

THE FUNDAMENTS OF TRUST

by Bernhard Drumel and Franziska Koppensteiner

INTRODUCTION

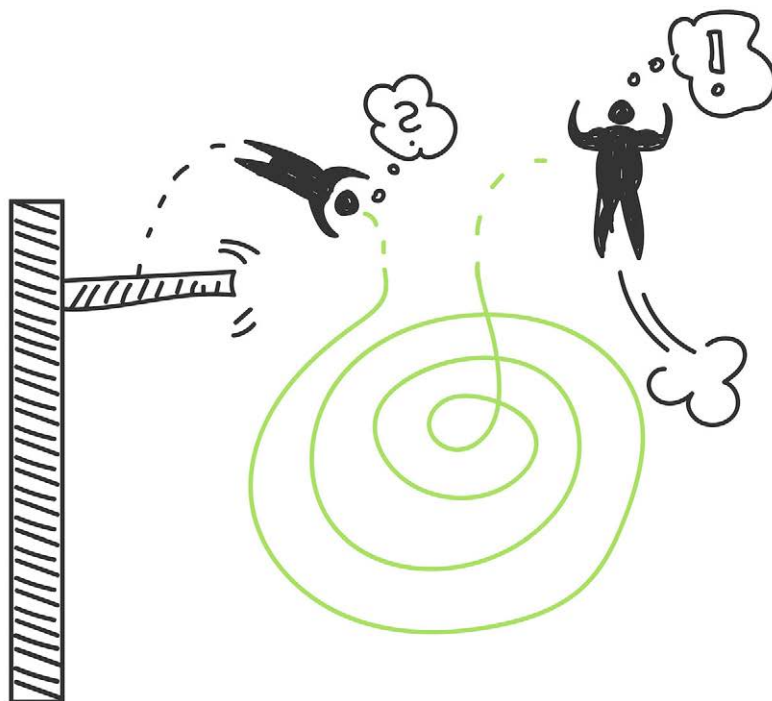
After years of experience in organisations, it seemed that some things were not working anymore. Somehow, the old recipes used to inspire people and reach our goals did not prove as efficient as they were in the past. To find the reason, we had to open our windows and take a look outside to realize the obvious:

the world is changing. And organisations need to adapt if they want to remain in tune with their environment.

We found out that one parameter, control, is becoming obsolete and that trust can replace it for the most part. Although it is a mind-challenging thought for some, our experience is: it actually works!

With proper process, it is possible to gradually give space to trust and transform organisations in a way that allows them to face the challenges of these times.

We are convinced of the high value of trust and the positive outcomes a more trusting society would create. This ebook is our way to share this vision. We invite you to take a closer look at it.



1. TRUST AND MISTRUST AROUND US (SOCIETY LEVEL)

When we think about trust, we first think of people in our lives: Relatives and Friends. Close bonds and common experience tend to improve the probability of trusting someone. Personal trust rarely extends further than the people around us.

Beyond that, at some point, in any organisation, in any society, there is always some level of trust.

Otherwise, as Luhmann says,

“In many situations the human being has the choice to trust or mistrust. But without any trust one couldn’t get out of bed in the morning.”

The phenomenon of trust can be compared to a living body: We usually qualify a living body as healthy or unhealthy, like it is binary. In fact, even a very unhealthy body does have some healthy functioning parts. Otherwise it would be dead.

Equally, trust is not binary and can have various levels, but there is always a certain level of trust. For instance I can trust a friend with a secret while I don’t trust in his capacity to take care of my plants during my vacations. And I can trust in someone’s capacity to cut my hair but at the same time don’t trust the same person in general.

We live in a society where trust is scarce. We lock our homes, we set passwords on our accounts, we want our children watched 24/7 and tend to see any stranger as suspect until proven otherwise. How did we get to this situation?

