

**STRATEGIC ALERT
WHITE PAPER**

**The State of Trust
&
Rebuilding Trust in America**



**International Collaborative
Leadership Institute**
www.ICLIInstitute.org

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State of Trust & Rebuilding Trust in America – Strategic Alert

Overview

The level of distrust in America’s fundamental institutions, including government, education, police, big business, banking, and health care has reached historic lows, and getting worse.

Institutions are the means by which American civilization transmits its core values, standards of excellence, and culture from one generation to the next.

When institutions are not trusted by its citizens, societies crumble.

Leaders are responsible for the trustworthiness of our institutions.

When institutions fail, it’s a failure of leadership; we are not training leaders for today’s world.

We must re-examine our leadership thinking and reform our leadership methods now.

Time is running short to fix the problem. The signs of the emerging crisis are all around us.

Rebuilding Trust in America must become a top priority for all leaders and educators.

This White Paper outlines the magnitude of the problem and proposes a path forward.

The problem of trust is, like high blood pressure, both invisible and a silent killer.

While this paper outlines the seriousness of the problem, we also address a series of recommendations, and are firmly convinced, given the breakthroughs in the understanding of trust and leadership today, we can reverse the process of distrust – but engaging in the remedy must not be prolonged, for the longer we wait, the worse it will get as distrust begets itself in a voracious cycle of fear. The good news is that the remedy produces mutually beneficial results for everyone.

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This is the first in a series of White Papers that will be issued by the Collaborative Leadership Institute. Other papers in the series, to be released monthly, will include:

- Why Collaborative Leadership is Essential in today’s Complex, Interconnected World
- How the Collaborative Leader builds Trust in Organizations
- The Impact of Trust on Teamwork and Innovation
- How Trust is Mitigates Risk
- Economics of Trust and Collaborative Leadership
- How the Collaborative Leader Creates Competitive Advantage
- Trusted to Innovate – Tackling Great Problems through Collaborative Leadership
- Understanding Human Behavior – The Four Drives for High Productivity
- Leadership as a System – the Breakthrough in Leadership Training

The State of Trust in America



There is an erosion of trust across America. People know it at the visceral level. The nation showed this lack of trust in the recent Presidential election.¹

The level of trust in America’s fundamental institutions, including government, education, police, big business, banking, and health care has reached historic lows, and getting worse.

The plummeting levels of trust speak volumes towards the erosion of a strong nation which has been built on core values, standards of excellence, and “can do” culture passes from one generation to the next.

When institutions are not trusted by its citizens, societies crumble.²

Because trust is, in a sense, “invisible,” the root causes of distrust must be defined, quantified, and remedied.

If we don’t take action to remedy the lack trust in our nation, the state of the nation will erode to include riots, economic crises, massive disillusionment, and perhaps even insurrection

¹ While the 2016 was one of the ugliest, hard fought campaigns in American history, fully 40% of the voters (92 million registered voters) failed to show up at the polls – these are our nation’s despondent “lost” citizens. .

² Historians have long documented this effect, most notably the historian that most influenced the Founding Fathers: Edward Gibbon. His first of six volumes of “The Decline and Fall of the Roman Empire” was issued in 1776. Gibbon’s conclusion was the collapse of Rome was brought about in large part by the erosion of civic virtues and values that engendered trust in foundational institutions of society.

How Severe is the Problem?

Lack of trust in America is evident in nearly all our sacred institutions.



In the pages that follow, you will see that, with the exception of only a few institutions, across the land, Americans are disengaged and despondent about our future as a nation.

The problem and the solution come from the same source: Leadership.

Every year America graduates 3.5 million students from high school; 20 million students are enrolled in college, and 100,000 graduate with Masters in Business Administration.³

Only a microscopic percentage has had any real education about leadership.

Virtually none could distinguish the difference between *adversarial*, *transactional*, and *collaborative* leadership styles. (see figure on next page)

In fact, most business schools, if they teach anything that resembles leadership, teach a crude mixture that muddles all three forms into one muddy mess.

³ Source: National Center for Education Statistics.

