Restoring Trust

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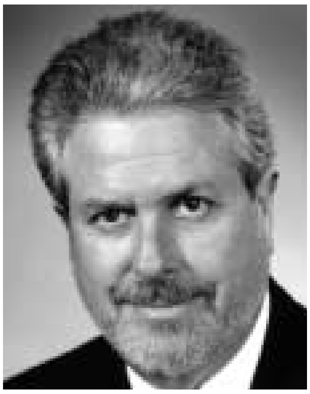

Trust, that most essential ingredient for transacting business, has been broken. Functioning without it is difficult and costly. Accountability based management is key to restoring trust. There are five essential managerial functions and thirteen classic managerial practices that provide a foundation for renewed trust. Managers demonstrate trustworthiness by knowing and performing the role of managerial leadership.

KEYWORDS: Restoring trust, accountable managers, accountability based management, manager—employee relationship, managerial practices

I once asked an army general what it would take to ensure him that his troops would carry out orders under combat conditions. He replied, "If I want them to do their best, to take care of their mission, then they have to trust me to do my job. They can't be questioning whether they have the right equipment, have been well prepared, have good officers, or whether they have good intelligence. They can't be worrying about resupply, reserve strength, or how they are going to get home. That's my job. If I do my job, I can trust them to do theirs." The rise and fall of his shoulders and face said, "And if I have not done my job, I will have lost my troops and the battle before it begins."

In large enterprises, where those who lead and those who follow may live and work far removed one from another, trust is a matter of each believing that they can depend upon the other to do their part. Without trust, the rule becomes each person and part of an organisation looking out for and after itself—a certain prescription for failure. For executives and managers to succeed, they must be able to depend upon employees. For employees to give their best and their all to the job at hand, they must be able to depend upon their managers for competent leadership and support. Trust depends on managers doing their job.

For those who lead employment systems today, trust has been lost. Between investors and businesses, citizens and governments, and employees and their managers, the social contract of trust has been broken. Some locate the beginning of its decline in the 1960s with globalisation and downsizing. Most agree the general level of trust has been dropping for some time (Harris Poll 2002, Purdy 2003), and following WorldCom, Enron, Sarbanes-Oxley, etc. no one doubts that trust is low. Several multi-nationals are investing in research (Della Costa, Allen & Faull, 2003) to find out just how bad things are and what can be done about it. The studies that have been recently published all agree that: trust is low, suspicion is high, corrective action is urgent, solutions are not clear and doing business without trust is expensive, and sometimes impossible. This is the current situation managers are being asked to address.

Restoring trust, once broken, is a difficult task

The technologies for developing trust—authentic communication, sharing information, building relationships, creating teams, finding common ground and reaching agreement are well known, but once trust has been broken they are not sufficient. When trust has been broken, feelings of betrayal, wariness and distancing prevail. This requires, at minimum, a willingness on the part of employees to suspend negative feelings and expectations and, in addition, explicit evidence on the part of management that behaviours, processes and structures which gave rise to mistrust have changed. When trust has been broken and restoring it is required, where does one begin?

The manager—employee relationship is a place to start

Though much needs to be and is being done in the area of governance (at the shareholder—manager—regulator interface), the place to begin restoring trust in business is 'at home', at the manager—employee interface. The manager—employee relationship is among the most important paired relationships in our society. Individual satisfaction, achievement, self-esteem, status in community, and ability to earn a living depend upon it. Organisations and institutions providing the goods and services society needs depend upon it. When those who work inside businesses are able to trust one another, the journey to restored trust with those outside (investors, regulators, customers) will be well on its way. Employee attitude and behaviour become both proof and ambassador for the organisation's trustworthiness.

In the workplace, restored trust means everyone from executive to front line employee can attend to their own work—and not worry about others. In this context, trust means working with confidence that the others with whom one works, and especially those at the top, will do their jobs competently and without knowingly "doing harm to others." This is not the highest level of trust one might conceive or aspire to, but it is the essential minimum level to carry on effective, efficient business operations.

Restoring trust requires competent and accountable managers

The assumption most organisations make is that competent and effective management can be developed by training people on the interpersonal style and skills related to managing. The focus is on the 'how' of management, on competence as a function of learning the technology and techniques of managing and getting better at it over time. A significant gap is attention to the 'what' of management, to what the essential work of managers is. If the persons in managerial roles are not competent, they will harm those they manage. The employees, their work, the company and all of those the company serves will suffer—shareholders, customers and citizens alike. If managers are competent but accountability is lacking, whether there will be fewer harms and less suffering is a matter of chance. In both cases the conditions are against restoring trust and creating an employee group dedicated to the achievement of operational excellence.

Without accountability, there can be neither assurance nor reasonable expectation that managerial functions will be performed effectively. For trust in managers to be restored, what they are to do and will be held to account for must be made clear. Managers achieve results through people. To accomplish this they provide their employees with context and clear direction and the physical and financial resources to accomplish the required results. They also must create a culture worthy of employee trust, motivation and commitment. The effectiveness and trustworthiness of managers lies in the functions and the structures of accountable management.

