



CultureSmith Inc. Presents:

The Little Red Book On:

# Trust & Accountability



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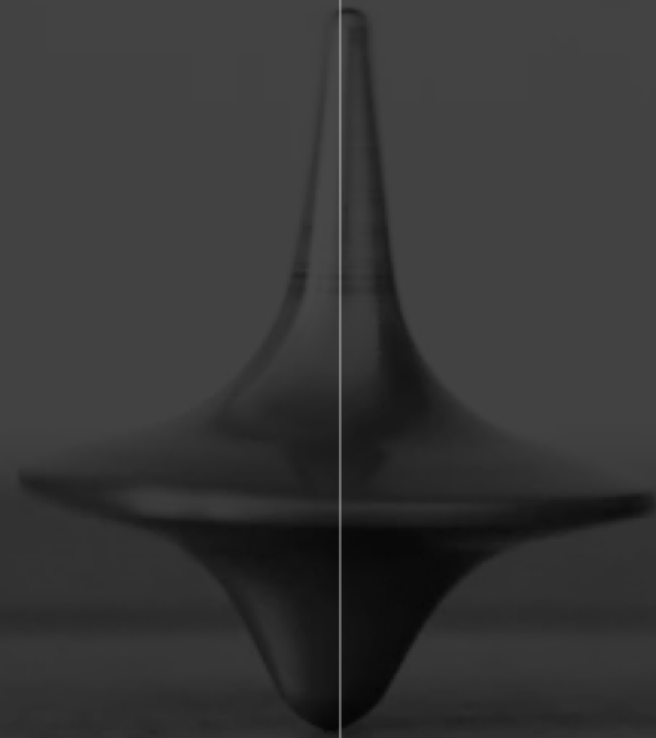


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An Executive Summary on How to Empower Your Team To  
Develop These Two Critical Competencies.



## Preserving The Delicate Balance

“THE BEST WAY TO  
FIND OUT IF YOU  
CAN TRUST  
SOMEONE  
IS TO TRUST  
THEM.”  
—ERNEST HEMMINGWAY

**Trust** and **accountability** are both like oxygen. They're essential, and you only tend to notice them when they're missing.

They hold a symbiotic relationship, especially in workplace cultures. The more people are accountable to each other, the more trust builds. The more trust builds, the more people are willing to be held accountable by others.

It is a delicate balance that unfortunately only the most successful teams have managed to preserve.

Case in point: in it's global CEO survey, PwC reported that over 55% of CEOs believe that a lack of trust within their organizations is **the** primary threat to their growth.<sup>1</sup>

Even more disheartening, according to Forbes, 84% of employees admit to avoiding accountability, in no small part because the vast majority of them see it as punishment.<sup>2</sup>

The question becomes....why? With trust and accountability as essential as they are, how are so many teams struggling to figure them out?

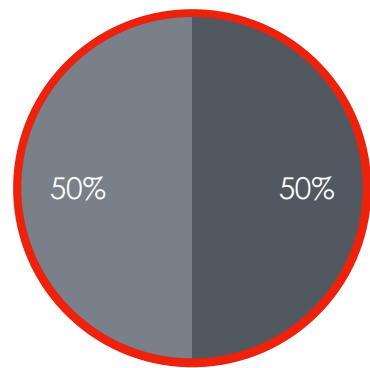
As experts in organizational performance we have spent the better part of the past decade studying this and our research and fieldwork has uncovered a rather simple explanation.

This executive summary provides that explanation along with the tactical steps you can follow to ensure your team is one that comes out on the winning side.

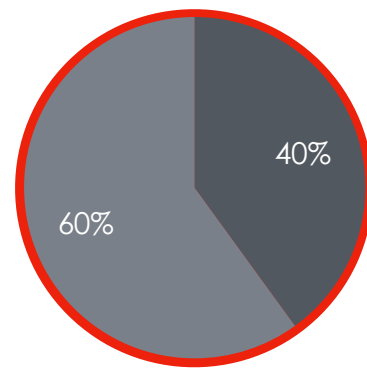
Before we dive into that however, it is important to understand why trust and accountability are so essential by analyzing just how impactful they can be.

