

Executive Book Summary

Radical Trust: How Today's Great Leaders Convert People to Partners

Healey, J. (2007). *Radical Trust: How Today's Great Leaders Convert People to Partners*

Summary

In *Radical Trust*, Joe Healey presents a compelling case for workplace leaders to use trust as the foundation upon which businesses can be built.

Healey uses trust as a multifaceted concept that applies to the self and others. Some workplace leaders have used this framing of trust to improve workplace relationships and, ultimately, morale and productivity.

A straightforward four-part trust model is given in this book. Trust is broken down into Execution trust, Character trust, Communication trust, and Loyalty trust.

The many benefits of using Healey's model, as well as the dangers of not using trust, are examined in depth.

Healey uses the successes of the following business leaders throughout the book to illustrate the ways in which trust can energize a workplace:

- 1) Steve Krajenka, ZONE vice president of GAP
- 2) Pam Nelson, CEO, CCG Systems
- 3) Joe Croce: Founder and former CEO, CiCi's Pizza
- 4) Harry Young, former film/TV producer, founder of YES (Youth Entertainment Studios)

"Our company's association with Joe Healey is one of the best investments, both in time and money that we have ever made."

- Pam Nelson, CEO, CCG Systems

This issue covers:

Summary	1
Chapters 1-3	2
Chapters 4-11	3
Chapters 12-17	4
Chapters 18-22	5
Chapters 23-27	6
Questionnaire	7
Critique	8-10
Questions to ponder	11

Trust: Your most important competitive weapon

Discovering the power of trust

Healey opens by providing a teaser about the power that trust can have on a business. He describes personal anecdotes about his successful consulting of formerly low-trust and failing businesses. Healey was able to build positive relationships in these businesses, with remarkable success. He segues into chapter 2 by hinting at the impact that globalization has had on businesses.

“Working smart is really what they [organizations] need employees to do. . . managers who can build trust can get people to work harder and more creatively over the long run.” (p. 13)

The business case for trust

Healey describes in Chapter 2 the advantages that high trust work environments can have in the global economy. Globalization has changed the way that some businesses operate; in the past, a lack of competition allowed for businesses to treat employees as disposable. Increased global competition has changed these dynamics.

No longer can every manager rule with fear and expect to retain their workers; the threat of losing skilled workers to global competition is too high. A workplace built on trust can thrive in a global economy by providing incentives to skilled employees to stay in a business rather than relocate.

Costs of low trust

High turnover, high stress
 Misdirected energy
 Work is drudgery
 Slow development

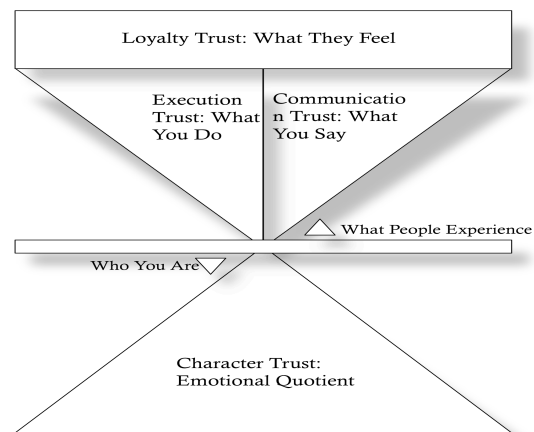
Benefits of high trust

Low turnover, low stress
 Higher energy
 Work is a second home
 Rapid development
 Increased candor

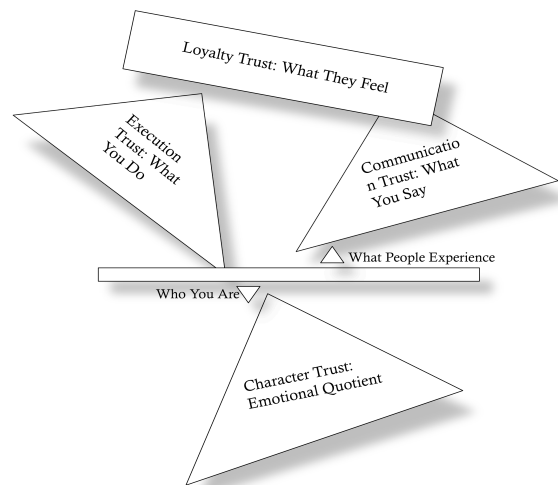
Four competencies that build radical trust

If a business is to be successful, then skilled leaders are needed to retain skilled workers.

In chapter 3, Healey lays out his 4-part radical trust model. Characteristics of the leader are important; note that three of the four competencies focus on the leader, rather than the employee. What others experience is contingent on the character of the leader.



