

nnouncer: You're listening to the HR Mixtape. Your podcast with the perfect mix of practical advice, thought-provoking interviews, and stories that just hit different so that work doesn't have to feel, well, like work. Now, your host, Shari Simpson.

Shari Simpson: Joining me today is Stephen M.R. Covey. He is a New York Times and number one Wall Street Journal bestselling author of The Speed of Trust and Trust and Inspire. He is the former CEO of Covey Leadership Center and is the global practice leader for the Global Speed of Trust. Stephen, thank you so much for jumping on the podcast with me today.

Stephen M. R. Covey: You're welcome, Shari. I'm excited to be with you.

Shari Simpson: So I had shared a story offline before we got started about how I got introduced to your father as a very young teenager, not even a teenager, a 12-year-old, learning about the seven habits. And so I wanted to see from you, why follow in your dad's footsteps? I mean, it's just such an interesting story. What excited you most about being able to help leaders evolve and grow and really make better connections?

Stephen M. R. Covey: Yeah, it's an interesting question because when I came out of business school, I had some different opportunities. One was in investment banking on Wall Street. That sounded pretty exciting. Another was in real estate development and I did that a little bit before business school and I had great opportunities there. And then those are kind of more legitimate, big offers and exciting things. And then the third opportunity I had was to join up with my dad and for just a small company at the time called Stephen R. Coving Associates. And all my business school classmates were taking the big splashy jobs with investment banks and big consulting firms and were a big opportunity. And then I, you know, and I had a couple of those offers and I went a different path. And I joined with my father, a small company. And no one had ever heard of it. But I did it because I knew what my father was about to publish. He was about to publish The 7 Habits of Highly Effective People book. And he'd been teaching The 7 Habits, but the book had not come out yet. And I just knew that this book would resonate with people. It would respond to it. And I thought, you know what, I want to be part of this. I think this is going to impact people everywhere. And so I said, I'm going to do this and join and try to turn this into something great. And so I joined and then I kind of ran with my skills, which was more on the management side of running the business, building the business. And my father was the thought leader, the thinker, the writer. And I did that for about 13 years. And then suddenly, I found what I wanted to write about. And I kind of shifted gears. I still was in the same industry of really unleashing human potential. But I went from the management side of it to then the thought leader side when I came up with the idea of, I want to focus on trust. Because I think that's the key need of our time. And once I found my voice on trust, then I kind of shifted my career path and became like my father and really was following in his footsteps. Before, I was trying to complement him in

the work he was doing, building a business around his work. And then I began to do something similar to him as I found my voice around trust. And so it really was a process of, of me figuring out where my contribution lie, you know, laid and what I needed to do. And, and it kind of emerged. It was probably less planned out and more just emerged along the way.

Shari Simpson: So how did you think about developing your own personal brand? I mean, you got your dad's namesake, so that could probably be confusing for some people.

Stephen M. R. Covey: Yeah. Well, no, and for me, it was another reason why initially I wanted to kind of just stay on the management side. because it was easier, it was safer. I wouldn't have, you know, a comparison of, you know, he's not his dad and I'd just be a poor man's version of it. And so it was easier to just say, you know, I run the business, he's the thinker and the thought leader and the speaker. But it was, again, once I found what I wanted to talk about, trust, that fear dissipated. It just kind of went away. And I said, you know what, I want to, we need to talk about trust. We're underestimating the impact of trust by a factor of at least 10 and maybe by a hundred. And we're also not understanding how trust is truly learnable as a skill, as a competency. And I need to write about this. And then the fear dissipated because I felt like I found my voice. And then, you know, and I said, okay, no, I don't want people to be confused because I'm not my dad. And we have very similar names, but slightly different, different middle initials. And what I didn't want to do was write a book on trust and have everyone think that I'm Stephen Covey, the original Stephen Covey. And then they feel like they got to bait and switch later when I'm not. And so it was very important to me when I wrote the book. I actually had my father write the foreword to the book so that it would call it out. And then some of the endorsements, I had it very clearly say like Tom Peters. talked about how my father did this and now his son is doing this with this trust book. And I had like three of the endorsements on the back just to try to make it clear to everyone, this is Stephen M. R. Covey, not Stephen R. Covey, because I didn't feel like it would be a good thing to write a book on trust and have the reader feel like, you deceived me in buying this book. I thought it was by your dad, not by you. But all of that was worth it. And I didn't worry about it. once I found my voice.

Shari Simpson: When you are able to align your passion with your work, everything just seems to come together. I love that story. Thank you for sharing that.

Stephen M. R. Covey: Yeah, absolutely. No, you're exactly right. It's that overlap of of your passion with also what you're good at, with also what there's a need for. You see, there's a great need for trust. And then finally, also what you feel compelled to do, maybe even inspired to do. And those four things overlapped. And that's when I feel like I found my voice.