In a Harvard Business Review study entitled, *"The High Cost of Lost Trust"*, over 6500 employees across 76 business locations were assessed using a 5-point scale to measure elements of workplace behaviours. The results could not have been more compelling. For every 1/8 point improvement in a location's trust rating, profitability increased by 2.5%. No other single measure of behaviour tested had as much of an impact on profitability.<sup>3</sup>

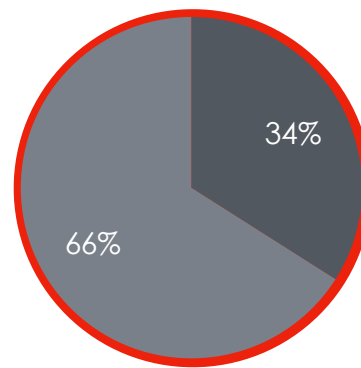
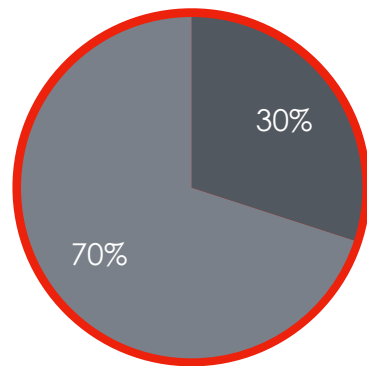
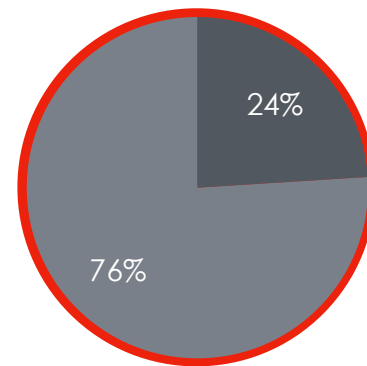
And it's not just money that's affected. A separate HBR study on the impact of trust on self-reported work performance<sup>4</sup>, found that people whose companies were in the top quartile with respect to trust-sustaining behaviours, enjoyed:



50% More Productivity



60% More Task Enjoyment

66% More Connection  
With Colleagues70% More Alignment  
With Company Purpose

76% More Engagement

What the researchers found most surprising however, was the fact that employees in high-trust organizations earned an average of **\$6,450** more per year than their lower-trust counterparts, something the researchers claimed, *"could only occur in a competitive labour market if employees in high-trust companies were more productive and innovative"*<sup>4</sup> thereby creating enough value for their companies to justify the added compensation.

The study also validated the neuroscience that shows the release of oxytocin in the brain drastically increases people's ability to trust. They concluded one of the most effective ways to increase oxytocin levels is to induce "challenge stress", aka, asking someone to be accountable to something.

So, trust is clearly good and it is also clearly linked to accountability. Figuring out how to execute on this in the 'real world' therefore offers massive value and it is here that we will turn our attention next by first analyzing why these two elements of workplace behaviour often prove to be so elusive.

#### Self-Reflection Questions:

Do 100% of your people trust each other?

Are 100% of your people accountable to one another?

What are the common reactions to accountability on your team?

What factors have prevented you from fixing issues of trust and accountability?

What is the cost to your organization for every day it remains unsolved?

# **Trust: “Exposing oneself to potential harm, but then not being harmed”.**

*(Integrative Model of Organizational Trust)*

# **Accountability: “The extent to which an individual is answerable to another for their behaviour, decisions or judgements”.**

*(American Psychological Association)*

As with most concepts of organizational psychology, a major contributing factor to problems of trust and accountability are that key terms are often misdefined and misunderstood.

