The
TRIFECTA
of
TRUST

The PROVEN FORMULA *for* BUILDING *and* RESTORING TRUST

JOSEPH R. FOLKMAN

Bestselling author of *The Extraordinary Leader*

Praise for
The Trifecta of Trust

"There's nothing more vital to leadership and collaboration than trust, and Joseph Folkman has spent his career becoming a trustworthy source of knowledge and data on it. His book is filled with practical insights for earning, keeping, and repairing trust."

—**Adam Grant,** #1 *New York Times* bestselling author of *Think Again*, host of the podcast *WorkLife*

"Building trust is perhaps the greatest leadership capability of all. Joe's wonderful book explains what trust is all about and serves as a guidebook for understanding and developing trust in your leaders, your organization, and yourself."

—**Josh Bersin,** global industry analyst

"Joe Folkman has done it again with *The Trifecta of Trust*! Take the guesswork out of building trust in your teams and organizations and learn the bad behaviors that are holding you back from your full potential. Well researched and full of practical advice, every leader needs to read this book!"

—**Dr. Marshall Goldsmith,** Thinkers50 #1 executive coach, *New York Times* bestselling author of *Triggers*, *Mojo*, and *What Got You Here Won't Get You There*

"Brilliant work! Based on research insights (not just personal opinions), Joe has established the primary elements of trust and shown their impact on numerous outcomes. This is a foundational work for individuals, leaders, and organizations seeking results through trust."

—**Dave Ulrich,** Rensis Likert Professor, Ross School of Business, University of Michigan, partner, The RBL Group

"You might be brilliant, strategic, ambitious, and hardworking . . . but if you're not trusted, you've got nothing. This book gives you the data-tested insights that will help you build a foundation for success."

—Michael Bungay Stanier, bestselling author of *The Coaching Habit* and *How to Begin*

"While everyone acknowledges the importance of trust, it has remained vague, even a bit mysterious. Based on multiple research studies involving thousands of global leaders, the mystery is unshrouded. Most important, the reader receives numerous suggestions on ways by which they can become more trusted in every realm of their work and life. Unhesitatingly recommended reading!"

—Jack Zenger, CEO, Zenger Folkman

"A great leadership books delivers three things: it cuts through the clutter to show you what's most important now, transforms your perspective to clearly see what the heck is going on, and provides pragmatic coaching advice to help you improve. *The Trifecta of Trust* does all this and one more: it's backed up with amazing research and insightful analysis. From teamwork to DEI to agility, this book will help any leader looking for fresh thinking and proven solutions to the most vexing problems and promising opportunities we face today."

—Kevin D. Wilde, Executive Leadership Fellow, Carlson School of Management, University of Minnesota, former chief learning officer, General Mills Inc.

"At first, I was surprised to see that Joe was writing about trust. I've known Joe a very long time. Joe is a data guy. But the power of this book is that Joe shifts trust from a qualitative conversation to one that is grounded in real data. This book is worth the read, and I'd recommend it to anyone who wants to learn what to do to improve their trustworthiness with others as well as those responsible for developing leaders where learning how to increase trust is important. Basically everyone."

—Norm Smallwood, cofounder, The RBL Group

"Few things are as critical today to leadership, and life, as building and restoring trust. Joe Folkman's exceptional book, *The Trifecta of Trust*, provides the research-based tools to actually do it. Trust transforms and so will this book!"

—**Kevin Cashman,** global coleader of CEO & Enterprise Leader Development, Korn Ferry, bestselling author of *Leadership from the Inside Out* and *The Pause Principle*

"You won't be able to read this book without some serious self-reflection: what am I doing to create (or diminish) trust in the most important relationships I have? The good news is that the secrets to improving trust are given to us—with *The Trifecta of Trust.*"

—**Kathleen Stinnett,** MCC and certified coaching supervisor, founder of FutureLaunch, coauthor of *The Extraordinary Coach: How the Best Leaders Help Others Grow*

"Trust must be earned, trust can be lost, but trust can also be rebuilt. Read this book—and learn from a great expert."

—**Anne Esling,** chief people & culture officer at Clarins, Paris, France

"Any experienced leader knows the importance of trust: if your team doesn't trust you, it is impossible to be effective. Using his vast database from decades of research, Dr. Joe Folkman points out how a struggling leader can rebuild the trust of the team, using clear language, great examples, and data-driven options for improvement. This book should be in the hands of anyone hoping to increase their leadership skills."

