Interaction Associates
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Building Trust 2013:

Workforce Trends Defining High Performance

June 2013

In partnership with: Human Capital Institute

About This Research

Building Trust 2013: Workforce Trends Defining High Performance is research that explores the overlap of leadership, trust, and collaboration—and has been conducted annually since 2009 by Interaction Associates. A survey was developed and distributed in February 2013 by Interaction Associates and the Human Capital Institute (HCI). More than 290 organizations worldwide were surveyed, with 399 participants completing a survey of 37 questions. The surveys were distributed to a combined target list of HCI members and business leaders from Interaction Associates' database, with a special concentration this year in the Asia-Pacific region. Additional demographic information can be found in the appendices of this report.

The results of this survey form the basis of this research and are summarized in the following text. In addition, HCI conducted several in-depth interviews with a group of thought leaders and practitioners to help inform this research, including:

- Jean Hamakawa, *Executive Vice President and Director of Human Resources*, Bank of Hawaii
- David Yudis, *Vice President of Talent Management, Learning and Development*, UTI Worldwide

To supplement the primary research methods described, the researchers reviewed previous years' *Trust in Business* studies by Interaction Associates, including in-depth comparisons to the 2012 data.

Definition of Key Terms

Organizational Trust

The extent to which employees trust others within their organization based on:

- Consistency, predictability, and quality of work and actions.
- Ability and evidence of past accomplishments.
- Shared sense of commitment and responsibility to achieving a common goal.

Level of Trust

The extent to which:

- People have a shared sense of commitment and responsibility within an organization.
- Individuals feel safe communicating their ideas and opinions among colleagues, peers, and supervisors.

Trust

Trust is the willingness to put oneself at risk based on another individual's actions.

High Performing Organizations (HPOs)

Organizations whose net profit grew more than 5% over the last year.

Low Performing Organizations (LPOs)

Organizations whose net profit grew less than 5%, or shrank, over the last year.

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I. Executive Summary

Interaction Associates has conducted the *Building Trust* workplace research for the past five years, exploring the state of trust, leadership, and collaboration inside companies worldwide. For the past two years, the Human Capital Institute (HCI) has been a partner in this ongoing research.

Our cumulative half-decade of data shows a strong correlation between financial health and the leadership culture and behaviors in organizations. In short, companies adept at practices that reinforce **strong leadership, trust, and collaboration** enjoy better financial performance.

This year, our surveyed organizations universally reported a stronger financial picture and a dramatic turnaround in key areas of trust and leadership. The stronger financial picture is not news—but the corresponding rebound in measures of strong leadership, mutual trust, and collaborative behaviors is distinct and very telling. It suggests a virtuous cycle that we have seen repeated year over year: robust financials correlate with certain behaviors. When the behaviors are missing or declining, the financials also tumble.

II. Summary of Five Key Findings

This section details five major insights from our 2013 research that collectively shed light on how top performing companies drive strong business results at the intersection of trust, leadership, and collaboration.

1. Dramatic Rebound in Trust and Leadership
2. Employee Involvement and Engagement Skyrocket
3. Leaders Walk the Talk
4. Trust is a Decision Leaders Make, Not an Inherent Trait
5. Top 5 Leadership Actions that Build Trust

Dramatic Rebound in Trust and Leadership

The Forbes magazine coverage of Building Trust 2012—which was headlined *Trust in Business Falls off a Cliff**—noted that key measures of trust, leadership, and collaboration were at an all-time low last year.

The 2013 results show what a difference a year makes: both trust and leadership have increased 7 points—going from *off the cliff* last year to some of the highest levels in the five years that *Building Trust* has monitored workplace trust and leadership. Details on page 7.

What's more, nearly all of the leadership traits surveyed in Building Trust have jumped markedly inside High Performing Companies (HPOs). Our survey tracks 16 key leadership areas, and all but three of these experienced striking increases, including "Leaders reflect realistic optimism and confidence in the future," "Leaders model and reflect organizational values," and "Leaders encourage, listen to, and act on employee feedback." Details on page 20.

Employee Involvement and Engagement Skyrocket

Our 2013 findings show a huge increase in involvement and engagement—especially involvement at HPOs vs. Low Performing Companies (LPOs).

Nearly 60% of HPOs report having engaged and involved cultures. Additionally, HPOs now outpoll LPOs more than 3-to-1 on the topic of employee involvement, a dramatic increase over last year's 2-to-1 ratio.

Why is this important? High involvement is a key weathervane on business results because involved employees more actively share responsibility for an organization's success. What's more, our research shows that involvement and engagement correlate with a company's financial success and its ability to retain key employees.

* Adam, S. (2012, June). *Trust in Business Falls off a Cliff.* Forbes Magazine.

Leaders Walk the Talk

Building Trust 2013 increasingly shows that *trust originates from the tone at the top*—specifically that *how leaders lead* is more important than ever. What does it mean to be a leader in an environment where how you lead matters? Two words: predictable transparency.

By huge gaps compared to LPOs, employees at HPOs see their leaders as realistic about the future and more consistently walking the talk by modeling and reflecting the organization's values.

Additionally, HPO leaders more consistently acknowledge individual and team performance—and are consistently transparent in communicating the mission, vision, and strategy of the organization. Details on page 20.

"Many leaders just don't understand the connection between trust and business results. HR needs to use business perspectives and metrics to pitch trust in a way that has impact. Drop the learning jargon and HR terms and talk about trust through the lens of business. That is a hard skill set to come by. Boardroom support is extremely difficult to achieve if you don't use the right set of tools and language."

David Yudis,
Vice President,
Talent Management, Learning and Development,
UTI Worldwide

Leaders walking the talk directly affects whether employees deepen their engagement and involvement, with a profound impact on business results and performance. And because people join organizations but they leave managers, leaders walking the talk in predictable and transparent ways significantly influences employee retention.

"Trust is the tone at the top. Its presence and practice—or lack thereof—stems from the CEO on down," Jean Hamakawa from Bank of Hawaii said. "Establishing that tone and maintaining it is admittedly very difficult and puts those individuals under a lot of pressure, but only they can do it. Creating trust has become part of the job description for senior leaders today, one of the most important things they do."

Trust is a *Decision Leaders Make*, not an Inherent Trait

Building Trust 2013 once again challenges the notion that leaders often have regarding trust: that it's an inherent trait vs. a set of behaviors that foster and strengthen it. This research shows that trust is a decision leaders make to take a risk—and as with other risks in business, leaders at HPOs actively manage that risk in the same way they actively manage financial, operational, and competitive risks.

Why is this important? Trust is a decision we all make to empower others to affect us—and it is created around the interactions we have based on that decision. Given that, there are specific actions that leaders take to deepen trust and to foster it among employees.

Top 5 Leadership Actions that Build Trust

According to *Building Trust 2013*, more than 80% of those surveyed believe that being effective in their work requires a high degree of trust in their leaders. *Building Trust 2013* also identified the top five actions that leaders take to build trust. We asked respondents to choose from a list 3 leadership actions that would most strongly improve trust. The top 5 selected leadership actions are as follows:

1. Set employees up for success by providing tools, resources, and learning opportunities (41%).
2. Provide adequate information around decisions (41%).
3. Seek input prior to making decisions (40%).
4. Consistently act in alignment with the company's values (35%).
5. Give employees an inspiring, shared purpose to work toward (28%).

This year's survey saw a significant rise in confidence in levels of both trust and leadership inside organizations. Both characteristics jumped seven percent, to nearly their highest levels since our research began (See Fig. 1).

Figure 1:

To what degree do the following statements describe your organization?