A platitude is described by Merriam-Webster as, “a banal, trite or stale remark.”<sup>5</sup> Platitudes are essentially ineffective throw-away statements that well-meaning people use when they don’t know what else to say. Discussions of trust and accountability are unfortunately ripe with platitudes.

*“It takes time to build trust.”*

*“Once trust is broken, you can’t get it back.”*

*“If you can’t take the heat, get out of the kitchen.”*

*“I’m just showing you a bit of ‘tough love’”.*

Trust is not something you permanently gain or lose, and accountability is not something you threaten someone with. This becomes clear when you fully embrace the *scientific* definitions of these words.

Trust is, “*exposing oneself to potential harm but then not being harmed.*”<sup>6</sup> It is not a character trait that someone has or does not have, it is a two step process: first become vulnerable, and second have that vulnerability protected. This means trust is not built over time, it’s built over **repetitions**.

Of course ensuring one does not receive harm once they become vulnerable requires the other parties to be accountable. Accountability is defined as, “*the extent to which an individual is answerable to another for their behaviour, decisions or judgements.*”<sup>7</sup>

Notice that neither **outcomes** nor **deliverables** are in this definition. Remember when 84% of employees admitted to avoiding accountability because it felt like punishment? This is what they’re referring to.

There are so many variables (luck, timing, etc.) that influence an outcome that when someone is blindly held accountable to one, it feels ‘unfair’. Creating the type of accountability that actually enables trust requires you to focus on the **decisions** that lead to outcomes, working to educate people whenever they fall short on how to make better decisions next time.

“

If you can't describe what  
you are doing as a process,  
you don't know what you are doing.

W. EDWARDS DEMING

## How to MANUFACTURE Trust & Accountability

Understanding these definitions from a clinical standpoint allows for the real magic to happen: building a **Trust and Accountability Process**.

This process has three steps representing work that needs to be done at each of the **organizational, individual** and **leadership** levels.

To the right are brief descriptions of each with more detailed explanations to follow on the next few pages.

### Reframe Failure

**Reframing Failure** happens at the **organizational** level.

People cannot be made to feel as though failure will be punished otherwise they will experience accountability as blame. Failure must be seen as a necessary construct that will lead to growth, development, and better outcomes in the future.

### Self-Awareness

**Self-Awareness** is grown at the **individual** level.

'Harm' is largely experienced subconsciously. People must be made aware of their *emotional relationship with harm* so that they can better recognize how to expose themselves to build trust.

So too, many of the choices associated with accountability are unconscious in nature. Increased awareness creates more thoughtful choices.

### Empowerment

**Empowerment** happens at the **leadership** level.

In order for people to make choices, thereby enabling accountability, they must feel empowered to make these choices. Expectations of obedience and compliance do not allow for levels of accountability to be assessed.



Reframing Failure provides the context needed to prevent failure from being avoided outright. To do this you must know the **three types of failure**, as well as the **optimal response each requires** to prevent failure from being seen as something 'bad'.

### Avoidable Failures must be met with Education:

An Avoidable Failure is defined as a deviation from a proven or accepted process or system. It is caused by a lack of attention or skill which often are behavioural blindspots. The response to this must be Education. You must address the lack of skill or attention by showing the person who committed the failure what they should have done instead, how to actually perform this alternate behaviour, and why the actions or inactions that led to the failure were so compelling to them based on their behavioural profile and/or any stress they may have been under at the time.

### Novel Failures must be met with Investigation:

A Novel Failure is defined as an accepted process or system failing when exposed to a new or unforeseen variable. It is caused by a deficiency in the process itself as opposed to the person executing it. The response here must be Investigation. You must learn where the cracks in the process are so that you can correct them and prevent this type of new failure from occurring ever again.