—**Paul McKinnon,** cofounder, The McKinnon Company, former CHRO, Dell Computers and Citigroup, former faculty, Harvard Business School

"The book really unveils very simple but practical ways to build and restore trust (if it is lost). I strongly recommend this book because it will surely bring any interested reader a lot of value and enlightenment."

—**Le Pham,** chairwoman, Le & Associates JSC., Vietnam

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RIVER GROVE
BOOKS

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Preface

More than 40 years ago, I became fascinated with the idea that behaviors could be measured. As I experimented with measuring behaviors, I discovered a way I could evaluate whether a measurement was accurate. If the behavior I measured predicted a valued outcome, if the behavior was improved, and if the outcome improved, it was a behavior that mattered. Most of the behaviors I measured were related to leadership, and the outcomes they produced touched everything from productivity, profitability, and discretionary effort to turnover, employee engagement, and customer satisfaction. Over time, I refined the behaviors that I measured, and I collected data from millions of assessors and hundreds of thousands of leaders from across the globe.

My life's mission has been to provide accurate assessments for leaders to understand their level of effectiveness and their impact on outcomes, and to provide them with insights on what they can do, specifically, to improve. Most people want to improve, but their approach often relies on conventional wisdom, such as fixing or hiding weaknesses, working harder, applying yourself, and focusing. Conventional wisdom is often not helpful because people simply do not know what to do to be more effective. After creating hundreds of assessments that

measured leaders' effectiveness, I looked at all the data I had collected to discern the most effective assessment items. These differentiating items were the best at separating poor leaders from great leaders. The data started to reveal secrets about which behaviors were most important and how leaders could improve.

My partner, Jack Zenger, and I wrote a book called *The Extraordinary Leader*. The book focused on the difference in outcomes between being a good leader and being a great leader. Great leaders doubled profits, the engagement of employees, and the satisfaction of customers.

Over time, I grew interested in which individual small behavior would have the largest impact. This was my Manhattan Project. The atom is so small, but its impact can be so enormous. After years of analysis, I discovered that the atom of leadership is trust. Trust is a very small issue. Most people think they know if they are trusted (but they are often wrong). They know who they trust and who they do not trust, but this one small issue can positively or negatively affect everything else you do. If you give a speech and people trust you, they listen and accept. But if they do not trust you, they reject and revolt.

You can assess trust across the world by asking just one question: "Can most people be trusted?" The percentage of people in a country who answer in the affirmative can predict the wealth and prosperity or poverty and crime of that country. If trust is low, business slows down, people want more assurances, both parties are suspicious of the other party, and ultimately, prosperity is also low. Trust is the atom of leadership because it impacts everything.

After studying data from over a million assessments of hundreds of thousands of leaders, I discovered the three elements that either build

or destroy trust. I wrote this book to help people understand how to control and harness the power of the atom of trust.

And after measuring the effectiveness of those hundreds of thousands of leaders, two further insights have become perfectly clear to me. First, leaders do not really know how effective or ineffective they are. Second, they do not understand the impact their behavior has on others. This book is intended to help you open your eyes to the potential damage your own behavior may cause. But more important, it is intended to help you fix it.

Introduction

In 1429, France was in the thick of the Hundred Years' War with the English. Paris had already been taken, and King Charles VII was exiled. Hope was lost, and it would take a miracle for the French to keep their land. That miracle manifested in the scrawny form of a teenage girl illegally dressed as a man who claimed angels were speaking to her, commanding her to save her people.

She had no training, she was the wrong gender, and she was too young. Yet, with no record of any questioning of her leadership, she led an army of hardened and exhausted soldiers into Orleans and took back the city from the English. Stories of her powerful influence are recorded, detailing her troops' celebrations over her arrival on the day of battle. With her at the helm, they were willing to go anywhere. The army, once in despair and discouraged, redoubled their efforts and would often end the day victorious. Historians account

that military finances also improved under her leadership, and people genuinely believed in the cause they were fighting for. Within a year of the Orleans victory, she managed to return King Charles VII to the throne and was an important presence at the coronation. No small feat for a peasant girl from the country.

The war continued, and she continued to fight until she was captured by the English and burned at the stake for heresy, dressing like a man, and witchcraft. After her death, King Charles VII declared her a martyr for the cause, and she has remained a symbol of hope for the French people until this day. In 1920, she was officially canonized by the Catholic Church and is revered as a patron saint of France. You can even see a shrine dedicated to her in Notre-Dame cathedral.