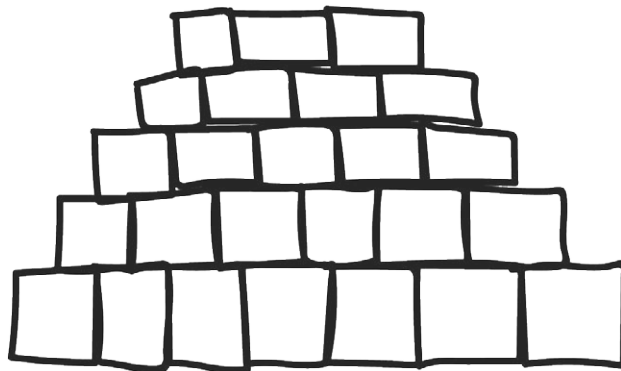
One important reason is leadership. Throughout history, a large majority of leaders have been non-benevolent to their people. They would consider them as resources and not beings, and therefore would not be trusted. And these leaders would see

their people as equally suspicious because of their resentment towards them. They would build systems of domination and control based on fear.

The legacy of these systems is still very present in our societies. But they are so deeply rooted in our culture that we don't even realize that there is an alternative. One very costly result is bureaucracy, another one public surveillance.

It doesn't mean that our society would become more trusting by just dropping all control system at once. Greed, lust, jealousy and many other human behaviours justify the need to maintain a certain level of control. But maybe in some situations it would be possible to consider trusting a little more, starting in smaller structures where people know each other. Say communities, villages, companies, schools or ... NGOs?

At this point, the lack of trust is much more costly than we usually think (see later in the chapter "trusting organisation"). First we will have a closer look into the functioning of trust.



2. HOW DOES TRUST WORK (PERSONAL LEVEL)

What does it mean to trust someone and how can we build trust with another person?

Basically, trust can be categorized as a subjective belief that is based on the accuracy, honesty or integrity of a person, their actions, insights, and statements about or themselves or others.

Whether you decide or not to really trust another person depends on several conditions:

1. **Past experiences of earlier childhood** or similar situations act as a central compass. Research has shown that children develop basic trust (or basic mistrust) at the age of 0 to 2 years. From 2 to 6 years, children develop the ability to make assumptions about the mental processes of others and are able to understand that people consciously deceive others.

Henceforth children recognize the relationship between expressed promises and actual behaviour, resulting in the emergence of a basis of trust. In adolescence and adulthood confidence in society is developed.

2. Likewise preconditions in terms of broadly defined **preferences or values**, as well as personal motivations and consistent personality characteristics play a central role for the development of trust. The personal worldview and perception of others in general („are human beings good or evil?“) are crucial factors when it comes to building trust. Trusting people don't trust their fellow men more because they are naive or blind to everyday experiences, but because they hold another conception of human beings.

3. During each interaction, the **characteristics of the other person** are analysed: their intentions, skills, credibility and reliability influence the level of trust that is built.

4. **Situational factors** also relate to the contexts in which trust occurs (eg. critical life events, high stress situations)

5. **Reciprocal social perception of partners**, in particular with regard to the suspected trustworthiness.

6. **Observable signs of mutual trust**. It involves the here and now utterances, self-exploratory remarks, requests, feedback and help.

In addition to these, there seems to be **biological factors** as well as hormones that can increase or decrease the tendency to trust.

Oxytocin is supporting a trusting attitude: studies show that after being treated with oxytocin people seem to approach people and situations with more trust while testosterone seems to have an opposite effect.

The **effect of trusting attitudes on the brain** has also been studied. When people are expressing trust, cerebral regions associated to reward and predictability get activated. Mistrust activates the regions associated with fear and emotions. On this level, mistrust seems to be stronger than trust because it is always accompanied by emotions.

Another point of interest: It seems that mistrust and trust **do not use the same neuronal networks**, meaning that they can both be present and active in the brain at the same time.

WHAT ARE THE CHARACTERISTICS OF TRUST?

In every act of trust, there is the aspect of uncertainty because the situation can't be controlled anymore. There is also some risk because the trusting person is showing him/herself vulnerable and he/she is forced or has to give away control.

Finally, trust is also distinguished by the fact that it is always focused on the future action of others.

In a **process of trust**, there is always :

- A perceived risk
- A loss of control
- An uncertainty about the outcome

If you mistrust, you don't want to show yourself vulnerable and you don't want to take risks.

