

Building Trust in a Law Firm

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Trust Enabling Strategies

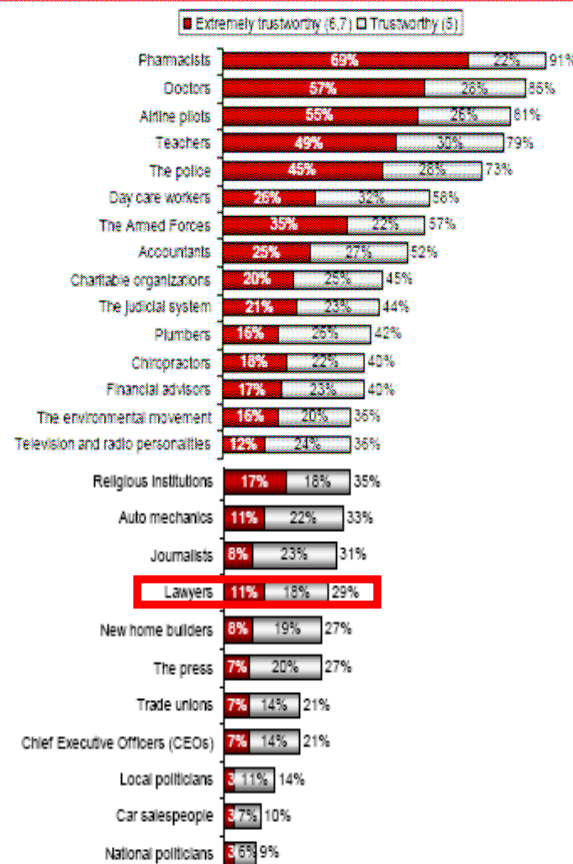
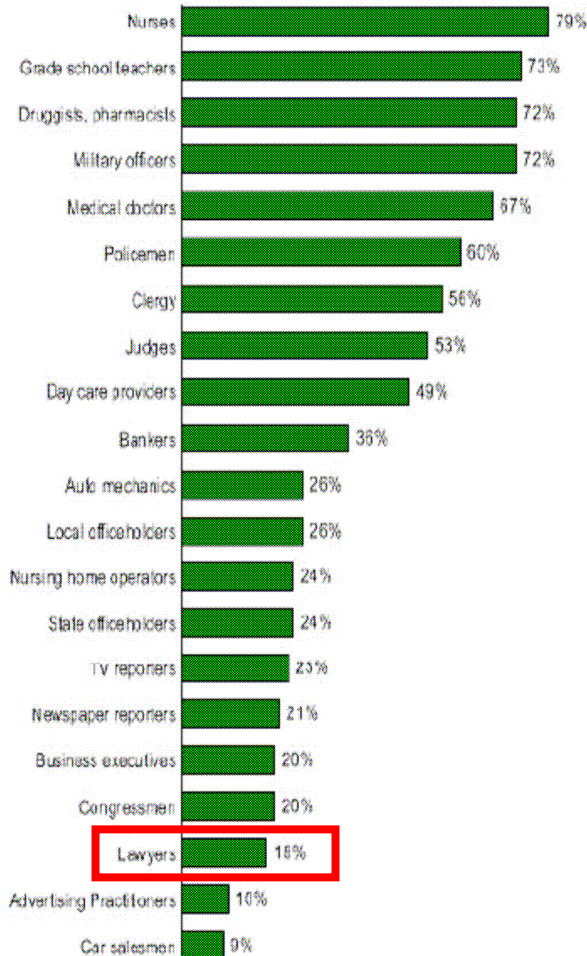
TLOMA Conference - October 19, 2006

How Trustworthy are Lawyers?

THE GALLUP ORGANIZATION

Please tell me how you would rate the honest and ethical standards of people in these different fields—very high, high, average, low or very low?

