

Building Higher Trust 20 The Ratchet Effect

by Bob Whipple, MBA, CPTD



Understanding the Ratchet Effect starts with an analogy. Trust between people is like a bank account. At any point in time there is a “balance of trust” in the account similar to the balance of cash in a bank account.

Every time we interface with that person, whether live in person, on the phone, in emails, or even with body language, we make either deposits to the account or take withdrawals.

The size of the transaction varies depending on the nature of the interaction.

At a bank, if we take too many withdrawals, or even one very large withdrawal, the account becomes “overdrawn,” and we need to put more money in before we get back to zero.

When a leader has transactions with people, the trust account with each of them is being affected with each transaction. It is easy for a leader to make small deposits in the trust account with people to increase the balance. Here are just a few examples of things that can create small deposits:

1. Showing empathy for the other person’s situation
2. Just saying good morning in a cheerful tone of voice
3. Recognizing an individual for a job well done
4. Treating people with respect
5. Giving people the freedom to do their job without interference
6. Thanking people sincerely
7. Treating people like adults
8. Allowing people to have air time

While making small deposits is relatively easy and common, making a large deposit is more difficult. As a leader, nothing I say can make a huge increase in trust. It has to be something I do, and for a deposit to be large, it requires some unusual circumstance.

For example, suppose you are a sales manager reporting to me, the CEO. You write me an e-mail while I am on vacation at the lake letting me know that an important prospective customer will be there at 8 a.m. to review our manufacturing site. You are prepared to show the customer around, but state in your note, “I am really sorry you are not here this week, Frank. We will do a good job on this in your absence, but it would

have been nice to have the whole management team in attendance to secure this new account.”

At 7:30 the next morning I show up at work unexpectedly, and you realize I must have driven half of the night to get there in time from 200 miles away. In this case, I am going beyond what might reasonably be expected. My extra effort represents a significant trust deposit in your eyes.

It usually takes a special circumstance for a leader to have the opportunity to make large trust deposits. Instead, the current trust balance with people is the result of numerous small deposits (clicks of the ratchet) made over an extended period.

Unfortunately, on the withdrawal side, the pattern is different. With one slip of the tongue or even a wrong expression on his face in a meeting, a leader can make a huge withdrawal. Because of the ratchet effect, a small withdrawal can become big because the pawl is no longer engaged in the ratchet.

Here is an example of the ratchet effect in conversation: “You know, I have always trusted George. I have worked for him for 15 years, and he has always been straight with me. I have always felt he was on my side when the chips were down, but after he said that in the meeting yesterday, I’ll never trust him again.”

Not only has all trust been lost in a single action, but it will take a very long time before any new deposits can be made. So, in essence, the trust account went from a healthy positive balance to being overdrawn in a single sentence.

What if there was a way to reinsert the pawl back into the ratchet during a serious withdrawal so that the mechanism only slipped back one or two teeth. That would mean the basic level of trust would be retained and could be immediately enhanced by further deposits.

The ability to reinsert the pawl during a withdrawal is pivotal in terms of the ability to maintain trust. That is where the concept of “rewarding candor” provides organizational magic that has unparalleled power to build trust. Rewarding candor is, in fact, the way leaders reinsert the pawl during trust withdrawals.

All leaders make trust withdrawals because no one is perfect. Leaders, simply by being human, do tend to make withdrawals from time to time. In most organizations, people do not feel safe enough to let the leader know they have just been sapped. Hence, there is no ability to reinsert the pawl, and trust plummets. It may even go to zero or a negative level of trust before it can be corrected over much time and incredible effort.

Contrast this with another scenario where the individual knows it is safe to let the leader know she has made a blunder on trust. The individual says something like this, “I don’t think you realize how people interpreted your remarks at the meeting. They are upset with you right now.”

If this leader reinforces the person's candor, she might say. "Looks like I messed up this time, Bill. Thanks for having the guts to level with me. I would have never realized the issue if you hadn't brought it up. Now, thanks to your honesty, I have the opportunity to get people back together, apologize, and tell them what I really meant."

An exchange like that not only can stop the withdrawal in the mind of the forthright employee, it also gives the leader the opportunity to stop the withdrawal for the entire population.

Recognize the presence of the ratchet effect when trying to maximize the trust account with other individuals and make sure to reinforce candor to prevent small withdrawals from becoming huge ones.

Bonus video

Here is a [brief video about the Ratchet Effect](#).

Bob Whipple, MBA, CPTD, is a consultant, trainer, speaker, and author in the areas of leadership and trust. He is the author of four books: 1. The Trust Factor: Advanced Leadership for Professionals (2003), 2. Understanding E-Body Language: Building Trust Online (2006), 3. Leading with Trust is Like Sailing Downwind (2009), and 4. Trust in Transition: Navigating Organizational Change (2014). In addition, he has authored over 1000 articles and videos on various topics in leadership and trust. Bob has many years as a senior executive with a Fortune 500 Company and with non-profit organizations.