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Figure 1: Three Basic Forms of Leadership: All Leadership is NOT the same. Muddled Leadership randomly mixes all three "flavors" into a muddy mess.

Trust in American Institutions – by the numbers

Every year the Gallup Poll does a poll to test the Confidence⁴ in American Institutions. They ask people if they trust “all of the time,” “most of the time,” “sometimes,” or “never.” If they answer “all” or “most” of the time, the response is considered “positive.”

The only two American institutions registering positively in 2016 were the Military and Small Business.

It should be noted that the military is one of the few institutions that places a large emphasis on leadership training, starting with its officer corps (academies, ROTC, and Officer Candidate School) and its enlisted corps (boot camp).

TRUST IN AMERICA *The Most Trusted Institutions*



Small businesses are an example of the “cream rising to the top” in a highly competitive, entrepreneurial environment where mediocre leaders are forced to drop out of the marketplace,⁵ leaving the best to prosper.

Building a powerful culture of trust is the only way to keep our nation strong.

Leaders build trust by instilling the right values, measures, and rewards in their organizations. The evidence indicates quite strongly that our leaders have failed in this task, and are not getting better.

⁴ Definition: Confidence – to trust, to entrust, to place reliance upon, fidelity (from Latin: *com* – “with” “join” “together” + *fideltas* – “faithful” “trustworthy”)

⁵ About 70% of business startups fail in the first 3-5 years according to the Small Business Administration

TRUST IN AMERICA



Source: Gallup Poll June 2016

Lack of trust in Government is extremely high among Americans, particularly their belief in Congress, which at 9% confidence rating is equal to our trust in used car dealers.

As a matter of contrast, Americans trust the United Nations at a level five times higher than Congress, and we don't even elect United Nations representatives!

Erosion of trust has spread exponentially in the last 50 years

In the Eisenhower and Kennedy years in the White House, nearly eight out of ten Americans trusted their government.

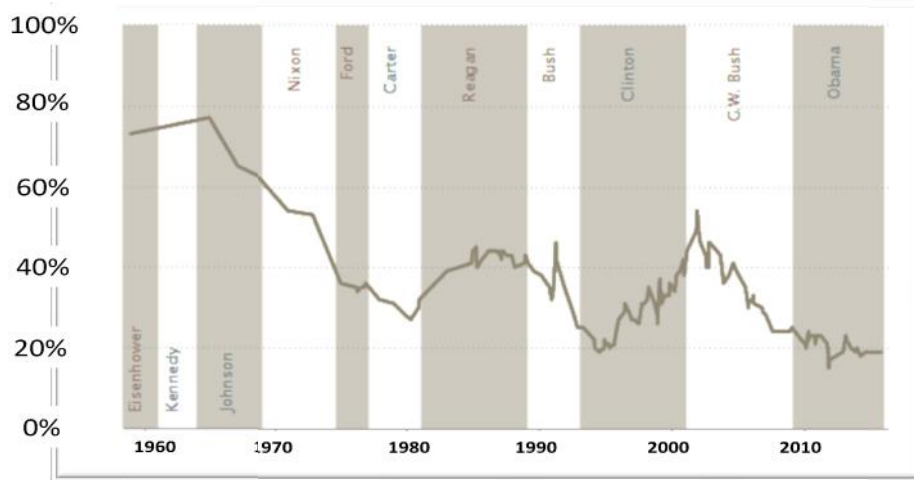
Today, the reverse is present: more than eight out of ten Americans do not trust their government.

This is not the result of either Democrats or Republicans, it is the result of negative politics and poor leadership in our nation. Perhaps it is no coincidence that in the years of the 1960's, three quarters of Congress served in the military, predominantly in WWII. Today, less than a quarter have military service. Traditionally military officers seek to find solutions for the common good of the people. In contract, partisan politicians seek power and personal gain, at the expense of losing trust, integrity and respect.

TRUST IN AMERICA

Was it always this bad.....?

% who Trust Government in Washington “Most” or “All of the Time”



Source: Pew Research Foundation

Local Institutions are being Eroded

Our local institutions are suffering from the same malaise, whether it be our local police departments, churches, schools, banks, and media (including television, newspaper, and radio).