November 10-21, 2004
Percent saying "very high" or "high"



| Profession | Difference 2004-5 | 2005 |
|------------------------|-------------------|------------|
| Fire fighters | -- | 97% |
| Nurses | -1 | 94% |
| Farmers | -- | 91% |
| Doctors | -- | 89% |
| Teachers | -- | 88% |
| Police officers | +4 | 83% |
| Judges | -3 | 72% |
| Notaries | -1 | 71% |
| Bankers | -2 | 65% |
| Church representatives | -- | 65% |
| Pollsters | +2 | 65% |
| Journalists | +3 | 49% |
| Senior Public Servants | -4 | 45% |
| Lawyers | +1 | 45% |
| Insurance Brokers | +3 | 44% |
| Real Estate Agents | +1 | 40% |
| Unionists | +2 | 38% |
| Publicists | +2 | 37% |
| Car Salespeople | -1 | 18% |
| Politicians | +2 | 16% |

Below is a list of various groups of people in society, professions and different institutions. Please indicate the level of trustworthiness you have for each profession or institution.

Shark Attack

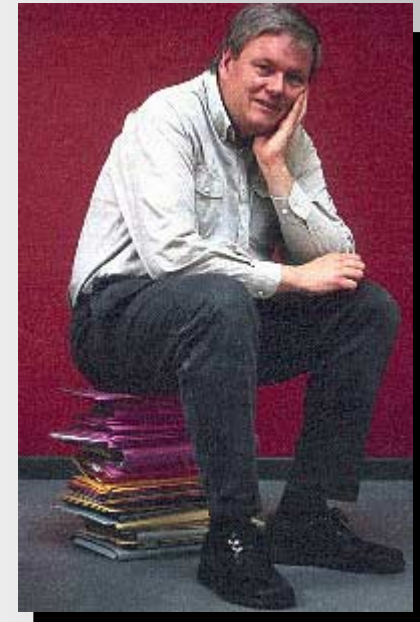
- Why won't sharks attack lawyers?



Professional courtesy.

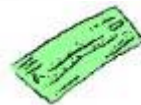
Good vs. Bad Lawyers

- What's the difference between a good lawyer and a bad lawyer?
- A bad lawyer can let a case drag out for several years. A good lawyer can make it last even longer.



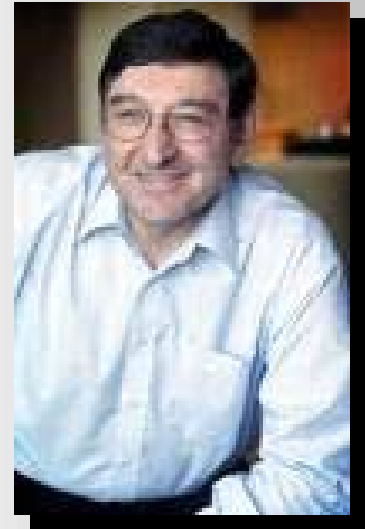
Final Request

- A wealthy man on his death bed called his three best friends-- his doctor, his priest, and his lawyer-- to make a final request. "Who knows what I will find on the other side? Just to be sure, I am giving you each one hundred thousand dollars and I ask that you place an envelope with that amount in my casket." All three took the money and agreed to fulfill his wish.
- He died soon thereafter and at the funeral each friend slipped an envelope into the casket. After the burial, the three walked together from the grave. The doctor said, "My friends, I have a confession to make; since the hospital was short of funds for treating the poor I only put 80,000 dollars in the envelope and donated the other 20,000 to our indigent fund." The priest then said, "I too have to confess that I gave 50,000 dollars to the homeless and only put fifty thousand in the casket."
- The lawyer looked both his friends straight in the eye and said, "I am astonished and deeply disappointed that you failed to keep your solemn promise to our dear departed friend. I want you to know that I placed in his coffin my **personal check** for the full 100,000 dollars."



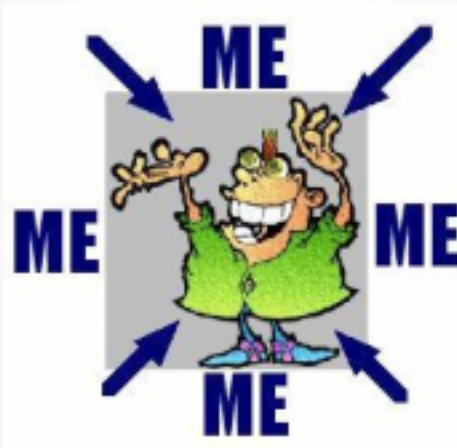
David Maister on the Issue

“The combination of a desire for autonomy and high levels of skepticism make most law firms *lowtrust environments*.”



