



Newsletter

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Why Trust
Matters More
in a Small
Business

Coaching v
Mentoring – What
is the Difference?

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Why Trust Matters More in a Small Business

Trust isn't a "nice to have" for small businesses - it's one of your biggest competitive advantages. Here's how to build it, one everyday habit at a time.

In a business of 10, 50 or 200 people, everyone feels the culture. There are fewer layers of management, fewer formal processes and more reliance on people simply doing the right thing. That makes trust the glue that holds everything together.

When trust is high, people speak up early about problems, share ideas without fear and go the extra mile because they want to. Decisions happen faster because nobody needs to double-check everything. And good people stay, which matters when losing even one key person can leave a real gap.

When trust is low, the opposite happens. Mistakes get hidden, rumours fill the silence, and managers end up micromanaging because they don't feel they can let go. The good news? Trust isn't a personality trait or a lucky accident. It's built through small, consistent actions - and every SME leader can start today.

What Does a High-Trust Workplace Actually Look Like?

Trust can feel abstract, so it helps to picture it. In a high-trust team, you'll usually notice that:

- People say what they think - including "I disagree" or "I got that wrong" - without worrying about the consequences.
- Managers explain the "why" behind decisions, not just the "what."
- Promises are kept, and when they can't be, people say so early.
- Mistakes are treated as learning, not as an excuse to find someone to blame.
- People are trusted to manage their own work, with support available when they need it.
- Recognition is fair and frequent, and it isn't reserved for a favoured few.

A simple test: would your team tell you bad news before it became a crisis? If the honest answer is "probably not," there's work to do.

Six Practical Steps to Build Trust

1. Lead by example

Culture starts at the top. If leaders admit their own mistakes, follow the same rules they ask of others and treat people with respect, their team will notice. Saying "I don't know - let's find out" is a surprisingly powerful trust-builder.

2. Communicate openly and often

Silence breeds speculation. Share how the business is doing, what's changing and why - even when the news isn't perfect. A short monthly update or a regular team huddle can go a long way. People don't need to know everything, but they do need to feel they're not being kept in the dark.

3. Do what you say you'll do

Trust is built on reliability. Follow up on that pay review you mentioned, get back to someone when you promised, and act on feedback from staff surveys. If plans change, explain why. Small broken promises add up quickly.

4. Make it safe to speak up

Invite questions and challenge, and thank people when they raise concerns - even uncomfortable ones. Ask "What could we do better?" in one-to-ones and actually listen to the answer. If someone flags a problem and gets shot down, nobody else will try.

5. Give people autonomy

Agree clear goals, then step back and let people decide how to get there. Micromanagement sends a message that you don't trust them — and people tend to live up (or down) to the expectations set for them. Check in to support, not to inspect.

6. Be fair and consistent

Apply policies the same way for everyone, whether it's flexible working requests, annual leave or performance conversations. Perceived favouritism is one of the fastest ways to erode trust. Clear, simple HR policies - applied consistently - help everyone know where they stand.

Watch Out for These Trust-Breakers

Trust takes months to build and moments to lose. Keep an eye out for these common pitfalls:

Trust-breaker	Try this instead
Announcing big changes with no warning or explanation	Involve people early and explain the reasons
Asking for feedback, then doing nothing with it	Share what you heard and what you'll act on (and what you won't, and why)
Saying one thing and doing another	Keep your word, or explain promptly when plans change
Discussing colleagues behind their backs	Address issues directly and privately with the person concerned
Taking credit for the team's work	Recognise individuals and the team, publicly and specifically
Ignoring poor behaviour from a "high performer"	Hold everyone to the same standards

Your Quick-Start Checklist

You don't need a big culture programme to get started. Pick two or three of these and try them this month:

- Share a short, honest update on how the business is doing
- Ask each team member in their next one-to-one: "What's one thing that would make your job easier?"
- Follow up on any outstanding promises you've made to your team
- Thank someone publicly for raising a concern or a new idea
- Review one HR policy to check it's clear and applied fairly
- Hand over ownership of a task or decision you'd normally keep

The Bottom Line

High-trust cultures aren't built through grand gestures. They're built through hundreds of small, everyday moments where leaders choose honesty, consistency and respect. For SMEs, that's great news: you're small enough to make a real difference, quickly.

If you'd like support with employee engagement, clear and fair HR policies or developing your managers, the team at Agile HR Consulting is here to help. Let our expertise give you the confidence to navigate your people journey. Visit www.agilehrconsulting.com to find out more.

Coaching v Mentoring – what is the difference?

Companies frequently bundle coaching and mentoring into the same professional development bracket. While both share a core purpose of unlocking employee potential and driving engagement, treating them as interchangeable is incorrect.

Deploying the wrong approach can lead to frustrated employees, stagnant development programmes, and poorly allocated HR budgets. To build an effective talent strategy, business leaders and HR professionals must understand the distinct mechanics, timeframes, and goals that separate the two.

The Core Distinction: Self-Discovery v Lived Experience

The fundamental difference between a coach and a mentor lies in where the answers come from.

Coaching is non-directive. A coach does not need to be an expert in the employee's specific line of work. Instead, they are experts in the process of human development. By using structured, open-ended questioning and neutral feedback, a coach guides an individual to explore their own behaviours, reflect on performance gaps and self-discover their own solutions.

Mentoring is directive and relationship-driven. A mentor is typically a senior professional who has successfully walked the path the mentee wishes to follow. The mentor directly shares knowledge, offers career advice, and passes down lived experiences to help the junior employee navigate professional hurdles and understand organisational politics.

Key Differences at a Glance

- **Purpose:** Coaching aims to improve specific job performance, skills, or behaviours. Mentoring supports holistic, long-term career development and personal growth.
- **Approach:** Coaching focuses on self-discovery via questioning. Mentoring focuses on knowledge transfer via advice and guidance.
- **Timeline:** Coaching is short-term and time-bound, usually spanning 2 to 12 months. Mentoring is ongoing and long-term, sometimes lasting several years.
- **Relationship:** Coaching is structured, formal, and goal-oriented. Mentoring is flexible, relational, and driven by mutual trust.
- **Agenda Setting:** In professional coaching, the agenda is collaborative but closely aligned with immediate business goals. In mentoring, the mentee heavily drives the agenda based on their evolving career needs.

When to Deploy Coaching

Coaching is highly effective when an employee needs to build a specific capability or navigate an immediate professional transition. Consider investing in coaching for:

- Accelerating leadership readiness for newly promoted managers.
- Addressing specific performance gaps or fine-tuning skills like strategic delegation or communication.
- Supporting executives through rapid organisational change.

When to Deploy Mentoring

Mentoring should be leveraged when the goal is cultural integration, long-term retention, and broad professional development. Consider establishing mentoring programmes for:

- Succession planning, where senior leaders pass institutional knowledge to future executives.
- Onboarding new talent to help them acclimate to the industry and company culture.
- Providing diverse or junior talent with sponsorship, networking opportunities, and career path guidance.

Striking the Right Balance

A robust HR strategy does not choose between coaching and mentoring; it integrates both. Line managers can be trained to dynamically use both skill sets - asking coaching questions when an employee needs space to think through a problem, and stepping in with mentorship when the employee genuinely lacks the experience to find the answer alone.

By aligning the right development method to the specific business challenge, companies can foster an empowered, highly skilled and resilient workforce.

If you'd like support with coaching or mentoring visit www.agilehrconsulting.com to find out more.