Joan of Arc would not have accomplished anything if her troops did not trust her. She would have been just a person yelling at the top of her lungs at a bunch of people. But her troops *did* trust her. They trusted her with their lives, with their king, and with their country.

The exiled king trusted her and even appointed her to a military position. He believed her stories of divine revelation after having theologians test her, deeming her consistent in her purity, chastity, and piety. Her victory in Orleans proved to the country that she was a good leader, allowing her to continue leading. She lost some battles, but her troops never lost hope with her at their lead until her eventual capture.

On the other side of the globe, Abraham Lincoln led the United States through its darkest hour—a fissure that looked as if it would never heal. Tall and soft-spoken, he failed many times politically and financially before winning the presidency, but those loyal to the Union trusted him.

He effected huge change. He led the country through a war that killed more Americans than any other conflict before or after; enacted the Emancipation Proclamation, effectively freeing thousands of enslaved people; and then united the South and the North into a coherent whole, despite major trauma and cultural frustration. We revere him to this day for his leadership and unwavering dedication to the Union. Politicians on both sides of the aisle seek to emulate him and be positively compared to him, and he is considered one of the greatest presidents of all time.

Both Joan of Arc and Abraham Lincoln led masses of people through incomparable fear, loss, and change while managing to keep their reputations unsullied. Of course, both of these heroes made mistakes, but they were easily forgiven in the moment and even now, as history looks fondly on them. We forgive them easily because we already love them, we trust their intentions, and we are determined to honor their legacies.

Most of us are not in the middle of uniting America or saving our entire country from a fifteenth-century foe. Our battlefield is the office, and our soldiers are our employees. We have all heard this metaphor a trillion times, but it remains relevant. These are uncertain times: ongoing economic crises, new and insurmountable health crises, technological advances that upend our systems and processes, new laws and expectations. The very fabric of our world continues to change at a faster and faster rate. Within our office walls, each of us is experiencing immense amounts of stress and anxiety in addition to our daily obligations. We need leaders who can lead their people through these complications. In fact, we actually need to *be* those leaders.

Becoming an effective leader requires trust. It doesn't matter how

smart you are or how revolutionary your ideas are, but it does matter if your people do not trust you. You need generals and infantry to wage any battle, and these people must invest significant amounts of trust to risk their lives (or careers) following your lead. Earning, building, and maintaining that trust is a crucial part of any leader's arsenal.

We all have felt trusted by others, and to our chagrin, we have also felt moments when we were not trusted. We can relate to experiences when someone we did not know well was trying to sell us something, and the thought crossed our mind, *Do I trust this person enough to give them my money?* We also may have bought something and, in looking back, realized that it was a huge mistake.

Accumulating these experiences, most people form theories about trust. These theories answer the basic questions, *Who can and who cannot be trusted? How can you get others to trust you?* and *What can you do to rebuild the trust that is lost?* These theories are what I call *observational* theories.

Jerry Seinfeld is the master of observational humor. He looks at the everyday experiences we all have in our lives and then points out how strange or odd those experiences are when examined closely. His comedy is unique and relatable to everyone. For example, he says one thing that makes us all feel safe and connected today is a rectangular object in our pocket: a mobile phone. Our mobile phones were designed to stay connected with the people in our lives, but no one wants to talk anymore, because they prefer social media, games, texting, or scrolling mindlessly.

In the same way, observational theories are theories based on personal experiences. They feel relatable, but they might not actually be accurate. Some are excellent descriptions of what is actually

happening, but others are entirely wrong. Many people *do* use cell phones to stay connected and to talk to their friends even more than they would have without them. Access to social media can actually build community. Although Jerry Seinfeld's observational humor feels true, it might not actually be a good representation of what is going on around us.

The vast majority of the books on trust are observational. When we read them, they make a lot of sense, and in fact, they are full of common sense, but there is no way to know if it is excellent wisdom or worthless nonsense. There is no statistical backing or documented anthropological pattern that we can point to in order to justify the findings; it is usually just a bunch of hearsay.

This book is based on the analysis of data. Rather than asking you to believe in my observational expertise, my goal is to show you the results that provide evidence of the impact of different behaviors on trust. I am going to give you actual patterns and numbers you can rely on.