Trust is the glue that holds the model, and the workplace, together. Without trust, everything falls apart.



Part 2 - Execution Trust: What you do

Chapters 4 to 11 use Steve Krajenka as the prototype for building execution trust. He was able to implement his ideas by treating his employees like family. Everyone gladly did what Steve needed; they trusted his vision, enthusiasm, potential for future success based on his prior successes.

Steve was adept at identifying talent, a skill that can define a leader's ability to implement a plan. He sought answers to the following 3 questions when interviewing applicants: Has the person exceeded the expectations set out in a former job position? Does he or she have a balanced work and private life? Does the applicant have strong communication skills, such as candor and transparency?

Execution trust begins with making a commitment to someone else's success.

Time management was never an issue for Steve. He didn't need to waste time micromanaging employees. He would give timely and candid feedback; coaching became an expected norm. Mutual trust allowed for employees to approach Steve when needed without fear of reprisal and for Steve to stand back and trust that the employees would work without needing supervision.

Three ideas to make time work for you

1. Delegate to those who've earned it
2. Hire talent and don't micromanage employees
3. Work to uncover the reasons why an employee struggles in a particular area; give guidance only when needed

The best tool to motivate employees is a strong positive relationship with their leader. Steve easily implemented his ideas; employees were eager to do what was needed.

“React to big things but don't react big to small things”

Steve was solution oriented, often framing his consistent feedback to ensure that the employee would solve problems and be results-oriented. He used the FACE method if a problem needed to be investigated:

Frame the question in an appropriate context.

Ask about the situation and focus on creating a positive outcome in the future.

Commitment from the employee is important. Ensure that the worker commits to finding solutions to future problems.

End the discussion positively. Positive reinforcement can bring balance to a negative conversation.

Part 3 - Character Trust: Who you are

The base of Healey's model is character, which is defined as "a set of values that drives behaviors which turn into habits or traits that shape all that you do or say." A leader with integrity, honesty and firmness can positively influence the people around him or her. Harry Young, the founder of YES, is described as a leader with exceptional character.

By being honest, Harry had great success in pinpointing problems and offering appropriate solutions. Being internally dishonest and lacking in introspective skill can close off potential avenues for problem resolution. A leader lacking this skill can ignore a solution if the fix includes high personal costs on the part of the leader.

Developing a strong character is not easy. Healey uses arrogance and the developing of humility as an example. An arrogant person would need to be motivated to change those behaviors, and doing so would require asking oneself difficult questions: Why am I arrogant? What values or core beliefs are driving this arrogance? Do I even need to change?

Emotional intelligence (EQ), the ability to be attuned to emotions in oneself and others, is a key character trait found in successful leaders. An arrogant leader with low EQ may not know that he or she is arrogant. Healey also argues that character and leadership can be taught. Harry was skilled at diffusing tense situations by being calm and keeping the situation from escalating.

Being honest with oneself is just as important as being honest with others

Seven foundational character traits

1. Tenacity (Being energetic and committed)
2. Financial discipline (Align your values and investment decisions)
3. Internal honesty (Being honest with yourself)
4. Candor (Being honest with others)
5. Integrity (Do what you say you will do)
6. Humility (making others more than yourself)
7. Gratitude (Showing humility)

Four ways to build and sustain a 'culture of character'

1. Use metrics to find and hire people with high character
2. Teach by example
3. Don't overemphasize some character traits at the expense of other character traits
4. Developing your character is a process; keep at it!

Part 4 – Communication Trust: What you say

Effective communication is crucial to a high-functioning organization. In chapter 18, Healey defines communication as what and how something is said, as well as the extent to which others trust that what is being communicated is authentic.

The challenges brought about by globalization have pushed many businesses to change their organizational culture. A leader who communicates effectively can achieve what Healey calls 'cultural transformation'. Employees who do not trust the words of their employers will be less likely to implement changes in an effective way.

Healey opens with the following example: A group of employees are told by their manager to focus on business goals; however, the manager repeatedly fails to own up to his mistakes about his previous decisions and lacks transparency. The employees waste time on 'managing the manager', instead of pursuing business goals. The employees did not trust what their employer was saying.

Communication is tied to character, and chapters 19 to 22 cover four key character traits: Credibility, Clarity, Sensitivity, and Brevity. These traits all combine to produce optimal communication. Healey captures this sentiment by suggesting that leaders say what they mean and mean what they say.

Body language and tone of voice are powerful ways to communicate.

Do not waste time on talking about the peripherals of a topic; candor and focus are vital. Avoiding an issue only creates greater frustration in the future; tackling a tough issue results in lower stress for everyone.

