

Transcript Interview Joe Folkman

The interview is being published at the TrustTalk podcast (<https://pod.co/trusttalk>) and can also be found on all major podcasts platforms. © 2022 TrustTalk. No parts of this interview can be copied or used without the prior written consent of TrustTalk

Voice Over: Welcome to TrustTalk. Today's guest is Joe Folkman, a renowned psychometrician and executive consultant on leadership, feedback, and individual and organizational change and a regular contributor to Harvard Business Review and Forbes. As a psychometrics expert, he surveys leaders, utilizing a database comprised of over a million assessments. His latest book, "The Trifecta of Trust", shows that out of hundreds of behaviors that influence trust, only three can account for the vast difference in the impact of individuals with high levels of trust and those not trusted at all. The ability to build positive relationships, competency, and consistency. Your host today, Severin de Wit.

Podcast Host: Joe, welcome to TrustTalk. In the intro, you are described as a psychometrics and leadership expert. Most of us will understand the part on leadership. We talk about that in a little while, but psychometrics needs, I guess, clarification.

Joe Folkman: Yes, usually does. A psychometrician is a psychologist that specializes in measurement. And I remember when my son was young, it was in grade school, and he came up to me on one day and he said, Dad, what do you do? And I said, I'm a psychometrician. And he said, okay, and he started walking off. And I said, why are you asking? He said, well, today in school we're going to talk about what our moms and dads do. So I'm going to tell my class. And I said good luck, and so he went to school, I went to work and I came home and said, how'd it go at school? He said, good. Did you tell him what I do? And he says, yeah, but I could only remember the first part, psycho.

Podcast Host: that didn't sound well right at school. Your father is a psycho.

Joe Folkman: Yeah, it's a dangerous name.

Podcast Host: Trust is the salt of leadership. That's what you have said in one of your earlier interviews. I'm sure it comes from the story about the Salt and the Mellon, showing how trust changes everything it touches.

Joe Folkman: I remember when I was young and we were having cantaloupe, and I remember my mother cutting that cantaloupe and, you know, the smell of a fresh cantaloupe in the in August, I mean, it's just wonderful. And as I got my piece, my father says to me, pass the salt. And I said, What? He said, try it. So I did it. I thought it was silly that you'd put salt on a cantaloupe, but it even tasted sweeter. Now, that probably explains my high blood pressure. But what is interesting about salt, is it enhances the flavor of almost every food. And one of the things we found out about trust is if you added it to any competency, it enhances that competency. It made that competency even better. We wrote an article for Harvard Business Review called The Salt of Leadership, and we said it's trust. It enhances everything.

Podcast Host: Trust is our main theme. Publications and research are abundant in the main traits of a good leader. Recently, we published an interview with McKinsey partner Sander Smits, who talks about research into leadership behaviors in a book "CEO Excellence". But all those publications have one thing in common, namely that they claim to give definitive insights into what makes a good leader. Given the vast data you have on leadership, what in your view are the key success factors that make or break a good leader?

Joe Folkman: We've studied leadership for a long time, and one of the analyses we did, we looked at over 2,000 behaviors and what we were looking for was differentiating behaviors that if a manager was really good, they were rated really high and if they were bad or they were rated low, they had this stretch to them. When we put that all together and we've done this study twice over decades, we found there were 19 what we call differentiating behaviors. Now we think these are the characteristics that if you perform well on any one of these, it has a significant influence on you. But kind of the secret to great leadership isn't any particular one of those, it's taking a few of those and being really good at them. What we found is if you weren't excellent at any one of them, your average effectiveness was a 34th percentile. You did one well, it went to the 64%, almost doubled. If you did three well, you were in the top 20% of leaders. And so what I advise leaders to do is, first of all, figure out if they have anything terribly

wrong with them as a fatal flaw, but if you don't, become really good at something, do something extremely well.

