Trust as the foundation of a new way of leading

//BMEI

"Trust is good, but control is better" is a well-known quote.

However, although there has to be "checks and balances", control is not only costly and ineffective, it's also extremely damaging to employee satisfaction and performance, as studies show that high-trust organisations significantly outperform low trust organisations (on both employee well-being and company results).

During the last 2 years remote working has exploded, and almost all experts and studies point to a Future of Work that include much more remote and hybrid work than before.

In BMEI we agree to this analysis and do not expect companies to revert to pre-COVID ways of working. We see a Future of Work with increasing demands for flexibility, adaptability, speed, and multi-collaboration, in networked organisations with distributed decision mandates – and thus also increasing complexity and ambiguity for the leaders and employees involved.

Many companies struggle with how to lead matrix / hybrid organisations successfully and how to monitor performance, which carries a risk of excessive control or micromanagement. In an increasing hybrid and "matrixed" world, it is also difficult to maintain purpose, meaning, collaboration, satisfaction, and team spirit across the organisation.

So, the new ways of working and organising are not without challenges, and require stronger leadership, governance, and processes – and different competencies.

Thus, the control vs. trust debate emerges again in discussions about leadership styles, delegation, degree of leader involvement, autonomy, Performance Management, Learning & Development, DEI, etc., etc.

Google did a rigorous analysis of "What makes a Google team effective?" evaluating more than 180 Google teams. What they found was five keys to a successful Google team:

1. Psychological safety: Can we take risks on this team without feeling insecure or embarrassed?
2. Dependability: Can we count on each other to do high quality work on time?
3. Structure & clarity: Are goals, roles, and execution plans on our team clear?
4. Meaning of work: Are we working on something that is personally important for each of us?
5. Impact of work: Do we fundamentally believe that the work we're doing matters?

There are other studies and theories of human motivation pointing to the same keys. Self-Determination Theory (SDT) points to three main intrinsic and universal needs: The need for autonomy, competence, and relatedness (source Wikipedia).

Obviously, excessive control or micromanagement violates all 5 Google keys and 3 SDT needs – it lowers the autonomy, questions the competence, and damages the relationship and trust between the leader and employee.

In our view, knowledge workers cannot be micromanaged effectively and successfully. Having worked with knowledge workers and complex assignments in both large, international conglomerates and in small start-ups, we believe that the only sustainable strategy is to trust that your co-workers can do their job and help them gain the required competencies.

Sometimes the leadership can also become too distant, with the leader saying, "don't bring me a problem – bring me a solution". This is also problematic as the employees may stop bringing bad news or asking for help on complex problems (until it is too late), for the fear of being reprimanded.

Again, this doesn't work well in today's reality, and it only artificially increases the autonomy without utilising the leader's capacity or growing the employee's competency, and it does not create relatedness.

So, leaders should trust – for obvious reasons – but leaders also need to bring structure & clarity, they must take a stronger role in the team problem solving and development efforts, and they must help close the competency gap(s) of their employees.

The leader should be a mentor and resource to help solve the problem (or develop the solution), taking the helicopter perspective, and being a source of inspiration and safe base (promoting psychological safety and give a sense of belonging).

This is a difficult balance that requires not only "traditional" leadership competencies, but also competencies within complex problem solving, critical thinking, innovation, systems thinking, cognitive flexibility, value creation & performance, collaboration & trust, to name some. So, the work reality in today's hybrid world requires leadership on a higher level, based on a much broader foundation of advanced competencies.

Thus, instead of looking at the debates as a matter of control or trust, leaders should embrace the competencies, mindset and role of a mentor and master problem solver with trust as their beacon. As trust coupled with competency will always be better, cheaper, and faster than control.

Therefore, we propose **3 ways of addressing the universal needs for autonomy, competence, relatedness, and trust** (in today's hybrid and complex way of working) by:

- Training your leaders so they become better at problem solving, mentoring, asking the right questions, co-creating, cross-functionally collaborating, setting clearer goals, and leading in ambiguity.

- Upskilling your core knowledge workers by training them in the competencies they need (such as self-leadership, personal effectiveness, business acumen, innovation and emotional intelligence) so they feel more empowered, motivated, and less stressed, and can tackle the complex assignments they are handed.

- Embedding values such as trust, customer orientation, innovation, etc. better in the company culture and norms - for example by improving the employees' trust & collaboration skills,

promoting a shared mindset, speaking a common "language", and by clearly defining, training and role modelling the desired behaviours.

We hope that you find this inspiring and useful. Comments are welcome, and feel free to reach out to us for further dialogue.

—

Authors: Søren Laungaard and Jens Christian Foged

Business Model Excellence Institute

References and inspiration:

Google: https://rework.withgoogle.com/blog/five-keys-to-a-successful-google-team/

Picture: Brett Jordan