"People are more willing to listen to people who are good at getting to the point"

P.173

Five practical ways to improve your communication skills

1. Keep an even pace in what you say and do. Talking too fast can lead to a loss of clarity; dashing away from meetings can make you seem unapproachable.
2. Get to the point. You save time and your employee will quickly know what you want.
3. Keep a consistent attitude. If you are stressed, take a moment to re-focus.
4. Do not be so assertive as to be perceived as disrespectful.
5. Stay positive and take the moral high ground. Do not get mired in petty squabbles.

Part 5 – Loyalty Trust: How they feel

Loyalty trust rests at the top of Healey's model. What people feel is dependent on the amount of character, execution and communication trust that a leader has developed. Chapters 23 to 27 cover the benefits that loyal employees can bring to an organization. Having

Loyal employees are more easily trusted to innovate, rather than follow policy. Healey describes the support staff used at CCG Systems; Pam and the staff trusted each other to allow for quick customer service. Pam didn't need to micromanage her employees, as everyone trusted each other to do what needed to be done. Even in large organizations, Healey mentions that the hiring of trusted middle managers can generate Loyalty Trust and

"If you have loyalty, people execute faster, communicate more openly, are more vulnerable, are more receptive to your input, and put forth a much higher level of effort."

P.185

Loyal employees innovate; human resources management is no longer a chore.

Firing an employee can also be smooth if loyalty exists. A loyal employee will likely know that job termination is approaching and will not be surprised or angry. Steve Krajenka didn't have trouble firing loyal employees; in fact, one employee even resigned because she knew that she didn't meet Steve's expectations.

Even age and diversity can become non-issues if loyalty trust is in an organization. Loyalty cuts across age, background and generational gaps. Healey noticed during his trips abroad that people from diverse cultures valued similar things: loyalty to others, effective communication and execution, and the character traits listed earlier.

Even age and diversity can become non-issues if loyalty trust is in an organization. Loyalty cuts across age, background and generational gaps. Healey noticed during his trips abroad that people from diverse cultures valued similar things: loyalty to others, effective communication and execution, and the character traits listed earlier.

The Value of Trust



Return on Influence

Radical Trust questionnaire

Are you having difficulty finding success in your business? Do you think that you lack radical trust? Complete the following questionnaire and see how you fare!

1. Do you have trouble diffusing tense emotional situations in the workplace?
2. Do you often spend too much time managing your employees every moves?
3. Do any of your employees tend to not take what you say seriously?
4. Are you having trouble keeping talented employees?
5. Is firing an employee an overly difficult process?
6. Does your organization lack passion, innovation or focus?
7. Are you worried that your bottom line will suffer if you change the way that you interact with your employees?
8. Do you want to keep talented employees but don't know how?
9. Does your organization lack accountability?
10. Do you want to revitalize your organization?

If you answered **yes** to any of these questions, then Radical Trust might have solutions for you!



Critique

The good

Traditional economics models place profit as the centerpiece of a private organization; however, Healey implicitly and explicitly creates a new cornerstone upon which an organization can be built: human relationships. Relationships are vital for a workplace to function effectively, and Healey makes this explicit. Gaining profit and having long-term success is an inevitable outcome for organizations that foster trust.

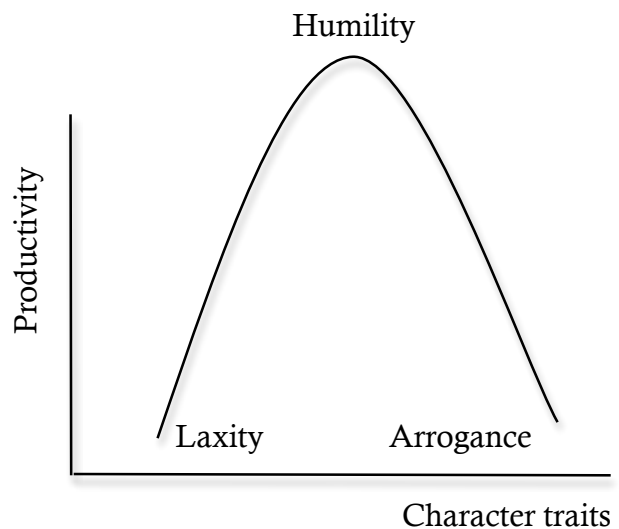
Healey makes clear that globalization has increasingly challenged the 'dogma of profit' as the #1 motivation for private organizations.

The importance of fostering and maintaining relationships are also built into Healey's model; indeed, he places

the character of the leader as the ground upon which everything else grows. Three of the four parts even deal with the actions of the leader; the leader bears the brunt of the responsibility for developing trust with his or hers subordinates. Healey explicitly counters the common view that fear is the only way that leaders need to interact with their subordinates.