Podcast Host: In your latest book, you'll refer to that in "The Trifecta of Trust", your book is called and I think out of those data and characteristics you just mentioned, you mentioned that three core behaviors create and reinforce trust, the three that you just mentioned, but which are those three behaviors?

Joe Folkman: We found that, you know, if you boiled it down and you said, what's the minimum number of things that you need to do well, to be trusted? Number one is relationships, your ability to build positive relationships. Number two is expertise. We trust people who have knowledge, insights and information.

Podcast Host: Competency. Competency.

Joe Folkman: Yeah, competency. And the third is consistency, saying what we do, doing what we say. The people can count on us to kind of follow through on our commitments.

Podcast Host: In one of your presentations, you said that being trusted by itself is not that powerful. What did you mean by that?

Joe Folkman: Well, if you think about someone you trust, but if they can't communicate well, if they're really terrible at communication, here's the numbers. If a person was trusted at the 75th percentile but they weren't a good communicator, there's a 2% probability of them being a great leader. But if they're a good communicator, but you're not trusted, there's a 17% chance. Communication is more powerful than trust, but if you actually put the two together, if you are trusted and a good communicator, the probability of you being a great leader is 80%. And so it's this combination we call these powerful combinations. And we found that if you added trust to any other competency, it significantly enhance that competency and that's why we call it the salt of leadership.

Podcast Host: You just mentioned a couple of statistics on trust, but can you highlight some top level statistics of trust and link them to the corporate world?

Joe Folkman: Well, if a leader is very bad, they're in the bottom decile, the bottom 10% on trust, if they're very untrusted, they're only at the 14th percentile on their overall leadership effectiveness. So if you're untrusted, people rate you as a leader at the 14th percentile. If you're in the top decile on trust, people rate you at the 87th percentile. There's this incredibly good correlation between the extent to which you're trusted and the extent to which people think you're a good leader.

Podcast Host: About your latest book, you said, and I quote, "this was my Manhattan Project. The atom is so small, but its impact can be so enormous. After years of analysis, I discovered"- and I'm still quoting you - "that the atom of leadership is trust. Trust is a very small issue. Most people think they know if they are trusted, but they are often wrong. They know who they trust and who they do not trust. But this one small issue can positively or negatively affect everything else you do". That's what you said.

Joe Folkman: It's amazing how much influence it has. And as we looked at it, we found that it had tremendous influence, even to the point where if you know the level of trust in a country, you can predict the GDP of that country.

Podcast Host: Right. You just mentioned we and I guess you were referring to Jack Zenger.

Joe Folkman: Yes.

Podcast Host: Your partner in business. In the book you wrote with him, "The Inspiring Leader", surveys show that employees, leaders, and those who want to become one, want a great deal more coaching than they receive. And there are signs that corporate America is finally trying to respond. That was 2014. What's the situation into 2022?

Joe Folkman: If you think about a great athlete and most great athletes have a coach, but in the corporate world, we thought the only people that needed a coach was somebody that was really bad, right? That good performers didn't need coaches. That attitude has changed significantly. Today we're finding that most high-performing executives really like having a coach. I remember a high-performing executive and he was really a very effective executive.

And he said, I need you to coach me every month for a year. So what I did is I sat down with him and we had a little chat and how are you doing? But I would remind him of the three things he wanted to improve on. How is this going? How is this going? You know, you're a little bit of a pest, but when you hold people accountable, they don't look forward to that call unless they've done something. So it really helped him raise the bar in terms of his effectiveness just by having somebody there to kind of remind him of his commitments.

Podcast Host: We mentioned the word earlier, competency, it's very many times people that I am interviewing mentioning it is one of the foundations of trust. Professor Sandra Sucher from Harvard, I interviewed her earlier in the podcast, she mentioned, among others, that competency alone will not establish trust. Motives, means and impact matter as well, she said. Do you agree with her?