Maister on the Value of Trust

“Most partners were recognized and rewarded for being the smartest person in the class or the most accomplished. They have rarely experienced or understood the power of succeeding as part of a larger group or team. Their focus tends to be selfish and self-serving, even narcissistic. The result is that the firm resources are squandered and poorly used, clients don’t get the best lawyers assigned to their files, and firms are less profitable. This selfishness also leads to a short-sighted approach to decision making that inhibits long-range success because investments of time or money that don’t yield immediate results are rarely made.”



Why Trust?

What is the value of trust to your business?

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Value of Trust

| Value | Trust Factors |
|---------------------------------|--|
| Price | “Most consumers shop at businesses that have earned their trust – even if they charge more.” |
| Profitability | “The U.S. and Canadian Holiday Inn hotels where managers followed through on promises and had behavioral integrity were more profitable.... No other single aspect of manager behavior that was measured had as large an impact on profits.” |
| Performance | “When employees who work together trust each other, they exert more effort in their jobs and expend less effort monitoring each other. This leads to increased productivity, lower costs, and greater satisfaction for workers as well as shareholders.... It is in every corporation’s interest to consider developing a culture of trust as a way of improving performance.” |
| Productivity | “In 1994, Federal Express and IDS both increased their productivity by up to 40 percent by creating empowered work teams trusted with many of the responsibilities traditionally held by managers. Trust is the key pillar that supports empowerment and cooperation within organizations.” |
| Employee Attraction & Retention | A highly engaging and empowering work environment as a strong value proposition for attracting talent, which resulted in the lowest turnover in the Portland metropolitan area, even though they ranked in the middle of the area’s salary range. |

What do you say?

What brings you to this session today?

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What would you like to get out of this session?

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Agenda

- Definitions for Trust
- Conditions for Trust
- Create Your Own Conditions
- Group Presentations
- Policy Implications

What does trust mean to you?

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Trust Definitions

Mirriam-Webster:

■ *intransitive verb*

1 a : to place confidence : DEPEND <trust in God> <trust to luck> **b** : to be confident : HOPE
2 : to sell or deliver on credit

■ *transitive verb*

1 a : to commit or place in one's care or keeping : ENTRUST **b** : to permit to stay or go or to do something without fear or misgiving
2 a : to rely on the truthfulness or accuracy of : BELIEVE <trust a rumor> **b** : to place confidence in : rely on <a friend you can trust> **c** : to hope or expect confidently <trusts that the problem will be resolved soon>
3 : to extend credit to

Wikipedia:

"In sociology, trust is the willing acceptance of one person's power to affect another."

Trust is Always Contextual

**“A” trusts (or relies on) “B”
for (a specific) “C”**

My Definition of Trust

Trust is a person's willingness to accept and/or increase their vulnerability by relying on implicit or explicit information.

Trust = Acceptable Uncertainty

Conditions for Trust

The Trust Enablement™ Framework

Certainty

Establish Trust

Experiential Sources of Trust

Personal experiences of the relying party or those of objective witnesses.

Authoritative Sources of Trust

Subjective assertions of the source of the information or third parties.

Empowerment

Relying party's ability to choose.

Acceptability

Ensure Trust

Motivation

Factors influencing the actions of the beneficiary (trusted party).

Ability

Aptitude, knowledge, behaviour and disciplines employed to consistently deliver expected value (people, processes & technology).

Risk Transfer

Mechanisms and processes that transfer risk away from the relying party.

Trust Enablement™ Mapping to The Trust Equation

$T = C + R + I$

The diagram shows the equation $T = C + R + I$ above a horizontal line. Below the line, there is a stylized illustration of two hands: one holding a scale and the other holding a coin. Below the scale, there is a large letter 'S'. A vertical line is to the right of the illustration.

