

# *Trust in Organisational Life*



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# The Ratchet Effect

## Bob Whipple



*The importance of building trust in any organisation is paramount to obtain maximum performance. First I introduce the relationship between trust and engagement of people. Then I discuss how the ways to build trust are numerous, but one concept has more power than the others to create and maintain trust within any organisation. I call that concept 'Reinforcing Candour' and provide a vivid demonstration for how the technique works by using a metaphor of a 'Trust Barometer.' I offer some tips on how to employ this logic in any group activity.*

### Keywords:

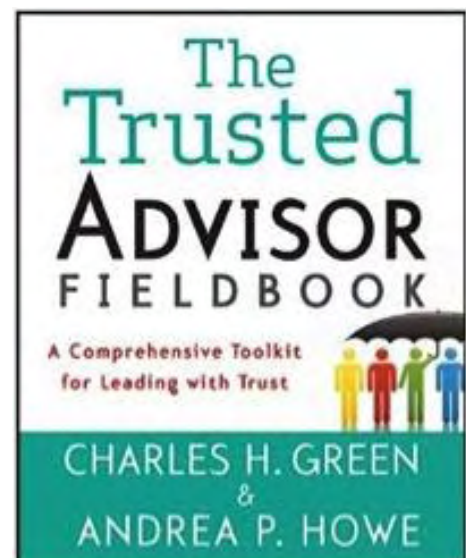
trust, candour, engagement, productivity, ratchet, betrayal

### Introduction: The Missing Element of Trust

How would you like to “crack the code” to higher engagement through a better culture? Through decades of research and practical experience in leadership, I have found that trust is the most important ingredient for engagement and productivity. Every leader would like to improve trust in his or her operation, but few leaders are consistently successful at doing it. I set out to determine why this aspect of leadership is so elusive and discovered there is usually a missing element. Teaching leaders that missing element has become the cornerstone of my consultation work with organisations of all types in all industries.

The ways to build trust are myriad and are well documented by many authors. For example, in *The Trusted Advisor Fieldbook* (2012), authors Charles Green and Andrea Howe provide numerous ways of accelerating trust within organisations. In my own seminars, it takes groups only about 15 minutes to come up with a list of 40-50 behaviours leaders can use to build trust: the ways are obvious. Consider this partial list as some of the more important ways:

- Do what you say,
- Treat people well,
- Tell the truth,
- Be transparent,
- Treat others the way you want to be treated (Golden Rule),
- Be ethical,
- Admit mistakes,
- Adhere to your values,
- Be consistent,



The list goes on for numerous other ways that we already know.

If we agree that trust is of critical importance, and if we know numerous ways to go about building it daily, then why are so many organisations still experiencing low trust, especially in their leaders? For over a decade, I studied the issue of how trust is built and lost, to uncover a missing foundational concept that needs to be in place in conjunction with the obvious behaviours listed above.

Trust works like a ratchet; it is built in small steps over time. The accumulated equity can be destroyed by a single misstep. When leaders create a 'safe environment', it prevents the catastrophic loss of trust. One way in which leaders do this is by not punishing people when they are candid. So 'Reinforcing Candour' is a key leadership behaviour that enables the consistent growth of trust. Since very few leaders are skilled at reinforcing candour, it turns out to be the missing link in many cases.

### Illustrating "The Ratchet Effect"

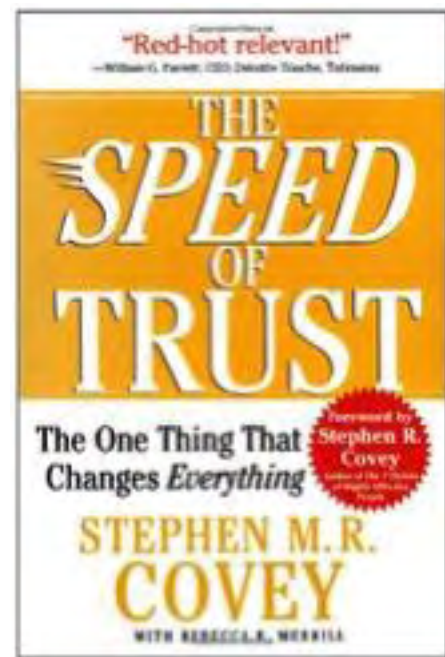
Trust between people is similar to a bank account - a concept introduced by Stephen M.R. Covey in *The Speed of Trust* (2006). There is a balance of trust at any point in time, and we can make deposits that increase the balance, or make withdrawals that reduce the balance. Of course, the idea is to keep the balance as high as possible, so we can enjoy the benefits of high trust.