Fraud is the main cause of destroying trust:

Fraud out of egoism:

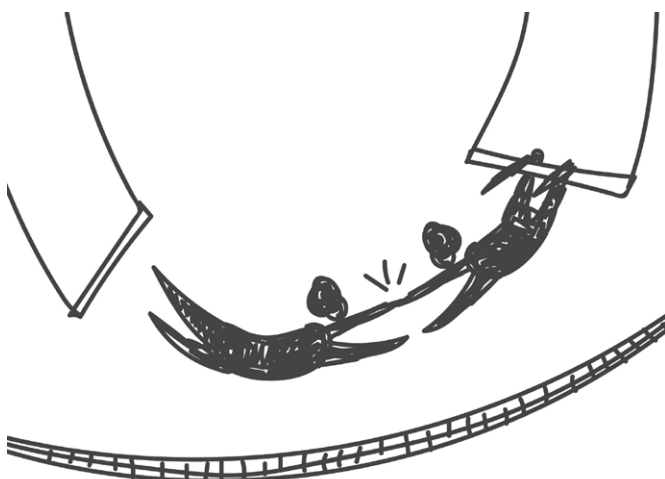
benevolence and integrity have been harmed

Fraud out of ideology:

values have been harmed

Personal fraud:

the other person could have been harmed. It is very hard to rebuild trust in this case.



HOW TO BUILT TRUST ACTIVELY?

As mentioned earlier, trust is a subjective belief that usually is built unconsciously over a long period of time which is influenced by previous experience. But trust can also be promoted consciously and deliberately.

Basically, trusting behaviour is verbally and nonverbally consistent and shows interest for the partner.

The individual steps of trust building can be summarized as follows:

1.) Producing a sympathetic communication:

- Pay attention to the partner
- Showing understanding through empathy

2.) Degradation threatening actions

- Actions should be made transparent
- Give and ask for feedback

3.) Aimed building trust:

- Give over responsibility to your partner
- Growing success fosters confidence and lead to trust

Important skills for the creation of trust are empathy and self-efficacy.

Only if you can be unselfish and can see yourself in the role of another, trusting behaviour can emerge. High self-centeredness and competitive behaviour are incompatible with trusting behaviour. Self-efficacy will be learned through successfully managed tasks.



BENEFITS OF TRUST IN PEOPLE

The **action potential and self-confidence** of anyone grows along with the trust invested in that person. Being trusted let people take initiatives, risk some forms of self-expressions or talk about sensitive issues.

It creates a **positive approach to problems** and demonstrates value as a reliable partner.

Being a trusting person means you are **well adapted and hardly involved in conflicts** with others. As a result, trusting people get much more attention from others. This is why they are more likely to be accepted as partners or friends.

People who place trust in others **expect something good** from their fellow man. Suspicious people rather go on the assumption that one has to remain critical of his peers, because they seek to gain an advantage and want to cheat people.

Stress occurs when trusting behaviour decreases.

Through trusting conduct an **objective can be achieved more quickly** and saving money on labour can be accomplished.

The **action potential grows steadily**, as confidence grows - confidence in one's own self-presentation and in others interpretation of one's self-presentation.

When people trust in the organisation's leadership it is directly reflected in their **commitment to the organisation**.



3. TRUST IN ORGANISATIONS

Developing projects requires confidence that they will come to fruition, that the resources, time and energy we invest will produce the outcome we expect. There are two main ways to get confidence about a future outcome: control or trust.

Traditional management is based upon a “predict and control” paradigm and it works quite well to reach goals in a world that is predictable. But our World is becoming increasingly VUCA :

V.U.C.A.

VOLATILE UNCERTAIN COMPLEX AMBIGUOUS

The result is that the “predict and control” methods can hardly be applied anymore. In this context, control is increasingly difficult and costly to achieve for random results.

This disqualifies most of the traditional management approaches. However, where the old is dying, there is space for the new to thrive. The comparative advantage of trust in this situation is ever growing.

Of course, this calls for a paradigm shift in our management’s practices, starting by rethinking the way we are making decisions and acting on an everyday basis. But the mentalities of our employees and partners evolve along with the society we live in, making the transition to trusting organisations possible.

ADVANTAGES OF A HIGH LEVEL OF TRUST IN AN ORGANISATION

Trust is a primary factor in how people build relationships and work together. Studies show that a high level of trust increases the quality of work:

Reduction of complexity

The same way our societies have developed costly administration and controlling systems, many organisations have set up complex hierarchical structures and processes to make sure things get done the right way. In many cases, an employee knows how to do his job and would be able to get similar results. Trusting the will and ability of others to do what's right for the organisation reduces the need for complex control procedures.