(% Described extremely/very well)
[1] Significantly higher than 2012

	2013	2012
My organization has effective leadership	38%[1]	31%
My organization is highly collaborative	36%	32%
Employees have a high level of trust in management and the organization	34%[1]	27%

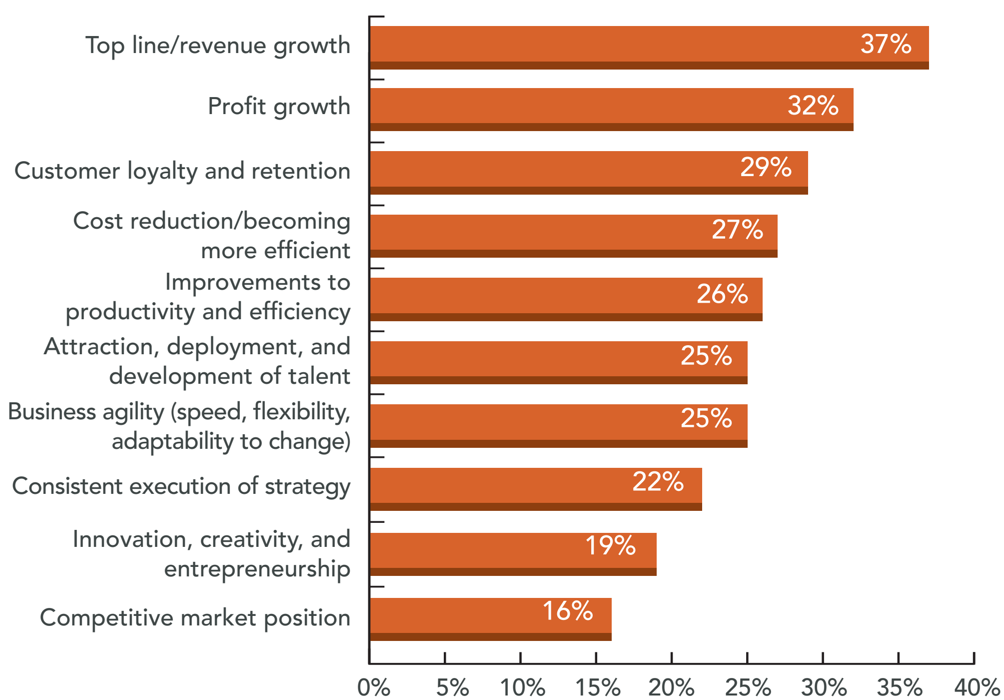
III. 2013 Research Findings—All Companies

Business Goals and Priorities

While our surveyed organizations' business goals and priorities in 2013 have not shifted dramatically, there are some noteworthy differences between 2013 and 2012. Top line/revenue growth and profit growth remain critical priorities for organizations today (see Fig. 2). Among those business goals and priorities that are more highly ranked by organizations overall in 2013, are:

Figure 2:

What are your organization's three most important business goals or priorities for the next 12 months?



1. A focus on customer loyalty and retention.
2. Attraction, deployment, and development of talent.
3. Consistent execution of strategy.

These were behaviors that distinguished the highest performing organizations in our 2012 study.

Key Findings:

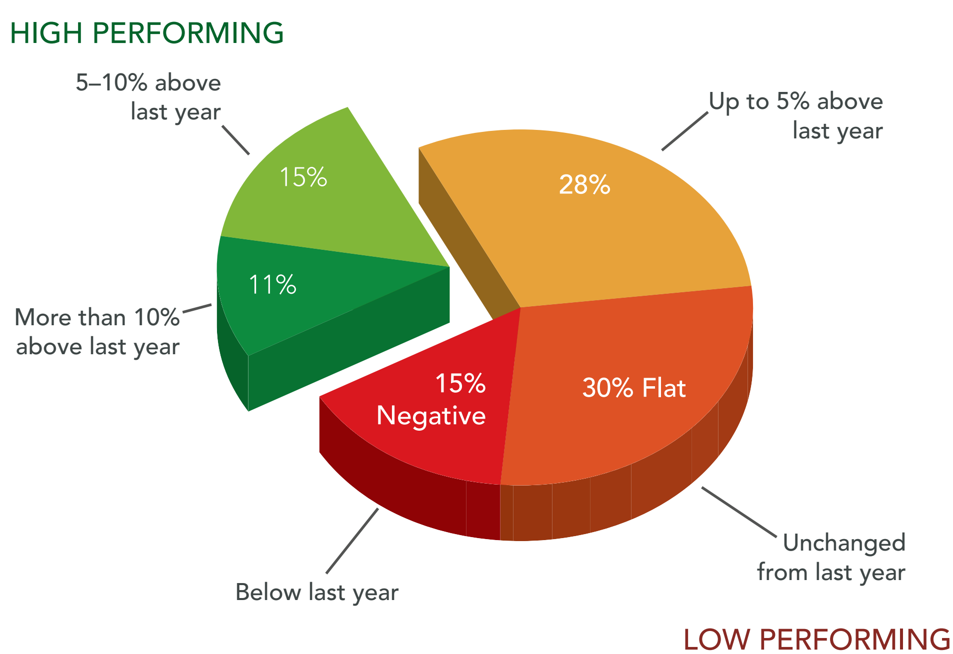
- Many companies in 2013 are more focused on consistently executing strategic plans and processes.
- Talent issues continue to increase in importance: the attraction, deployment, and development of talent is a greater focus in 2013.
- Perhaps most notably, organizations are recognizing that their success hinges not only on effective leaders and employees, but also consumers, as customer loyalty and retention is the third most important goal identified by our 2013 data.

IV. Company Performance: High Performing vs. Low Performing Organizations

Our 2012 research focused on exploring the relationship between an organization's financial performance and levels of trust, leadership, and collaboration, and this year we looked at the same variables to see what, if any, differences occurred between 2012 and 2013.

Figure 3:

Please describe the net profit your organization experienced in the last fiscal year:



To better understand our survey respondents and the organizations they represent, we asked several questions about the organizational profit and revenue growth companies experienced in the past fiscal year. This information helped us determine the relationship between trust and bottom-line results, while also shedding light on the specific ways that organizations with high levels of trust perform.

Identified in the same way in 2012, respondents who stated their **organizations' net profit grew more than 5% over the previous year were classified as working for HPOs. Companies with profit growth below 5% in the previous fiscal year were classified as LPOs.** This profit growth difference was the most significant performance differentiator between organizations in our study (see Fig. 3).

To verify these classifications, we used publicly available financial data and compared those figures with the respondents' self-reported company performance. We validated the actual profit growth from the previous fiscal year for a sampling of participant organizations, and evaluated that information in comparison to the self-reported classification of HPO or LPO. In each case, our analysis found that the self-reported categorization of net profit growth matched the genuine financial performance of the company (see Fig. 4A and 4B).

Figure 4A:

Relative to your organization's plans, last year's net profit was:

