

Servant Leadership *at the Speed of Trust*

by Stephen M. R. Covey

When Art Barter became CEO of Datron World Communications in 2004, the manufacturer of radio communications equipment had revenues of about \$10 million with very little profit. Just seven years later, Datron's revenues exceeded \$200 million with substantial profit. And that was with no acquisitions, no debt, and with largely the same management team.

Dramatic turnaround stories prompt speculation and analysis from those of us who desire similar success. (And really -- who doesn't?) And while such case studies are surely complex, Barter insists that there truly was a single secret ingredient at the heart of it all.

For a clue into his deepest convictions, one needs only to consider the organization he founded after the success of Datron: He calls it *The Servant Leadership Institute*. As he told *Business Finance* magazine:

"When we sat down in our first year to do a strategic plan, my staff asked me, 'how do you want to see the company grow?' I said, 'I'd like to take care of customers.' They said, 'But how much do you want to grow every year?' And I said, 'I'm not going to tell you that. I don't have any amount that I want to grow every year. If we're out there taking care of customers, then we'll be blessed with the revenue that goes with it.'"

Barter's service-oriented organization was certainly based on measures. They just weren't the typical measures. Barter fixed his company's focus on serving others—both customers and his own people—and on trust. He credits the influence of Ken Blanchard and John Maxwell, among others, for helping him develop a servant leadership mindset and skillset.



There is an intuition that I've had for a long time now. As a student of Robert Greenleaf's principles of servant leadership, it's a feeling that grew as I developed my original manuscript for my book *The Speed of Trust*, and grew ever stronger as Greg Link and I followed that with *Smart Trust*. I became increasingly convinced that the practices of servant leadership and trust are inextricably linked. Today, like Art Barter I find it difficult to talk about *servicing* without also talking about *trust*. (And vice versa.)

Consider this contrast: Both servant leadership and trust-based leadership stand in opposition to the traditional *positional leadership*. Positional leadership is steeped in the language of control: "You have to do what I say because I'm the boss."

On the other hand, servant leaders and trust-based leaders alike draw from a deeper well of meaning. They serve first; they extend trust first. Leadership is the byproduct; and positional authority is at best an afterthought.

I have thought quite a lot about the special relationship between servant leadership and trust. Though linked, they are not synonymous. Which comes first? Is one driven by the other? For the leader who seeks to lead their organization into the stratosphere of success a la Datron, how should he or she balance these two disciplines?

Here are 5 key insights that have become clear to me.

1. The defining outcome of the servant leader is trust.

How do you know if you are a servant leader? The answer is trust. Trust is the litmus test. Trust is to servant leadership what profit is to a business. It's the outcome. It's the core measure. The scoreboard.

It's a simple assessment you can conduct right now. Pause for a moment to think about the people you lead. *What is the level—and quality—of trust?*

If you are an authentic servant leader, you have enormous trust. But if you are surrounded by low or damaged trust, then you may safely conclude that your servant orientation is in some way compromised or diluted.

At Datron, Art Barter came to this same conclusion. He says he quantified servant leadership by knowing what to measure and what *not* to measure. He *stopped* measuring short-term revenue, which is what the company had done for 20 years prior. Art reasoned that when companies emphasize short-term financial measures, those “corporations tend to make short-term decisions, which tends to make leaders self-serving.”

Instead, Barter chooses a different metric; one that some initially found unusual. He measured trust. “Every six months, I asked three very easy questions,” he said. “I asked employees, *do you trust your boss?* That's a simple yes or no answer. And I also asked, *do you trust management?* They have to look at the entire management team and say, you know, I don't trust the entire management team, or I do trust them. Then I asked managers, *do you trust each other?*”

Some people might consider it a bold move to base projections for a multi-million dollar organization on such a soft criteria. (And even bolder to do so at the staying of traditional sales projections.) But Art Barter validated a point I've believed for a long time, which is that there is nothing “soft” about trust. Rather than merely being a soft, “nice-to-have” social virtue, trust is a hard-edged, *economic driver* in that it always affects the speed at which we can move and the cost of everything. Indeed, trust is the one thing that changes *everything*.

