

Distrust Disrupts

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Americans don't trust each other. At least, according a widely reported Associated Press poll released last week. The report indicates that we are suspicious about people working in our homes and even restaurants. Roughly 75% of us are particularly apprehensive about our fellow motorists. It's not unusual to hear the sentiment, "My driving is fine. It's the other guy I'm worried about."

The AP report, titled *In God we trust, maybe, but not each other*, says that, beginning with the baby boomers, each generation has been more guarded than the previous one. Today, only one-third of Americans feel that most people can be trusted. But, is that a bad thing?

Certainly, there appears to be good reasons for our skepticism. Society seems to be more litigious, opinions disguised as facts proliferate the web and crime reports dominate the daily news.

However, experts are warning us that the growing trend of distrust can be downright destructive, unproductive and definitely unprofitable. *Smart Trust* author Stephen M. R. Covey claims that rampant distrust in an organization can actually double the cost of conducting business. Layers of red tape designed to protect against misconduct and mistakes can hinder efficiency by tripling the amount of time it takes to get things done. His points make sense when one thinks about burgeoning regulations to control corporate misbehavior and company policy manuals that fill three-inch binders with countless rules.

Contrasting that, Covey asks us to consider a transaction spearheaded by Warren Buffett, whose company Berkshire Hathaway acquired McLane Distribution from Wal-Mart in 2003. The positive character attributes of the company leaders inspired the extraordinary trust that greased the wheels of this billion dollar deal. Remarkably, the sale was completed in about a month. This example demonstrates Covey's philosophy: High trust in organizations yields greater efficiency and prosperity.

Regulations, rules and contracts cannot replace nor foster a sense of trust. It stems from principles deeply ingrained in a company's culture. Business leaders must recognize the importance of promoting trust in the workplace by extending and modeling trust themselves. Covey emphasizes that this is not done blindly, but accompanied by clear expectations, transparency and accountability. It takes dedicated, intentional efforts to balance trust against our naturally suspicious inclinations, but the dividends are well worth it.

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