**significantly higher than LPOs*

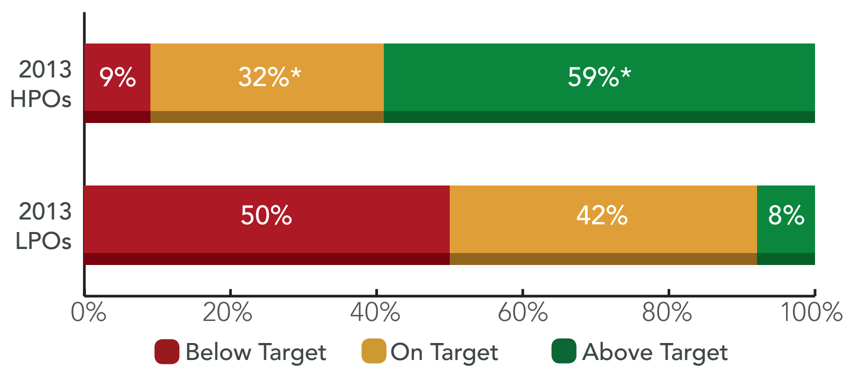
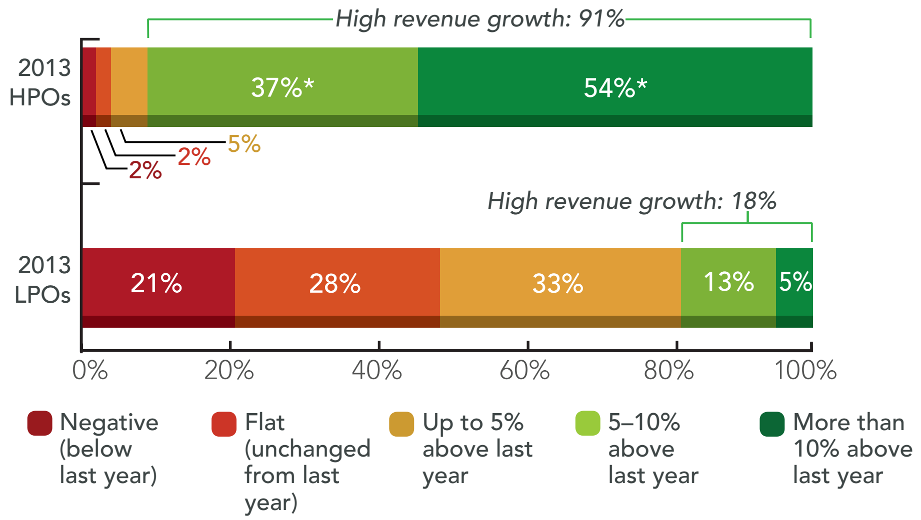


Figure 4B:

Please describe the growth rate of your organization's revenues in the last fiscal year:

**significantly higher than LPOs*



Key Findings:

- More than 290 organizations participated in our survey, and of those, 26% of organizations were categorized as HPOs. The remaining 74% were identified as LPOs. In comparison to 2012 data, there was a 6% shift from HPOs to LPOs, possibly indicating the struggles associated with maintaining very high levels of profit growth.
- The increased revenue growth experienced by HPOs in the previous fiscal year is one of the strongest differentiators in our research, a finding that also reinforces the effect the economic recovery is having on the marketplace (see Fig. 4B). Nine out of ten HPOs in 2013 (compared to eight out of ten in 2012) had robust revenue growth in the past fiscal year—only one-fifth (18%) of LPOs experienced similar results.

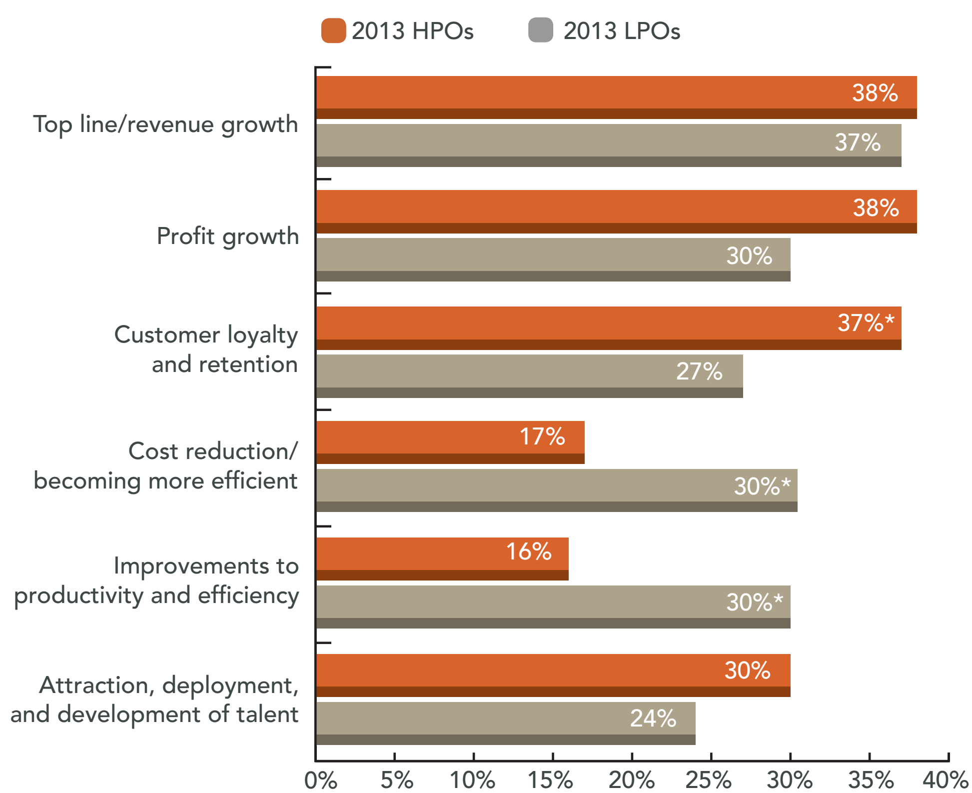
V. Key Findings: HPOs vs. LPOs—Business Goals and Priorities

In line with our findings from 2012, both HPOs and LPOs are primarily focused on achieving revenue and profit growth in 2013 (see Fig. 5). However, the manner in which HPOs and LPOs pursue profitability is very different. LPOs are significantly

Figure 5:

What are your organization's three most important business goals or priorities for the next 12 months?

**Significantly higher than related HPOs/LPOs*



more likely to try to increase profits by reducing costs, improving efficiency, and increasing productivity, while HPOs focus on customer loyalty to build the top line. **While HPOs are more inclined to 'grow to greatness,' in comparison, LPOs make attempts to 'shrink to success.'**

Key Findings:

HPOs indicate that their top three business priorities are:

- Top line/revenue (38%) and profit growth (38%).
- Focusing on customer loyalty and retention (37%).
- Attracting, developing, and deploying talent (30%).

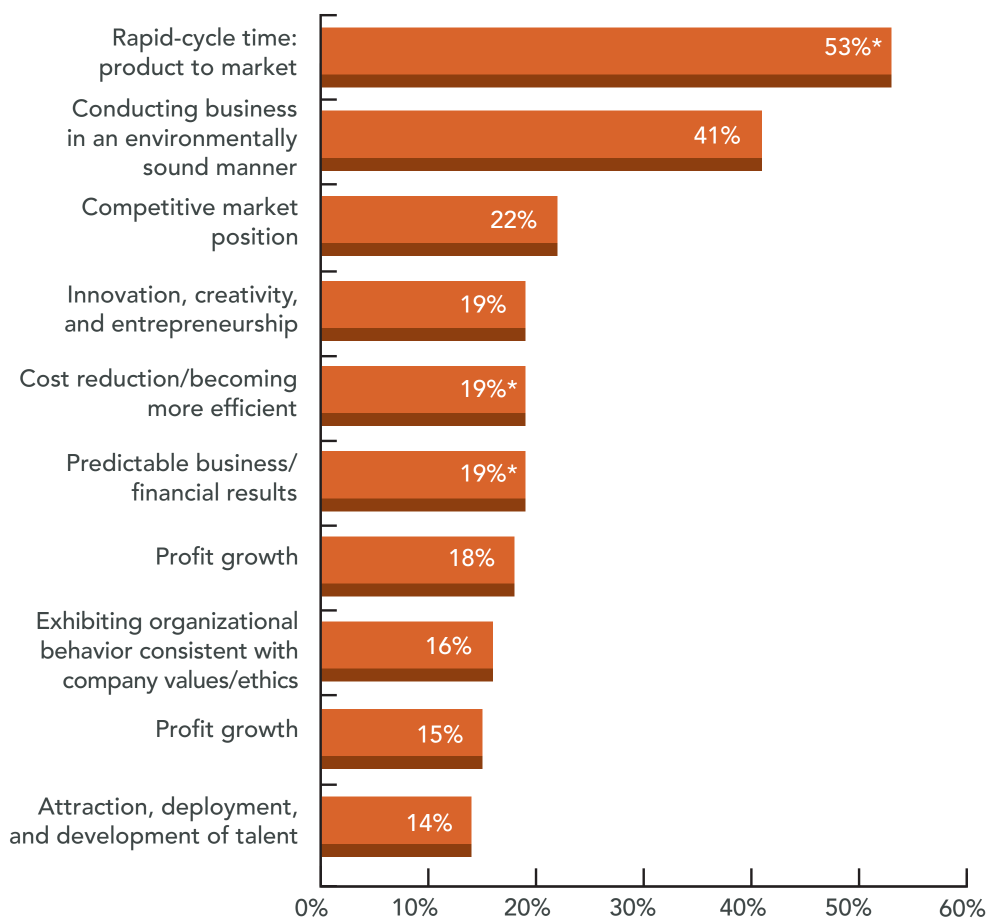
LPOs also are looking to grow revenue (37%) and profit (30%) and focus on customer loyalty and retention (27%); However, they are also nearly two times more likely than HPOs to focus on:

- Improving productivity (30%).
- Becoming more efficient through cost reduction (30%).