TRUST IN AMERICA

How do Local Communities Fare?



* Organized Religion was the most trusted institution in America during the 1970s & '80s with 66% trust ratings

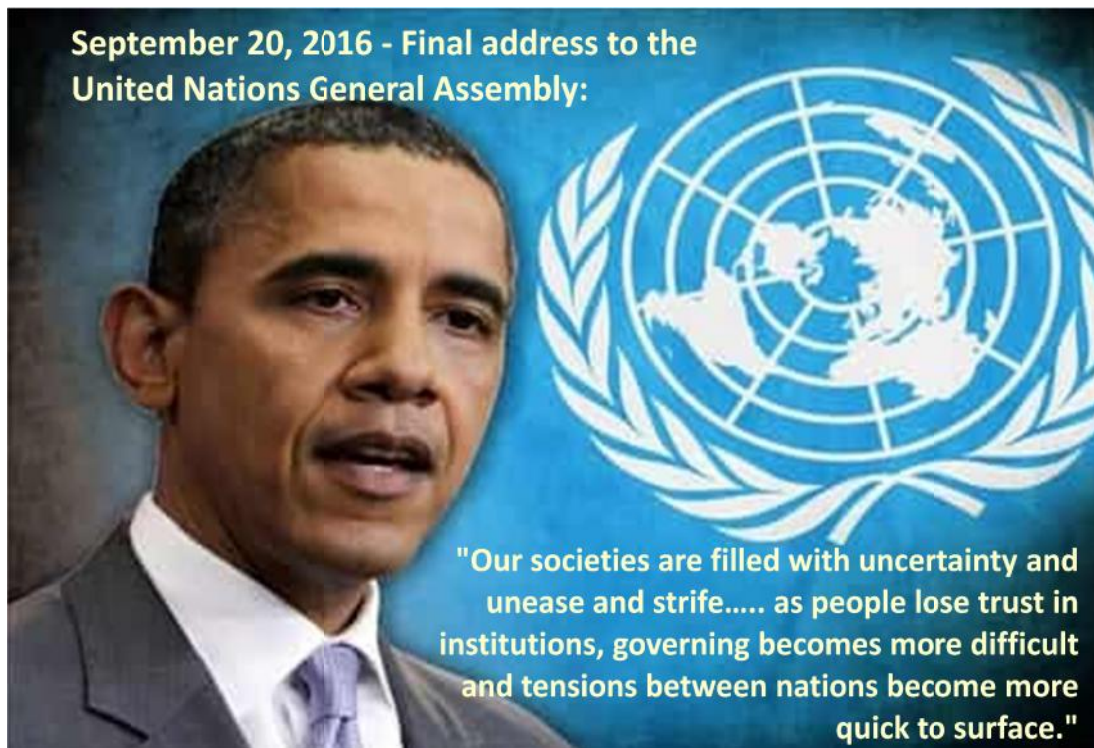
Source: Gallup Poll June 2016

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Why is trust so important?

For several reasons:

1. When people don't trust their leaders and their institutions, they become fearful, self-protecting, self-centered, less cooperative, and less giving, and less willing to learn and love. In a sense they enter an "era of darkness."
2. Institutions are the means by which a civilization transmits its learning, values, wisdom, and best practices from one generation to the next. When institutions are not trusted, they die, and sometimes are not replaced (like churches in communities), or people leave (such as what has happened in Detroit), or they simply drop out (leave school, get hooked on drugs, or become wards of the state).
3. Trusted social institutions create strong futures. Distrust creates weakness exploited by predators. It is becoming increasingly difficult to govern as the Disease of Distrust engulfs the planet. (see comments by President Obama in his final comments to the U.N.)



Serious Consequences

This problem is probably no more tragic than with churches and religion. Just one generation ago, churches were considered among the most trust worthy organizations in America. People relied on churches to fill their spiritual needs, to be the center of their social community, and to find refuge from the turmoil around them. Today our churches are only trusted by two people in five, and distrust is increasing.

Youth – Our “Sentinel Species

Most people know of the “canary in the coal mine” used by miners to detect toxic gases well before humans are affected. This is called a “sentinel species.”



