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Where Has Trust Gone?

by Javier Bajer

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Today, even when boasting inspiring visions and slogans, conversations at the top table are largely about profit, even when talking about customers. Those who can honestly Profit on Purpose are leading the way.

Erosion of trust is becoming a sticky problem for society.

We only need to ask companies and governments to tell us how much this is costing them today to get the picture. The impact that this erosion of trust is having on their relationships with employees, investors, customers and voters no longer belongs to the old 'soft skills' world – it has already become central to most board agendas.

Here are the numbers. Today, only 20% of people trust what CEOs tell them and the figure is even scarier (13%) when it comes to the trust people have



for Government leaders¹. Just in the West, trust in the banking sector is down to 25%, which represents a serious problem for an industry that requires trust to function.

A similar picture comes from the world of Employee Engagement, where global studies show that only 13% of people want to go to work everyday². The remaining 87% are either 'cruising' or actively making it harder for us to enjoy what we do.

Trust is the cornerstone both for employee engagement and for customer loyalty. Many organizations are working hard to rebuild trust, inside and out. However, despite of the use of analytics (to better understand the problem) and the deployment of expensive communication initiatives (to try to resolve the problem), most secretly feel they are fighting futile battles, ineffectively trying to re-engage their employees, retain their customers and please their investors. In the meantime, trust continues to erode.

So, what's causing an erosion of Trust?

I believe that the main reason for this is the divorce between the drive for profit and the promise of purpose.

Both profit and purpose are essential in the relationship humans have with work. We need to find meaning in and through the work we do and at the same time we need to make money so that we can exchange it for goods and services.

¹ Edelman's Trust Barometer Annual Global Study 2014

² Gallup's State of the Global Workplace 2013



Originally blended together, profit and purpose did not start off as competitors. Instead, they used to operate as two sides of the same coin. A job well done pleased the customer and rewarded the worker. Even today, we still see the intimate connection between profit and purpose in some professions: doctors, firefighters and teachers tend to pride themselves on the value they create for others and, at the same time, they make sure they get paid for their contribution. Social enterprises are also very good examples that profit and purpose can sit at the same table.

However, for many, profit and purpose have been kept away from each other, as if trying to avoid 'cross-contamination'. What we say is our intention (to customers and to employees) is not always what informs our decisions.

For most, profit has *become* the purpose. "Maximise shareholder value" is now taken for granted as the indisputable reason why listed businesses exist. Even in the case of unlisted companies, the main drive is to increase profit year on year. Today, even when boasting inspiring visions and slogans, conversations at the top table are largely about profit, even when talking about customers.

Purpose, as a consequence, has been left to CSR and internal communication departments who work hard to find and communicate meaning to employees. However, this can have unintended consequences: knowing how great the purpose of organizations could be and contrasting it with the everyday realities can cause cynicism instead of engagement.

Furthermore, when people are unable to connect with the social value they create through their work, they begin to consider personal profit as their main purpose. Today, employees worry about what their organizations can do for them (compensation, careers, bonuses, learning, experience, flexible work, etc.), rather than thinking about how they can serve society through



what they do everyday as part of their jobs, feeling rewarded, in the most ample sense of the word.

While both businesses and people seem to have implicitly agreed to endure this dilemma, everyone continues to pay the costs.

What can we do about it?

Unless we develop an intimate connection between the need for profit and the creation of value for (at least a part of) society, we will all be missing out. Until then, we'll be driving towards short-term objectives, creating placeholders that don't provide real meaning, 'motivating' people with mechanisms that create an inward looking mindset that will never be satisfied.

You might be thinking that this only applies to certain types of organisations where products or services are essential to society and therefore easier for them to develop a sense of purpose while they go about their business.

It is entirely possible to bring profit and purpose closer together, and to rebuild trust in your organization, whatever it produces. A shortcut to make this happen is to create coherence between Beliefs, Intentions, Promises and Actions within your organisation (see inset). People play, work and live better when there is integrity between these four dimensions, both personally and for the collective.

As you review these areas, look for inconsistencies between them. Review the entire HR lifecycle, from attraction to outplacement. Consider those inconsistencies as both the source of the problem and the opportunity for resolution. Bring them together, by aligning them to each other until there is coherence in the organisation. Only then, purpose and profit will drive the organisation forward, and trust will emerge as a consequence.



Sustainable businesses need to make money *and* they need to make a difference. Ignore one of these and you'll be playing a catch up game – a rather expensive one.