



Education

# **Trustology – The Secret Sauce of Productive Teams & Profitable Organizations**

David A. Deming  
Solution Technology

# Legal Notice

- The material contained in this tutorial is copyrighted by Solution Technology.
- The information and content within this presentation cannot be copied or used without written approval of Solution Technology
- While this presentation is a project of the SNIA Education Committee the SNIA has no authorization to copy, distribute or own any material in any form electronic or otherwise

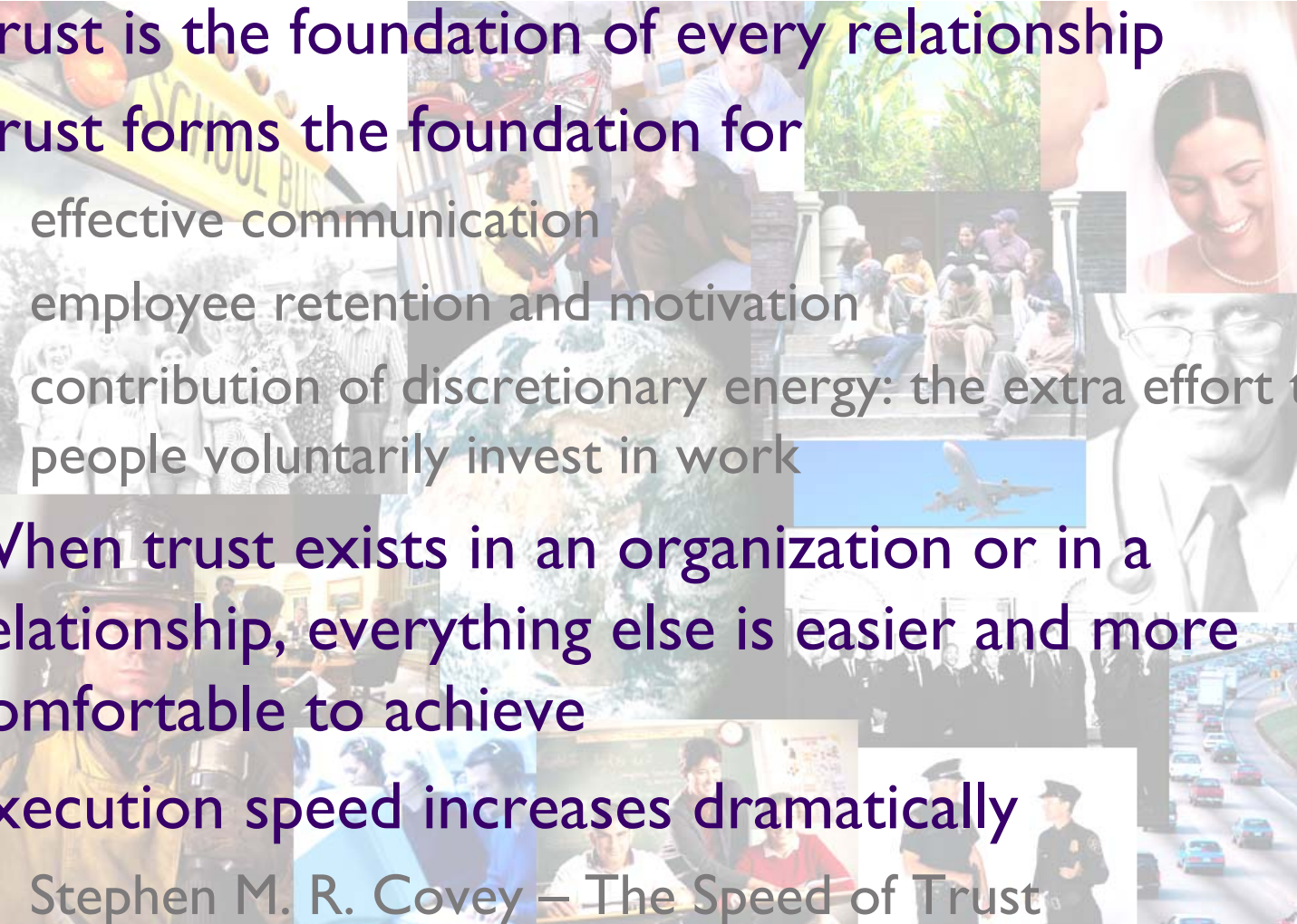
## **Trustology – the Secret Sauce of Productive Teams and Profitable Organizations**

This tutorial investigates how trust impacts the organization at all levels. Trust is the foundation of every single relationship in our lives, from the corporate CEO to the individual team member and it even includes the relationship between the products or services that the organization provides and the customers that buy or use them. This tutorial will provide the participant with an opportunity to gain a fundamental understanding of trust and trustworthiness and how to cultivate a trust-based environment that will propel the organization to the next level.

