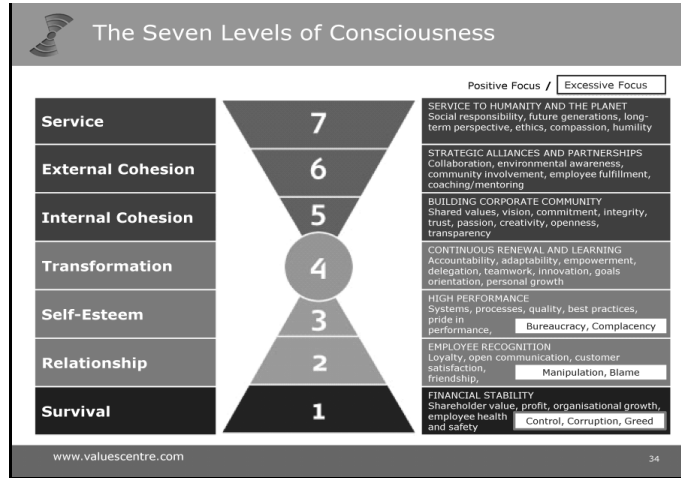
“Not everything that counts can be counted and
not everything that can be counted counts”

John C. Bogle

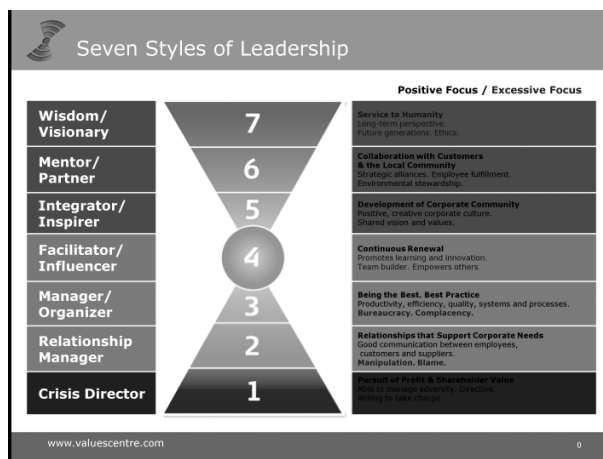
The Trust Gauge

- Culture Survey
- Engagement Survey
- Free self assessment, www.speedoftrust.com

Cultural Transformation Tools



Cultural Transformation Tools



TeamPulse™

1. Team Effectiveness
2. Retention Risk
3. Alignment with Goals
4. Trust with Coworkers
5. Individual Contribution
6. Manager Effectiveness
7. Trust in Senior Leaders
8. Feeling Valued
9. Satisfaction with Current Role
10. People Practices

Speed of Trust

1. Complete survey, receive credibility score
2. Send to others for anonymous feedback
3. Receive your “Who Trusts You” report.
What is your trust quotient?

Build, Restore, Extend

- Too much counting, not enough trust
- Too much business conduct, not enough professional conduct
- Too much salesmanship, not enough stewardship
- Too much management, not enough leadership
- Too much focus on things, not enough focus
- Too many twenty-first century values, not enough eighteenth century values
- Too much success, not enough character

Too Much Counting, Not Enough Trust

Strong Controls	Strong Culture
Valid	Creativity and innovation
Reliable	Best principles, wisdom
Sufficient	Open communication
Competent	Sustainability (m/v/v)
Relevant	Values-based guidance systems, character

Too Much Business Conduct, Not Enough Professional Conduct

Strong Controls	Strong Culture

Too Much Salesmanship, Not Enough Stewardship

Strong Controls	Strong Culture

Too Much Management, Not Enough Leadership

Strong Controls	Strong Culture

Too Much Focus on Things, Not Enough Focus

Strong Controls	Strong Culture

Too Many Twenty-first Century Values, Not Enough Eighteenth Century Values

Strong Controls	Strong Culture

Too Much Success, Not Enough Character

Strong Controls	Strong Culture

Summary

- Trust impacts economic prosperity
- Organizational performance improves with increased trust
- We *can* measure, build, restore, and extend organizational trust
- Compliance and Ethics professionals can make a difference by contributing to strong cultures and strong controls

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31

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EXPERIENCE YOU CAN TRUST

Enough., John C. Bogle ©2009
The Speed of Trust, Stephen M.R. Covey ©2006
Trust: The Social Virtues and The Creation of Prosperity, Francis Fukuyama ©1995

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32