We, as humans, also have a “sentinel species” – it’s our youth. They are more sensitive and tuned to toxicity in their surroundings. They sound the warning bell when something is seriously wrong. Here’s what they are telling us right now:

TRUST IN AMERICA *Sentinel Species -- Youth in Peril*

When Institutions Fail

Values Disintegrate & Civilizations Decline

Problem is Pandemic

- **Death – Suicide Skyrocketing**
Second leading cause of death
 - One teenage Suicide Attempt every 20 seconds
- **Depression – No Hope leads to drugs**
- **Drugs – 20% Potential Addiction**
- **Dropouts – 30% No Future**
- **Destruction – Violence & Gangs**
 - Chicago: one shooting victim every 2 hours
- **Despair – 50% “American Dream is Dead”**

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Millenials Seek High-Trust Leadership

Our youth are not the only ones sending deep signals of unrest. Millenials, who are becoming dominant in the work force, sense the poor leadership -- most already have one foot out the door:

- 25% plan to leave their jobs within a year;
- 2/3^{rds} plan to leave within 4 years

Millenials tell us exactly what they want from their work, and specifically what they want from leaders:

- Opportunities to be leaders
- Sense of meaning from my work
- Professional development training programs
- Positive impact on society
- Strong sense of purpose
- A leading company that people admire
- People around them they can trust

All too often they don't get this level of leadership from their companies, and they move on, seeking fulfillment elsewhere.

*People don't work for companies,
they work for their leaders.*

The Importance of Leadership

Leadership stands at the pinnacle of all factors in determining success or failure

- in personal life,
- in family,
- in community, and
- in organizations.

No other factor provides the leverage and nexus to have such an impact and make a difference.

Today's world is changing at a bewildering pace. In no other period in the history of human events (with the exception of wartime) have we encountered so much change so fast, with so much inter-connectivity.

We could (and should) be producing better results.

But we need to refine our thinking and training about leadership and trust-building. We must distinguish the different forms of leadership – *adversarial*, *transactional*, and *collaborative*, and then teach people when each is appropriate. We must train leaders in trust building and creating high performance teams. We need to do these things not with stories and aphorisms, but with genuine design “architectures” that explain, predict, and prescribe with reasonable accuracy.



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Collaborative Leadership is Essential

In today's inter-connected world, the large majority of our workforce is engaged in teams, cross-boundary relationships, or strategic alliances.

- Thus, for organizations seeking competitive advantage, *Collaborative Leadership is an essential configuration.*
- For the most part, other forms of leadership, when applied to complexity, change, engagement, and connectedness, are misguided, dysfunctional, or obsolete.
 - *Adversarial, and Transactional Leadership approaches are simply outmoded or not effective in much of today's world, because these neither take advantage of the power of teamwork to produce quality results and nor engage collaborative innovation necessary for rapid adaptation.*
 - *For all-too-many leaders, the constructs of leadership are ill-defined, ambiguous, and muddled.*



Our extensive studies and experience continually demonstrate that Trust-based Collaborative Leaders gain a 10 - 25% competitive advantage over their Adversarial and Transactional counterparts.

This advantage manifests as improvements in productivity and profits.



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Recommendations to Shift the Tide

The serious erosion of trust in America will not be easy to reclaim, but it can be done when leaders recognize the problem and take appropriate action. It will take vision, fortitude, and commitment. The future of a nation, your organization, and your livelihood is at stake.

→ Our Nation's Government

As a country, we must recognize that Collaborative Leadership was the way we won the American Revolution against all odds. George Washington became our First President because he was the most trusted leader in the new nation. Trust is the most essential binding agent that holds our nation together. Without trust we become unglued.

Our political leaders must recalibrate their entire approach to governance and campaigning, recognizing that fear-based electioneering is destructive to America. Similarly, voters must reject fear-mongering as a tactic – let truth, honesty, and openness reign.

We must create an entire movement in our land to “Rebuild Trust in America.”

→ Our Schools

In the last fifty years, our educational system, from youngsters to college has lost its “center of gravity.” Up until the mid-1960s, character-based education was an integral part of our educational process. Following the wisdom of Thomas Jefferson, until recently our nation understood that for a democratic republic to function, we needed both an electorate and government leaders who were ethical, trustworthy, and responsive.