### Exploratory Failures must be met with Celebration:

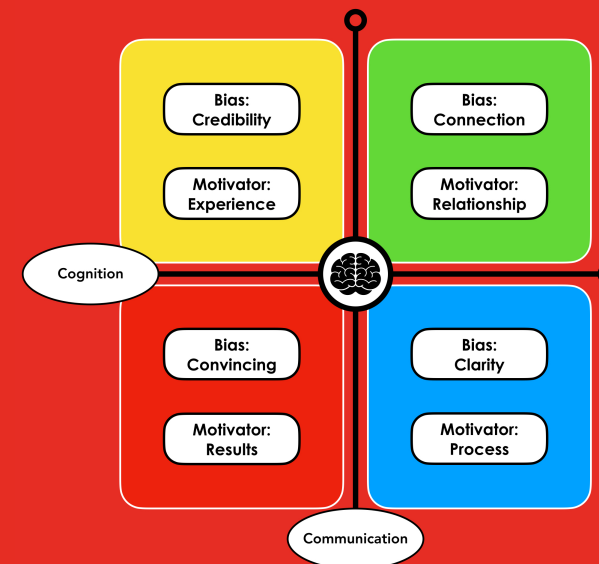
An Exploratory Failure is an unsuccessful trial. It is the result of experimentation and calculated risk taking. The response here must be Celebration. Every failed trial results in learnings that make future trials better. You must create excitement when it comes to exploring new work to continue to foster innovation. You do this by celebrating the efforts, no matter what that outcome is.

**Education, Investigation, Celebration** but never **Condemnation**. Failure cannot be seen as a bad thing if you want your people to try new things and be forthright with you when other things are not going as planned.

Again, the process of trust begins when someone exposes themselves to potential harm. The challenge is, we all 'experience harm' differently.

Everyone has a primary behavioural type. Our system divides these into a Colours grid based on the problem-solving (Cognition) and interpersonal (Communication) preferences of the individual. Each type has a Behavioural Bias, an unconscious item of their personality they're largely unaware they are protective of.

When it comes to 'harm' some people need their **Credibility** protected while others are more sensitive to their **Connection** with others. Some need their **Clarity** protected while others are more attuned to their need for facts and data to **Convince** them of something before they can buy-in.



Growing Self-Awareness allows people to know how they individually feel 'harm', allowing them to seek it out in a safer way, so that they do it more often. After all, if vulnerability is not embraced, **the process of trust cannot begin**.

Of course if the vulnerability is not respected and protected, **the process cannot complete**.

This is why it's important to know that each behavioural type also has an unconscious motivator, a "shiny object" that is often too compelling for the person to ignore. For some it is having the best **Experience**. For others it's protecting **Relationships**. Some must cling to **Processes** while others must chase **Results**. When these motivators influence a person's decisions without them being aware of it, they often make the wrong choice, fail to be accountable, and accidentally gamble with others' trust.

Growing Self-Awareness also prevents this, making it a powerful tool to enhance **both** trust **and** accountability.

To understand the role Empowerment plays within a comprehensive trust and accountability process, it helps to be aware of a few more definitions along with a reintroduction of one you've already seen.

**Empowerment:** "giving someone the freedom and **autonomy** to act toward their goals as they see fit."<sup>8</sup>

**Autonomy:** "the experience of acting from **choice**, rather than feeling pressured to act."<sup>9</sup>

**Accountability:** "the extent to which an individual is answerable to another for their behaviour, **decisions** or judgements."<sup>7</sup>