Joe Folkman: I do. You know, when we found this intersection between these three things of relationships, competence and consistency, what we found is, is if you could be OK 60th percentile on all three of these things, so there's this interaction between the three, your trust level would be at the 80th percentile, you'd be at the 80%. But if you were at or below the 40th percentile on all three, your trust level would be at the 20th percentile. So we think there's this interaction between the three elements. It's being competent at something, but it's also having good relationships. We trust people we like and so if you want to improve your trust, build good relationships, but it's also being consistent. There's a lot of competent people that think they don't have to follow the rules, right? And that results in a loss of trust.

Podcast Host: One of the things I like when interviewing experts on trust is real-time examples where trust matters, where trust was the decisive factor. Would you be able to give a recent example of how trust played out?

Joe Folkman: You know, in my book, I talked about Joan of Arc. You've got this teenage girl that's leading an army. I mean, it's just it's impossible. But today, if I think about Vladimir Zelensky and what he's done. Think about his history, he was a comedian, right? That does not sort of instill a lot of trust in people. But he's gone from being a comedian and an actor, but he has got the trust of his people. And if you think about the difference between he and Putin, Putin's power is fear, right? But Zelensky's power is trust. And they are against a huge nation

with many, many resources, all these other things. But he's not only gotten the trust of his people, he's gotten the trust of the world because that's giving him the resources to hold on to this fight. So I think it's a lovely example of somebody who's captured the trust of others, and he's a trusted leader today, and it's having a significant impact. The story's not all over there, but it's an amazing story so far. You probably know more about this than me.

Podcast Host: No, no, that's about politics, but are there any, Jane of Arcs in the corporate world?

Joe Folkman: I think there are. There's a firm I met with in Mexico in June, and the leader of that organization had incredibly high trust scores. What was fascinating about it is his trust and his willingness to trust others and really build the esprit de corps of that organization, they ended up having the highest scores on leadership effectiveness of any company I've ever measured in Mexico. And Mexico is not a country where I've found great leaders. But his example of that and the extent to which he was trusted just really made a huge difference in that corporate culture and in their ability to be successful.

Podcast Host: You posed the question to your audiences. Now it's my turn to ask you. Are most people trusted?

Joe Folkman: It's a really interesting question. It comes from something called the World Value Survey. So the question is, are most people trusted? Or the alternative is you have to be careful. If you go and randomly sample a group of people in Norway. are most people trusted? 70% say yes. If you go to The Netherlands, 65% say yes. If you go into the United States, less than 40% say yes. And if you go to Colombia, 5% say yes and the Philippines, 5%. If you look at GDP, Norway has some of the highest GDP in the world. They have all that oil money, they and they spread it out, so the average GDP is very high. And if you go to Colombia, it's very low. The correlation between GDP and trust is .83, that is an incredibly high correlation. If you look at the chances of being murdered in Norway, it's six per million, six chances per million, you'll be murdered. In the US, it's 42 per million. In Colombia, it's 333 per million. So, you know, as you think about this connection between trust and the wealth or poverty of a nation. Paul Zak, who's a neuro economist.

Podcast Host: I interviewed him earlier for the podcast.

Joe Folkman: Oh, he's a wonderful man and he talks about friction and this idea that lack of trust creates friction. And I love that analogy because if you think about when you're in a foreign country where trust is low, you're very careful about what you do and where you go. If you're in a highly trusted company, you're, you know, you're fairly relaxed and you don't have to be as careful. But that's how the economy runs, right? Because deals don't happen very quickly in low trust countries. And you have to be really careful and you don't and it's going to be harder to sell and it's going to be harder to find people that you trust to provide a service.

Podcast Host: Now, are we talking about I guess you're talking about trust among civilians within a certain country or organization. But recently we encountered a very low level of trust between civilians and our government. I don't want to go into all the details, but how does trust work there in the relationship between civilians and their government?

Joe Folkman: Well, the heroes in that study were the companies, the organizations that had much higher trust scores. So people would trust companies, but they wouldn't trust their government.