# Objectives

- Gain a clear understanding of why trust is important to you and your organization
- Understanding the impact of trust (distrust) on business and relationships
- Discuss how we typically treat trust and how authentic trust is the key to creating a trust-based organization
- Discuss foundational elements that can be used to build and maintain a trust-based organization

# Why is trust important?

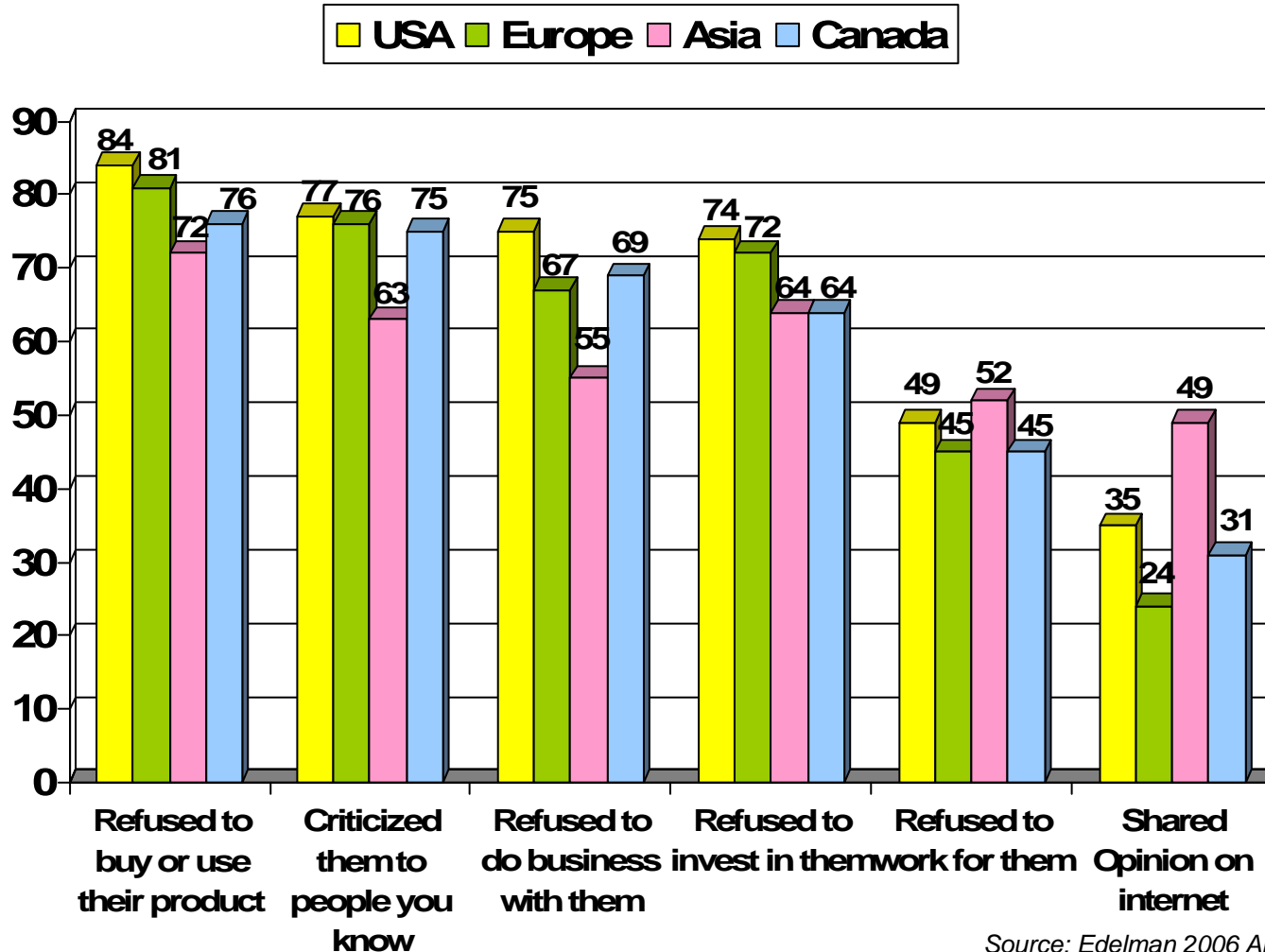
- 
- Trust is the foundation of every relationship
  - Trust forms the foundation for
    - ◆ effective communication
    - ◆ employee retention and motivation
    - ◆ contribution of discretionary energy: the extra effort that people voluntarily invest in work
  - When trust exists in an organization or in a relationship, everything else is easier and more comfortable to achieve
  - Execution speed increases dramatically
    - ◆ Stephen M. R. Covey – The Speed of Trust