Reduction of costs

The decreasing need for control implies that the persons who spend time on controlling procedures can now spend time doing something else, decreasing the cost for human resources. Trust also favours the sharing of tools and space, and decreases the need for security systems.

Faster decisions

In a pyramidal structure, a great number of decisions that need to be taken have to climb the hierarchical ladder to someone who often doesn't know the reality of the person on the ground - and then go back down to be implemented.

This process can take some time before a decision is taken, paralysing actions in the meantime. In addition, it makes the workers feel unable and unconfident at what they are doing and consumes precious time of managers on it's way up and down. Trusting a worker with the decisions about his work make a lot a sense in a VUCA world.

Performances

Traditional management implies controlling to improve performances. All studies actually show that it is the opposite. Trust enhances motivation and better contributions to the organisation's purposes. A self-centred "What's in it for me" attitude robs an organisation of the best it's employees have to offer. That's particularly true in non-profit organisations.

Lower turnover

In a survey about retention and engagements, Mastery Works found out that

"Lack of trust is an issue with almost every person who left an organisation."

With the increasing volatility of the workforce, especially the famous generation Y on the employment market, recruiters know that traditional material incentives don't work as they did before. Trust is a key factor to win and retain highly motivated employees.

The best profiles

In our mutating society, the set of skills necessary to carry out projects is changing. The number one skill for recruiters today is adaptability. People who have travelled, discovered foreign cultures, with good communicational skills and empathy, capable of solving problems and avoid (solve) conflicts. The kind of people for whom trust and open heartedness are paramount. Many wouldn't compromise themselves and their values in a mechanically controlled organisation but would accept a lower salary to work in a pleasant place where they have autonomy and space to express themselves.

New organisation paradigms

In his ground-breaking book "Reinventing organisations", Frederic Laloux shows that humans have organised themselves on only a few organisation paradigms for thousands of years. He describes an emerging "teal" paradigm, which is more efficient

and adaptive and could help humanity to address its current challenges. Trust is the golden key of these organisations where no one can give an order to anyone else. And this is where the wind is blowing...

TRUST BUSTERS

There are some key elements that can hinder the development of trust in an organisation.

Personal agendas

Personal needs for recognition, promotions and power that don't align with the organisation's strategies.

Negative attitudes

Colleagues showing rancorous, hot-tempered, deceitful or other negative attitudes.

Cluttered communication

People keeping information to themselves for a personal advantage...

Disclosure

... Or the unwanted disclosure of a confidential information.

Incompetence

Inability for some to correctly accomplish the tasks they are accountable for or perceive others as such. The Peter principle...

Instability

Constant and misunderstood changes in policies, management, and processes may foster a feeling of insecurity.

LEADERSHIP

The behaviour of leaders is a key factor in strengthening the level of trust in an organisation. They hold the levers of decisions, they can be role models or just give instruction on how to deal with given situations. In any internal transformation process, they can activate or block change more than any frontline worker.

As human beings, we tend to judge other people's behaviour according to our vision. And in many cases, leaders feel they have the right to do so. But experience shows that if an organisation is to change its culture, the first place to start is by asking leaders to examine themselves and their behaviour.

Here are some key elements about leadership that can support a high level of trust.

Transparency

A supervisor has usually the right and responsibility to examine the work of his subordinates, who are supposed to be totally transparent about their actions. But this usually goes one way and we see the secrecy towards subordinates as a hierarchical privilege. Transparency in a leader's actions and explanations about the decisions will give a feeling that there isn't anything to hide and trust in all the stakeholders.

Accessibility

When comes the time to communicate about good or bad news, new plans or processes, a leader should be out there with his or her people and not a messenger with authority. It is also

important to create opportunities for dialogue and be available to hear employee's concerns and anxieties.

Fairness

Taking credit for success and blaming others for failures is the best way to create resentment and mistrust. Treating everyone equally instead of giving undeserved or unjustified benefits.

Reliability

Making commitments should be as committing to a leader as it is for a subordinate. Answering quickly when asked a question, following through on meeting agreements, keeping one's word when a promise is made, being on time, - all this builds credibility that the leader will do as he says in the future, inspiring confidence that the leader is someone we can count on.

Integrity

A leader with strong and noble moral principles such as honesty, respect or tolerance will always inspire more trust than an egocentric racist violent person.