There will be a lot of numbers, percentiles, and graphs in this book, but I invite you to remember that these numbers are people. They represent leaders working in the mining industry in Canada, in biotech and educational institutions across Europe, in the agriculture and manufacturing industries of Mexico, and in the banking and finance enterprises in the United States. The data collected represents thousands of organizations in various places around the world. Yes, it is a number, but that number represents the collective human experience and struggle of leaders to build and maintain trust.

While there could be hundreds of behaviors that impact trust, just three can account for the vast difference in the impact of individuals

with high levels of trust and those who are not trusted at all. These are the core behaviors that create and reinforce trust from others:

- displaying expertise and the good judgment that comes with it,
- demonstrating consistency, and
- building relationships.

These three pillars support the foundation of trust, regardless of culture, industry, race, or gender.

It's hard to describe the remarkable impact that comes when a person is trusted or when the trust that was lost has been restored. The connection of trust binds people together not just for a job assignment but for a lifetime. Through these statistics and examples, I hope to illustrate the impact of trust and a clear path for you to follow. Improving trust with others will help you be more successful, loved, appreciated, and valued.

The Impact of Trust

If we are going to understand a behavior as complex as trust, we need to dissect how it can affect an individual's career. Many of my colleagues joke about my love for my "golden database." Indeed, I have earned my 10,000 hours time and time again by poring over millions of 360-degree feedback reports from thousands of leaders. Inside these reports are clues about developing trust from the experiences of leaders and employees around the world.

Let's start by introducing some tools I use to evaluate performance and trust. The 360-degree feedback report was first introduced while I was in graduate school. Three of my professors created a list of items and asked managers, peers, direct reports, and others to evaluate the effectiveness of another manager. The key to making this work well is that the feedback from peers, direct reports, and others would all be kept confidential, requiring at least three respondents in order to show the ratings.

After my professors tested the process, they hired me to go and sell this evaluation tool to large companies. As I would sit down

and explain the process to potential clients, they would often react by saying, "So you are going to ask direct reports to evaluate their manager? That's the opposite of the way we have managed people." Their observation was correct, but we had discovered that those direct reports were very effective and consistent in their evaluations of which managers were highly effective and which ones needed significant improvement. We also found that most of the managers had no clue whether they were the next in line to become the CEO or next to be laid off.

Over the years, this 360-degree feedback process, done the right way, has moved from an oddity to a fairly common practice in many organizations. In measuring the impact of 360-degree feedback, my studies have shown that the majority of leaders who participate in the process make a significant improvement in their leadership effectiveness over an 18-to-24-month period.

Once the 360-degree feedback is gathered, the results are compiled into a feedback report. To create an effective 360-degree assessment, I researched more than 2,000 items generated from more than 1.5 million raters to identify the behaviors that were the most effective at differentiating between poor leaders and great leaders. The items cluster into groups of three to four behaviors that measure a competency.

Such 360-degree assessments will evaluate both managers' and individual contributors' effectiveness on anywhere from 6 to 19 competencies. In the feedback report, a participant can see their results and compare them to norms. I like to show others how they compare to the global norm of others at the 75th and 90th percentile (i.e., the best leaders). In our Extraordinary Leader 360-degree assessment,[1] we measure 19 competencies, which cluster into five broad dimensions:

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1   Trust is one behavior in the builds relationships competency. For additional information on this competency model and the latest research, I strongly recommend the book *The New Extraordinary Leader* by Jack Zenger and Joseph Folkman.

- Character (honesty and integrity)
- Focus on results (drive for results, taking initiative)
- Interpersonal skills (builds relationships, communicates, inspires)
- Personal capability (technical expertise, problem solving)
- Leading change (strategic perspective, champions change)

While the exact percentiles vary according to the competency, the following is a general guide.

- A score in the 90th percentile or above means an individual has an *outstanding strength* in a competency.
- A score in the 75th percentile indicates they have a *strength*.
- A score in the 50th percentile indicates they are *competent*.
- A score in the 40th percentile indicates they need *some improvement*.
- A score in the 10th percentile indicates they need *significant improvement* and have a fatal flaw.

As you look through the data presented throughout this book, you can use these markers as a guide.