# Why is trust important?

- Trust is more than a virtue, it is an imperative
- Trust is more than a bonus, it is a tangible asset that must be created, sustained, and built upon
- Companies must build trust deep within their organizations, in the way they address the financial marketplace and treat employees, the environment, and other key stakeholders
  - According to Matthew Harrington, president of Edelman's Eastern Region – authors of the Edelman 2006 Annual Trust Barometer

# Impact of trust on business

Have you ever done this in relation to a company you do not trust?



Source: Edelman 2006 Annual Trust Barometer

# Impact of trust on relationships

- All the work of the world is done through relationships with people and in organizations.
- But what is communication like when there is no trust? It's impossible. It's like walking through a minefield.
- What if your communication is clear and precise, yet there is no trust? You'll always be looking for hidden meanings and the hidden agenda.
- A lack of trust is the very definition of a bad relationship.
  - Stephen Covey “The 8<sup>th</sup> Habit”

# Making the case for trust

- Survey of more than 500 employees across various industries.
  - ◆ In order to succeed in the workplace, it's important for workers to demonstrate trustworthiness, honesty and the ability to collaborate.
  - ◆ Survey concluded that what employees really want is trust.
    - *Source: Backstabbers Beware: Trust is Most Important Way to Get Ahead, Article - December 22, 2006 By Marshall Loeb*

# and the survey says...

- Employees wanted both to trust and be trusted by their management.
  - ◆ Nearly all (99%) of employees said trust was the most essential quality to them.
  - ◆ HR execs, also polled, guessed only 6% of workers said trust was essential.
- “Trust,” was the word that cropped up most often in articles about the employee-manager relationship.

– *Source: Survey Development Dimensions International*



# What is trust?

- Webster defines trust:
  - ◆ Trust as a noun: “firm reliance in the honesty, dependability, strength or character of someone”
  - ◆ Trust as a verb: “to place confidence in somebody’s good qualities, especially fairness, truth, honor or ability”
- Your definition of trust is based on your experiences, beliefs and values
- Trust is a “choice” and an option...



# What is trust?

- Trust is telling the truth, even when it is difficult, and being truthful, authentic, and trustworthy in your dealings with customers, staff, management and peers.
  - ◆ This requires openness, accountability and vulnerability
- Trust is something we make, create, build, maintain, and sustain through our promises, commitments, emotions and our sense of our own integrity
  - ◆ Trust is not merely reliability or predictability



# Beyond trust lies distrust

- Trust almost always has its limits
- Distrust tends to be devious
  - ◆ Distrust demands suspicion
- Distrust creates a distance, and the expression of that distrust generates a further distance
  - ◆ an alienation of affection
  - ◆ which in turn provokes resentment
  - ◆ often precipitates the betrayal that was feared in the first place
- Spiraling effect, one betrayal inspires another
  - ◆ and the escalation of distrust, and of resentment and retaliation,
  - ◆ which will certainly lead to further distrust