Predictability

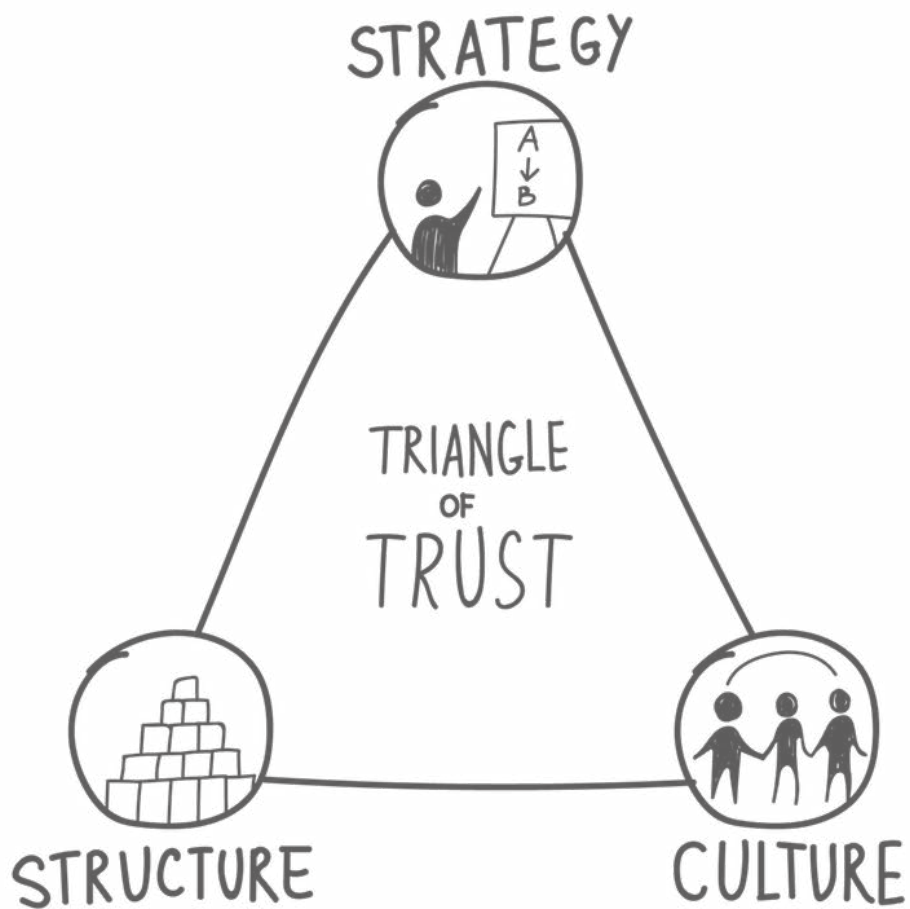
In order to trust a leader, his reactions have to be foreseeable. An employee will tend to hide mistakes or bad news more often from a moody and reckless supervisor than to someone acting on a rational basis and having a consistent and proportionate reactional pattern.

Communication

Communication is the key to reciprocate understanding. This means saying straight up what is on one's mind, giving fair and regular feedback, and expressing opinions and feelings in a non-aggressive way. Communicating actively with others and being open to receive any kind of information helps build trust between stakeholders in an organisation.

4. THE TRIANGLE OF TRUST - OUR APPROACH AND KEY METHODS

Only if trust gets nurtured on all three levels: strategy, structure and culture, can a trusting organisation tap its full transformative power.





A TRUSTING STRATEGY FOR A STRONG PURPOSE AND SOCIAL CHANGE IMPACT

A trusting strategy leads to reduced complexity, extends the possibilities of living and acting and gives security. It gives space for development and reduces processes of control, prediction, planning and budgeting.

A trusting strategy is more into developing than into foreseeing the future and it encourages intuitive leadership decisions.