What every manager must provide

To provide leadership and support without undermining trust, managers must carry out five functions. Managers may neither neglect nor delegate these functions. They must perform them and be held accountable for doing so, in order to restore trust. An effective, accountability based manager (Jaques, 1986, 1998) is expected to:

Appraise working effectiveness
Subordinates are held accountable for the quality of their effort, for bringing their best to bear on tasks assigned to them. Monitoring and feedback recognise and affirm to employees that what they do matters. Employees often use the level of a boss's attention to measure the importance of their assigned tasks.

Account for outputs of direct reports
Managers retain accountability for outputs of their subordinates. Trust and fairness require this since the manager alone has authority to assign tasks and resources, and to establish priorities. Subordinates cannot reasonably be held accountable for their own outputs since they lack authority to control these key variables.

Sustain a team of people capable of working individually and collaterally to produce outputs over time
Every employee is accountable for his/her own behaviour and for treating colleagues with respect. Managers are accountable for ensuring that the conditions necessary for effective teamwork are provided and maintained. Managers also ensure that the demands of current work do not damage or impair the current or future potential capabilities of their subordinates.

Coach to increase working effectiveness
Feedback and advice are essential for improving performance. Managers must ensure subordinates receive such feedback and advice. If a subordinate works in a technical or professional field outside the expertise of a manager, the manager may need to provide an additional source for such advice. Determining need, providing access and resolving any conflicts in advice the subordinate receives are the manager's accountability.

Promote continuous improvement of processes
Ensuring ongoing two-way feedback on current processes, maintaining conditions which encourage the subordinates' suggestions for improvement, and authorising change are supports only an immediate manager can provide. It is this essential expectation that managers are so often said to neglect.

Without clear policy on what is expected of managers, performing managerial leadership functions becomes an anxious exercise. The situation is similar to that in some small towns in the 1930s. A desire for pedestrian safety brought laws limiting the speed of vehicles. Traffic signs were posted saying, "SPEED LIMIT" —with no further information. No doubt drivers became more alert. Increased traffic safety (and less nervous drivers) came much later. When organisations state expected managerial functions, they have posted a sign. No doubt knowing that 'best management practices' are wanted will increase managers' awareness (and anxiety). Achieving the desired outcome (effective, trustworthy managers) requires more specifics. Managers need to know what practices are expected of them, what they are to do.

13 essential managerial practices

Knowing what practices are expected gives managers an essential support they require to provide managerial leadership. Some may also need additional knowledge and skills to perform up to expectation. Operational policy clearly stating what is expected of every manager is a necessary prior step. Surveys taken prior to introducing accountability based management show the managerial practices one can reasonably expect. (See Figure 1).

Essential Managerial Practices
Trusted Leadership Provides

Interview data collected from managers prior to introducing Accountability Based Management

N = 178	**Percent saying "Done well or well enough"**
1. Select and enrol employees	68%
2. Provide context / 'big picture'	49%
3. Planning	43%
4. Assign tasks	56%
5. Provide adequate resources	61%
6. Team work	47%
7. Regular feedback on performance	38%
8. Performance Appraisal	39%
9. Fair and Equitable Treatment	66%
10. Coaching	42%
11. Annual Merit Review	4%
12. Promote continuous improvement	51%
13. Deal with sub-standard performance & initiate removal from role if appropriate	35%

Persons interviewed were asked to rate each function a., b. or c.:

a. Done well or well enough
b. Done but not well enough (includes not done consistently)
c. Not done

Figure 1

Of the thirteen essential practices, only five were being performed well, or well enough, by the majority of managers:

1. Selecting and enrolling employees
2. Assigning tasks
3. Providing adequate resources
4. Treating employees fairly and equitably
5. Encouraging creativity and continuous improvement

The majority of managers, even in better performing companies, were doing only the above five of the thirteen key managerial practices well or well enough. Eight others were being done not well enough, or not at all. The managerial practices most often neglected include regular feedback on performance, dealing with sub-standard performance, performance appraisal and merit review. (See Figure 2).

Trust is based on mutually held social expectations being met. When managers and their employees know what is expected from managers, and those expectations are met, the foundation for trust is put in place. To expect trust without such a foundation is unreasonable.

Managerial Leadership Practices (employee response)

Industry Type	Industrial Research & Product Development	Information Technology & Data Services	Government Service
Number in study	133	12	31
	Per cent of those interviewed who said function was done well or well enough for them		
1. Select & enrol employees	62%	75%	52%
2. Provide context / 'big picture'	48%	25%	48%
3. Planning	45%	50%	32%
4. Assign tasks	62%	33%	42%
5. Provide adequate resources	68%	100%	26%
6. Team work	56%	33%	16%
7. Regular feedback on performance	42%	17%	36%
8. Performance Appraisal	46%	0%	26%
9. Fair and Equitable Treatment	78%	25%	36%
10. Coaching	46%	50%	23%
11. Annual Merit Review	0%	8%	29%
12. Promote continuous improvement	62%	8%	19%
13. Deal with sub-standard performance & initiate removal from role	36%	8%	48%