Sadly, our current educational system has lost its balance and is capsizing. Moral courage is no longer valued; the balance-scale has tipped over completely to competency-based education. Our youth are rebelling – dropping out, drugging themselves, and dying by their own hands. This must stop.

We have developed a program to provide youth with a leadership program with a methodology designed to energize and inspire, enabling:

- Strong sense of Mission and Purpose
- Capable of Responding Positively to Adversity
- Willing to take Responsibility for their Lives
- Turn Problems into Opportunities
- Build Trustworthy Personal Relationships
- Become strong role models and excellent parents
- Be helpful friends
- Have standards of Excellence that will improve over the years

The Collaborative Leader seeks to:

- Unite, not divide
- Inspire, not open fire
- Elevate, not denigrate
- Embrace, not disgrace
- Enlighten, not frighten
- enthuse not confuse
- engage, not enrage
- align, not malign
- integrate, not segregate
- lift, not rift
- to use differences as engines of innovation

*Life is not just lived,
.....one must learn to lead one's life*

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Other programs, such as Character Counts have proven themselves in the schools. The work of the Tufts Institute of Applied Research in Youth Development has demonstrated the value of Youth Leadership Training; programs like Scouting and 4-H Clubs make a very measurable difference.

We simply cannot waste our future by letting our youth decline into oblivion.

→ Our Businesses

If the trends continue, business in America will be in a futile pursuit of profits that will be ever-eroded by unproductive, distrustful, discontented people. More and more businesses will go off-shore to find some workforce that has a work-ethic worth investing in.

Current forms of *Adversarial* and *Transactional* Leadership, while useful in a limited range of areas, are simply bad for most forms of business, particularly where complexity and uncertainty and change are prevalent. (it is in these conditions where *Collaborative* Leadership excels)

As more and more of the baby-boomer generation exits the workforce, replacing them is a 3-5 year development process. Business schools are not doing a very good job – they train managers, not leaders.

To be competitive, business must invest in better leadership training that produces men and women who can build trust, create high performance teams, engage in collaborative innovation, and adapt to change. This investment must not be a superficial palliative, but a strategic, root-cause cure.

For senior organizational leaders who face intense global competition and increasing pressure for growth in a complex and fast-changing environment, our leadership capability building must be focused on collaboration. It must be appropriate for today's complex, inter-connected world. We must aim at producing leaders with the ability to produce extraordinary results that meet these standards:

- Ethically sound and sustainable,
- Build strong organizations that can adapt,
- Engage employees, customers, and suppliers in the creation of new value,
- Produce innovation across the entire value chain,
- Capable of generation of new wealth, and value
- Laden with a deep level of personal meaning coupled with a renewed sense of purpose.



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Summary

America is only as strong as the institutions that form its foundation. Institutions are the means by which we function socially and economically, and the process by which our values, standards, and implicit knowledge and wisdom are transmitted from an older generation to their progeny. Distrusted institutions are inherently unstable. Trust is to an institution like ballast is to a ship, it is the center of gravity that keeps vessel upright; otherwise it will capsize.

Confidence – the trust we hold in our institutions -- has been corroded and eroded to a point where the very foundations of our nation are in peril. There is a deep unease across our land – everywhere people sense something is wrong, but, because trust is invisible, few seem to put their finger on the root cause.

We know that the basis of distrust is either “deep fear” (the certainty that harm is inevitable) or its cousin, “fuzzy fear” (the anxiety and anticipation that something wrong or bad will happen).

Our youth are the sentinels that project and amplify this distrust into their world: increased drop-outs, deaths by suicide, depression, and destructiveness are symbols of their disillusionment.

When institutions fail, there is only one place to turn – to its leadership – to start the remedy.

*Trust determines the course of history,
the destiny of nations, and the fate of people.*

Paul R. Lawrence, Harvard Business School

These recommendations are just a beginning.