Making large deposits in the trust account with people is more difficult than making small ones. It usually takes a special situation to make a big deposit. For example, if I am walking by your house and you come running out screaming that your house is on fire but your dog is trapped, that represents a unique opportunity. If I go in and save your dog, it would be a large trust deposit, because I risked my life to save something that is

precious to you. It was a special circumstance in which I had the opportunity to make a large trust deposit. Normally we make deposits in small steps, but the account builds up over time.

A few years ago, I generated a model for demonstrating how trust is built and lost. I call it my 'Trust Barometer' and use it to illustrate the ratchet effect. It has a gear with a handle and a crank that can wind up a weight suspended by a string, and I have a scale showing how much trust is in a relationship at any given time.

The trust scale has a numbers from 1 to 10. The ratchet is held in place with a pawl that prevents it from rotating backwards. When there is a trust withdrawal, the pawl disengages, and the resulting loss of trust is obvious. It seems very comical, but it is a great illustration of how trust is built and lost in our lives.



## The trust barometer



The barometer works well to illustrate an important principle. Trust is usually gained in small steps like the individual clicks of a ratchet, so over time we build up trust with another person by making small deposits and winding up the weight. We do things like treating people with respect, following up on promises, helping out when there is an opportunity, and hundreds of other small things that all add to the trust account.

You simulate a trust withdrawal by pushing in on the bottom of the pawl, which causes the top to disengage with the ratchet. The weight crashes down to zero almost instantly, setting off the screaming panic button. A key feature is that the ratchet has significant mass, so it overshoots when the weight reaches the panic button. This causes slack in the cord, which is a critical part of the metaphor when you try to rebuild trust later on.

In plain English, the ratchet effect sounds like this. I have known Mark for several years. I've always trusted him; he has never given me any reason to doubt him, but after he said that in the meeting yesterday, I'll never trust him again.

## An example of the Ratchet Effect

A real example of this happened years ago with a department manager who was reporting to me. His name was George, and we had been together for over 10 years. We had a solid relationship of high trust that had been earned through countless deposits made by one or the other of us over the years. I heard a rumour that he was having an affair with a female employee named Barbara who was working in his department. George had a beautiful family and was head of a bible study group at his church. I just could not believe he would do such a thing.

A few weeks later, an HR manager in our area told me that she saw the two of them going into a local motel room. I was shocked and confronted George in his office that same day. I told him about the rumour that I did not believe at first, but that was confirmed later on that he was having an affair with Barbara. George looked me square in the eye and said, "I know about that rumour, but it is not true." I gasped! To me, that statement was essentially the end of our relationship, and George was quickly removed as the manager of that department. Trust had been reduced to zero in one sentence.

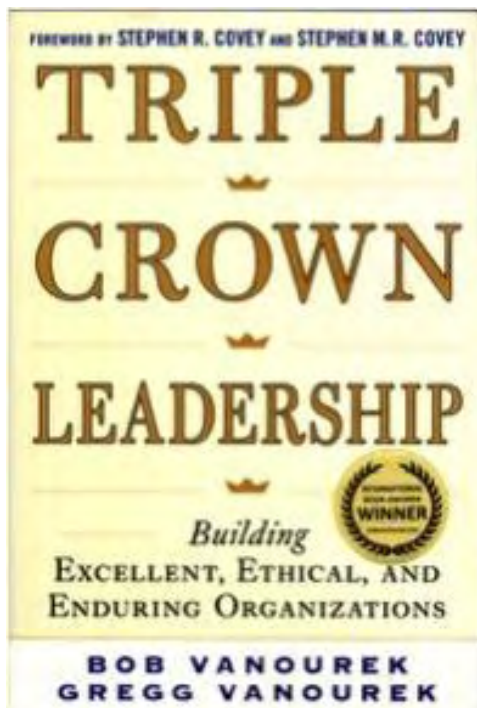
When we experience a catastrophic betrayal of trust, it is devastating because it takes so long to build up the account of trust and it can be destroyed in a single sentence or even some body language in a meeting. Trust can usually be repaired, but it is a long and difficult process. The trouble is that when we go to rebuild trust, it takes a long time before the deposits even register at all in higher trust. That phenomenon is caused by the slack in the line as the ratchet overshoots. In essence, the trust level goes negative, and you need to make a lot of additional deposits to just get back to zero. The best way to understand the dynamic is to view this [brief video](#) of my trust barometer in action.

