

“The Speed of Trust”

The One Thing That Changes Everything

Stephen M. R. Covey
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Testimonials

*“Within three years of entrusting Stephen with the role of CEO in my company, Covey Leadership Center, the company’s sales nearly doubled and profit went up over 1,200 percent. During that period, the company branched into 40 different countries and increased in shareholder value **from \$2.4 million** to the **\$160 million** it was worth at the time of the merger he orchestrated with FranklinQuest to form FranklinCovey.”*

- **Stephen R. Covey**, Author, *“The 7 Habits of Highly Effective People”*

“Trust strikes at the heart of our success at JetBlue. Trust is key to the speed of our growth. The Speed of Trust articulates better than any book that trust is the one thing that changes everything – in business and in life. With high trust, success comes faster, better, and at lower cost.”

- **David Neeleman**, founder and CEO, JetBlue Airways

*“Identifying trust as the critical leadership competency of the new global economy Stephen M. R. Covey describes how this vital quality can be established, grown, extended, and restored within our society and throughout the world. **The Speed of Trust** is a must-read for all of us.”*

- **Ken Blanchard**, coauthor of *The One minute Manager* and *The Secret*

Introduction – THE ONE THING THAT CHANGES EVERYTHING

“There is one thing that is common to every individual, relationship, team, family, organization, nation, economy, and civilization throughout the world – one thing which, if removed, will destroy the most powerful government, the most successful business, the most thriving economy, the most influential leadership, the greatest friendship, the strongest character, the deepest love.

On the other hand, if developed and leveraged, that one thing has the potential to create unparalleled success and prosperity in every dimension of life. Yet, it is the least understood, most neglected, and most underestimated possibility of our time.

That one thing is trust.

Stephen M. R. Covey

NOTHING IS AS FAST AS THE SPEED OF TRUST

“Speed happens when people. . .truly trust each other.”

- EDWARD MARSHALL

In the opening chapter, Covey explores a number of different approaches to . . . angles. . . perceptions of. . .and definitions of. . . **‘trust’**. He also reminds us of the incredibly destructive ‘costs’ of lack of trust and especially, complete distrust. Not only to relationships, but ‘bottom-line’ costs you may not have considered before. It’s one reason why this book should be required reading for all politicians and the trickle-down impact distrust has on the economy.

A sample of the things he offers that you might commonly hear at the water fountain in a company when trust is lacking:

“I can’t stand the politics at work. I feel sabotaged by my peers. It seems like everyone is out for himself and will do anything to get ahead.”

“My boss micromanages me and everyone else at work. He treats us all like we can’t be trusted.”

Or, things you might hear or think yourself, as it relates to personal relationships:

“I’ve really been burned in the past. How can I ever trust anyone enough to have a real relationship?”

Although we’ve all heard or experienced some of these and other similar statements, Covey poses a question. We have a **choice**. . . *“whether to merely accept this as a cost of doing business? Or can you do something to counteract or even reverse it?”*

A common theme in the book is that there are **‘learnable’** ways to **‘establish’**. . . **‘grow’**. . . **‘extend’** and even **‘restore’** trust. And when you succeed at doing that, the author maintains, *“. . . you can positively and significantly alter the trajectory of this and every future moment of your life.”*

Covey defines ‘trust’ very simply as **“confidence”** and the opposite of trust. . **“distrust”**:

“When you trust people, you have confidence in them – their integrity and in their abilities. When you distrust people, you are suspicious of them – of their integrity, their agenda, their capabilities or their track record.”

He contrasts the feelings we all have when we are dealing with someone we completely trust with someone about whom we feel just the opposite:

“What’s it like? How does it feel? How is the communication: Does it flow quickly and freely. . .or do you feel like you’re constantly walking on land mines and being misunderstood? Do you work together to get things done quickly . . .or does it take a disproportionate amount of time and energy to finally reach agreement and execution? Do you enjoy this relationship. . . or do you find it tedious, cumbersome, and draining?”

I don’t know about you, but I can readily think of contrasting situations in my dealings with people who would fit in either category. And to be totally transparent, I can also think of situations where I may have come across in some non-authentic way that could have created distrust or at least a questioning of my underlying agenda.

Within pages 6 to 9, Covey describes his own transformational experience relating to ‘trust’ and the merger of **Franklin Quest** and **Covey Leadership Center** to form **Franklin Covey**. If you’ve ever been part of a merger of two companies involving the blending of two different cultures, you can really identify with the story, especially if you were on the ‘*being acquired*’ side, and the distrust typically created surrounding the underlying motives of the ‘*acquiring*’ party.

On page 10, he details the lessons he learned from it and how they probably helped motivate him to make the study of ‘trust’ his passion, and the genesis for this book. You’ll want to read them all, but one that stood out to me included:

“I also learned that I had been politically naïve. Yes, I made mistakes. But I didn’t make the mistakes I was being accused of making. The most significant mistake I made was in not being more proactive in establishing and increasing trust. As a result I experienced first-hand both the social and the hard, bottom-line economic consequences of low trust.”

In contrast to this story, Covey relates the story of **Warren Buffett**, CEO of Berkshire Hathaway and their acquisition of McLane Distribution (a \$23 billion company) from Wal-Mart:

“As public companies, both Berkshire Hathaway and Wal-Mart are subject to all kinds of market and regulatory scrutiny. Typically a merger of this size would take several months to complete and cost several million dollars to pay for accountants, auditors, and attorneys to verify and validate all kinds of information. But in this instance, because both parties operated with high trust, the deal was made with one two-hour meeting and a handshake. In less than a month it was completed.” According to Buffett, “*We did no ‘due diligence.’ We knew everything would be exactly as Wal-Mart said it would be and it was.*”

You can read for yourself on pages 10 to 13 under “**A Crisis of Trust**”, the staggering and discouraging statistics about the prevalence of distrust in our society and dishonesty. The one that unfortunately sticks out in my mind, was the percentage of students who acknowledged that they had cheated in order to improve their odds of getting into graduate school. The

percentages ranged from 43% among Liberal Arts students, to 63% for Medical School students, to a high of 75% among MBA students – about the same score as convicts within a minimum security prison scored on their ethical dilemma exams.

But then in the section, “**The Economics of Trust**”, just as the story above of Warren Buffet and the purchase of McLane Distribution shows the economic virtue of great trust, Covey dissects the ‘costs’ involved when distrust rules.

He offers a simple equation: **LOW Trust = LOW Speed = HIGHER Cost**

And the Opposite: **HIGH Trust = HIGH Speed = LOWER Cost**

As living examples, consider the conditions that created the need for “**The Sarbanes-Oxley Act**”. The author reminds us that it was in response to Enron, WorldCom, and other corporate scandals.