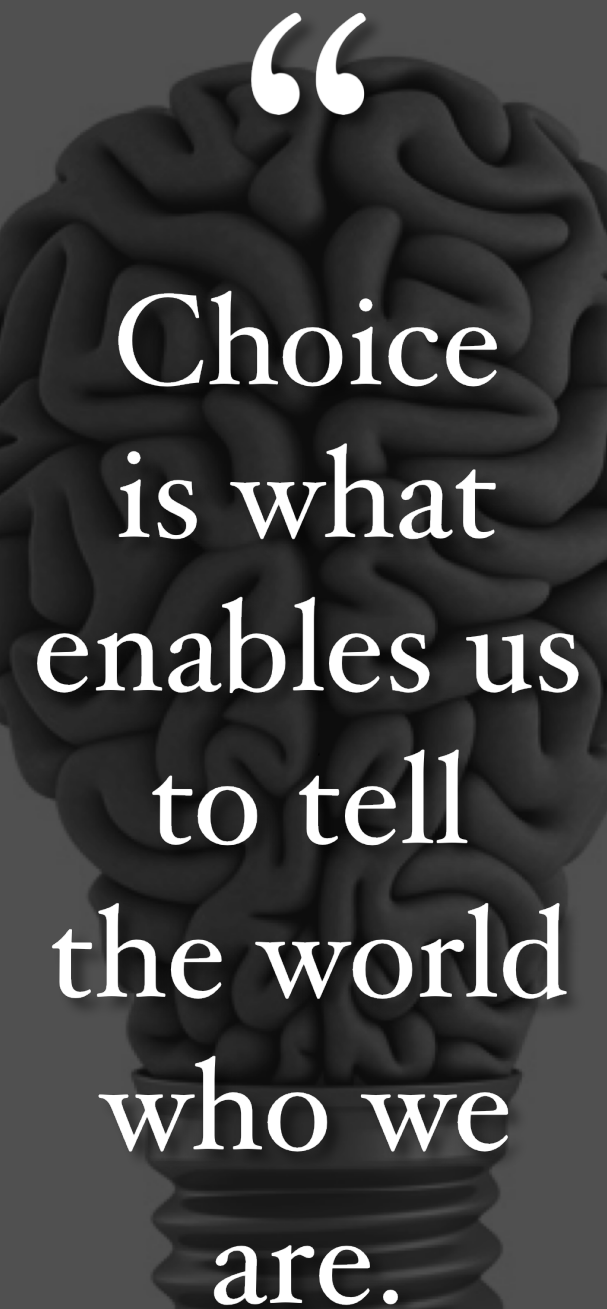
Look at the linkage between the highlighted words in each of these definitions. Using empowerment as a leadership tool means giving your people **choice**. Receiving choice allows for someone to be held accountable in a way that will not erode trust.

More importantly, it exposes YOU as a leader to potential harm. When you grant someone the ability to execute the functions of their job as they see fit, you are TRUSTING them. There is a chance they fail, and a fear that failure will impact you or the team. The more you set these fears aside and trust them, the easier it is for them to model that behaviour with others.

Bringing this full circle, your ability to use empowerment as a tool is directly correlated to your organization's relationship with failure and your own self-awareness.

If failure is treated as something to be avoided, you are more inclined to control other's actions than you are to give them autonomy. Additionally, if you are not aware that giving others control causes you to feel a bit of potential harm, you may unconsciously avoid it without realizing it.

Completing all 3 of these steps: **Reframing Failure**, **Growing Self-Awareness**, and **Leading with Empowerment**, creates a synergy that will ensure both trust and accountability scale across your entire organization.



“  
Choice  
is what  
enables us  
to tell  
the world  
who we  
are.

**BARRY SCHWARTZ**

It also creates the opportunity to take your entire organization to a level of engagement you've only ever read about in leadership books and case studies.

The three elements of the trust and accountability process, are themselves micro-elements of three broader scales of organizational psychology.