If you lead as a servant, you will know it because you will be surrounded by high-trust relationships and a high-trust team. And your company will reap the dividends of a high-trust organization.

It's that simple.

2. The clear intent of the servant leader is to serve others.

Trust and servant leadership share another similarity in that both are built on intent.

Intent – your motive, your agenda – may be intangible and invisible. But don't think for a moment that it is hidden. People sense it and feel it in everything you say and do.

Think about the positional leader. What is the intent of the leader who drives change purely through the force of his position in the organizational hierarchy? I've worked with plenty of those leaders (and, indeed, have found myself slipping into that orientation at times. Haven't you?) The intent of the positional leader is to generate business outcomes first. If they can do so while also creating a win for other people, that's certainly a nice bonus. But when tempted with a forced choice, they will go straight for the results even if it means that people get bruised in the process. At the end of the day, the positional leader is *self-serving*.

The servant leader is different. Her intent is purely and simply to *serve others*—co-workers, customers, partners, communities. The servant leader is motivated by caring, and the agenda she seeks is mutual benefit: “I want to win... but it is even more important to me that *you* win.” I have worked with plenty of those leaders as well. When their intent was pure, *I knew it*. And I never needed to second guess their agenda or motive. And, significantly, I wanted to give them my best in terms of quality work and personal loyalty. They truly inspired me to perform better and they absolutely brought out the best in me. As Cheryl Bachelder, CEO of AFC (Popeyes) and one of the world's great servant leaders today, put it, “All truly great leaders are servant leaders because they serve the people well—and the followers know the difference.”

But why wait for people to infer your intent? You can accelerate trust by declaring your intent. John Mackey, the beloved CEO of Whole Foods Market, did this in a dramatic fashion eight years ago when he wrote a letter to all employees of the organization. Here is an excerpt from that remarkable (and now legendary) company communication:

The tremendous success of Whole Foods Market has provided me with far more money than I ever dreamed I'd have and far more than is necessary for either my financial security or personal happiness.... I am now 53 years old and I have reached a place in my life where I no longer want to work for money, but simply for the joy of the work itself and to better answer the call to service that I feel so clearly in my own heart. Beginning on January 1, 2007, my salary will be reduced to \$1, and I will no longer take any other cash compensation.... The intention of the board of directors is for Whole Foods Market to

donate all of the future stock options I would be eligible to receive to our two company foundations.

What do you imagine was the cultural impact of that statement? If you were an employee at Whole Foods Market, do you think this might re-awaken your own aspirations and commitment to the mission? And might it increase Mackey's credibility as he leads this fast-growing organization? It did both of those things, and in abundance.

There are more tangible outcomes as well. Over time, the leader's authentic intent will eventually materialize as behavioral norms, and then ultimately in systems and structures. For example, Mackey's intent now informs the company's talent development processes: "We don't promote just the most competent people," Mackey says, "but also the most loving and most caring."

Today Mackey's intent is manifest in Whole Food's servant leadership culture. Intent shapes the organization. And it becomes real.

3. The deliberate behavior of the servant leader is authentic, trust-building behavior.

As John Mackey demonstrated in his remarkable statement to the employees of Whole Foods, the intent of the servant leader always manifests in *behavior*. And that behavior builds trust.

Herb Kelleher is the former CEO of Southwest Airlines, and his storied tenure provides unending testament to the power of trust-generating servant leadership. Here's one story that is typical of his extraordinary commitment to his deepest values:

One of Kelleher's property managers at Southwest made a verbal offer to the city of Austin, Texas, to pledge \$400,000 towards the preliminary design of a new airport. But the Southwest manager was unaware that support of the airport was not a part of his company's plans. When word of this premature commitment reached Kelleher, the CEO stood behind the employee's word. Even though the manager's verbal commitment was not legally binding,

Kelleher insisted that Southwest would write the check for \$400,000. “When we give our word,” he said, “it’s our word, and we keep our word. It doesn’t matter who it is that gives our word.”