From a personal standpoint, having spent over 45 years in the insurance and financial services industry, I have seen an insurance application go from four (4) pages to 10 and as many as 30 pages – with almost all of it being created to offset some form of distrust which occurred with the attorneys adding yet more seemingly protective wording. I would challenge both: “*at what costs?*”, and “*what actual differences has it made in modifying behavior?*”

In another great story, Covey tells us about “**Jim**” a doughnut vendor in New York City. Making change was causing a slowdown in his service that was causing him to lose business. When he made the decision to just put a small basket on one side of his stand with some dollar bills and coins in it – trusting people to make their own change – he not only didn’t lose money, he doubled his business with no increase in his costs. According to Stephen: “*Most customers responded by being completely honest, often leaving him larger-than-normal tips. . . In addition, he found that his customers liked being trusted and kept coming back*”

Much of the rest of the first chapter puts the economic cost of ‘distrust’ into an interesting dual context – A “**Trust Tax**” and a “**Trust Dividend**”. Covey quotes best-selling author, Francis Fukuyama: “*Widespread distrust in a society. . . imposes a kind of tax on all forms of economic activity, a tax that high-trust societies do not have to pay.*” And Covey extends and applies this ‘tax’ to “*every dimension of life.*”

But, on the other side of the coin, is a “**Trust Dividend**”. It’s the savings Warren Buffett had from **not** having to spend millions on the purchase of McLane. Covey refers back to the ‘*trust dividend*’ doughnut entrepreneur, Jim, received by allowing his customers to make their own change, demonstrating trust on his part, and the appreciation for being trusted on theirs.

Covey: “*High trust is like the leaven in bread, which lifts everything around it. In a company, high trust materially improves communication, collaboration, execution, innovation, strategy, engagement, partnering, and relationships with all stakeholders.*”

On pages 22 -24, the author provides a great summary of **Taxes** and **Dividends** both within an **Organization**, as well as within **Personal Relationships**. Starting with the situation where there is an **80% Tax (Nonexistent Trust)** inside an organization, descriptions like this apply:

- *Dysfunctional environment and toxic culture (**open warfare, sabotage, grievances, lawsuits, criminal behavior**).*

And on the personal relationships side, terms like this apply:

- *Hot, angry confrontations or cold, bitter withdrawal*
- *Verbal, emotional, and/or physical abuse.*

At the other extreme, imagine a **40% Dividend (World-class Trust)** inside an organization:

- *High collaboration and partnering*
- *Effortless communication*
- *Positive, transparent relationships with employees and all stakeholders*

The chapter concludes (page 25) with the author dispelling a number of “**Myths**” about Trust. Probably the one most often heard is “**You can’t teach trust**”. Covey says, “*Trust can be effectively taught and learned, and it can become a leverageable, strategic advantage.*”

How you do that is what Covey focuses on for the rest of the book.

YOU CAN DO SOMETHING ABOUT THIS!

“As you go to work, your top responsibility should be to build trust.”

- EDWARD MARSHALL

In this chapter (read pages 27-29), Stephen revisits the lesson he was taught as a 7 year old, by his father - exemplified as ‘**green and clean**’ – a story featured in his father’s classic, “**The 7 Habits of Highly Effective People**”, wherein he learned *stewardship, delegation, and creating ‘win-win’ agreements* and empowering people to find the solution to the task themselves.

Although the son agrees that these were important learning moments, he believes that the most important learning lesson involved the ‘trust’ that his father placed in him. And when that trust was placed in him, he said, “*I didn’t want to let him down. I wanted to show him that I was capable and responsible. My father had extended trust to me, and that inspired me and created a sense of responsibility and integrity that has stayed with me throughout my life.*”

Later in the section, “**HOW TRUST WORKS**”, Covey makes one of his most important points about ‘trust’: “*Trust is not only about ethical behavior, integrity, transparency, authenticity, and any other words or terms that you would put in the category of ‘character’.*”

Covey adds a second requirement for 'trust' to be created and that is '**Competency**':

*"Trust is a function of two things: **character** and **competence**. Character includes your integrity, your motive, your intent with people. Competence includes your capabilities, your skills, your results, your track record. And both are vital."*

We always have to ask ourselves, how do people perceive us in BOTH categories? If people only see us as someone with GREAT character - with all that that personifies – but our results and/or track record reflect a different story, 'trust' may be absent, or at least weakened.

And just as important to remember, Covey says, ". . .character and competence are both necessary. Character is a constant; it's necessary for trust in any circumstance. Competence is situational; it depends on what the circumstance requires."

In the balance of the chapter, Covey briefly describes his "**5 Waves of Trust**".

Each one of the FIVE conjures up a key word(s) to describe the 'wave'.

THE FIRST WAVE: SELF TRUST – "Credibility" – ". . .the confidence we have in ourselves – in our ability to set and achieve goals, to keep commitments, to walk our talk – and also with our ability to inspire trust in others."

THE SECOND WAVE: RELATIONSHIP TRUST – "Consistent behavior" – In this section Covey will discuss 13 key behaviors common to high-trust leaders around the world. Covey says these are "practitioner based" and "validated by research".

THE THIRD WAVE: ORGANIZATIONAL TRUST – "Alignment" – "How leaders can generate trust in organizations" Covey says, '**alignment**' helps leaders create structure, systems, and symbols of organizational trust that decrease or eliminate seven of the most insidious and costly organizational trust taxes, and create seven huge organizational dividends."

THE FOURTH WAVE: MARKET TRUST – "Reputation" – "It's about your company brand (as well as your personal brand), which reflects the trust customers, investors, and others in the marketplace have in you."

THE FIFTH WAVE: SOCIETAL TRUST – "Contribution" - "By contributing or 'giving back' we counteract the suspicion, cynicism, and low-trust inheritance taxes within our society. We also inspire others to create value and contribute as well."

In the section "**SEE/SPEAK/BEHAVE**" on pages 38 and 39, Covey reveals the real purpose of the book: ". . .to enable you to **see, speak, and behave** in ways that establish trust, and all three dimensions are vital." He wants us: ". . . to be able to see trust in an entirely different and exciting way that will open your eyes to the possibilities and enable you to increase

trust and the dividends of trust on every level.”

And not only see it differently but “. . .also give you a language to speak about trust.” And he means speaking about it to a point where when you don’t trust someone or they may not trust you – how you can bring it out into the open to resolve it.

And later as he covers the 13 Behaviors of high-trust people and leaders worldwide, you can learn how to *establish and grow trust*.

Covey brings out a point here that is very powerful and anyone who has ever volunteered in a soup kitchen or served food at a homeless shelter can identify with this:

“. . .from a pragmatic standpoint, I am equally convinced that speaking and behaving differently can also have an enormous impact on the way you see and the results you get. The very act of serving someone, for example, can quickly cause you to see that person differently – even to feel love and compassion which you have not felt before.”

On the concluding page of this chapter, Covey defines leadership as “**getting results in a way that inspires trust.**”

THE FIRST WAVE – SELF TRUST

The Principle of Credibility



Covey uses one of my favorite graphic analogies – the ‘ripple wave effect’ – starting with the first wave - our core: “*The 5 Waves of Trust model serves as a metaphor for how trust operates in our lives. It begins with each of us personally, continues into our relationships, expands, into our organizations, extends into our marketplace relationships, and encompasses our global society at large. This reflects the strength of the ‘inside-out’ approach: to build trust with others, we must first start with ourselves.*”

In this first wave, Covey says we should truly ask ourselves: “**Am I credible? Am I believable? Am I someone people (including myself) can trust?**” And best of all, Covey affirms that, “. . .we can increase our credibility, and we can increase it fast, particularly if we understand

the **four key elements**, or four ‘cores’, that are fundamental. Two of these cores deal with **character**, two with **competence**.”

THE 4 CORES OF CREDIBILITY

“Leadership may have to come in a different package.
It’s got to be credible. . . Overall, it’s about credibility, walking the talk.”

- ANNE MULCAHY, CHAIRMAN AND CEO, XEROX

On page 57, Covey uses a
characterize the 4 Cores of



pictured tree as a metaphor to
Credibility.