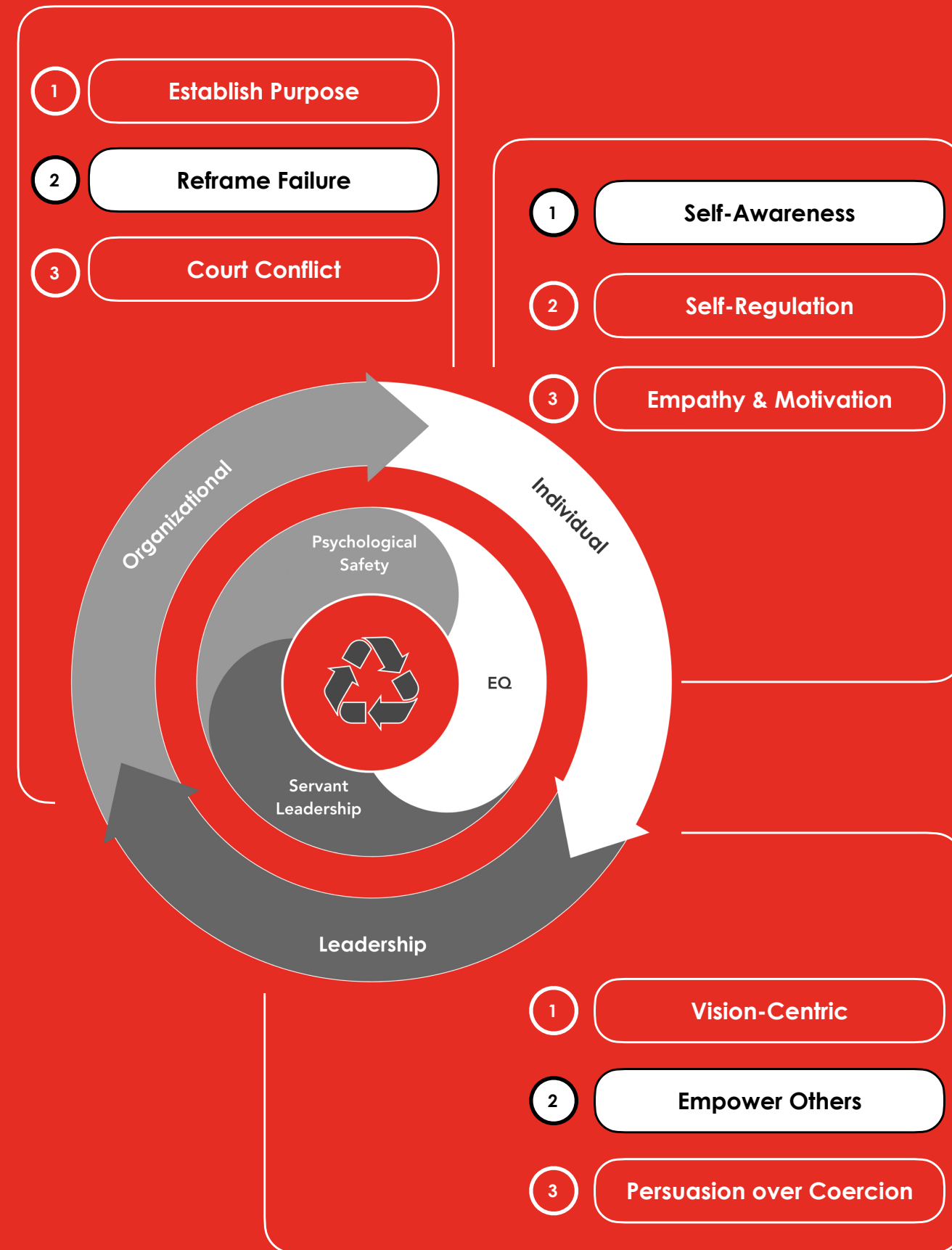
**Psychological Safety**, the amount of interpersonal risk-taking within a team<sup>10</sup>, has a direct correlation to the amount of feedback people feel comfortable providing. Your organization has needs, and feedback tells you how willing and able your people are to meet those needs.

**Self-Awareness** is the first dimension of EQ.<sup>11</sup> Given that engagement is the emotional connection a person has with their company's values and objectives, growing emotional intelligence helps strengthen that emotional connection, increasing the willingness to meet your organization's needs while you help your followers develop their ability.

**Servant Leadership**, an emphasis on using one's influence as a leader to grow and develop others<sup>12</sup>, has proven to help companies increase shareholder value 2.5X more than the natural returns of the 500 largest publicly traded companies.<sup>13</sup> Servant leadership is what connects individuals to organizations, unlocking their full potential.

