

The vital attribute of exceptional boards

THREE BIG LEADERSHIP TRAPS AND HOW TO CLIMB OUT

Boeing and The Southern Poverty Law Center (SPLC) do not appear to have much in common but they do; each has seriously damaged the trust they once enjoyed. Though their circumstances are different, each has succumbed to big, but invisible leadership traps that do not restore trust. Even so, the leaders, in each case can take specific actions to improve their situation.

Why is trust important? Because the presence or absence of trust has a material effect on organizations both internally and externally. Shareholders who are uncertain if they trust management, don't invest. Donors to not-for-profit organizations are loath to be associated with those whose reputation has been tarnished. When trust is damaged, customers don't give the benefit of the doubt when inevitable mistakes happen. Employees don't give their all when they don't trust leaders.

When things go wrong, leaders often fall into one or more of these three traps.

Over-confidence

Over-confidence in one's views is not born out of stupidity, as many like to believe. It is an invisible trap that is both cognitive and emotional. Over-confidence leads even smart people to rationalize, deny, and push their own point of view long past the time when it is logically defensible.

The "It's a few bad actors" defense

The actions of a few can certainly damage an entire organization but not without inattention and inaction on the part of leaders. This is especially likely when leaders are blinded by good results; think about Wells Fargo and Volkswagen.

Treating trust as a purely emotional issue

Trust is an outcome, yet millions of dollars are spent in 'trust building' exercises conducted in the abstract. When leaders think of trust in purely emotional terms they tend to either minimize its importance or sympathize. Neither of these is the recipe for success.

Rebuilding Trust

Once trust is damaged, how does an organization redeem itself? Frances Frei, a Harvard Business School professor and an expert on trust describes a model for building and regaining trust that is simple and powerful. Her TED talk describes the three elements necessary for building trust: 1. Authenticity, 2. Empathy, 3. Logic. She derived these after studying leaders who were routinely given the benefit of the doubt from colleagues,

employees, customers, and others. Frei found that these leaders weren't necessarily gifted with natural trustworthiness. Rather, people trusted them for very good reasons, even if those reasons were not a conscious checklist of attributes and behaviors.

Authenticity is something people judge in a nanosecond. In a crisis, how a leader behaves will be judged as either sincere or window-dressing. Authenticity wins out, even when accompanied by an admission of error. Acknowledging mistakes can actually enhance credibility. The advice of attorneys and public relations people, while sound from their point of view, can lead to stilted, opaque communications that most regard with suspicion.

Leaders who are empathetic pay attention to the effect of their decisions. Understanding employees, customers, investors, suppliers and others impacted by what an organization does, pushes us to challenge our own assumptions. Empathy allows us to appreciate another's point of view and provides the perspective needed to take reparative actions.

Logic provides credibility; it is a check against unbridled <u>emotional reactions</u> to a persuasive but shallow argument. Leaders who provide logic that has been rigorously tested and is communicated with clarity are granted more trust than those who do not.

Considering Boeing and SPLC through the lens of authenticity, empathy and logic, one can see what each has missed, done poorly, or simply ignored.

Boeing is embroiled in a scandal arising out of crashes of their 737 MAX in which hundreds of lives were lost. The traveling public is rightly leery of flying on these aircraft. Some customers have cancelled orders and it is not hard to imagine that others will push to renegotiate existing contracts.

The recent news that the founder and leader of The Southern Poverty Law Center (SPLC), Morris Dees, was removed from his post amid accusations that he created and allowed a culture of hostility and harassment, was deeply disappointing to many. It is also sadly ironic given the purpose of SPLC. It's too early to tell what the fallout will be as it is well understood that disappointed donors often withhold or minimize contributions.

The underlying elements of trust are simple to understand, powerful and applicable to any organization. Boeing and SPLC may be vastly different in almost every way but they, and every other organization, are simply better off if they make building and maintaining trust a priority.

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