Figure 6:

What are the three least important business goals or priorities for your organization during the next 12 months?

**Significantly higher than 2012*



> *"We have a 'grow, connect, thrive' mission at Bank of Hawaii […] Employees are connecting at a level beyond the surface of work. Work with friends. Make those people you work with your friends. We know that people stay for their team. They work for a corporation, true, but their teammates are their friends, and they don't want to let their friends down."*
>
> Jean Hamakawa,
> Executive Vice President,
> Director of Human Resources,
> Bank of Hawaii

HPOs 2013: A Positive Trend Toward Relationship Building

In 2013, the trend toward a significant and increased focus on the priority of *customer loyalty and retention* persisted as a differentiating factor between HPOs and LPOs. HPOs continue to recognize and prioritize the need for effectively retaining customers and earning dedication and commitment from them.

Additionally, HPOs report that the attraction, deployment, and development of talent is one of the most important business priorities. By contrast, LPOs are 6% less focused on this goal. Because trust is based on the ability to effectively build and maintain relationships, HPOs are better positioned to retain key talent and sustain higher engagement levels among their employees.

Least Important Goals and Priorities

In terms of least important goals and priorities, our data this year did not indicate any key differences (see Fig. 6). Significantly more organizations in 2013 agree that focusing on *rapid-cycle time: product to market* is not a priority, a trend established in 2012. *Conducting business in an environmentally sound manner* is also a business goal that is rated low in importance. This finding is interesting in contrast to other pieces of our 2013 data that appear to demonstrate a growth toward values-aligned and ethical leadership.

VI. Key Findings: HPOs vs. LPOs—Effectiveness in Achieving Business Outcomes

Our evaluation of HPOs and LPOs ability to achieve key results and business outcomes underscored many of the findings about top line/revenue and profit growth (see Fig. 7). Of the outcome measures our survey analyzed, HPOs were more effective than LPOs at achieving all but one (*conducting business in an environmentally sound manner*), and there was no significant difference between HPOs and LPOs in that outcome. In fact, HPOs were significantly more effective at accomplishing 11 of the results listed than their LPO counterparts.

Key Findings:

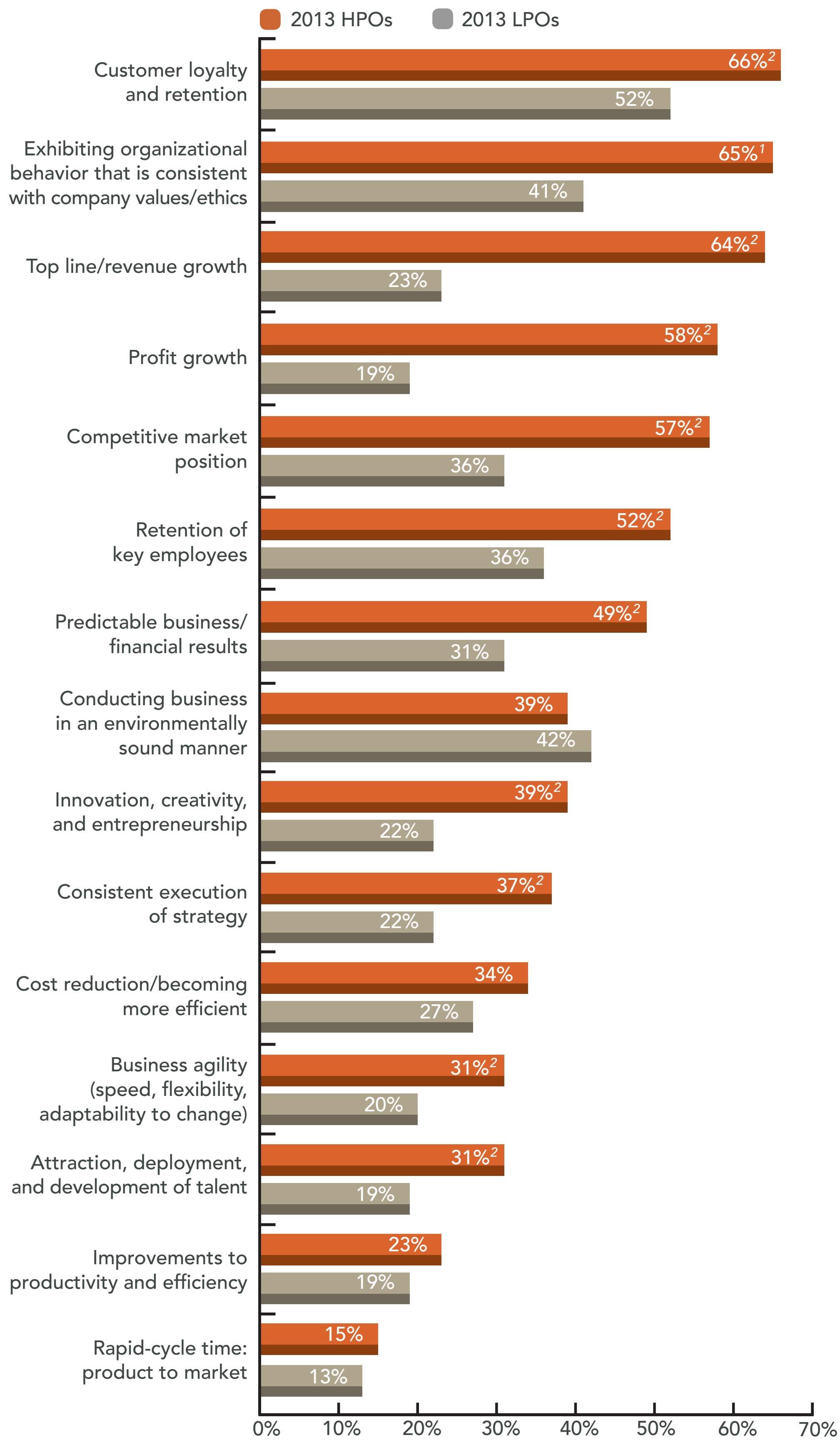
- The largest gaps between HPOs and LPOs in regards to effectively achieving business outcomes includes goals around profits, revenue, and competitive market position, which are findings that are nearly identical to our 2012 data. This indicates that while profit and revenue growth remain priorities for every organization, HPOs are much better positioned to actually achieve those objectives.
- Of those HPO companies that experienced 5% or greater profitability growth in the last fiscal year, 91% met or exceeded their profit targets. In comparison, 50% of LPOs did not meet their targeted profit goals (see Fig. 4B).

Figure 7:

How effective is your organization in achieving each of the following business objectives?

*¹Significantly higher than 2013 LPOs **and** 2012 HPOs*

²Significantly higher than 2013 LPOs



Other goals/outcomes HPOs are effective at accomplishing are:

- Practicing and promoting creativity, innovation, and entrepreneurship.
- Consistently executing strategic plans.
- Retaining key employees.
- Attracting, developing, and deploying talent.