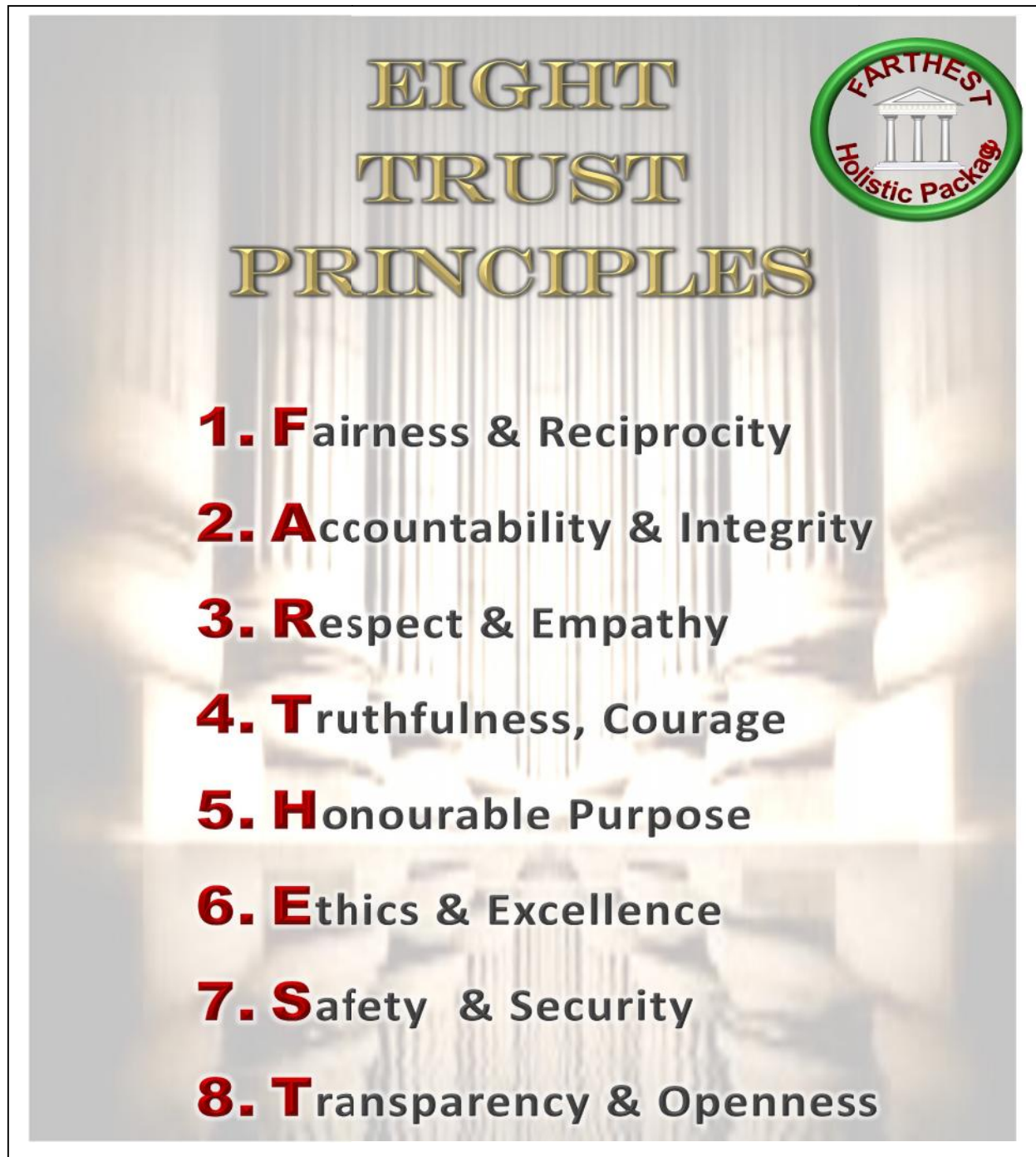
Each month we plan to release another Strategic White Paper on how Trust-based Collaborative Leadership can help build a better world for individuals, communities, businesses, and our nation.




On the following page we provide a preview of one of the tools we use for building trust in teams, organizations, and alliances

Eight Trust Principles

When building trusted leaders, these eight principles (guidelines) have been used every effectively in hundreds of organizations to create a culture of trust, teamwork, and innovation.