Shari Simpson: That's amazing. You know, a lot of people have read your book. I know that a lot of organizations have implemented speed of trust with everything that has happened in the world. There's

definitely been an increased demand for it. How have you and your organization looked at updating studies or research specifically on the impact of trust now compared to, you know, even a couple years ago?

Stephen M. R. Covey: Well, that's what happened when I initially wrote the book. It was in 2006. So, just recently, I guess a few years ago, we came out with an updated edition. For that very reason is that we felt like, well, let's find some new stories, new examples. There's new data, new research. And here's what's happening, Shari, is that the data on trust is actually exploding right now. And suddenly people are becoming aware of it, that trust matters in significant ways. And they're measuring how trust impacts innovation and how trust impacts collaboration. And how trust impacts engagement. And how trust impacts retention of employees, and the execution of strategy, and leading change. And there's research, there's data, there's studies, and there's more and more, it's just blossoming. Because suddenly people are aware of trust in a way that they hadn't been. Everyone has always known that trust is important, but for many it was seen as a soft, kind of nice to have social virtue. And I took an approach from the beginning that there's economics to trust. There's a business case for trust. It's about moving with greater speed, lower cost when there's high trust. And you can quantify it. You can put a value on that. So all of that remains true. It's just that now we're seeing the impact of trust on everything. is being measured and quantified. And that's exciting because from the beginning of the book, *The Speed of Trust*, the subtitle was, *The One Thing That Changes Everything*. And I said it up front and my publisher actually pushed back at first and said, that's a pretty bold statement to make. The one thing that changes everything? I said, yeah, everything, literally. And now in the last, you know, almost two decades, That statement is being validated every day as study after study is coming out of how trust affects speed, retention, satisfaction, energy, joy, well-being, as well as productivity, collaboration, innovation, engagement, all the things I mentioned. And so that's exciting. So we're always trying to refresh with data, refresh with case studies, examples, stories. And, and then I followed on the speed of trust book with this new book, *Trust and Inspire* as another way of looking at this and now elevating that to not just about how to build trust on teams and organizations, but how to lead through a lens of trust and inspire instead of the old model of command and control.

Shari Simpson: No one wants a command and control leader. No one does. That's a great segue into my next question because I'm curious your perspective as organizations grow and they want to meet their financial metrics and there's stability and there's investors and stakeholders that we have to respond to. How do we build on that and make sure that our teams are innovative, that they take risk, that they're willing to put themselves out there and it's going to be okay, that you still have a positive culture and you can meet all the things.

Stephen M. R. Covey: Yeah, I think the key is the sequence. That we

need to work from the inside out. So yes, we do care about all these stakeholders out there. And that's customers and partners and investors and communities. They matter. It's important that we meet their needs. But the best way we'll meet their needs is to first meet the needs of our own people, our own team, to build a high trust team, a high trust culture inside. And so I call this, you know, the external stakeholders, customers, partners, communities, et cetera. We want to work well with them. We want to win there. We want to win in the marketplace. The key to winning in the marketplace is to first win in the workplace. with their own people. When our people feel trusted, it's easier for them to go out and build trust with customers and partners. If we don't trust our people, It would be incongruent to ask people who we don't trust to go out and build trust with customers. It would feel misaligned. So we've got to go inside out. And part of that inside out includes, if you're going to tell your people that you trust them, well, that includes trusting their decision making, their judgment, and sometimes even their efforts to innovate, which might result in some failure. And so it's almost a reframing of failure is not that you make a mistake that that is bad. No, failure is growth. That's how you innovate, by being willing to fail. You won't do that in a low-trust culture. It's too threatening. It could be career-ending. And as a result, low-trust cultures don't innovate because people don't take the risk. because they're too afraid to make a mistake because it might end their career. In a high trust culture, the research from LRN shows that in a high trust culture, people are 32 times more likely to take a responsible risk. And they're 11 times more likely to innovate. And so it's vital that we trust people and including the ability to take a risk. And make a mistake and learn from it. It's like the Silicon Valley metaphor is fell fast, fell forward, fell often, but learn faster. That's how you innovate. And the key to that is trust.

Shari Simpson: Well, and it plays so well into an employee value proposition that an organization is trying to teach their employees. That link between if I don't trust my employees, if my employees don't feel trusted, how do they represent my organization publicly in a way I want them to show up? That's so important. I do think a lot of leaders miss that. They divorce those two things like they're not related. And you're absolutely right. They are related. They're intrinsically related.