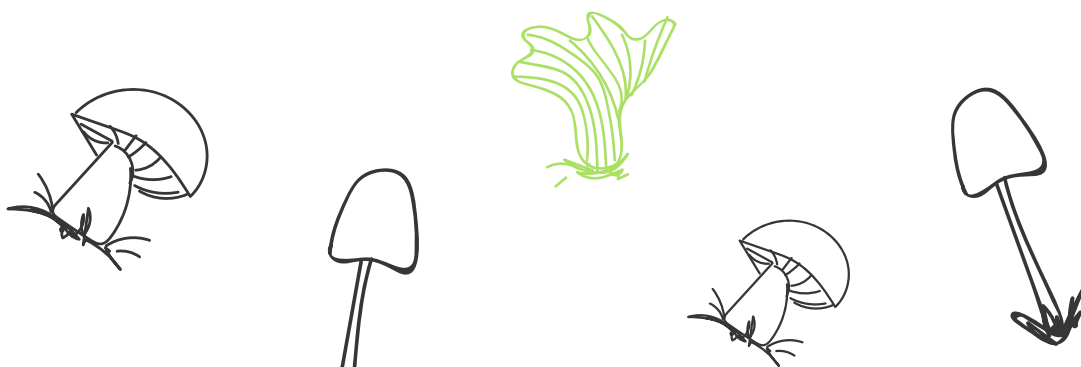
For achieving all this you need to trust yourself, your team and the organisational projects. Therefore you allow people to make decisions in their roles that they are entitled to according to the organisational needs in a specific phase/situation. For developing and implementing a trusting strategy you can find several methods in our offer:

Living Strategy

A seven-step development approach based on strengths and responsive to changing external environments. This new approach has been fully or partly implemented in more than 10 organisations and companies in the last three years. It has paved the way for a collective journey of leadership and staff into an uncertain future, trusting their own intuition and talents.

Mushrooming

Most organisations only experience a few truly transformative changes on their path of life. This proactive approach allows you to let a necessary fundamental change grow step-by-step into the core of your business, with the confidence of a skilled gardener who cultivates his biotope. It has been practised in several organisations and allowed to sustainably establish a new capability, a new key product or a new way of working - bringing it from the frontiers into the core of the operation.



Change Map

Where can I locate my organisation before we move into the next phase? A helpful model for this assessment is the change map with five possible development stages and tailor-made change strategies for each of the stages. T

his widely accepted diagnosis tool for systemic development has been especially proven helpful for leaders in order to gain confidence about the general direction of a change process in the first phase.

Resilience Radar

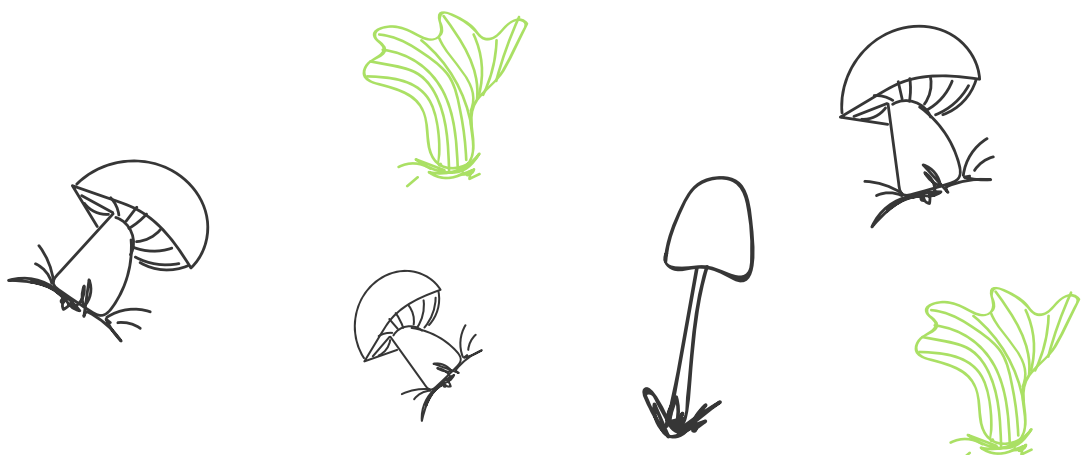
This tool has been introduced in organisations with the aim of establishing a crisis-prevention system on the base of chosen indicators, which tackle the possible root causes of crisis situations. You can regularly assess the health of your organisation.

In organisations where this tool has been introduced, the number of crisis situations have been significantly decreasing.

Theory of Change

How can I create social impact in the society without having political control or power in my hands? One of the most complex questions, which especially applies to all social change organisations and initiatives. This model allows you to get confidence in a desired state in the mid-term future and to identify the key levers on the journey towards this ambition.

The model has proven useful in many social change organisations for planning campaigns and advocacy initiatives.