VII. The Culture of High Performance: Trust, Leadership, and Collaboration

When respondents were asked to describe their organizations in terms of leadership, trust, and collaboration, the difference between HPOs and LPOs was apparent. Employees at HPOs have a higher degree of trust in their leaders and colleagues, have greater respect for leadership, and report a greater degree of collaboration inside their organizations than do employees in LPOs. While this was true in 2012, HPOs' ratings in these areas rose significantly in 2013 (see Fig. 8).

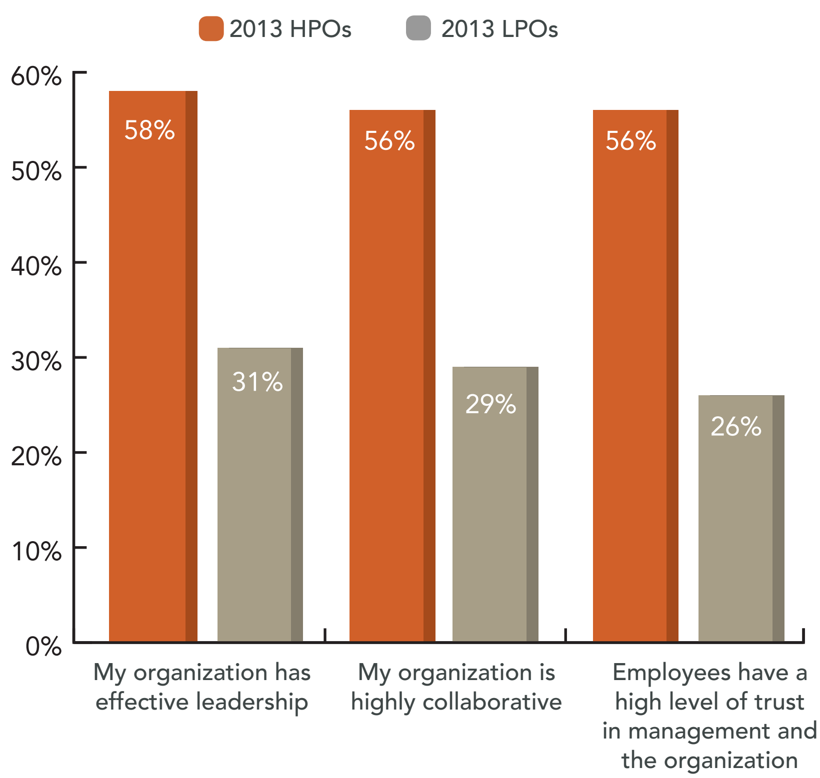
Key Findings:

- Employees at HPOs rate their organizations as having improved since 2012 in effective leadership (up 17%), collaboration (up 19%), and trust (up 18%).

Figure 8:

To what degree do the following statements describe your organization?

(% Describes extremely/very well)



- 56% of HPO respondents agree that, "Employees have a high level of trust in management and the organization." This compares with only 26% of LPO employees.
- 58% of HPO respondents report that their organizational leadership is effective. This is significantly more than the 31% of LPO employees who reported this.
- 56% of HPO employees describe their organizations as "highly collaborative." Among LPOs, just 29% said the same.

HPOs are gaining ground in the three key areas of effective leadership, collaboration, and trust, while LPOs showed little growth, or are in decline (see Fig. 8). The rebound cited on page 5 of this report is largely driven by improvements in the one-quarter of our respondents who work for HPOs.

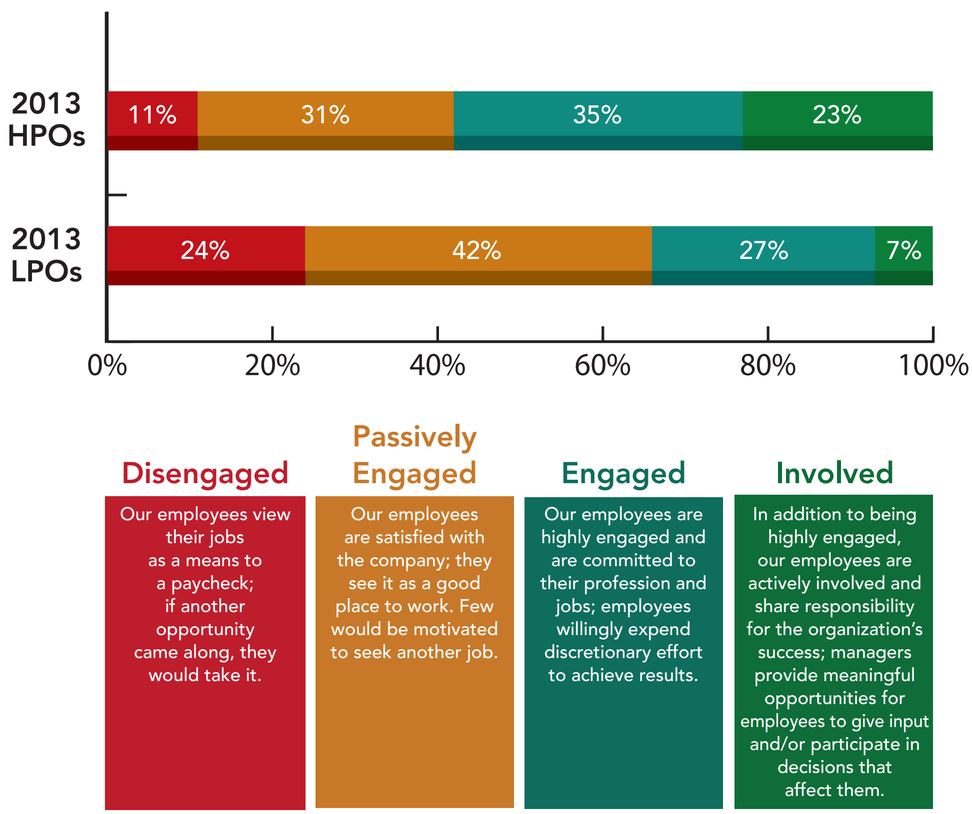
Employee Levels of Commitment: From *Disengagement* to *Involvement*

Employee engagement can be viewed as a continuum. The general range of possible employee attitudes and behaviors can be divided into four states—*Disengaged, Passively Engaged, Engaged*, and *Involved*. This continuum is detailed in Fig. 9.

Involved Employees are defined as individuals who go beyond highly engaged behaviors to be actively involved in and share responsibility for the organization's

Figure 9:

Which of the following statements best describes your organization?



success. In addition, they report that their managers provide meaningful opportunities for employees to give input and/or participate in decisions that affect them.

David Yudis from UTI Worldwide elaborated on the relationship that exists between trust and engagement. "Trust is the foundation of employee engagement. You cannot satisfy employees without trust. You can have levels of engagement, but those are not sustainable without trust. With trust, you can go further and grow engagement. Trust within the employer brand and the organization itself means, 'I can trust my manager, my leader, I know that they have my best interest at heart, and I can trust collegially, and trust that the work I'm doing is meaningful.'"

Key Findings:

- Almost 60% of HPOs experience *Engaged* and *Involved* cultures.
- *Passively Engaged* and *Disengaged* cultures account for two-thirds of LPOs.
- *Involvement* increased considerably for HPOs between 2012 to 2013—23% vs. 15% last year.
- HPOs are doing a better job of involving employees this year: 58% of HPO employees are classified as *Involved* or *Engaged*, compared to 40% in 2012.
- Similar to last year's survey, a comparatively lower percent (34%) of LPOs are classified as *Engaged* or *Involved.*

Retention and Engagement

Our research also demonstrates that employee engagement continues to track closely with the organization's effectiveness at retaining key employees (see Fig. 10).

Key Finding:

- Respondents that report high numbers of *Engaged* and *Involved* employees at their organization are much more likely to effectively retain key employees (60%) than those that report a *Disengaged* workforce (7%) or even a *Passively Engaged* workforce (40%).