## Why “The Ratchet Effect” points to “Reinforcing Candour” as the missing ingredient

The reason reinforcing candour works is that it takes the leader off their pedestal, because they show a willingness to listen and potentially be wrong. It reveals a kind of humbleness or vulnerability that is a growing medium for trust. Displaying an open mind allows people to see the leader as approachable and lowers fear, so people become more open about their thoughts. That openness is what stops the ratchet from falling to zero. Reinforcing candour is more than the willingness to listen without judgment. It results in the affirmation of the worth of the employee.

Every leader is going to make a trust withdrawal with people at some point. We are all human beings who have the ability to do things that are ill advised on occasion, especially in the pressure situations at work. In organisations where the environment is not safe to point out to a leader that he or she is contemplating something that would backfire, it is much easier to make a significant withdrawal that causes the trust ratchet to go negative. If the leader has created an environment where it is **safe** to point out the consequences of something a leader did or is planning, then it prevents the ratchet from falling to zero, and most of the trust equity can be preserved.

When leaders positively reinforce or thank people who bring up difficult consequences of actions, it allows the environment to become one of higher trust over time. All the leader needs to do is to refrain from clobbering people when they bring up scary stuff. Make them glad they brought it up, and it will prevent the trust from going to zero or negative. Most leaders find this difficult or impossible to do. They have done something that, according to their analysis, was right, so if an employee challenges the rightness of the action, it is only human nature to push back.



In their excellent book, *Triple Crown Leadership: Building Excellent, Ethical, and Enduring Organizations* (2012), Bob and Gregg Vanourek point out that the best leaders flex between ‘steel and velvet’ when working with people. They are firm, like steel, when it comes to matters of principle or values, but they flex and have the ability to listen well at other times, even letting others lead. This restraint creates a safe environment, unleashing other leaders and encouraging people to tell them if something does not feel right.

I have taught thousands of leaders that resisting the temptation to educate an employee who is challenging one of their decisions on why the employee is dead wrong is the single most powerful way to create an environment where trust grows consistently. When leaders understand this one foundational concept, it enables all of the other trust building actions to work like they are on steroids.

The result in several organisations I have coached has been that trust goes from being the most significant weakness in the organisation to the most significant strength in less than a year. The leverage of that change is immense.

## Exercise

Today, simply be aware of the transactional nature of trust such that you have a balance in the trust account with people, and every time you interact with them you're either making deposits or withdrawals in the trust account. Notice how, when there is a withdrawal, it can be a very serious withdrawal very quickly. That is the phenomenon demonstrated by the ratchet effect.

Leaders need to recognise that it takes a long time of consistent deposits in the trust account to build up an impressive trust balance, but that balance can be wiped out in a single sentence or gesture or email or any other interaction with the other person. In order to maintain a good balance of trust we need to be consistent with deposits and avoid the mega trust withdrawals. Reinforcing candour is a difficult skill to master, but those leaders who can do it find the rewards are worth the effort.

## Note

The preceding article was based on an episode in "Building Trust," a 30 part video series by Bob Whipple "The Trust Ambassador." To view three short examples (three minutes each) at no cost, go to <http://www.avanoo.com/first3/517> . All book covers are reproduced with permission from their authors.

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## About the Author:

**Bob Whipple**, MBA, CPLP, is a consultant, trainer, speaker, and author in the areas of leadership and trust. He is the author of four books including: *Trust in Transition: Navigating Organizational Change*, *The Trust Factor: Advanced Leadership for Professionals*, *Understanding E-Body Language: Building Trust Online*, and *Leading with Trust is Like Sailing Downwind*. Bob has served many years as a senior executive with a Fortune 500 Company and with several non-profit organisations. You can contact Bob at [www.Leadergrow.com](http://www.Leadergrow.com), [bwhipple@leadergrow.com](mailto:bwhipple@leadergrow.com) or 585.392.7763

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