Here’s how Covey explains it:

“**Integrity** is essentially below the surface. It is the **root system** out of which everything else grows. **Intent** becomes somewhat more visible. It is the **trunk** that emerges from beneath the surface out into the open. **Capabilities** are the **branches**. They are the **capacities** that enable us to produce. **Results** are the **fruits** – the visible, tangible, measurable **outcomes** that are most easily seen and evaluated by others.”

To further clarify his meaning of the 4 Cores of Credibility, he prefaces the tree metaphor with a few other pearls of wisdom:

“While **integrity** includes honesty, it’s much more. It’s integratedness. It’s walking your talk. It’s being congruent, inside and out. It’s having the courage to act in accordance with your values and beliefs. Interestingly, most massive violations of trust are violations of integrity.”

“**[Intent]** has to do with our motives, our agendas, and our resulting behavior. Trust grows when our motives are straightforward and based on mutual benefit – in other words, when we genuinely care not only for ourselves, but also for the people we interact with, lead, or serve. When we suspect a hidden agenda from someone or we don’t believe they are acting in our best interests, we are suspicious about everything they say and do.”

*“Both integrity and intent are matters of **character**.” . . . “[**Capabilities**] are the abilities we have that inspire confidence – our talents, attitudes, skills, knowledge, and style. They are the means we use to produce results.” . . . “Capabilities also deal with our ability to **establish, grow, extend, and restore trust**.”*

“[Results] refers to our track record, our performance, our getting the right things done. If we don’t accomplish what we are expected to do, it diminishes our credibility. On the other hand, when we achieve the results we promised, we establish a positive reputation of performing, of being a producer. . . and our reputation precedes us.”

*“Both **capabilities** and **results** are matters of **competence**.”*

Stephen suggests that when you look at the 4 Cores of Credibility in the way he explains using the tree metaphor, “. . . you see the interrelatedness of all four and the vital importance of each. It will also help you see **credibility** as a living, growing thing that can be nurtured.”

On pages 50 – 53, Covey provides a short self-evaluation quiz to see how you believe you currently stand in relation to each of the 4 Cores of Credibility. I will just give a sample of each of the 4 Core categories, but the quiz provides reason enough to buy the book, and occasionally go back and review how you are coming with improving on each of the 4 cores.

In each case, he poses two extremes and asks you to grade yourself along the continuum from 1 to 5:

Integrity

“I sometimes justify telling ‘white lies,’ misrepresent people or situations, or ‘spin’ the truth to get the results I want.”

1 2 3 4 5

“At every level, I am thoroughly honest in my interactions with others.”

Intent

“I don’t think a lot about why I do what I do. I’ve rarely (if ever) tried to do deep interior work to improve my motives.”

1 2 3 4 5

“I am consciously aware of my motives and I refine them to make sure that I’m doing the right things for the right reasons.”

Capabilities

“I seldom take time to improve my knowledge and skills at work or in any

1 2 3 4 5

“I relentlessly upgrade and increase my knowledge and skills in all the important

other area in my life.”

Results

“When it comes to communicating my track record, either I don’t say anything (I don’t want to come across as bragging), or I say too much and turn people off.”

1 2 3 4 5

areas of my life.”

“I appropriately communicate my track record to others in a way that inspires confidence.”

CORE 1 - INTEGRITY

Are you Congruent?

“I look for three things in hiring people. The first is personal integrity, the second is intelligence, and the third is a high energy level. But, if you don’t have the first, the other two will kill you.”

- WARREN BUFFETT, CEO, BERKSHIRE HATHAWAY

The chapter begins with a discussion of the Renaissance of “**Ethics**” which was largely caused by a reaction to the kinds of behavior - “*manipulation, deceit, fraud, extortion*” that was exemplified by crisis’s of Enron, WorldCom, and others. But as Covey observes,

*“The problem in organizations, however, is that many ‘ethics’ solutions focus on **compliance**. The compliance definition of ‘ethics’ is not one of integrity or integratedness; it is a watered-down, devalued definition that essentially means ‘**follow the rules.**’ Ethics training, therefore, is often focused exclusively on conformity to Sarbanes-Oxley and other regulatory and rules-based legislation – and not on clarifying values and fostering integrity to those values and to enduring principles.”*

Covey observes that standard definitions of ‘**integrity**’ focus merely on ‘**honesty**’. He suggests there is more to it and in addition to ‘honesty’, he adds **three additional qualities** which he considers to be just as vital:

Congruence – “A person has integrity when there is no gap between intent and behavior. . . when he or she is whole, seamless, the same – inside and out.” . . . “They’re not driven by extrinsic forces, including the opinions of others or the expediency of the moment. The voice they listen and respond to is the voice of conscience.”

Humility – “A humble person is more concerned about **what is right**, than **about being right**, about **acting on good ideas** than **having the ideas**, about **embracing new truth[s]** than **defending outdated position[s]**, about **building the team** than **exalting self**, about **recognizing contribution** than **being recognized for making it.**”

Courage – “Integrity also includes the courage to do the right thing – even when it’s hard.”

Covey – ***“As you consider people you believe have integrity, can you see these qualities playing out in their lives?”***

Covey then offers three suggestions for ways to increase your ‘integrity’:

1. **Make and Keep Commitments to Yourself** – *“There is absolutely nothing you can do that will increase integrity faster than learning how to make and keep commitments to yourself.”*

I find it interesting that I am writing this part of the summary on New Years Day 2015. On this day, how many of us will make promises to ourselves and others; set goals; swear off behaviors we know need to be eliminated, or swear to adopt good behaviors that are missing – only to see these commitments last for a few weeks or maybe even a few days.

Covey offers this advice: *“First, don’t make too many commitments. If you do, you’re setting yourself up for failure Differentiate between a goal, a direction, a focus and an actual commitment. When you make a commitment to yourself, do so with the clear understanding that you’re pledging your integrity.”* . . . And he precedes this advice with this truth: *“Every time we make and keep a commitment to ourselves – large and small – we increase our self-confidence. We build our reserves. We enlarge our capacity to make and keep greater commitments, both to ourselves and to others.”*

“Second, treat a commitment you make to yourself with as much respect as you do the commitments you make to others.”

“Third, don’t make commitments impulsively” and “Finally, understand that when keeping your commitments becomes hard, you have two choices: You can change your behavior to match your commitment, or you can lower your values to match your behavior. One choice will strengthen your integrity; the other will diminish it and erode your confidence in your ability to make and keep commitments in the future.”

2. **Stand for Something** – *“If you’re going to have integrity – or integratedness – you have to have a core, something to which you must be true. You can’t work from the inside out if you don’t even know what’s inside. So you need to have a center. You need to have identified values. You need to know what you stand for and you need to stand for it, so that others know too.”*

Covey suggests this: *“An excellent way to identify the values you want to stand or is to go through some kind of purpose or values-clarification process. I have found nothing more valuable than the creation of a mission statement or credo, whether it be personal, family, or organizational. Creating an expression of what you stand for – and living by it – will pay great dividends in helping you become credible and trusted.”*

3. **Be Open** – *“Openness is vital to integrity. It takes both humility and courage – humility to acknowledge that there are principles out there you may not currently be aware of, and courage to follow them once you discover them. Throughout history, most paradigm shifts in science have been shifts from traditional thinking – shifts that took this kind of humility and courage.”* . . . *“To be open inspires credibility and trust; to be closed fosters suspicion and mistrust.”*

The author concludes this chapter on Integrity this way: “These three ‘accelerators’ – make and keep commitments to yourself, stand for something, and be open – will help you increase your integrity. They will also increase the speed and decrease the cost with which you do the important things in your life – every time!”. . . “The greater your integrity – the more honest, congruent, humble, and courageous you are – the more credibility you will have and the more trust you will inspire.”