A TRUSTING CULTURE FOR A BETTER WORKING ENVIRONMENT FOR EVERYONE

Trust is closely tied to the norms, values and beliefs of the organisational culture.

When trust goes down in the team, the energy in all its forms (creativity, innovation) and joy go down. When trust goes up, energy and joy go up. It is trust that turns a group of people into a team. Trust leads to a culture of curiosity and passion, which enables learning throughout the departments.

Based on your own strength using passion and intuition you will make better decisions for your organisation and be more connected to the roots of yourself and the company.

Applying curiosity as a driving principle for development helps to establish elements of a learning organisation, which is connected to the external world.

People will be encouraged to take risks and try and sometimes fail. Remember: there will always be another opportunity where it will be 'good enough to try' again.

A culture, which trusts in the beauty of failure, will learn to better succeed. There is a need for a fast failing culture instead of culture of complex risk management.



For developing a trusting culture we can offer you following methods:

Appreciative Inquiry, non-violent communication

as a personal values-set and basic toolbox with a multitude of methods in all workshops and team interventions, from team development, conflict resolution to solution finding.

Coaching, Reflecting

20-years of personal management experience in national and international organisations has proven helpful in building up a longer-term companionship with top leaders of national or international organisations.

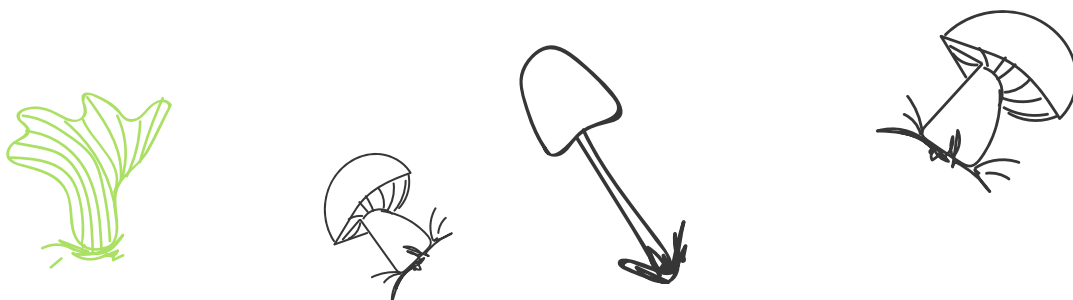
Some angles for interventions: to gain trust into their personal way of leadership, to be consistent and authentic in their decisions in critical situations, to reflect on an organisation meta-level or just to receive direct and honest feedback from an independent outsider.

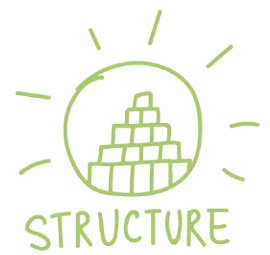
Co-Learning

Creating spaces and opportunities for organisation members to share their skills, knowledge and passions has different positive outcomes for the dynamics of the team: promoting a learning culture, discovering colleagues from a new perspective, enhancing intern communication, and identifying unseen resources and talents amongst employees.

Mushrooming (see above)

“Letting grow” is an effective cultural intervention in a system where taking action is predominant, where business as usual or pressure for immediate success hamper necessary innovation. Mushrooming nurtures the new in the shadow, which is sometimes invisible or undiscovered by cultural counter-interventions to protect the “business as usual”.





A TRUSTING STRUCTURE

FOR DEVELOPING AN INNOVATIVE BUSINESS MODEL THAT IS RESPONSIVE TO THE COMPLEXITY OF OUR WORLD AND LETTING PEOPLE BE RESPONSIBLE

This part of the triangle is about

- a) creating a frame,
- b) defining rules of the organisational game and
- c) leaving space open for whatever is required.



We talk about a trusting space, which enables people to move quickly, connect, have fun in collaboration and work together in a self-organized way. Therefore, people need to have clarity on their roles and responsibilities.

Our intention is to support your team(s) so that they can work together such as sports-teams do: They get tactics and the needed space, they know the rules of the game, they get their roles - but in the game itself they have space and freedom to decide what is necessary in order to be successful.

Our offers that develop and support a trusting structure:

Toolkit for self-organisation and initiative

From tools such as integrated decision-making to solution hubs and framework agreements which define the space for self-initiative, to the creation (and protection) of experimental space for the testing and failing of key people and teams.