THE IMPACT OF TRUST FOR THE LEADER

After evaluating one of Zenger Folkman's clients (I'll call him Bill), I realized that Bill was a leader most organizations would be eager to hire. He possessed outstanding strengths in such enviable leadership

skills as championing change, establishing stretch goals, and driving for results. I imagined he might be a talented leader, a general leading his troops up the hill to battle. He immediately explained that I was incorrect. In fact, none of his troops were even willing to consider walking up the hill behind him. He had one significant weakness: His team definitely did not trust him.

At the top of his feedback report was the comment that no leader wants to receive and that would be hard to forget: "Bill always delivers results, regardless of the cost or the dead bodies left behind."

Bill's team clearly knew that, to him, results were more important than the people doing the work. He was willing to go to battle, but his soldiers were terrified that they would be sacrificed along the way.

What follows is a look at Bill's 360-degree assessment results that he received on 16 leadership competencies (Figure 1.1). I invite you to adopt a Sherlock Holmes mindset as you read through the report.
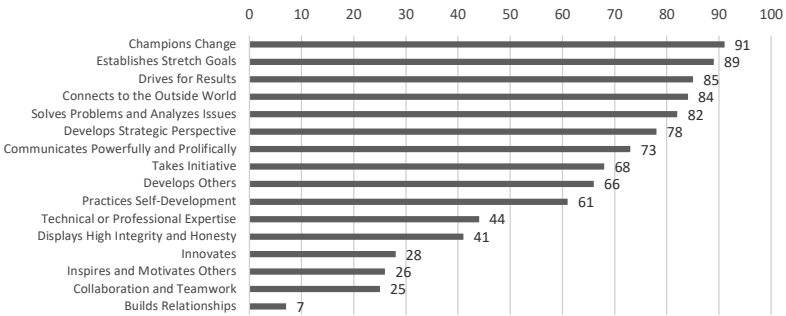

Figure 1.1: Bill's 360-degree assessment results.

Why Did Bill Receive This Negative Feedback?

Bill hit the 91st percentile on a very important competency, championing change. He was close to the 90th on two additional competencies, establishing stretch goals and driving for results. But with a score for building relationships in the 7th percentile, it was clear that he had a significant flaw. Fatal flaws don't kill leaders, but they can kill their careers.

Bill had the potential to be one of the best leaders I have ever met, but his lack of trust left him with direct reports who had employee satisfaction and engagement scores in the 20th percentile. The majority of his direct reports were looking outside the organization for other jobs, and none of his team members were willing to go the extra mile; his team did what they needed to do to keep their job but nothing extra. The fact that Bill got anything done was remarkable, because with scores that low he was running alone.

After looking through his results for an hour, I checked in with Bill and asked him for his thoughts. Bill looked at me and said, "Well, this is only what my direct reports think, but I know other people trust me."

I asked if he had a family.

He said, "Yes, I do, and I know they trust me."

I asked Bill to take a break and call his wife, tell her about his results, and ask her if there were times when she felt the same way. Bill came back after the call and said that his wife agreed that sometimes she did not trust him. He made the mistake of asking for examples, and the call lasted much longer than 10 minutes.

Bill then looked straight at me and said, "I have two questions. Can this be fixed? If so, how?"

These questions are not uncommon. Trust is an issue that goes beyond organizations and is a critically important thread in the fabric of health for countries, communities, and families.

THE IMPACT OF TRUST FOR EMPLOYEES

Sometimes, a lack of trust isn't isolated to an individual. It may be a part of the corporate culture of an organization. Paul Zak, an American neuroeconomist, studied the differences between high-trust organizations and low-trust organizations. In an economic paper, he looked at the differences between high-trust and low-trust cultures. He found that cultures having high levels of trust had less friction. Friction is created when it is difficult to get others to agree or cooperate, and it eases when getting things done is quick and simple. There is a great deal of friction in low-trust cultures, but high trust reduces the friction, which makes it easier for economic activity to flourish. He also found that there was a lower probability of people defaulting on their commitments in high-trust cultures. Trust was an excellent predictor of a country's economic prosperity or poverty. Poorer countries had lower levels of trust, and more prosperous countries had significantly higher levels of trust, less friction, and fewer defaults.[2]

He also discovered that one way to assess trust was to draw blood and measure the level of oxytocin. Higher levels of oxytocin in a person's brain are associated with increased trust and empathy. A person who is stressed has significantly lower levels of oxytocin. While drawing blood and measuring the levels of oxytocin provided useful data, doing broader studies with larger populations using this approach would create significant problems. Who wants to have their blood

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2   Paul J. Zak and S. Knack, "Trust and Growth," *The Economic Journal* 111, no. 470 (March 2001): 295–321.

drawn to measure the levels of oxytocin directly after a stressful meeting or a pleasant performance review?