.....

As I always do with my summaries, from this point on, I will touch upon some of the author’s key points more briefly, and I will also refer you more to sections and page references in the book to learn the details. As I’ve said before, this book should not only be in your library, it should be kept somewhere where you can occasionally thumb through it to refresh your memory and to gauge how you are coming with earning more “Trust Dividends” and eliminating more “Trust Taxes”.



CORE 2 - INTENT

What’s Your Agenda?

*“In law, a man is guilty when he violates the rights of another.
In ethics, he is guilty if he only thinks of doing so.”*

- IMMANUEL KANT

The chapter begins with a hilarious story involving Stephen’s mother and father – Stephen and Sandra – pages 73 – 75. I won’t give it away – I’ll tell it at our book club meeting, but it reminds me of the joke about the difference between your dog and wife - when you accidentally close the trunk of your car with both of them in it. When you finally remember and open the trunk, the dog is wagging his tail and is happy to see you.

The story illustrates how different our perceptions can be about someone’s ‘intent’. Without giving you the facts, Sandra thought Stephen’s ‘intent’ was to pull a joke on her. The highway patrolman’s perception was that he had a domestic dispute on his hands.

And because other elements were missing such as the highway patrolman not knowing Stephen’s real character, he assumed the worst, only to later discover that he had been a student in one of Stephen’s classes.

On page 76, Covey provides a list of the important issues we deal with when we talk about intent. The two that especially struck me were, “While we tend to judge ourselves by our intent, we tend to judge others by their behavior.” Can you relate that to ‘driving’ and how that other driver should have known that when we were changing lanes and didn’t see him in our blind spot, that that was not our ‘intent’ and we weren’t just being a jerk. Covey covers this same aspect on page 84 that we should be careful about how we pre-judge the behavior of others.

Secondly, “*It is important for us to actively influence the conclusions others draw by ‘declaring our intent.’*”

After defining ‘intent’ as ‘**plan**’ or ‘**purpose**’ according to the dictionary, Covey is convinced that three other qualifiers should be added: “***motive, agenda, and behavior***”.

He says, “. . . ***motive***” is your reason for doing something. It’s the ‘why’ that motivates the ‘what’ “. . . “*The motive that inspires the greatest trust is genuine caring – caring about people, caring about purposes, caring about the quality of what you do, caring about society as a whole.*” Pages 79 and 80 contain some great additional references and quotations about importance of **caring** as a way to clarify your ‘intent’.

By ‘**agenda**’, Covey means “. . . *what you intend to do or promote because of your motive.*” “. . . “*The agenda that generally inspires the greatest trust is seeking mutual benefits.*” Covey includes a great ‘win-win’ story on page 81, proving, “*It also shows the power of having an agenda that is open as opposed to hidden or closed.*”

The third qualifier Covey lists is ‘**behavior**’ – “. . . *the manifestation of motive and agenda. The behavior that best creates credibility and inspires trust is acting in the best interests of others.*”

The author relates a story about **Howard Schultz**, founder and chairman of Starbucks. On page 82, Covey tells the story you may recall about what Schultz did in response to the murder of three Starbucks employees back in 1997 which not only showed he cared, but,

“Shultz demonstrated that in showing profound concern for the few, you teach an entire company. And those who worked for the company extended the caring they felt to the way in which they treated their customers, resulting in what Schultz has called a ‘higher-quality employee’, an employee that cares more.”

Pages 84 to 90 contains three ways Covey offers as suggestions how to improve our intent with several ways listed under each one. I’ll just pick one of my favorites under each:

1. **Examine and Refine Your Motives** – He covers four different interactions: with a child, a spouse, a work team, and in a business deal. And since my greatest weakness probably involves interactions with my wife, he would suggest I ask: “*Am I sincerely listening to what my spouse has to say? Am I genuinely open to his/her influence? Do I understand where he/she is coming from? Or am I focused on explaining my point of view, being right, or getting my way?*”

Also, Covey suggests on page 86, a great way to examine your true motives is by using “***The Five Whys***” – “. . . *a simple problem-solving technique made popular in the 1970’s by the Toyota Production System. Toyota’s idea was to start with the **end problem** and work backward through a series of **whys** until you get to the **root cause.***”

I'll provide you with the first two steps in the example Covey gives, and you can read the others until you get to the 'root cause' in his example:

1. **Why am I feeling unappreciated and undervalued?** *"Because I don't think the people around here see the good work I do."*
2. **Why do I think they don't see the good work I do?** *"Because they seem to be totally focused on the new blood – the 'rising stars' "*

3 and 4 in between..... (read for yourself but you should be able to figure them out by number 5).

4. **Why do I want to talk to the boss about it?** *"Well, I suppose my original intent was to vent and complain about Sarah's promotion. But I guess what I really want to understand is what I can do to add more value to the company so that I will be considered more seriously when future promotions come around."*

According to Covey, "Once you discover the real 'why,' you can decide whether you're satisfied with your intent or you want to change it. The key is simple: If your intent is based on principles (caring, contributing, seeking mutual benefit, acting in the best interest of others), it will bring you trust dividends; if it's not, you're going to be paying a tax."

3. **Declare Your Intent** - It just makes sense as Covey points out: *"Declaring your intent and expressing your agenda and motives can be very powerful, particularly if your behavior is being misinterpreted or misconstrued by others. It's also valuable as a means of establishing trust in new relationships."* He adds one thing to watch out for: *". . .in declaring intent is to always be sure that you're being honest and real about it. To do otherwise is to come across as duplicitous and deplete trust."*
4. **Choose Abundance** – According to Covey, *"Abundance means that there is enough for everybody. The opposite – scarcity – says that there is only so much to go around, and if you have it, I won't."* Covey adds one of my favorite quotes on page 88, by **Dr. Wayne Dyer**, from *"The Power of Intention"*:
"The measure of your life will not be in what you accumulate, but in what you give away."

On page 89, the author provides 5 bullet point suggestions for ways to accelerate making '**abundance**' your intention. In each case, he suggests you ask yourself a question and here's one example: *"When I'm in the middle of a negotiation, do I really believe it's possible to come up with a solution that will provide benefit for us both - or deep down, do I believe that the other person can gain benefit only at my expense?"*

CORE 3 - CAPABILITIES

Are You Relevant?

"[People] of capability inspire us."

- SAMAVEDA (SACRED HINDU TEXT)

According to Covey, the first two cores of credibility – Integrity and Intent which act as a prerequisite for building and maintaining **self-trust**, focus on "**Character**". Covey now shifts the emphasis to "**Competence**" which encompasses: *"the talents, skills, knowledge, capacities, and abilities we have that enable us to perform with excellence"*.

