
On Leadership: The Business of Philanthropy

Conroy Ross Partners is a proud community producer for the series On Leadership that is being aired by Access7, a community programming station in Southern Saskatchewan. The following is based on thought leadership of our firm, as well as our local guest leader.

Trust

In this program, our guest leader Judy Davis, President & CEO of the Hospitals of Regina Foundation (HRF), outlined that passion and collaboration are important functions of her philanthropic organization and vital to its success. The HRF requires trust within the organization among colleagues, and trust from donors that they are handling the funds in an ethical, prudent fashion. They must also develop trust with the broader community that they will fulfil their mandate of investing raised funds in initiatives that will champion Regina's hospitals as centres of excellence in health services.

At Conroy Ross Partners, we would agree that trust is important not only in non-profit organizations, but to all types of firms. Specifically, there are two types of trust to monitor, as both will eventually affect your company's bottom line – for better or for worse. They are organizational trust, or *alignment*, and market trust, or *reputation*¹.

**“Organizations are no longer
built on force, but on trust.”**

~Peter Drucker
The Speed of Trust by
Stephen M.R. Covey

Why is trust so important to an organization's well-being? Because low levels of trust in an organization can impact results and commitments as well as loyalty, ethics or accountability of employees. In this case, there are a couple of key identifying factors in your organization that may cue a need for culture assessment and organizational re-design.

Internally, low levels of trust will cultivate a lack of alignment throughout the organization. When employees are not working towards one common goal, productivity decreases, which in turn equates to financial loss. Symptoms of distrust within an organization include when employees are withholding information from one another, when there is excess 'water cooler' talk, when mistakes are covered-up rather than cleaned-up, when there are numerous meetings *after* meetings, and when there is such tension in the atmosphere that it breeds fear and an unproductive environment².

Other ways that internal distrust will manifest itself is through symbols. Take, for example, a story from Stephen Covey's book "The Speed of Trust" wherein Covey's client had left his job to take a position where he felt his true passion was – in academia. After only four days, he returned to his previous company. "With all the university's bureaucratic policies and procedures, he'd had to fill out a requisition with three levels of approval to even get a pen!³ " In this case, the policies at the university conveyed a message to the employees that they were not trusted.

Externally, a lack of trust is essentially synonymous with a poor reputation. Robert Eckert, CEO of Mattel, said it well: "Trust is a key building block in the creation of a company's reputation, and as a direct result, its shareholder value⁴," drawing an important correlation between trust and reputation, and reputation and company value in the marketplace. Therefore, improve your reputation in the marketplace through integrity; enabling customers to trust you.

To increase organizational integrity, create a culture of making and keeping commitments within the organization and to customers. Additionally, be sure to involve employees in the company mission or values statement to align them with organizational intent in the marketplace.

Affecting the bottom line

High trust companies consistently outperform not only in shareholder value, but also in sales and profit⁵. Even in the case of the Hospitals of Regina Foundation – a not for profit organization – trust levels are acknowledged as foundational to fundraising success. Raising funds is their mandate, so when Judy Davis summarized that trust is a key dynamic in her organization, she knew that trust is a tangible quality, something that can be created and polished in an organization to achieve success.

Trust is vital for your organization, too

Does your organization identify with the issues listed above? At Conroy Ross Partners, our Business Advisory practice places emphasis on building effective teams and enabling growth within the marketplace. Research shows that customers are more loyal, frequent more often, and refer more to companies and people they trust; we leverage this knowledge to help companies grow.

To find out more, or share your thoughts, please reach out to any member of the Conroy Ross Partners team. Thanks for joining our conversation!

^{1,2,3,4,5} Stephen M.R. Covey, *The Speed of Trust*, 2006