Establish Trust

Experiential

Reliability

Authoritative

Credibility

Empowerment

Ensure Trust

Motivation

Self-orientation

Ability

Risk Transfer

Intimacy

Trust Enablement™ Mapping of Steps to Build Trust in a Relationship

Establish Trust

Experiential

3. Make sure your words match the message

Authoritative

2. Inform ... when you become unpredictable
5. Be very very careful of keeping secrets

Empowerment

6. Let your needs be known – loudly
8. Learn to say no
10. Dig into the dirt

Ensure Trust

Motivation

1. Be predictable

Ability

1. Be predictable

Risk Transfer

4. Believe the other person is competent
7. State who you are – loudly
9. Charge Neutral

Trust Enablement™ Mapping of Hurley's 10 Factors that Inspire Trust in Leaders

Establish Trust

Experiential

10. Communication

Authoritative

2. Adjustment

Empowerment

3. Power – provide choice

Ensure Trust

Motivation

5. Similarity

6. Interest alignment

7. Benevolent concern

Ability

8. Capability

9. Predictability/Integrity

Risk Transfer

1. Risk tolerance – offer a safety net

4. Security – provide comfort and temper risks

Trust Enablement™ Mapping of Covey's 13 Behaviors of High Trust Leaders

Establish Trust

Experiential

- 2. Demonstrate Concern
- 3. Create Transparency
- 4. Right Wrongs
- 5. Show Loyalty
- 6. Deliver Results
- 11. Keep Commitments

Authoritative

- 1. Talk Straight
- 8. Clarify Expectations

Empowerment

- 10. Confront Reality

Ensure Trust

Motivation

- 9. Practice Accountability
 - (2. Be Caring)
 - (4. Have a recourse mechanism)
 - (5. Value Loyalty)
- (11. Have Integrity)

Ability

- 7. Get Better

Risk Transfer

- 12. Listen First
- 13. Extend Trust

Now it's Your Turn to Create Conditions for Trust

“A” trusts (or relies on) “B” for (a specific) “C”

Work with the people at your table:

1. Start by defining ‘A’ (the relying party) & ‘C’ (the information to be trusted)
2. Then formulate a question in the form of **“How does ‘A’ know that s/he can rely on ‘C’?”**
3. Then define all possible ‘B’s (sources of trust) placing them in either the Authoritative or Experiential sources of trust categories of the Framework
4. Then think of methods of transferring risk away from ‘A’ and list them in the Risk Transfer category
5. Next, list factors that would help to ensure appropriate Motivation by the beneficiary of A’s reliance
6. Fill in Ability and Empowerment categories last, only if you have time or come up with some ideas along the way

#1 “How does ‘A’ know that s/he can rely on ‘C’?”

Establish Trust

#3 Experiential Sources of Trust

- ‘B’ (i.e. observing behaviour)
- ‘B’ (i.e. eye witnesses)
- ‘B’

#2 Authoritative Sources of Trust

- ‘B’ (i.e. self-assertions)
- ‘B’ (i.e. expert witnesses)
- ‘B’

#6 Empowerment (choose ‘B’s)

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Ensure Trust

#5 Motivation (influence actions)

- (i.e. laws, regulations, policies...)
- (i.e. culture, values, ethics, honesty...)
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#7 Ability (deliver expected value)

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#4 Risk Transfer (show vulnerability)

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Present Your Solutions

Each table, take 2 minutes to present your solution:

- Choose an individual from your table to present
- List your solution on a flip chart
- Start by reading your question “*How does ‘A’ know that s/he can rely on ‘C’?*”

Trust Enablement™ Governance Policy

Establish Trust

Experiential

- The firm shall define, implement and document the experiential sources of trust that providers of stakeholder resources can rely on to establish the higher levels of trust they require to provide such resources.

Authoritative

- The firm shall define, implement and document the authoritative sources of trust that providers of stakeholder resources can rely on to establish initial trust prior to providing such resources.

Empowerment

- The firm shall provide stakeholders with access to resources and information they need to determine the validity of their contributions to the firm's business and means to express their preferences.
- The firm shall periodically review and adjust its Trust Enablement™ policies, standards and procedures in order to optimize them for changing business conditions.

Ensure Trust

Motivation

- The firm shall define, satisfy and document the levels of “acceptable uncertainty” (in other words trust threshold) required by providers of stakeholder resources.
- The firm shall define, implement and document applicable motivation (decision-influencing) mechanisms that establish and enforce the methods for acquiring stakeholder resources.

Ability

- The firm shall define, implement and document its ability to solicit, acquire, steward and productively apply stakeholder resources.

Risk Transfer

- The firm shall define, implement and document mechanisms and/or instruments that transfer risk away from providers of resources.

Questions

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