Here Covey refers back to the tree picture on page 8 of my summary: *"...capabilities are the branches that produce the fruits or results."* Furthermore, he adds: *"Our capabilities inspire the trust of others particularly when they are specifically those needed for the task at hand. Our capabilities also give us the self-confidence that we can do what needs to be done."*

This paragraph says it all and I'm going to start reciting this paragraph as I speak to various job-seeker groups – sometimes populated by some who need to hear this message loud and clear:

*"Capable people are credible. They inspire trust. It's that simple. You can have the other three cores – you can have **integrity** and good **intent**, and you can have even produced good **results** in the past. But at the end of the day – especially in this rapidly changing knowledge worker economy – if you don't have **current capabilities**, if you are not relevant, **you will not have credibility**. You'll be taxed. You won't get the dividends of trust."*

On page 93, Covey provides a series of questions for persons to ask themselves as it relates to capabilities. Here are two of the four he provides. All four are relevant.

- *"What capabilities do I have that make me credible and that inspire the trust and confidence of others?"*
- *"What is my attitude and approach toward improving my current capabilities and gaining new ones?"*

On pages 94 to 102, Covey gives an acronym for detailing the various dimensions of capabilities: **TASKS** – "**T**alents. . .**A**ttitudes. . .**S**kills. . .**K**nowledge. . .**S**tyl**e**" and describes each one in detail, with questions to self-evaluate. You can read about the first four yourself, but here's what he says about "**Style**":

"How effective is my current style in approaching problems and opportunities and interacting with others? Does my approach facilitate or get in the way of accomplishing what needs to be done? What can I do to improve the way in which I go about doing things?"

So in order to increase your capabilities, thereby increasing your credibility, Covey offers three suggestions:

- **Run with Your Strengths (and with Your Purpose)** “. . .identify your strengths (whether they be Talents, Attitudes, Skills, Knowledge, or Style), and then focus on engaging, developing, and leveraging what’s distinctly yours.”
- **Keep Yourself Relevant** “. . .relentlessly improve”. . .commit to “lifelong learning”.
- **Know Where You’re Going** – “To know where you’re going and to have the capabilities to get there is another way of demonstrating competence. And that competence, coupled with character, creates a credible leader whom others will follow – not because they’re forced, but because they’re inspired to do so.”

CORE 4 - RESULTS

What’s Your Track Record?

“You can’t create a high-trust culture unless people perform.”

- CRAIG WEATHERUP – FORMER CEO, PEPSI CO

Covey begins the chapter by repeating the incredible ‘results’ he and his team were able to achieve in the transformation of FranklinQuest into FranklinCovey, increasing the value of the company from \$2.4 million to \$160 million and increasing profit by 1,200 percent. But he added this interesting side effect that it had:

“One of the most interesting things about this whole experience was seeing the effect those results had on our relationships with our bankers. As they saw us reaching milestone after milestone during those two and a half years – producing, hitting the numbers, increasing the margins and increasing the cash as we had committed to do – we could see their confidence in us grow. They began to see us as a good risk. They wanted to give us more business”. . . “What made them want to extend more trust? Results!”

Covey once again returned to his tree metaphor: “. . .results are the fruits – the tangible, measurable end purpose and product of the roots, trunk, and branches. To have the other three cores without results is like having a barren tree. It won’t create credibility, no matter how strong the other three cores may be. And it won’t inspire confidence because the tree doesn’t produce what it was intended to produce.”

And that’s where a good ‘track record’ – a **‘solid history of results’** comes in. Without it Covey says. . .even if you have good reasons why the results didn’t happen, “. . .***if the results aren’t there, neither is the credibility, and neither is the trust.***”

Covey makes one important clarifying point about **'results'**:

*“. . .if you **are** getting results but you're violating one of the other three cores – say you get the numbers in a way that violates integrity, or creates a 'lose' for others – your production will not be sustainable, nor will the fruit be good. It will taste bad. It will smell bad. Even if it looks good on the outside, it will be rotten inside, and it won't create long-term credibility and trust. You simply can't get a sustainable yield of good fruit if the results are severed from the character roots.”*

In addition to getting good results, Covey relates an important lesson he learned as a teenager when he was passed over for a promotion. . . not because he didn't get the results that were expected. . . but because the appropriate parties were never aware of his results through poor communication. Once realized and once his results were recognized, *“the whole perception changed”*: *“Trust was extended in abundance, and I was able to contribute in far more meaningful ways.”*

Finally the author offers some ways to improve your results:

- **Take Responsibility for Results** – Rather than talk about **'activities'** successfully completed, focus on **results**. He gives examples of the difference: **Activity** – *“I called on the customer.”* vs. **Results** – *“I made the sale”*. Or, *“I stayed on my diet”* versus *“I lost 13 pounds.”*
- **Expect to Win** – Call it the 'power of positive thinking' or whatever. Covey puts it this way: *“The principle is simply this: We tend to get what we expect – both from ourselves and from others. When we expect more, we tend to get more; when we expect less, we tend to get less.”*
- **Finish Strong** – As Covey regretfully reminds us, *“Beginners are many; finishers are few. Increasingly, it seems, we live in a society of victims and quitters.”* . . . *“Clearly, finishing strong is a powerful antidote to a culture of quitting. But have you ever thought of it in terms of its even greater impact on credibility and trust?”*

So in concluding the **First Wave – “Self-Trust”**, Covey summarizes it this way:

*“We've looked at the Four Cores that create **credibility** – the **character** and **competence** necessary for us to trust ourselves and to be deserving of the trust of others. We've talked about ways to build competence by increasing capabilities and improving results. In doing these things, we build credibility and inspire trust.”*

For the balance of my summary, I will simply outline and/or briefly describe the other four waves: **“Relationship Trust”**. . . **“Organizational Trust”**. . . **“Market Trust”**. . . **“Societal Trust”**. Every one of them ties back into **'Self Trust'** because a tree with no roots, or with shallow ones, will be weak and almost never will bear fruit. You will want to read all the great stories and examples Covey references in each of the remaining chapters.



THE SECOND WAVE – RELATIONSHIP TRUST

The Principle of Behavior

THE 13 BEHAVIORS

*“You can’t **talk** yourself out of a problem you’ve behaved yourself into”*

- STEPHEN R. COVEY

*“No, but you can **behave** yourself out of a problem you’ve behaved yourself into. . . and often faster than you think!”*

- STEPHEN M. R. COVEY

*“This section is about the **13 Behaviors of high-trust people and leaders worldwide**. These behaviors are powerful because they are based on the principles that govern trusting relationships. They grow out of **the 4 Cores**. They are actionable and universal. . . Undoubtedly you’re already living some of these behaviors and getting the high-trust dividends that grow out of them. There are others you’re probably not living as well, and as a result, you’re paying a tax. As you go through the following short chapters that describe these behaviors, you can choose the ones you feel will make the greatest difference to you.”*

*“The **first five** initially flow initially from **character**, the **second five** from **competence**, and the **last three** from an **almost equal mix of character and competence**. This is important to recognize because generally the quickest way to decrease trust is to violate a behavior of character while the quickest way to increase trust is to demonstrate a behavior of competence.*

BEHAVIOR MATTERS – *“The truth is that in every relationship – personal and professional – what you do has far greater impact than anything you say.”*

YOU CAN CHANGE BEHAVIOR – *“There is clear evidence to indicate that people can and do change behavior – sometimes dramatically – and that doing so often produces extraordinary results.”*

BUILDING TRUST ACCOUNTS – “Trust Accounts” – *“These are similar to the “Emotional Bank Accounts” my father introduced in ‘The 7 Habits of Highly Effective People’. By behaving in ways that build trust, you make deposits. By behaving in ways that destroy trust, you make withdrawals. The ‘balance’ reflects the amount of trust in the relationship at any given time.”*