Matrix-Management

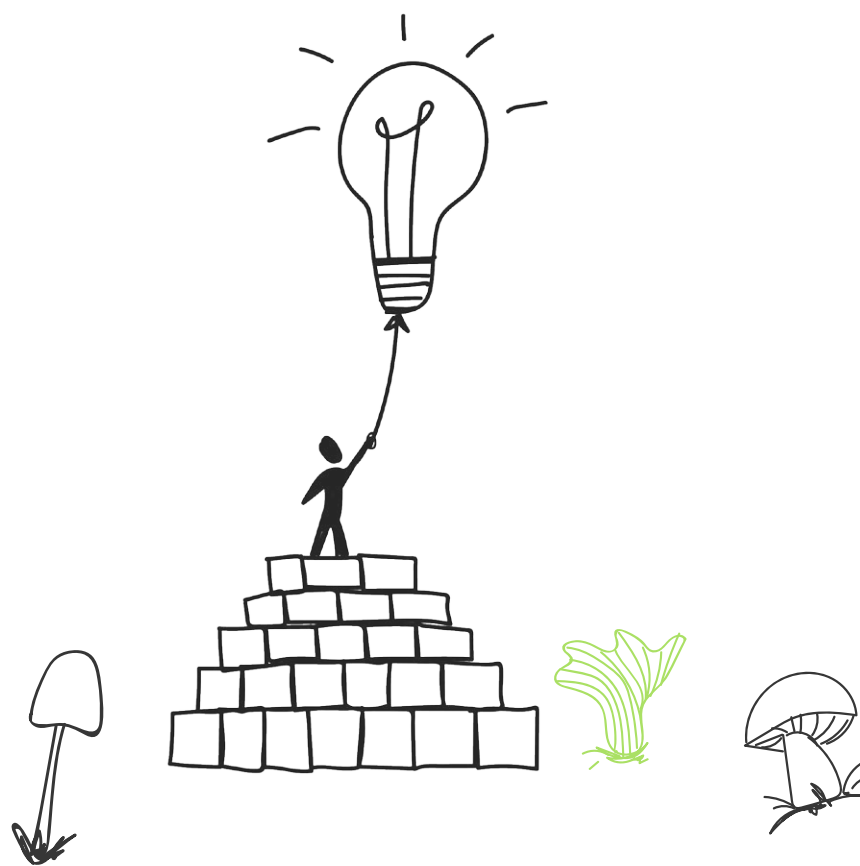
How to illuminate the space where interaction, collaboration and negotiation between people with co-responsibility happen. A toolkit of practises and methods are offered, grounded in the Harvard Concept, the U-Theory of Otto Scharner and the School of Nonviolent Communication of Marshall Rosenberg.

Governance and Internationalisation

Long-term experience in and with governance bodies, with the setup of organisations and the streamlining of bylaws allows us to support managers and members of supervisory bodies in key questions of governance.

In-depth knowledge of steps and phases of internationalization of organisations and companies provide support for international leaders in critical growth and restructuring phases.

A special passion we can offer is to build up or strengthen the collective ownership of top leaders from both headquarters AND country level for key international directions and initiatives.



CONCLUSION

What is needed in an organisation is trust at all levels.

- **Trust in leadership** that they are capable to steer, set frame work and – in cases of escalation – decide quickly and wisely.
- **Trust from leadership in their people** that they can take initiative, fill their space autonomously in their roles, and decide where is most needed in accordance with the organisational mission and strategy.
- **Trust in colleagues** that everybody follows the organisational mission, has overall strategy in mind in all, and a permanent willingness to cooperate with others.
- **Trust in yourself** that you can contribute and grow every day and that you can fill your autonomous space, sometimes in stretching your individual comfort zone.

Trust is always a choice, whether on a personal level, in our society, or in organisations.

But it is not always obvious that the choice is there. We are conditioned by our environment in favoring control because it's been all around us for a long time.

Creating a trusting environment requires an evolution of practices and mindsets. Imposing trust head on and try to enforce it is meant to fail. It requires a soft gradual approach on different levels, as a gardener would nurture a sprout and not pull on it to help it grow.

The many positive outcomes are worthwhile. We see it every day in the organisations we are working with. This keeps us motivated to support organisations in facing their present and future challenges in our world.

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