Figure 10:

Effectiveness of Retention of Key Employees by Level of Engagement

	Our employees view their jobs as a means to a paycheck; if another opportunity came along, they would take it.	Our employees are satisfied with the company; they see it as a good place to work. Few would be motivated to seek another job.	Our employees are highly engaged and committed to their profession and jobs; employees often expend discretionary effort to achieve results.	In addition to being highly engaged, our employees are actively involved and share responsibility for the organization's success.
Extremely effective at Retention of Key Employees	1%	6%	13%	22%
Very effective at Retention of Key Employees	6%	34%	47%	38%
NET EFFECTIVE	7%	40%	60%	60%
Somewhat effective at Retention of Key Employees	49%	46%	33%	38%
Not very effective at Retention of Key Employees	30%	13%	6%	0%
Not at all effective at Retention of Key Employees	14%	1%	1%	2%

VIII. Zoom In: Trust

In our definition, *trust is the willingness to put oneself at risk based on another individual's actions.* HPOs exhibit higher ratings of trust-building and trust-reinforcing behaviors than LPOs.

Trust decreases in importance in working relationships as the connection becomes more distant. In other words, our survey indicates that people's trust levels move from higher to lower as you ask them to assess more and more distant relationships: colleagues, boss, senior leaders, other departments, and other organizations to the business environment at large (see Fig. 12).

Key Findings:

- HPOs outscore LPOs in every factor of *Trust*.
- HPOs have made significant improvements over 2012 in four of 12 trust-reinforcing behaviors.
- Sharing responsibility for success and making reasonable requests of employees are the two greatest differences between HPOs and LPOs, with a 24% gap in each case.
- Trust has generally stayed the same or increased across all relationships, except with politicians, where trust has declined 70%.

Figure 11:

Among 2013 HPOs and LPOs, thinking about the LEVEL OF TRUST within your organization, to what extent do the following statements describe your company?

(% Described extremely/very well)

[1]Significantly higher than 2013 LPOs and *2012 HPOs*

[2]Significantly higher than 2013 LPOs

Figure 12:

Being effective in my work requires a high degree of trust (i.e., a willingness to put myself at risk) in my relationships with:

(% Strongly agree/Agree)

	2013 HPOs	2013 LPOs
My coworkers/colleagues/peers	93%	91%
My boss	91%	89%
The senior leadership team	86%	82%
Other organizations I work with (e.g., client companies, vendors, etc.)	80%	74%
My organization's other departments	79%	82%
The business environment outside my organization	57%	54%

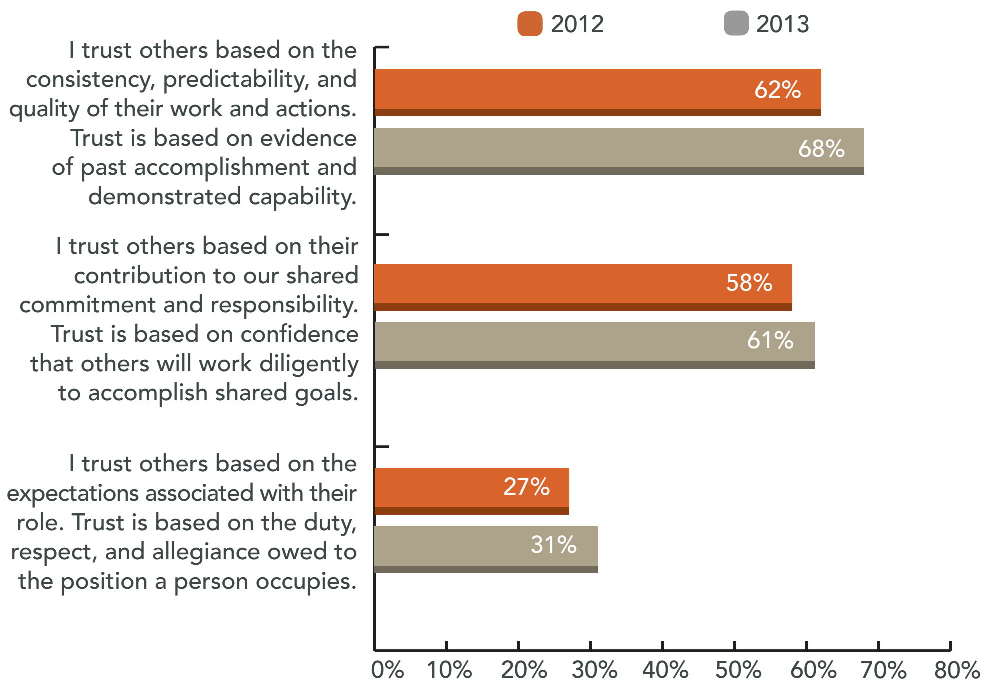
Basis of Trust

People demonstrate trust in the workplace based on one of three primary ways: they trust others based on past behavior and expertise; based on confidence that people will work to achieve shared goals; or based on the expectations associated with a person's role in the organization. Our research found that these bases of trust remain unchanged between 2012 and 2013 (see Fig. 13). Trusting others based on expectations about their role continues to be less significant than trusting others based on experience and expertise or on shared goals. This underscores the fact that at its core, trust must be earned through individual exchanges and behaviors—it does not come with a job title or seniority in an organization.

Figure 13:

To what extent do the following statements describe the basis of trust in your organization?

(% Described extremely/very well)



IX. Zoom In: Leadership

2013 saw considerable growth in HPO leadership. In fact, for HPOs, 13 of the 16 leadership traits measured in the survey have improved significantly since the 2012 survey (see Fig. 14).

Based on these responses, HPOs are likely to feature leaders who are:

- Are optimistic and confident.
- Are aligned with company values.
- Acknowledge individual and team performance.
- Communicate effectively.

Jean Hamakawa from Bank of Hawaii echoed this finding and underscored the importance of leaders and their role in organizations. "Leaders today have to be so much more attuned to what the needs of the individuals are. We have to be much more flexible because the Boomer generation is exiting, and Traditionalists are practically gone. The need for balance is very different, and the role and perceptions of gender, race, education, and expectations are very different. Competition is defined very differently in the workforce today and shareholders expectations are different. Trust can provide a framework to address all of these variables in a consistent and thoughtful way."

Among LPOs, three of the surveyed leadership traits have significantly improved since 2012. However, HPOs still outscored LPOs on all behaviors surveyed. The highest LPO rating for any leadership behavior was 42%; no HPO leadership behavior rating fell below 40%. This finding indicates that HPOs are better positioned to implement the behaviors and skills necessary for success in organizations today.

Key findings:

- HPOs have higher ratings in effective leadership across the board compared to LPOs.
- HPOs report they are 15% more effective at consistently executing strategy than LPOs (see Fig. 7).
- Leadership practices with the biggest HPO/LPO gaps are:
    - o Reflecting realistic optimism and confidence in the future: 30% gap
    - o Modeling and reflecting organizational values: 30% gap
    - o Making sound decisions in ambiguous or complex situations: 25% gap
    - o Encouraging, listening to, and acting on employee feedback: 30% gap