Based on his research, Zak was able to develop a survey assessment that measured the level of trust in organizations. He found that employees in high-trust organizations reported the following:

- 40 percent less burnout

- 66 percent more closeness with colleagues

- 50 percent higher productivity

- 13 percent fewer sick days

- 106 percent more energy at work

- 70 percent more alignment with the company's purpose

- 17 percent higher compensation than their peers in low-trust companies

- 29 percent more satisfaction with their lives[3]

Zak's research in this assessment focused on a high-trust culture. Think about working in an organization where there is low trust, resulting in a high level of burnout, conflict between employees, low productivity, people using all their sick days as vacation, no enthusiasm, and work feeling like a difficult chore, and add to that poor pay. People in this kind of a situation see top management as the enemy, and they view escape as their only option.

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3   Paul J. Zak, *Trust Factor: The Science of Creating High-Performance Companies* (New York: Amacom, 2017).

DO YOU REALLY KNOW IF YOU ARE
TRUSTED OR DISTRUSTED?

While we all preach the importance of trust in organizations, deter-mining whether you are trusted is not always straightforward. A leader may be completely unaware that they are distrusted. Bill knew he was the best at driving for results (and yes, not everybody liked him because he wasn't a relationships guy), but he didn't realize that people didn't trust him.

This is something that you need to open your mind to consider: People may not trust you as well as you think they do. How do I know this? By looking at the self-assessments of leaders and comparing them with the scores from other raters. Raters other than the leaders them-selves are, on average, 3.2 times better at predicting the right level of trust. This is so common that 27 percent of leaders overrated their lev-els of trust.[4]

While you may believe that the lack of awareness of trust issues has no consequences, certain leadership behaviors were dramatically impacted by this denial. This means that when colleagues did not trust a leader, they also perceived the leader to be less effective in various skills, but seven specific skills were hit the hardest. Figure 1.2 shows the wide gap in effectiveness scores between the leaders who didn't realize how highly they were trusted (underraters) and those who naively thought they had no problems (overraters).

The graph shows ratings from all raters (managers, peers, direct reports, and others) with the self-ratings excluded. People were divided into two groups: those who overrated themselves and those who underrated themselves. Notice the substantial differences in the scores between those who overrate and those who underrate their trust.

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4   The study included global data from 83,836 self-assessments and 1,084,028 assessments in Zenger Folkman's database.
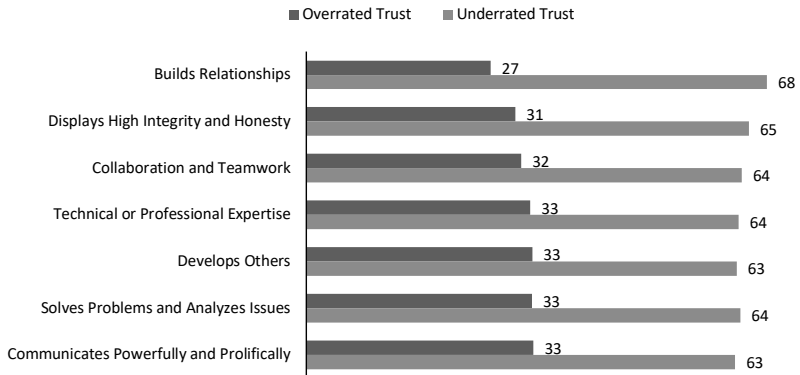
Figure 1.2: Top seven competencies most impacted by overrating trust.

These trust overraters were evaluated as having worse relationships, being less honest, collaborating poorly, and exhibiting less technical skill than they themselves believed. They also were rated as less able to develop others, solve problems, and communicate powerfully than they actually believed.

The shocking thing about this data is these behaviors are not just centered on relationships or interpersonal skills. It is not just about people not liking you. If you aren't trusted, when you offer a solution to a problem, people don't consider it seriously; they second-guess you. When you turn over your work on a project that you spent hours perfecting, they dismiss the quality. When you speak up about new ideas, policies, or processes, they could tune you out, and there is a 1-in-4 chance that you may not know it. Bill didn't know it. The far-reaching effects of a lack of trust can destroy a career and significantly damage your organization. Do I have your attention?