

Trust Reloaded

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Trust is the foundation for any kind of partnership. Everybody knows. Private or business. Without trust, there is no lasting success, no high performing team.

Robert Bosch said ‘it does less harm to lose money than to lose trust’. Collaborative innovation, support from diverse stakeholder groups is only possible with trust. In managing several tiers in supply networks we have learned that standards and control are important, but trust is inevitable.

As much as this is common knowledge, **we experience a business world in which trust is destroyed in too many events by demonstrated egoism paired with short-termism.** Several studies tell us that over 52% of people don’t trust managers. There was a time, when manager was an honorable role. Only 15% of employees are fully engaged anymore, as they are turning away from experienced selfishness of upper bosses and the meaningless of products. Over 50% of generation Y talents are searching for ethical organizations. What do true leaders do to make companies thrive?

Leadership is ways more than people leadership. It starts with leading yourself (clarity about intentions, the guts to do what’s right), it encompasses leading to results and leading to a premium position in the market place. In short: Self-, People, Results- and Market-Leadership. Trust is, as is accepted



by everyone, relevant for 1:1 relationship, like between bosses and team members, but increasingly a game-changer when established between a company and other stakeholders. This means that leaders need to be well-prepared for not only the WHAT and HOW of leadership but especially the WHY and WHERETO. What is your vision of the world, what is the positioning for your company in a modern society? **Wherto do you want to lead?** And how can you explain your purpose and mission in simple terms to different interest groups?

Why should someone trust and support your company? Remember the trust formula, applied in this context on companies.

By the formula

$$\text{Trust} = \frac{\text{Credibility} + \text{Reliability} + \text{Intimacy}}{\text{Self-Orientation}}$$

Is your company trustworthy? How do leaders in your organization prove this to clients, suppliers, investors, NGOs, partners of all sorts? Does your company walk the talk, can people count on you, especially in a crisis and over a longer period of time? How would consumers know that you really care for them? Think of **4 improvement categories**: Are your products, services, processes and business models creating better benefits for all involved compared to your competitors? Do you really care for and know the interests of the different people touched by your company?

An excellent starting point for improvement is to start with your definition of results. Results, in a business world 2020, is threefold: financial results, performance on ecological components (e.g. amount of resources needed, energy production and consumption, reduction of waste) and social impact (like improvement of living conditions for all, supply chain, users, and beyond). Besides the increasing obligations for

integrated reporting, these are the **3 performance categories** which -in a transparent big data world- your organization will be evaluated: People, Planet and Profit.

Trust reloaded 2020: Your leaders innovate on all 4 improvement areas and increase their output in all 3 performance categories. Trust with markets is built by leaders who strive for the well-being of all and a long-run positioning as being the best partner for society. Your reputation will interest the best talent, divers stakeholders will prefer you over others. And even investors started to look for smarter ways to do business. In essence: We can do better. Forget about the self-centered sort-termism 'The Business of Business is Business'. The new mantra for Leadership 2020 is: **The Purpose of Business is Society.**

Happy to work with you on the Trust your company generates with your stakeholders,

Klaus J. Schuler

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