Podcast Host: That's also an outcome of the Edelman Trust Barometer, the most recent one.

Joe Folkman: Yeah. And so it's the companies that ended up being the heroes there. Again, part of it, if you think about these three things, if you think about number one, relationships and number two, consistency. And this is where governments fall down enormously. It's consistency. Do I do what I say? Do I say what I do? I mean, in the United States, we've been living with a president who told a lie and people believed it, right? Well, some people did. But, you know, it's impossible, you know, you kind of think, how can you do that? But people believed it. And so that's an inconsistency that is hurting and it's creating distrust in a nation. That's the biggest sin, if you will, but it also has to do with expertise or competence. If you think about some of the things that the governments have flubbed on, most people would say, gee, the governments did not do a great job with COVID. We ran out of supplies, we didn't have vaccines in time, and the distribution process was very slow. That's another factor. I just went across the border in the United States to Canada. I used to go to Canada with a driver's license,

right and you'd sort of walk right in there, it wasn't a big deal. And now it's incredibly difficult. I had to do forms in advance, and going through immigration was incredibly difficult, I had to show that I had been vaccinated four times. We lack trust between one government and another, and that creates friction. And friction slows things down, which decreases our wealth and our ability to get things done quickly. It's all connected together.

Podcast Host: Joe, I'd like to pose a question that I posed to all my interviewees and also, of course, now to you. What are, in your view, the main challenges trust researchers will face in the future?

Joe Folkman: I think the problem that I see is that if you ask people if they're trusted, 45% of the time, they believe they're more trusted than they really are. So if you think about the problem is you don't know how trusted you are. You don't know whether people trust you or distrust you. The only way I've been able to find that you can accurately understand the level of trust others have in you is using 360 anonymous feedback from others where they can actually give you an indication of how trusted you are. And so many people are walking around thinking they're trusted when they're not. And some people are thinking they're not trusted when they are. And so I think that it decreases a person's ability to build trust. The other thing we can do to increase trust is to think about these three levers. Build relationships, we trust people we like and so if we can work on relationships, that helps. Expertise, everybody needs to do their job and know what to do in their job and be an expert. And oh, by the way, if you're not an expert, one way of gaining expertise or reputation is being somebody who knows things is by highlighting the experts that are there instead of pretending you are the expert when you're not. And the third thing is consistency. We all want to be Santa Claus. People walk in and they say, Can you do this? Sure, I'll do that. Well, you forget you said you do that and other people never forget. So we say one thing and we do another. And we just need to be careful about what we say we're going to do and what we actually do. And if you do those three things, the probability you'll be trusted goes up significantly.

Podcast Host: I like your factor about relationship. I thought about that while you were talking, thinking of what happened when Gorbachev passed away. His relationship with Ronald Reagan was one of an extraordinary strength. I bet these two guys must have trusted each other.

Joe Folkman: Yeah, And to think of what I mean, you think about somebody who's really changed the world or had the possibility. Unfortunately, you know, it's been pulled back. But what Gorbachev did really made such a significant impact on the world, and all of a sudden it's gone, the rug got pulled out from under him. But what a great relationship he had with Ronald Reagan. And that was that was a lovely thing.

Podcast Host: Yeah. And it shows what can come out of it if there is a strong relationship. Joe, this concludes our interview. Thank you very much for being our guest today. I wish you all well. I wish you good health and I hope we can talk to each other later, if we have advanced our interviews on trust.

Joe Folkman: Severin, it's an honor. And you're brilliant, and I really appreciate the opportunity to chat with you today.

Voice Over: We hope you enjoyed this episode of TrustTalk. We would be very grateful if you would leave us a review on Apple Podcasts. Don't miss out on future travels around trust and subscribe to this channel or visit us on our website TrustTalk.co or on Twitter at [TrustTalkCO](https://twitter.com/TrustTalkCO). We look forward to seeing you again.