At CultureSmith, we have combined these three validated theories into a single holistic framework based on a **flywheel**. A flywheel is a mechanical device that **stores energy** as it spins. Most organizations are built in ways that **extract** energy from their people. Our model creates environments where **people go to work to become renewed**. Which do you think has the best odds of long-term sustainability?

This is why, now that you've read this Executive Summary, we encourage you to book your [free consult](#). Not only will we teach you how to assess the Behavioural Colours of your teammates so that you can begin to understand their individual relationships with trust and accountability, we will educate you on the missing concepts you see to the right, so that you can begin to conceptualize your own flywheel.





We are committed to *turning organizations into places people care about*, and we'd love to make your organization one of them. Below is a recap of why you should consider the changes outlined in this executive summary, and why we are uniquely suited to be your guide as you make them.

### Why Change?

Viewing trust and accountability as traits is problematic as it becomes easy to 'write people off' when they are perceived to lack these traits. Understanding that both trust and accountability are in fact processes is empowering because anyone can be taught to follow a process.

### Why Now?

Between now and 2029, 10,000 baby boomers are retiring from the workforce in North America **daily**.<sup>14</sup> Your turnover is about to increase if it hasn't already. You need a way to rapidly build trust between people given how many new people (especially new leaders) you will be introducing to your company in the next few years.

### Why This Process?

Replacing platitudes and 'common sense' with science and evidence-based theories will not only address issues of trust and accountability more effectively, it will address them more simply, allowing for a solution that scales as you do.

### Why CultureSmith?

We are the only organizational performance firm to synthesize these complex theories of organizational psychology into a simple yet holistic framework that anyone can understand. We remove all of the overwhelm and anxiety that comes with trying to figure out why people do the things they do at work.

### Why Invest?

We've detailed several quantifiable measures of why trust and accountability matter in this summary. However the biggest ROI is emotional. "*Work gets the best of me, family gets the rest of me*" is true for too many people. We can actually help ensure that the best possible version of you walks through your door each and every evening. Ask yourself how much that is worth to you, and you'll see the merits in what we are recommending.

<sup>1</sup>PwC (2016) "Redefining business success in a changing world". 19<sup>th</sup> Annual Global CEO Survey

<sup>2</sup>Hall, J. (2019). "Why Accountability Is Vital To Your Company". Forbes Magazine

<sup>3</sup>Simons, T. (2002). "The High Cost of Lost Trust". Harvard Business Review

<sup>4</sup>Zak, P. J. (2017). "The Neuroscience of Trust". Harvard Business Review

<sup>5</sup>"platitude." Merriam-Webster.com. 2021.

<sup>6</sup>Mayer, R. C., Davis, J. H., & Schoorman, F. D. (1995). An integrative model of organizational trust. *Academy of Management Review*, 20(3), 709-734.

<sup>7</sup>"accountability." American Psychological Association. Dictionary.APA.org. 2021.

<sup>8</sup>Wheeler, W. (2021) "Assessing Servant Leader Behaviours". Penn State University

<sup>9</sup>"autonomy." American Psychological Association. Dictionary.APA.org. 2021.

<sup>10</sup>Edmondson, A. (2018) "The Fearless Organization: Creating Psychological Safety in the Workplace for Learning, Innovation, and Growth".

<sup>11</sup>Goleman, D. (1998). What makes a leader: *Harvard Business Review*, 76(6), 93-102.

<sup>12</sup>Greenleaf, R. K. (1970). *The servant as leader*. Atlanta, GA: The Center for Servant Leadership..

<sup>13</sup>Sipe, J. W., & Frick, D. M. (2009). Seven pillars of servant leadership: Practicing the wisdom of leading by serving. New York: Paulist Press.

<sup>14</sup>"How Retiring Baby Boomers Affect The Job Market", TheBalanceCareers, January 2019.