Each Trust Account is unique – Covey quotes Mark Twain: *“When I was a boy of 14, my father was so ignorant I could hardly stand to have the old man around. But when I got to be 21, I was astonished at how much the old man had learned in seven years.”*

All deposits and withdrawals are not created equal – *“Often the little things can be disproportionately large.”*

What constitutes a ‘deposit’ to one person may not to another – *“Always remember: It’s important to know what constitutes a deposit to a person when you’re trying to build trust.”*

Sometimes the fastest way to build trust is to stop making withdrawals – *“In general, withdrawals can have 10, 20, or even 100 times more impact than deposits, but there are some withdrawals that are so significant that they completely wipe out the account in one stroke.”*

Recognition that each relationship has two trust accounts – *“The way you perceive the amount of trust in a relationship and the way the other person perceives it may be different. So it’s generally wise to think of any relationship in terms of two accounts – not one – and to try to be aware of the balance in each account.”*

THINGS TO KEEP IN MIND – *“Like any good thing, it’s possible to take any one of the [13] behaviors to the extreme. And any strength pushed to the extreme becomes a weakness.” (Covey shows a ‘bell curve with the left side ‘too little’. . .right side, ‘too much’ - the middle section being “the sweet spot”.(page 133)*

MAKING IT PERSONAL – To get the MOST from the book and to make it ‘actionable’ Covey offers us this challenge which we’ll also talk about at the book club meeting:

*“. . . make this section highly relevant and personal by thinking of **two** specific relationships – one in your professional life and one in your personal life – that currently have a low Trust Account balance. The relationships you select should be ones where you would like to increase trust, and where, by improving trust, you would get far better results professionally and find far greater happiness personally.”*

BEHAVIOR #1 – TALK STRAIGHT

“The people who I have trouble dealing with. . .are people who tend to not give full information. They purposely leave out certain parts of the story – they distort facts.”

– SHELLEY LAZARUS, CHAIRMAN AND CEO, OGILVY & MATHER

TELL THE TRUTH AND THE RIGHT IMPRESSION (pages 137-139)

THE IMPACT ON SPEED AND COST (pages 139 – 140)

WHEN TALK STRAIGHT IS TAKEN TOO FAR (page 140)

TALKING STRAIGHT AT HOME (pages 140-141)

TRUST TIPS (pages 141-143)

SUMMARY BEHAVIOR #1 – “TALK STRAIGHT – *“Be honest. Tell the truth. Let people know where you stand. Use simple language. Call things what they are. Demonstrate integrity. Don’t manipulate people or distort facts. Don’t spin the truth. Don’t leave false impressions.”*

BEHAVIOR #2 – DEMONSTRATE RESPECT

“You can judge a person’s character by the way he treats people who can’t help him or hurt him.”

- ANONYMOUS

A SIMILARITY TO THE GOLDEN RULE BY THE DIFFERENT RELIGIONS:

Christianity: *“Do unto others as you would have do unto you.”* **Judaism:** *“What you hate, do not do to anyone.”*

Islam: *“No one of you is a believer until he loves for his brother what he loves for himself.”* **Hinduism:** *“Do nothing to thy neighbor which thou wouldst not have him do to thee.”*

Buddhism: *“Hurt not others with that which pains yourself.”* **Sikhism:** *“Treat others as you would be treated yourself”*

Confucianism: *“What you do not want done to yourself, do not do to others.”* **Aristotle:** *“We should behave to our friends as we wish our friends to behave to us.”*

Plato: *“May I do to others as I would that they should do unto me.”*

THE LITTLE THINGS (pages 146-147)

DEMONSTRATING RESPECT AT HOME (pages 148-149)

THE BOTTOM LINE (pages 149-150)

TRUST TIPS (pages 150-151)

SUMMARY: BEHAVIOR #2 – DEMONSTRATE RESPECT – *“Genuinely care for others. Show you care. Respect the dignity of every person and every role. Treat everyone with respect, especially those who can’t do anything for you. Show kindness in the little things. Don’t fake caring. Don’t attempt to be ‘efficient’ with people.”*

BEHAVIOR #3 – CREATE TRANSPARENCY

“For some people, becoming a leader can be a real power trip. They relish the feeling of control over both people and information. And so they keep secrets, reveal little of their thinking about people and their performance, and hoard what they know about the business and its future. This kind of behavior certainly establishes the leader as boss, but it drains trust right out of a team.”

- JACK WELCH

BUILDING TRUST FAST (pages 154-156)

TRUST TIPS (pages 156-157)

SUMMARY BEHAVIOR #3 – CREATE TRANSPARENCY – *“Tell the truth in a way people can verify. Get real and genuine. Be open and authentic. Err on the side of disclosure. Operate on the premise of ‘What you see is what you get.’ Don’t have hidden agendas. Don’t hide information.”*

BEHAVIOR #4 – RIGHT WRONGS

“To know what is right and not to do it is the worst cowardice.”

- CONFUCIUS

GOING THE EXTRA MILE (page 159)

HUMILITY AND COURAGE – OR EGO AND PRIDE? (160 – 163)

THE BOTTOM LINE (page 163)

TRUST TIPS (pages 163 – 164)

SUMMARY BEHAVIOR #4 – RIGHT WRONGS – *“Make things right when you’re wrong. Apologize quickly. Make restitution when possible. Practice ‘service recoveries.’ Demonstrate personal humility. Don’t cover things up. Don’t let pride get in the way of doing the right thing.”*

BEHAVIOR #5 – SHOW LOYALTY

“It’s been my experience that the people who gain trust, loyalty, excitement, and energy fast are the ones who pass on the credit to the people who have really done the work. A leader doesn’t need any credit. . . He’s getting more credit than he deserves anyway.”

- ROBERT TOWNSEND, FORMER CEO, AVIS

GIVE CREDIT TO OTHERS (pages 166-168)

SPEAK ABOUT OTHERS AS IF THEY WERE PRESENT (168-169)

WHEN YOU HAVE TO TALK ABOUT PEOPLE (169-170)

TRUST TIPS (170-171)

SUMMARY: BEHAVIOR #5 – SHOW LOYALTY – *“Give credit freely. Acknowledge the contributions of others. Speak about people as if they were present. Represent others who aren’t there to speak for themselves. Don’t bad-mouth others behind their backs. Don’t disclose others’ private information.”*

BEHAVIOR #6 – DELIVER RESULTS

“Future leaders will be less concerned with saying what they will deliver and more concerned with delivering what they have said they would.”

- DAVE ULRICH, BUSINESS AUTHOR AND PROFESSOR

THE IMPACT ON TRUST ACCOUNTS (pages 173–174)

CLARIFY “RESULTS” UP FRONT (page 175)

TRUST TIPS (page 176)

SUMMARY: BEHAVIOR #6 – DELIVER RESULTS – *“Establish a track record of results. Get the right things done. Make things happen. Accomplish what you’re hired to do. Be on time and within budget. Don’t overpromise and underdeliver. Don’t make excuses for not delivering.”*

BEHAVIOR #7 – GET BETTER

“The illiterate of the 21st century will not be those who cannot read and write but those who cannot learn, unlearn, and relearn.”