In this case, Kelleher’s unyielding convictions became unquestionably evident in his behavior. Imagine the trust that his pricey move must have generated among employees, out into the city of Austin, and beyond. Most significantly, through such authentic behavior, Kelleher was able to build a culture of trust and servant leadership that was expanded on brilliantly by his successor, Colleen Barrett (a wonderful contributor in this book). From her, it has similarly expanded to countless others as a high-trust culture like Southwest’s, ultimately, manifests itself in behavior.

Behavior is ground zero for the servant leader. It is the place where conviction becomes real; where intent becomes a potent force for value-creating change; and where the leader can make intentional moves for the purpose of establishing a servant-leadership culture.

For the servant leader, behavior isn’t just what gets done but *how* it gets done. This is a principle that shows up in the norms of many servant-leader cultures. The former Chairman & CEO of Procter & Gamble, Bob McDonald, put it this way: “how we achieve growth is as important as the results themselves.” Similarly, at Marriott they say, “How we do business is as important as the business we do.” Art Barter uses almost the very same words when he says, “the way you obtain results is more important than the results themselves.” Expressed another way, for the servant leader, the means *preexist* in the ends.

This stands in contrast to the positional leader, for whom the results take precedence over process; the *what* supersedes the *how*, and the ends justify the means. In dramatic cases this may show up as overtly unethical or illegal behavior. But most positional leaders I know are not overtly nefarious. Indeed, their behaviors may appear to be trust-building on the surface. But lacking the servant leader intent, closer examination reveals a subtly counterfeit quality to the behaviors.

In *The Speed of Trust*, I identify 13 behaviors that powerfully build trust. Each of those behaviors has an accompanying *opposite*, and perhaps more significantly, an accompanying *counterfeit*, which reflect how a positional leader more typically behaves. For example, one of the behaviors is to “demonstrate respect.” Lacking a true servant’s intent, the leader may practice the counterfeit of demonstrating respect only to some – such as to those who can do something for him – and not to others—those who can’t.

Similarly, another trust-building behavior is to “talk straight.” The counterfeit would be appearing to deliver straight talk, while in reality withholding or “spinning” some parts of the message.

You can see the subtle temptations that make these counterfeit behaviors appealing. I find that without self reflection, many leaders actually believe their counterfeit behaviors come from a place of integrity. But they don’t stand up to scrutiny. These behaviors may generate results for a while but they’re not sustainable, and worse, they diminish trust. Sooner or later, people always infer your real intent.

No one questioned Kelleher’s behaviors, or his intent. The cleared \$400,000 check stood as compelling and uncontestable evidence to his truest self.

4. The strong bias of the servant leader is to extend trust to others.

The positional leader seeks to control. The servant leader seeks to unleash talent and creativity by extending trust to others. Why? Because the servant leader fundamentally believes deeply in others—and in their potential.

I truly do empathize with the positional leader! It is a risk to extend trust to others. Many leaders I know have advanced in their careers by minimizing risk. They say, “I want it done right so I do it myself.” Some are even celebrated for this approach.

But this orientation is exhausting, unsustainable, and incapable of delivering the endless innovation, energy, and engagement of an organization that has been electrified by trust.

Extending trust to others doesn’t have to be an exercise in blind gullibility. It is an intentional action that I call Smart Trust. It begins with a willingness to trust others, (what I refer to as a person’s *propensity to trust*) balanced with an *analysis* of the stakes and risks of extending that trust (including an assessment of the credibility of those being trusted). But the clear and decided bias is to start with trust. That starting point is what opens up boundless possibilities.

Muhammed Yunus extended Smart Trust to the masses, and it won him the Nobel Peace Prize.

Yunus was a university professor in Bangladesh who was grieved by the vicious cycle of poverty he saw around him. He believed that his community had the capacity to lift itself out of poverty through entrepreneurship, if they only had access to capital. They didn't need a lot of money; just \$25, for example, to purchase inventory for a vending cart.

Out of this need, and ultimately out of millions of extensions of trust, Yunus founded the global *microcredit* movement.