Persons interviewed were asked to rate each function a., b. or c.:

a. Done well or well enough

c. Not done

b Done but not well enough

Figure 2

Some managers believe they can neglect their managerial duties with no harm coming from it. Unfortunately, one consequence of the devaluing of management in recent times has been a belief that since management was not really needed, whether managers performed their duties or not was of little consequence. Ignoring or bypassing a non-performing employee, especially one in a managerial role, is often the preferred practice. That no harm will come is not so. Role is real, and neglecting managerial practices does have consequences. The following illustrates:

Carol had been receiving some barbed humour from her colleagues. Accountability based management was being introduced into her company, and her managerial colleagues were telling her to 'get with the program'. What had begun as kidding had become a serious irritation. Carol was getting pressure from her boss to "spend less time down in the weeds" and from her colleagues to be more available for peer consultation. She began to fear that her competence as a manager was being questioned.

Carol sought out a consultant and stated her concern: "With people who are not my immediate

> direct reports I sit down and have weekly planning and coaching meetings. What's wrong with that?" Though what she heard about managerial practices made sense, Carol could not shake the thought that she really needed to continue meeting every week with her subordinate's direct reports. When asked, she confirmed that she did indeed meet with lower level employees every Monday for detailed planning and coaching sessions—not all of them, but some. Her consultant then asked "What's your reason for meeting with some of them, but not others?" She replied, "Well, the truth is, I don't trust Bill (their boss and Carol's subordinate) to do his job." Her consultant said, "That's what's wrong with it."

Carol was keeping in place a manager in whom she had no confidence. Not trusting Bill to do his job, she thought the best thing was to do it for him. Bill knew that, and his people knew that. In trying to cover for Bill, to make sure her subordinate's people had effective managerial leadership, Carole was neglecting her own work. She was bypassing Bill, 'dipping down' and directly tasking his subordinates. (See Figure 3.) Bill's people were no longer certain who their real boss was. Carole's consultant advised her, "As long as you keep that up, none of them will trust you. I'm surprised you have time to do your own work."

Carol's management peers thought she was a 'micro-manager' who needed to learn how to delegate. In fact, she was an 'abdicating manager' who covered up by doing her subordinate's job for him. It is not unusual for managers to neglect their managerial duties—and, to believe that no harm will come from it. Carol wanted to believe that doing Bill's job for him was the right thing to do. She got clear that doing her subordinate's job was no substitute for doing her own. Carol began to give Bill feedback (and some coaching). Shortly after that, she found she had time to confer with and advise her own boss on strategic issues and to co-ordinate and address cross boundary issues with her peer managers. To repeat: Role is real. If managerial practices are neglected, there will be unwanted and costly consequences.

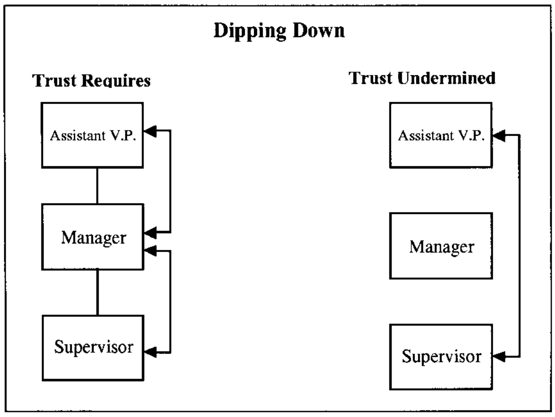

Figure 3

Restoring trust requires accountable managers, and accountability begins with ensuring the role of managers, the functions and practices they are to perform, are known. Role is a set of mutually held social expectations. Not only must managers know what they are to do, those they manage must hold those same expectations. Only when managers know what they are accountable for can they reasonably be

> Check current management practices in one's organisation:
> Do managers and those they manage know what is expected of the managers?
> Are they doing the job?
> Are they held to account for it?
>
> Survey all employees: Ask them which of the thirteen essential practices their managers are performing well, or well enough for them.
>
> Ask all employees who hold managerial leadership roles which of the thirteen practices they are doing well, or well enough, for their subordinates.
>
> Don't be surprised if there is a gap in the answers of some of the same people - depending on whether they are looking at managerial leadership as a provider or as a recipient. Getting about the business of bridging that gap will enhance trust between employees and those who manage them.

Figure 4

expected to meet that accountability. Skills and technology are certainly beneficial. Knowing the managerial functions and the practices they require is an essential prior step. (See Figure 4 for some suggestions for an action step in restoring trust.)

When managers do their job, then trusting those they manage to do theirs can become a reasonable expectation. When trust is a reasonable expectation, employees are free to give their full commitment and attention to their jobs. When that is happening, people notice—even those on the outside looking in.

It is not sufficient to declare that 'only the paranoid survive'. Nor will trust be restored by 'men and women of good character' saying, "Just trust me." Those in managerial leadership roles will have to demonstrate trustworthiness by getting their jobs done. The paranoid may survive. The trustworthy have opportunity to thrive. The foundation for restoring trust is managers knowing and delivering what they are in place to provide.

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BIOGRAPHICAL NOTE

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