- ALVIN TOFFLER

GET BETTER BUILDS TRUST (pages 178-179)

EXAMPLES OF GET BETTER (pages 179-180)

HOW TO GET BETTER (pages 180-183)

Seek Feedback

Learn from Mistakes

TRUST TIPS (pages 183-184)

SUMMARY: BEHAVIOR #7 – GET BETTER – *“Continuously improve. Increase your Capabilities. Be a constant learner. Develop feedback systems – both formal and informal. Act on the feedback you received. Thanks people for feedback. Don’t consider yourself above feedback. Don’t assume today’s knowledge and skills will be sufficient for tomorrow’s challenges.”*

BEHAVIOR #8 – CONFRONT REALITY

“The first responsibility of a leader is to define reality.”

- MAX DEPREE, CHAIRMAN AND CEO, HERMAN MILLER

SPEED AND COST (page 187-188)

SO WHY DON'T WE CONFRONT REALITY? (pages 188-190)

TRUST TIPS (pages 190-191)

SUMMARY BEHAVIOR #8 – CONFRONT REALITY – *“Take issues head on, even the ‘undiscussables.’ Address the tough stuff directly. Acknowledge the unsaid. Lead out courageously in conversation. Remove the ‘sword from their hands.’ Don’t skirt the real issues. Don’t bury your head in the sand.”*

BEHAVIOR #9 – CLARIFY EXPECTATIONS

“Almost all conflict is a result of violated expectations.”

- BLAINE LEE, AUTHOR OF *THE POWER PRINCIPLE*

EXPECTATIONS AND TRUST (pages 193-194)

CLARIFYING EXPECTATIONS IN BUSINESS (pages 194-195)

CLARIFYING EXPECTATIONS AT HOME (pages 195-196)

IT'S A TWO-WAY STREET (pages 196-197)

MAKING IT HAPPEN (pages 197-198)

TRUST TIPS (pages 198-199)

SUMMARY: BEHAVIOR #9 – CLARIFY EXPECTATIONS - *“Disclose and reveal expectations. Discuss them. Validate them. Renegotiate them if needed and possible. Don’t violate expectations. Don’t assume that expectations are clear or shared.”*

BEHAVIOR #10 – PRACTICE ACCOUNTABILITY

“All power is a trust; and we are accountable for its exercise.”

- BENJAMIN DISRAELI

HOLD YOURSELF ACCOUNTABLE (pages 200-203)

HOLD OTHERS ACCOUNTABLE (pages 203-205)

TRUST TIPS (pages 205-207)

SUMMARY: BEHAVIOR #10 – PRACTICE ACCOUNTABILITY – *“Hold yourself accountable. Hold others accountable. Take responsibility for results. Be clear on how you’ll communicate how you’re doing – and how others are doing. Don’t avoid or shirk responsibility. Don’t blame others or point fingers when things go wrong.”*

BEHAVIOR #11 – LISTEN FIRST

“If there is any great secret of success in life, it lies in the ability to put yourself in the other person’s place and to see things from his point of view – as well as your own.”

- HENRY FORD

THE IMPACT ON SPEED AND COST (pages 210-212)

MAKING DEPOSITS (pages 212-213)

TRUST TIPS (pages 213-214)

SUMMARY: BEHAVIOR #11 – LISTEN FIRST – *“Listen before you speak. Understand. Diagnose. Listen with your ears – and your eyes and heart. Find out what the most important behaviors are to the people you’re working with. Don’t assume you know what matters most to others. Don’t presume you have all the answers – or all the questions.”*

BEHAVIOR #12 – KEEP COMMITMENTS

“Stand up for what’s right, in small matters and large ones, and always do what you promise.”

- REUBEN MARK, CHAIRMAN AND CEO, COLGATE-PALMOLIVE

THE IMPACT ON TRUST (pages 217-218)

CULTURAL INTELLIGENCE (pages 218-219)

THE MOST IMPORTANT COMMITMENTS OF ALL (pages 219-221)

SUMMARY; BEHAVIOR #12 – KEEP COMMITMENTS – *“Say what you’re going to do, then do what you say you’re going to do. Make commitments carefully and keep them. Make keeping commitments the symbol of your honor. Don’t break confidences. Don’t attempt to ‘PR’ your way out of a commitment you’ve broken.”*

BEHAVIOR #13 – EXTEND TRUST

“Trust men and they will be true to you; treat them greatly and they will show themselves great.”

- RALPH WALDO EMERSON

FROM TRUSTED PERSON TO TRUSTING LEADER (pages 223-225)

WHAT HAPPENS WHEN YOU EXTEND TRUST (pages 225-227)

A POWERFUL MOTIVATOR (pages 227-228)

TRUST TIPS (pages 228-229)

SUMMARY: BEHAVIOR #13 – EXTEND TRUST – *“Demonstrate a propensity to trust. Extend trust abundantly to those who have earned your trust. Extend trust conditionally to those who are earning your trust. Learn how to appropriately extend trust to others based on the situation, risk, and credibility (character and competence) of the people involved. But have a propensity to trust. Don’t withhold trust because there is risk involved.”*

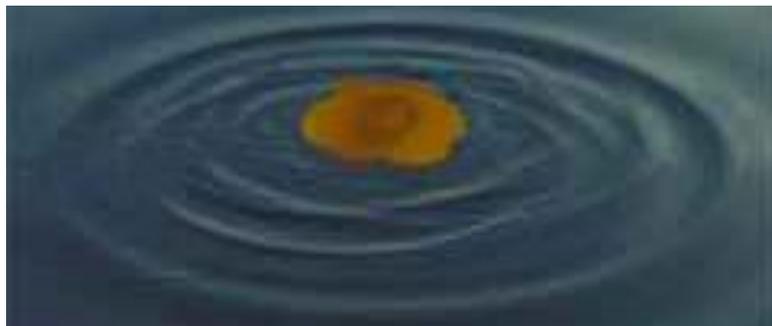
CREATING AN ACTION PLAN

Covey now suggests that you put your two-person ‘**trust-building**’ exercise (one professional and one personal) into an action plan. First, he suggests that you review the behaviors and pick the two or three where you think you could best apply them. He also cautions: *“Keep in mind that the quickest way to make a withdrawal is to **violate a behavior of character**; the quickest to make a deposit is to **demonstrate a behavior of competence**.”*

There’s a great chart on pages 231 and 232 where he breaks out the ‘**character**’ behaviors and the ‘**competence**’ ones and allows you to grade your current performance on a continuum from the ‘good’ behavior to the ‘opposite’, or what he terms the ‘counterfeit’ behavior.

“Identify one or two next steps for each of those behaviors to create change.”

(He also suggests reviewing the “**Trust Tips**” I’ve referenced by page number in each of the sections about the 13 Behaviors).



Self Trust Relationship Trust Organizational Trust Market Trust Societal Trust

FROM TAXES TO DIVIDENDS (pages 250-258)

The 7 Low-Trust Organizational Taxes:

1. Redundancy; 2. Bureaucracy; 3. Politics; 4. Disengagement; 5. Turnover; 6. Churn; 7. Fraud.

“Disengagement is what happens when people continue to work at a company but have effectively quit (commonly referred to as ‘quit and stay’). They put in what effort they must to get their paycheck and not get fired, but they’re not giving their talent, creativity, energy, or passion. Their bodies are there, but not their hearts or their minds.”