Early in the process of making these small loans available to individual people, Yunus encountered a challenge. "The people said 'we can't provide collateral,'" Yunus reflected. "I said 'I will provide the collateral for them.'" Grameen Bank was born.

Listen to Yunus' declaration of intent in describing the microcredit movement: "We're going to make a difference and draw people out of poverty. We are going to extend trust and people will thrive in it." Yunus understood a basic-yet-powerful principle of trust, which is that *people want to be trusted*. It's the most compelling form of human motivation.

Grameen Bank has the results to prove it as the microcredit movement has helped to lift literally tens of millions of people out of poverty. And the 98%+ rate of payback on the loans demonstrates the world-changing results that can be achieved when the servant leader extends trust. (Compare that to the 88% payback rate of traditional small business loans!)

5. The purpose of the servant leader is *contribution*—to make a difference, to give back.

The positional leader serves the bottom line, or the self. The servant leader serves something greater, which inspires trust not only in the leader, but potentially in all of society as well.

Pedro Medina was a businessperson in the Republic of Colombia who helped to establish McDonald's restaurants there in 1999. He was painfully aware of the volatility of the neighborhoods where he lived and did business. His country was plagued with social instability; kidnappings and terrorist acts dominated the daily headlines.

While teaching at a local university, he asked his students how many of the talented young people he was investing in intended to leave Colombia after graduation. Most of them raised their hands.

This pained him. “Why do you want to leave?” he asked and they told him, “We have lost hope. Can you tell us why we should stay?”

The question haunted him, and he founded an organization called *Yo Creo en Colombia* – “I Believe in Colombia.” A grassroots initiative, the organization’s primary purpose was (and is) to increase trust and confidence in Colombia, first at home and then abroad. It reaches out to Colombians to advocate for the achievements, potential, and resources of the country, and to leverage those “in order to build a fair, competitive, and inclusive nation.” Since its inception, the Foundation has touched hundreds of thousands of Colombians in 157 cities and 26 countries.

Medina created a powerful social movement – and he did it without positional authority. His efforts not only have taken root at the grassroots level, they have additionally spawned institutional and structural changes at the national level. Three years after Medina began this initiative, Alvaro Uribe, motivated by the impact of *Yo Creo en Colombia* and the numerous like-minded initiatives it inspired, was elected on the very platform that Medina had identified of “restaurando la confianza (restoring trust).” Uribe was not only able to succeed, he was the first Colombian to be reelected President in over a century. Today there is still great work to do, but the country has made massive strides in restoring trust in security, investment, and social cohesion.

Medina was just an ordinary businessperson with the heart of a servant leader, a vision and purpose bigger than himself, and the courage to take action. That was enough to change the world.

Though closely related, trust and servant leadership are not synonymous.

But they do share some important commonalities.

Both find their genesis in choice. And both are born in the intent of the leader. They are simple disciplines, but they are not easy. In fact, they are hard. They both require the full engagement of the leader, and the courage to set aside self-serving pursuits in the service of other people and higher outcomes.

In fact, you can choose to accelerate your practice of trusting servant leadership right now, at this very moment. It begins with a self audit, and a commitment. Ask yourself:

- What is the level of trust I share with my relationships, my team, my stakeholders?
- What is my real intent? Is it truly to serve others, or is it to serve myself?
- What are some opportunities for declaring my real intent to others?
- What are some ways that I can intentionally demonstrate my intent to serve through my behaviors?

Yes, there are risks involved when you set aside your own self interests and extend trust to those around you. But, I believe, the greater risk is to withhold trust.

By both inspiring and extending trust, you will be enabled to create a mighty culture of servant leadership that speaks to the highest aspirations of the people you lead. Just ask Art Barter, Cheryl Bachelder, John Mackey, Herb Kelleher, Colleen Barrett, Mohammad Yunus, and Pedro Medina.

I am confident that within just a few hours of reading this chapter, you will encounter an opportunity to demonstrate your servant leadership intent through trust-building behaviors. Are you ready to seize that moment?