Machiavelli would likely agree with most of Healey's approach; the actions, character and communication skills of leaders are of paramount importance if gaining the loyalty of subordinates is desired. Machiavelli advocated for leaders to take a moderated 'middle of the road' approach to managing others. Straying too far to any extreme was bound to lead to disaster.

Similarly, Healey argues that workplace productivity can increase if leaders take a moderated approach to management. For example, the seven character traits all stay away from extremes. The following picture uses humility to illustrate this approach:



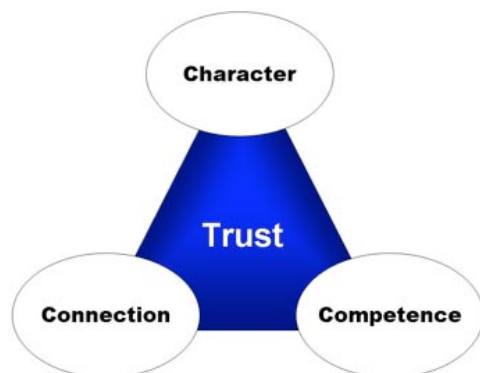
A humble, rather than permissive or arrogant, leader will be most likely to have optimal productivity. One wonders if the 'Radical Middle' would have been a fitting alternate title for Healey's book.

Continued...

The less good

Healey also chooses to use his own personal experiences to illustrate a point. For example, Healey gave a detailed account of his own experiences after moving his family to a new city to become involved with YES. When Healey went to meet Harry, the leader and founder of YES, he witnessed trust in action. Healey quickly came to trust Harry, after he was seen diffusing a highly emotional situation between two teenagers. Healey was not immune to the influence of trust; his personal experience drove home the point that even viewing trust in action can be transformative.

In hindsight, I realized that the trust I had in Harry's character was the biggest catalyst in our move" – Joe Healey, p. 86



How is a leader built? Can anyone become a successful leader? Healey offers numerous prescriptions about the way in which anyone can become a leader. . . but is this actually the case? One camp argues that successful leaders are born rather than made. Leadership is believed to be an innate part of human nature; to teach leadership skills to people without these inborn traits is useless.

Is a leader born, or is a leader made? Healey only tackles the latter question.

What would Healey's book look like if he explicitly tackled this tension? He briefly mentions that character traits and leadership can be learned. Healey could have pursued this line of thought by framing his case studies as counters to the supposed unteachability of leadership. Imagine the possibilities: Harry Young, founder of YES, could have been implicitly imparting his leadership skills to the youth with whom he worked. Could leadership actually be an untouchable fact of genetics if even one person learned a few leadership skills?

Continued...

The necessity of introspection, the examining of one's inner world, is an unspoken but critical part of Healey's argument. Creating a solid character might need a leader to engage in critical self-examination: to develop humility, arrogant leaders need to identify their core values that allow for arrogance to exist. Unfortunately, some core beliefs and values are not easily identified and changed.

What Healey does not mention is how difficult introspection can be; nor does he offer any advice or steps on how to introspect in this manner. The field of psychology has examined this issue in depth, but Healey does not include any of this information or references to helpful resources. Granted, the aim of his book was to provide practical advice to leaders; however, he could have easily included a small section on the difficulties of and guidelines for engaging in effective introspection.

A sample subsection could have covered the defenses that many people use to resist awareness of and change to unconscious core values and beliefs. The following sample list of defenses, as well as their practical application to work environments, could have been included:

1. Denial – A person rejects a thought that is too uncomfortable to accept.

Example: An employee who consistently fails to meet deadlines faithfully contends that he has never missed a single due date, even when presented with irrefutable evidence of his mistakes.

2. Splitting – A person fails to “see shades of grey”, instead viewing the world in “black and white”.

Example: A leader who is trusted by his organization makes a big mistake at work due to a personal crisis, and one employee subsequently loses all trust in the leader and argues “someone's private life shouldn't interfere with their work”.

3. Displacement – Unacceptable thoughts and behaviors directed at one target are redirected onto a less threatening target.

Example: A worker angry at her manager takes out her frustration and anger on an innocent co-worker instead.

In each of the cases, the person's core values can be identified: that being dependable is vital for the person in denial, that private and public lives shouldn't overlap and that inappropriately expressing anger can be used to solve personal problems.

Questions to Ponder

1. The title of the book is Radical Trust; what do you think is particularly radical or groundbreaking in Healey's model?
2. Do you think that the need to build trust in the workplace has risen due to global competition for labor?
3. What would a Machiavellian critique of the book look like?
4. Is a leader born, is a leader made, or is a mix of the two needed?