The 7 High-Trust Organizational Dividends:

1. Increased Value; 2. Accelerated Growth; 3. Enhanced Innovation; 4. Improved Collaboration; 5. Stronger Partnering; 6. Better Execution; 7. Heightened Loyalty
- “High-trust company environments foster the collaboration and teamwork required for success in the new global economy. Different than traditional approaches of **coordination** and **cooperation**, **real collaboration** creates the key opportunity model of today’s world.”*

FAMILIES ARE ORGANIZATIONS, TOO (pages 258-260)

THE FOURTH WAVE -

The Principle of Reputation

“In the end, all you have is your reputation”

- OPRAH WINFREY

Covey asks us to look at a series of 17 company logos on page 262 and asks us to examine our first reaction? They include company logos of Starbucks, Google, Disney, IBM, Apple and others that probably conjure up some element of a favorable reaction. But he also included the logos of WorldCom and ENRON, which probably initiate a totally different reaction.

Covey: “. . . a **‘brand’** is trust with the customer, trust with the marketplace, or even more boldly, **‘trust monetized’**.”

‘BRAND’ MATTERS ON EVERY LEVEL (pages 263-265)

Covey: “*Obviously corporate brand is important to companies with products and services to sell. But it’s also important to all organizational entities, including governments, school districts, charities, hospitals, cities, and states.*”

THE COMPELLING EVIDENCE (pages 265-266)

Covey: “*Remember that Market Trust deals with external stakeholders. While those might well include suppliers, distributors, and investors as well as customers, it would probably be simpler at this point for you to look at them all as your ‘customers’.*”

THE COUNTRY TAX AND THE INDUSTRY TAX (page 267)

Covey: *“One interesting dimension of today’s global marketplace is that many brands are now being taxed (or receiving dividends) based on people’s perception of and trust in the country of origin of the brand.”*

THE SPEED OF TRUST IN BUILDING (OR DESTROYING) REPUTATION (page 268)

Covey: *“In 2005, number one (for the seventh straight year) [of the 60 most visible companies in America – Harris Interactive - based on their reputation] was **Johnson & Johnson**. This company has a long established track record of trust. They’ve been in business for 120 years. Most fascinating to me however, is the fact that number three on the list is **Google** – which has only been in business for seven years.”*

HOW TO BUILD YOUR BRAND (pages 268-271)

Covey: *“So how do you build your brand? And how do you avoid destroying it? By now, I’m sure you won’t be surprised by my answer. ‘**The 4 Cores and the 13 Behaviors**’ applied at the organizational and marketplace levels.” . . . “Talk Straight”. . . “Create Transparency”. . . “Listen First”*

WALKING TALK OR WALKING DIVIDENDS (page 271)

Covey: *“Keep in mind: Whatever trust we are able to create in our organizations and in the marketplace is a result of the credibility we first create in ourselves”.*

Perhaps another way of saying this is, **Does your company or organization, ‘walk the talk?’**

THE FIFTH WAVE – SOCIETAL TRUST

The Principle of Contribution

“Executives tempted to take shortcuts should remember the dictum of Confucius that good government needs weapons, food and trust. If the ruler cannot build onto all three, he should give up weapons first and food next. Trust should be guarded to the end, because ‘without trust, we cannot stand’.”

- FINANCIAL TIMES EDITORIAL

Covey: *“In late April of 1992, the Rodney King trial sparked riots that results in the burning and looting of entire city blocks in Los Angeles, California. The devastation was immense; the loss to businesses was in the billions. Amazingly all the McDonald’s restaurants within that devastated area were untouched. . . Why would the McDonald’s buildings be left standing when nearly everything around them was destroyed? The responses of local residents carried a common thread: ‘McDonalds cares about our community. They support literacy efforts and sports programs. Young people know they can always get a job at ‘Mickey D’s’. No one would want to destroy something that does so much good for us all.’ . . .”* McDonald’s sense of social responsibility created societal trust, and that trust produced clearly observable and measurable results.”

FISH DISCOVER WATER LAST (pages 273-274)

Covey: *“Trust is an integral part of the fabric of our society. We depend on it. We take it for granted – unless it becomes polluted or destroyed. Then we come to the stark realization that trust may well be as vital to our own well-being as water is to a fish. Without trust, society closes down and will ultimately self-destruct.”*

THE PRINCIPLE OF CONTRIBUTION IN BUSINESS (pages 276-277)

Covey: “While many meaningful contributions still come in the form of the industrial age notion of **philanthropy** – of earning profits and then donating money to worthwhile causes – the trend today is turning toward the more comprehensive knowledge worker age paradigm of global citizenship (also called social consciousness, corporate citizenship, and most recently, corporate social responsibility or CSR). . . Doing good is no longer seen as something in addition to business, it is a part of business itself.”

‘INTENTIONAL VIRTUE’ AND ‘CONSCIOUS CAPITALISM’ (pages 277-278)

Covey: “While we enthusiastically applaud these wonderful emerging efforts, we need to understand that the idea of corporate social responsibility is not new. In fact it was originally the conceptual framework behind the whole idea of the **free enterprise system**. **Adam Smith**, the father of free enterprise and the author of **The Theory of Moral Sentiments** and **The Wealth of Nations**, taught that ‘**intentional virtue**’ was foundational to a prosperous economy, and that when a critical mass of people competed for their own best interests within the framework of intentional virtue, there was an ‘**unseen hand**’ that would guide society in a way that would create prosperity and wealth for all.”

GLOBAL CITIZENSHIP: AN ECONOMIC NECESSITY (pages 279-280)

Covey: “Though fear of pain might initially motivate global citizenship, I am persuaded that, **over time, the dividends and abundance created by contribution will become primary drivers for both individuals and organizations.**”

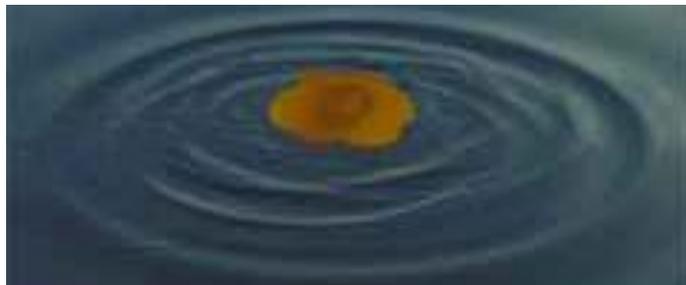
As a personal note, I for one, believe this ‘movement’ is now genuinely underway and I also believe that the real driving force behind this will be “**The Millennial Generation**”. Some call them the ‘**selfish generation**’ but my experience with the ones whom I believe will become the future leaders in every phase of our society, will be part of the NEW “**Greatest Generation**” and I have confidence that they will make the difference.

GLOBAL CITIZENSHIP: AN INDIVIDUAL CHOICE (pages 281-282)

Covey: “At the heart of organizational global citizenship is individual global citizenship. It’s you and me making the conscious decision to value and invest in the well-being of others. It’s you and me carrying out that decision in every dimension of our lives.”

A SUMMARY AND A CHALLENGE (pages 283-284)

Covey: “Look for ways to immediately apply it. Find opportunities to teach it to others. As you do, I believe you will literally be astonished at the results. Not only will you better understand and realize the power of the cores and behaviors; you will also be amazed how quickly great things can happen with all stakeholders when you operate at the speed of trust.”



Self Trust	Relationship Trust	Organizational Trust	Market Trust	Societal Trust
Credibility	Behavior	Alignment	Reputation	Contribution