Stephen M. R. Covey: In fact, the connection is so strong, it's almost shocking to think it would be otherwise. If, you know, again, if we don't trust people, they're going to project out that distrust that they feel from you, it's naturally into other relationships. But when they feel trusted, And they feel valued and they feel inspired. That also projects out into those relationships and it just becomes so authentic, so real, so powerful. And then you get a virtuous upward cycle where trust and confidence creates more trust and confidence. And it's just such a better way to lead. to lead out by extending trust to others. That's where this new book, Trust and Inspire, it's saying, look, as leaders, we have a stewardship, a responsibility to

trust our people. Not a blind trust. See, a blind trust is no expectations, no accountability. It's just saying, I trust you, whatever happens, happens. No, always with the expectations that we build together. Always with the process of accountability around the expectations so that we build an agreement together around the trust being extended. And then suddenly I don't need to micromanage the person anymore because they're governing themselves. They're managing themselves based upon the agreement we built together. They report back to me on how they're doing. They feel empowered. I don't have to micromanage. They become creative and innovative and finding new ways to do it better than I thought of before. And they're happier. So they produce better, they're happier. I don't spend my time micromanaging, I'm happier. And it becomes a virtuous upward spiral.

Shari Simpson: I love that. I want to ask you a question about the book, and I don't want you to give it all away, because if you're listening, you should run out and get both books, obviously. We'll make sure that we link to them in our show notes. But if you're a sales leader and you want to take this concept of trust into your relationships with clients, do you have a couple of tips on that?

Stephen M. R. Covey: Here's one of the key tips, that if we wanna create trust, it's important that, yes, we are trustworthy, and that is something that you earn. You earn trustworthiness through demonstrating your character, demonstrating your competence, and we wanna show our clients that we are trustworthy, and we demonstrate high character, we demonstrate high competence, and they can look at us and say, now this is a company, this is a person, of integrity, of good intent. They're seeking my win. I really feel the spirit of win-win from them and not win-lose or not hidden agendas. And so that's coming from your character, integrity and intent. But also the customers looking at them and saying, Are they current? Are they relevant? Are they capable? Do they have the talents and the skills, the expertise, the products, the offerings that can help me solve my problems? I call that capabilities. We've got to show that we have capabilities, the right capabilities. We're current and we're relevant. And then they also are looking for what's their track record. of results, how have others worked with them? Have they delivered in the past? So I just named four cores of credibility, integrity and intent, flowing from your character capabilities and results flowing from your competence. And the combination of both character and competence creates credibility or trustworthiness. That's where you start. And that's what you can control is your trustworthiness, your company's trustworthiness, and you try to communicate that to the client in appropriate ways. Not in a braggadocio way, you know, we're the greatest, but rather, you know, here's our track record. We've been doing this for years and here's what we're good at. And here's clients that we've had great success with and you can talk with them. And in you know in other words we are credible. So we've got to be trustworthy. But there's one more thing we've got to do. It's not enough to merely be trustworthy. It's necessary but insufficient. In addition to being trustworthy we as

leaders, we as partners trying to you know earn business from customers. We also need to be trusting, be willing to give trust to others, to extend it. And even to our customers, to find the ways that we can show that we trust them. Because there is a reciprocity of trust and when you give it, people receive it and they return it. When you withhold it, they withhold it. And so I find that's often lacking where people think that if I want to, you know, earn the trust of customers, they only focus on being trustworthy. That is step one. I'm not downplaying it. You got to start there, but also focus on being trusting. Find the ways. that you can demonstrate to your prospect, to your customer, that you trust them and that you're trustworthy. And when you're both trustworthy and trusting, that creates trust. And the second step being trusting is often forgotten.

Shari Simpson: You know, the, the sales people that I have enjoyed working with the most have been the ones who have been honest about what their products and tools can do. and what they can't do, and have said, hey, you know what? You mentioned A, B, and C. We can do A and C. We can't do B. So is that enough? Can you live without B? Do you want us to proceed in our conversation? Or do you want me to reach out once we've added B to our deck of offerings? And I have always found those people to be the people that I keep on my roll decks, the people that I recommend to other people who are looking for solutions, because I know that I'm getting a straight shooter. They're giving me the honest information. They do want my business. It's just not the right time or the right fit. And that's OK. What they just developed is like a passive customer that I'm helping give them business now, even though I didn't buy it.