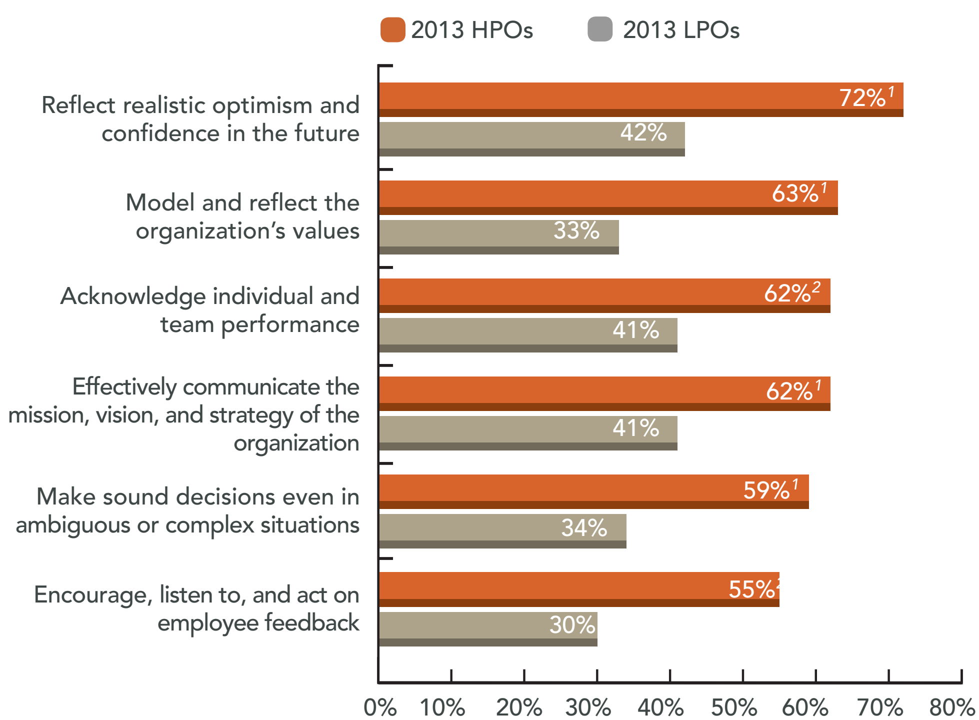


Figure 14:

Thinking about LEADERSHIP within your organization, to what extent do the following statements describe your company? Managers and leaders in my organization:

(% Described extremely/very well)

*[1]Significantly higher than 2013 LPOs **and** 2012 HPOs*

[2]Significantly higher than 2013 LPOs

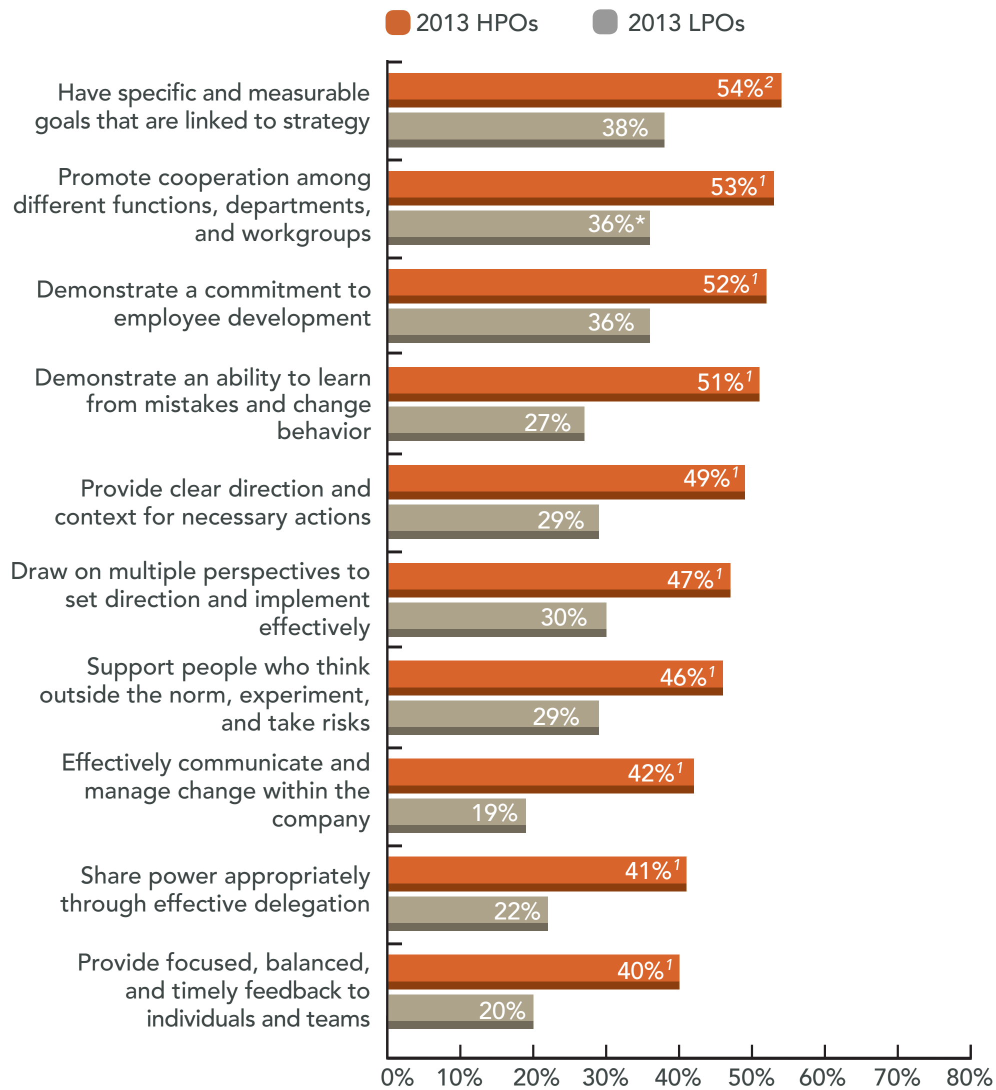
Figure 14 (continued):

Thinking about LEADERSHIP within your organization, to what extent do the following statements describe your company? Managers and leaders in my organization:

(% Described extremely/very well)

*[1]Significantly higher than 2013 LPOs **and** 2012 HPOs*

[2]Significantly higher than 2013 LPOs



Leadership and Values

Notably, *exhibiting organizational behavior that is consistent with company values/ethics* is a key difference between HPOs and LPOs. In 2012, there was no significant difference between HPOs and LPOs on this outcome, but **in 2013, it is rated as 18% more important and is a differentiator between HPOs and LPOs** (see Fig. 15). **Trust is based on consistent authenticity, and our research wholly supports that. This finding may indicate a trend toward consistent and transparent leadership and increased scrutiny on leader behaviors.** Employees may be temporarily swayed by leaders who 'talk the talk,' but the demand that those leaders also 'walk the talk' is increasing.

Figure 15:

The biggest differentiators between HPOs and LPOs from 2012 to 2013.

HPOs: 2013 Most Effective Outcomes (Effectiveness Rate of 60% or higher)	Rating		Diff.
	2013	2012	
Customer loyalty and retention	66%	66%	0
Exhibiting organizational behavior that is consistent with company values/ethics	65%	47%	+18%
Top line/revenue growth	64%	59%	+5%

X. Zoom In: Collaboration

We asked respondents to rate their organizations across a range of collaborative behaviors. Employees of HPOs rated their organizations considerably higher than the LPO employees across all of the behaviors listed (see Fig. 16).

Figure 16:

Thinking about the ENVIRONMENT FOR COLLABORATION within your organization, to what extent do the following statements describe your company?

(% Described extremely/very well)

[1]Significantly higher than 2013 LPOs and *2012 HPOs*

[2]Significantly higher than 2013 LPOs

Key Findings:

- HPOs outscore LPOs in every factor of *Collaboration*.
- Three of 10 collaborative factors improved significantly for HPOs, while the ratings among LPOs were statistically unchanged.
- "Openness to the suggestions and opinions of others" is a key differentiator and major area of improvement since last year, with HPOs improving their score in that area from 47% to 61%.
- "Individuals willingly sharing information and resources with each other" rose from 56%–64% among HPOs.
- Involvement in decisions also differentiates HPOs from LPOs, and has improved for HPOs during the last year.

XI. Conclusion

It's clear that *Building Trust 2013* shows that the leadership and trust behaviors we track have rebounded powerfully—and with them, we're seeing a correspondingly big jump in engaged and involved cultures. Also, there is a significantly improved performance of HPOs in both profitability and revenue growth. High performers are kicking it up a level—a larger percentage of these are growing at a higher rate.