**EIGHT
TRUST
PRINCIPLES**



- 1. F**airness & Reciprocity
- 2. A**ccountability & Integrity
- 3. R**espect & Empathy
- 4. T**ruthfulness, Courage
- 5. H**onourable Purpose
- 6. E**thics & Excellence
- 7. S**afety & Security
- 8. T**ransparency & Openness

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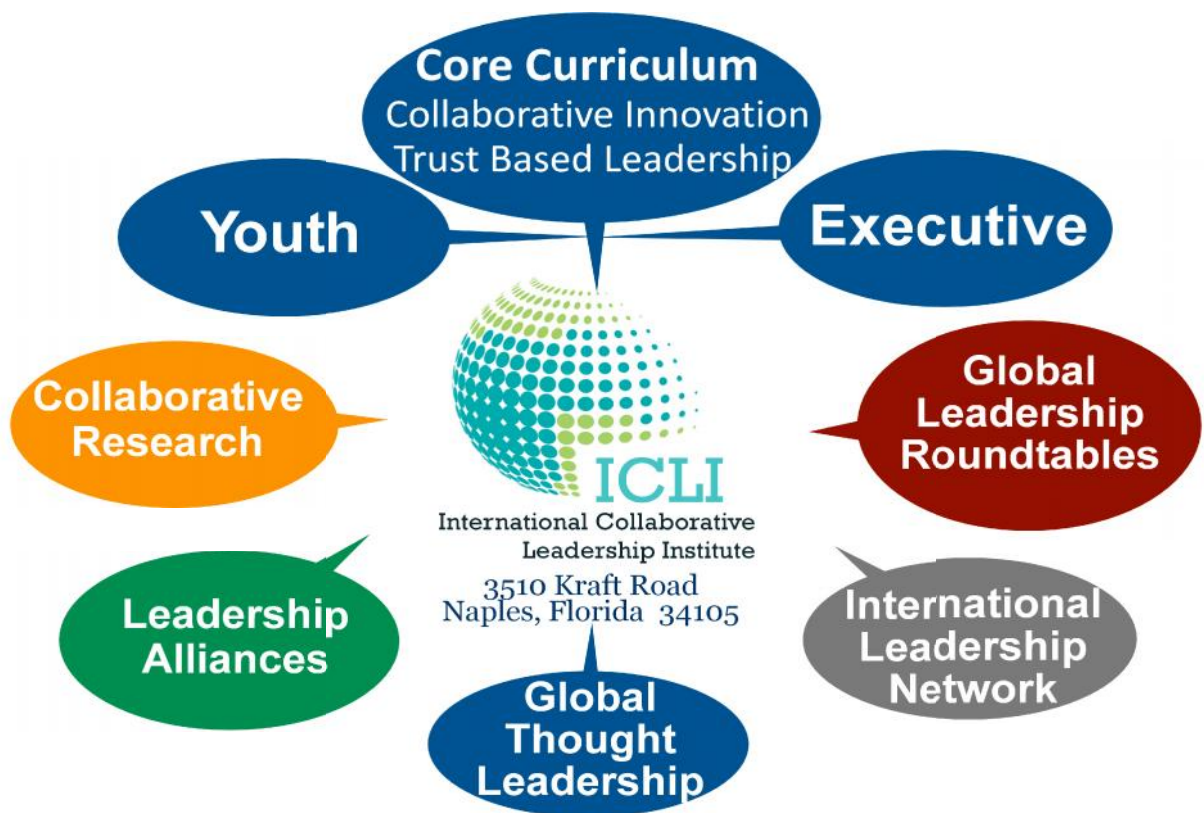
About the Institute

Our Mission

- The International Collaborative Leadership Institute is a new school of management focused on training today's and future leaders in the art and science of collaborative leadership, starting with Millennials and moving to the middle and upper management of today's public and private sector enterprises.

ICLI is a 501c3 institution dedicated to bringing collaborative leadership to the US and then global market, where the business of education can make a positive difference in the world.

Our Structure



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Appendix – Chart of Decline in Trust in American Institutions