Stephen M. R. Covey: That is beautiful. It's a great example of how through your behavior, through talking straight and truthfully, being transparent, clarifying expectations, Saying, look, we're good at this, we're good at that, but we're not good at this yet. And we're working on it. When we get there, I'll tell you. But what you did is you say, rather than just saying, well, we lost the business, actually, you just gained trust. You just won trust. They might not do this deal with you, but they'll probably do the next deal. If you don't have those capabilities, maybe you don't get the deal, but they're going to say, I want to go back to Shari. Because she will tell me the truth, not just what I want to hear. Let me tell you a little story on this very point. So I was working with an architectural firm and with the managing partner of the firm. And they were very much the way you described. They did great work, but they were not, they did not try to be all things to all people. And they were, they would tell the truth. And so a client came in and said, look, I want to do this job, you know, and, and, um, here's what we want to do. How much is this going to cost and bid it out among like three or four firms? Well, some of the other firms were trying to get the business and they kind of They kind of just danced around it, and kind of spun it, and came back with a bid that they all knew was a little bit low in order to get the business. But the idea that later they could say, well, you brought in these changes, and it added a new

cost. But I think there was two other players bidding. And they both came in a little bit low. Well, this client, they bid honestly. And they came in. They were much higher and they said, and so the client came back and said, hey, you're a lot higher than these other people. And they said, look, I don't know what the other people bid, but we bid this straight up. This is honestly what it's going to cost. And we don't know that you're really going to get quality work done for anything less than this. This is our best effort. And we understand if cost is your issue, you want to go to someone else. But you might be paying more cost in the long run. Here's what it will cost to work with us. And if we don't get your business now, we understand. Maybe we'll get it in the future. Well, the client went with one of the low bidders. And it was a disaster. Because the low bidder kept coming back and adding new costs and everything and really, and the client got upset saying you're just adding things, adding things, adding things. And then they remembered the conversation that they had of saying no one can do this job for this amount. And they'll probably come back, they might come back and add more things but you know, and they said I don't even know if I can trust this, this company that's supplying us now, this other firm. And they said I know who I can trust. The firm that told me the truth from the beginning and they literally stopped the business with them because they were buying the contract, kept adding cost to it and went back to the first company and said, we want to work with you because we trust you. And they earned that trust right up front by talking truthfully. And it was more important, you know, the idea is that you tell people what they need to hear, not necessarily what they want to hear. They might not like it, but they learn that they can trust you. And that's worth its weight in gold. And you develop a reputation. Then you get repeat business, you get referral business, and you even get reputation business because it goes in front of you.

Shari Simpson: Well, and as an employee, you know, if you have a leader that you have developed that trust, you know, that leads to psychological safety. And then when there is tough conversations, when there is maybe a performance concern, or maybe there's a big business decision that is changing the dynamic of the company. you don't feel fear, you don't have that flight or fight response, you can just have an honest conversation because you've built that trust up with that person.

Stephen M. R. Covey: So that's amazing. Beautiful. Yeah. Can we add one more piece? Yeah, go for it. So that's clearly the trustworthiness side. Let me give you an example on the trusting side, being trusting as well as trustworthy to create trust. So I'm thinking of an example of Gail McGovern. And Gail is the president and CEO of the American Red Cross. You know, they do great work, um, all over the country and really all over the world, the global organization. And, and, um, when Gail got in as the new CEO, the Red Cross had been through a few leadership changes in the last couple of years. And they, you know, they always had a great purpose, great mission, but they were trying to figure out their operating model. And so there was a little bit of

kind of turnover of leadership and suddenly now Gail comes in. And so Gail went on a nationwide listening tour to listen to people in the organization. So this is now building trust internally. And, and she went to, she held these town hall meetings and she went to a meeting in which someone had the courage to ask her this question. She said, Gail, you're new. We've had all these changes in leadership the last little bit. Now you're coming in the new leader. How do we know if we can trust you? It wasn't a threatening question. It was more just an honest question of, we've had all this turnover. We'd like to trust what you're saying, but we just don't know. And she said, you know what? Fair question. And you can decide that for yourself, but I certainly hope and believe that you'll find in me Someone that you can trust but then she very emphatically said this to everyone in the audience But I want everyone here to know something. I Trust each and every one of you So she didn't know them but her starting point is I trust you we hire winners the Red Cross I start with trust and Can you give me reasons why I shouldn't? People were asked, what did that do when Gail told you, point blank, without knowing you, that she trusted you? To a person, people said, I was inspired by it. I wanted to live up to it. I wanted to be my best version of myself, prove worthy of that trust. And I trusted Gail right back. I believed in her. It made me want to trust her back. And so the leader goes first in trusting as well as in being trustworthy. And when you lead out by being both trustworthy and trusting, you will create trust exceptionally fast.

Shari Simpson: Well, Stephen, this was such a great conversation. I know I got a lot out of it. I'm sure my dad is going to geek out when I get to tell him that I had this conversation with you. So thank you so much for sitting down and talking about trust with me today.

Stephen M. R. Covey: You are welcome, Cher. It's wonderful to be with you. Thank you.

Announcer: I hope you enjoyed today's episode. You can find show notes and links at thehrmixtape.com. Come back often and please subscribe, rate and review.