Our research continues to suggest a virtuous cycle of reinforcing elements inside high-performing companies: strong leadership, mutual trust and skillful collaboration, and healthy financials go hand-in-hand. No wonder Trust is one of issues on The Conference Board's *2013 List of Top Ten CEO Challenges*.

Watch for Interaction Associates' Trust Toolkit, coming in September 2013. To download previous years' toolkits, go here: 2012 Trust Toolkit and 2011 Trust Toolkit.

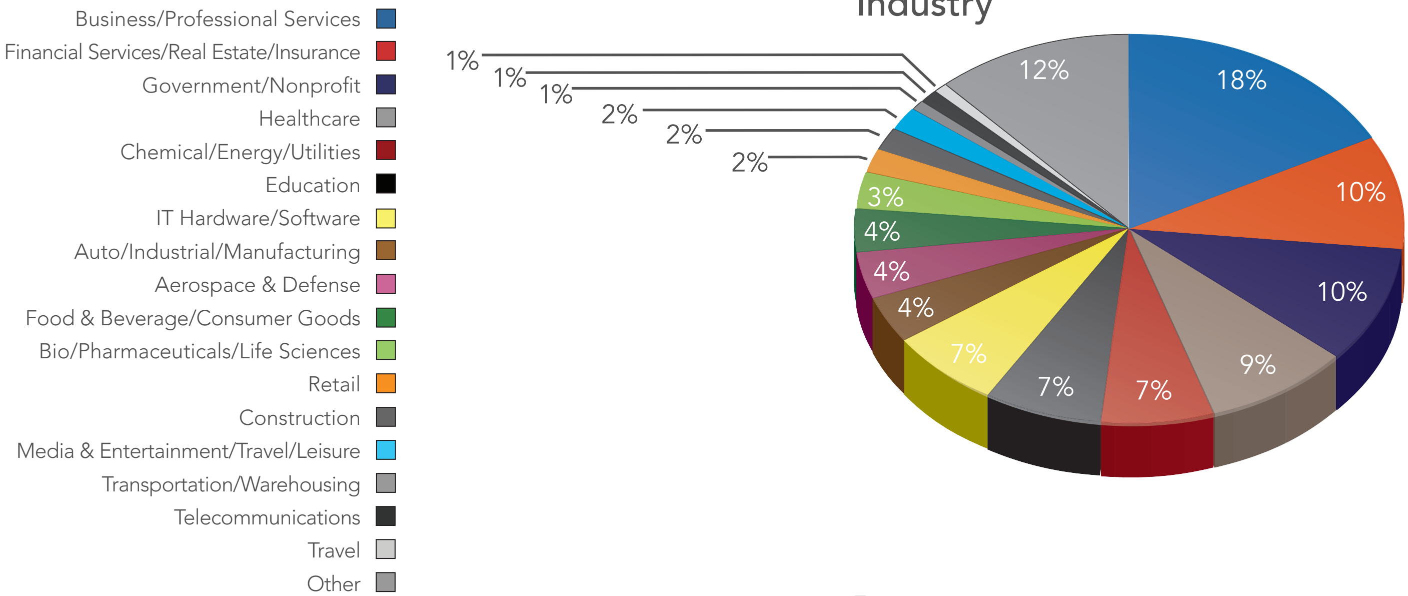
Appendix A: About the Author

Andy Atkins currently serves as the Chief Innovation Officer of Interaction Associates, and brings 30 years of experience in management and education to his work with clients. Prior to joining Interaction Associates, he served as a leadership and organization development and human resources executive with Bank of America, Fleet Bank, and Genuity. Previously, Mr. Atkins led human resources organizations and change efforts at Arthur D. Little, Fidelity Investments, and Mercer Management Consulting. He has worked with organizations internationally in industries including financial services, chemicals and pharmaceuticals, transportation, manufacturing, publishing, and education, and has published articles on change management, quality, and human resources strategy.

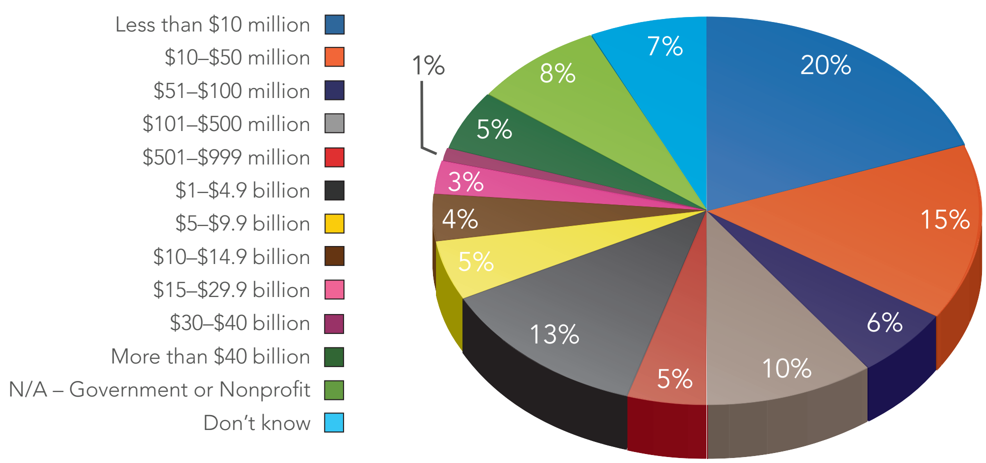
Mr. Atkins has been an adjunct professor at Babson College in Wellesley, MA, where he taught the MBA course in Leading and Managing Change. He earned his MBA from Columbia University where he was a Goldman Sachs Fellow, and has an MA from the State University of New York at Stony Brook and a BA from Hofstra University, where he was elected to Phi Beta Kappa.

Appendix B: Respondent Demographics

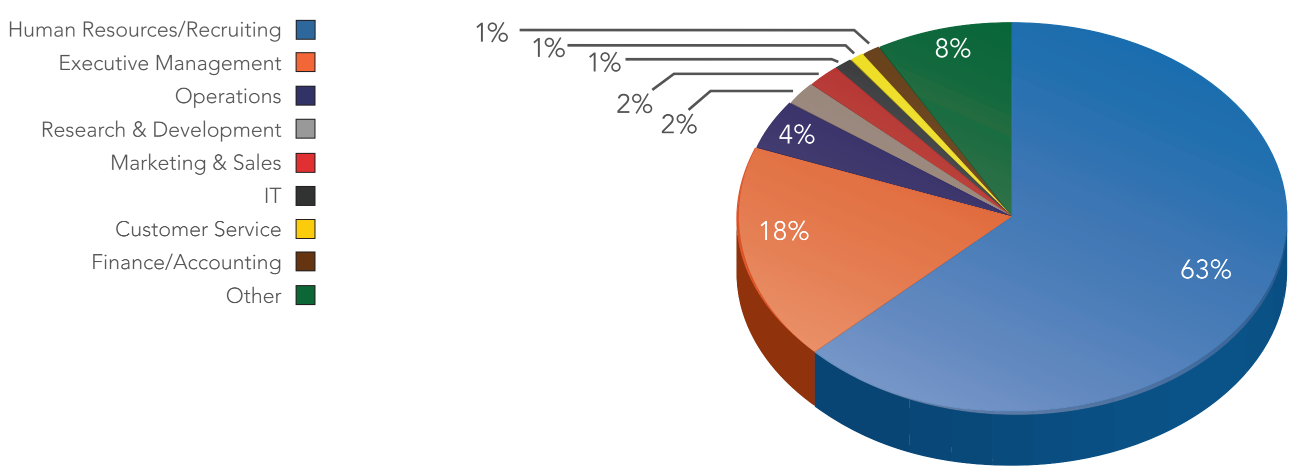
Industry



Revenue



Function



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