DRIVER REFERENCE GUIDE 1 OF 5

COMPETENCE REFERENCE GUIDE

Whether employees believe the organization has the capability and judgment to succeed. What to look for when diagnosing the driver, what to do when it needs attention, and what to avoid. Built for use in the field during the intervention period, not for reading once.

Timen Baart · From *Compounding Trust* (Rethink Press, 2026) · compoundingtrust.com

THE DRIVER

1 COMPETENCE

Whether employees believe the organization has the capability and judgment to succeed

DIAGNOSTIC QUESTIONS

- *Is there a gap between what our organization says it prioritizes and what you actually see it doing?*
- *Is there a decision you regularly make that requires more approvals than you think it should?*
- *Think of a significant decision made recently by the leadership team. Did it reflect a clear understanding of the situation on the ground?*
- *When something goes wrong here, does the organization learn from it or explain it away?*

WHEN THIS DRIVER IS STRONG

- Individuals act on their best judgment without seeking excessive validation before each step
- New ideas are raised early and seriously before they are fully developed because people trust the organization to engage with early-stage thinking
- Decisions are made at the level where the relevant information lives; escalation is the exception, not the default
- The gap between what the organization says it will do and what it does is narrow and visible when it opens
- People describe the organization as capable of learning from its mistakes, not merely explaining them

WHEN THIS DRIVER IS WEAKENING

- Decisions are revisited repeatedly; action is deferred until consensus is broad enough to dilute accountability
- Validation loops expand, more approvals, more sign-offs, and more internal reviews before anything moves
- A persistent gap opens between declared direction and actual execution
- Strategy is announced but not delivered
- New ideas are filtered before they surface; people learn which proposals will be received well and confine themselves to those
- Capable individuals stop contributing to strategic questions because they do not expect their input to change outcomes

COMPETENCE

WHAT TO LOOK FOR

Decisions that are repeatedly revisited after they have been made. These decisions signal competence uncertainty. When employees lack confidence in the organization's direction, they hedge their execution, which takes the form of additional approval cycles, excessive documentation requirements, and a reluctance to commit resources until a decision has been formally reconfirmed from above.

The gap between declared ambition and visible capability. When the strategy says one thing and the organization's observable execution says another, individuals notice and calibrate their confidence accordingly. The gap itself is not always a leadership failure, but the failure to acknowledge and address it consistently is.

The talent dynamics in the organization. When capable people are restricted to narrow roles or when internal mobility requires navigating excessive processes, the organization is communicating that it is not confident enough in its systems to deploy people freely. That communication erodes the trust in competence held by both the people constrained and those who observe the constraint.

What happens after failures. In high-competence-trust organizations, failures are analyzed openly, their causes are addressed, and the learning is shared. In organizations where trust in competence is weakening, failures are managed politically rather than analyzed structurally. Blame is distributed, causes remain unexamined, and the same failure occurs again under slightly different conditions.

COMPETENCE

WHAT TO DO

Make the strategy visible and specific. Ambition stated in general terms builds no trust in competence. Ambition connected to specific milestones, with clearly articulated reasoning about how those milestones will be reached, gives employees something to evaluate and, when milestones are met, something to update their confidence on.

Audit the approval architecture. Identify the five decisions most frequently mentioned as requiring more approvals than they should. For each, ask what risk the approval chain is managing and whether that risk genuinely requires the current number of checkpoints. In most cases it does not. Streamlining these processes removes the most visible signal of organizational uncertainty and returns decision-making authority to the people closest to the work.

Acknowledge capability gaps honestly. When the organization is attempting something that exceeds its current capability, acknowledging that point directly and explaining what is being done to close the gap preserves trust better than projecting confidence that the organization's performance will soon contradict. Employees who hear a credible account of a plan to develop the required capability extend more patience than those who hear a confident assertion that the gap does not exist.

Invest in process quality visibly. Choose one core operational process per quarter that is demonstrably inefficient, and reform it publicly. The systematic improvement of organizational process, made visible and explained in terms of its impact, is one of the most consistent signals of organizational competence available.

COMPETENCE

WHAT TO AVOID

Announcing strategy without demonstrating execution capability. Strategy declarations that are not accompanied by visible evidence of the capability to deliver them erode trust in competence faster than silence would. If the strategy is sound but the execution capability is not yet in place, make that clear, and focus early communication on the capability-building rather than on the destination.

Protecting poor decision-making from scrutiny. Organizations where trust in competence is actively maintained create environments in which decisions can be questioned and revisited without political penalty. Organizations where leaders protect their past decisions from challenge are communicating that accuracy is less important than authority. This communication is incompatible with a high-competence-trust environment.

Conflating confidence with competence. Projecting certainty in the face of genuine uncertainty damages trust in competence faster than expressing calibrated uncertainty. Employees who observe a confident leadership team making a decision that subsequently proves wrong do not update toward They were unlucky. They update toward They did not know what they were doing. Honest calibration of confidence is a competence signal.

COMPETENCE

WORKING PAGE

What sustains the driver. Competence is built through a visible record of decisions made well, promises kept, and course corrections taken seriously. Competence erodes when performance gaps are explained away rather than addressed, when leadership demonstrates poor judgment in visible decisions, or when structural complexity prevents good judgment from being acted on.

WHICH FAILURE IS IT?

From Step 2 of the intervention structure in Chapter 10. Identifying the specific failure determines which intervention will address it.

- ☐ Strategic (the direction is unclear)
- ☐ Operational (processes are inefficient)
- ☐ Capability-related (the organization lacks the skills to execute what it has committed to)

The specific signals the diagnostic surfaced for this driver:

The one behavioral change people will be able to see:

How and when it will be communicated, before it is implemented:

Re-run the diagnostic question with the same people after sixty to ninety days. Date:

From Chapters 10 and 12 of *Compounding Trust* by Timen Baart (Rethink Press, 2026). The other driver guides and the first trust review worksheet are at compoundingtrust.com/resources.

COMPOUNDING TRUST

TRUST IS A DIRECTION, NOT A SCORE

Compounding Trust explains why trust inside organizations is not simply a cultural sentiment. It is a structural condition that determines whether people contribute fully, share information early, make decisions confidently, and invest their ambition in a shared direction.

The Compounding Trust Model identifies five structural drivers:

COMPETENCE · FAIRNESS · RECIPROCITY · IDENTITY · TRANSPARENCY

Together, they determine whether trust strengthens or erodes over time. The practical leadership question is not whether an organization has trust, but whether trust is moving in the right direction, and which structural driver is causing that movement.

CONTINUE THE WORK

Compounding Trust provides the model, diagnostic frameworks, and intervention principles. Additional practical resources are available at compoundingtrust.com/resources.

TrustXP is the measurement platform built on the Compounding Trust Model. It gives leadership teams continuous, driver-specific visibility into the direction of trust, helping them identify emerging gaps before those gaps appear in performance data.

Read and apply the framework	**compoundingtrust.com**
Make trust observable	**trustxp.com**