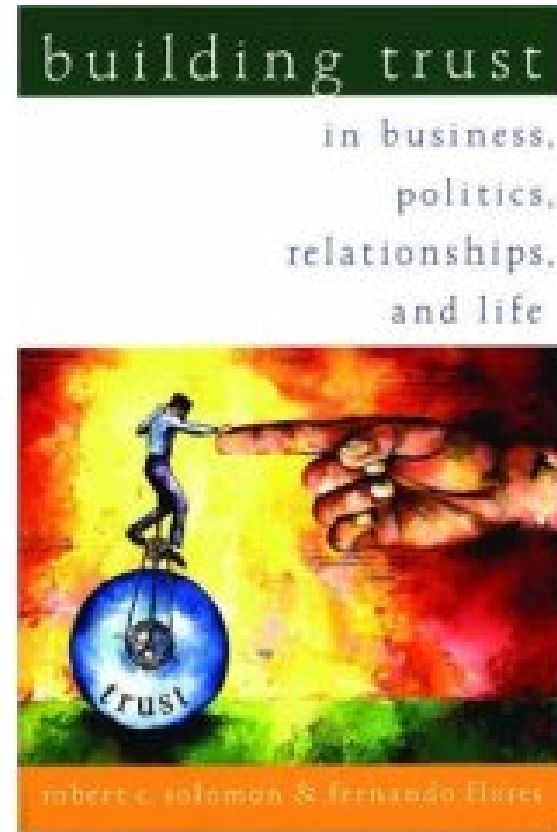
# Self-confirming

- Both trust and distrust tend to be self-confirming
- If one person trusts another, the second person, knowing that he or she is trusted, will be more likely to be trustworthy, thus confirming the trust on the part of the first person
- Trust indicates respect and creates a bond
- Most people respond to trust by being trustworthy, making further trust all the more likely



# Different Types of Trust

- Simple
- Blind
- Authentic



*Source: Building Trust in Business, Politics, Relationships, and Life  
Robert Solomon & Fernando Flores*

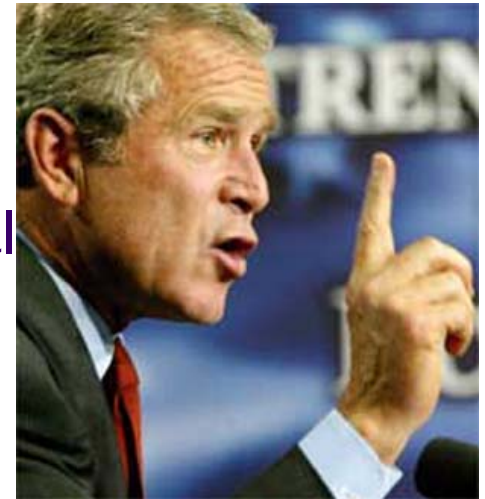
# Simple Trust

- Simple trust is:
  - ◆ unthinking & unreflective
  - ◆ the utter absence of suspicion
  - ◆ taken for granted
- Is the kind of trust that most of us, most of the time, take as our paradigm
  - ◆ Like innocence, cannot be recovered if lost
- The analogy of simple trust is the trust that infants have for their primary caretakers



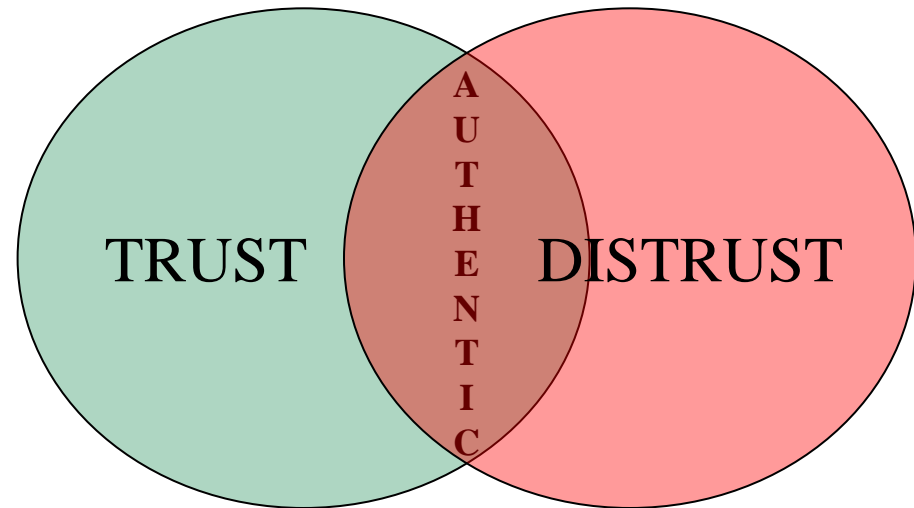
# Blind Trust

- The refusal even to consider any evidence or argument that one should not be so trusting
  - ◆ Even when presented with evidence, it not only rejects such evidence, but denies it
- Blind trust is living in denial and is self-deceptive
  - ◆ One sees but refuses to see
  - ◆ One does not ask, or asking, does not listen
- The analogy of blind trust is similar to the trust that is given to some political or spiritual leaders



# Authentic trust

- Is a judicious combination of trust and distrust
- Is trust with eyes wide open
- Is trust by choice or choosing to trust
- Carries with it the knowledge of the possibility of betrayal
- The primary virtue of authentic trust is that it is chosen



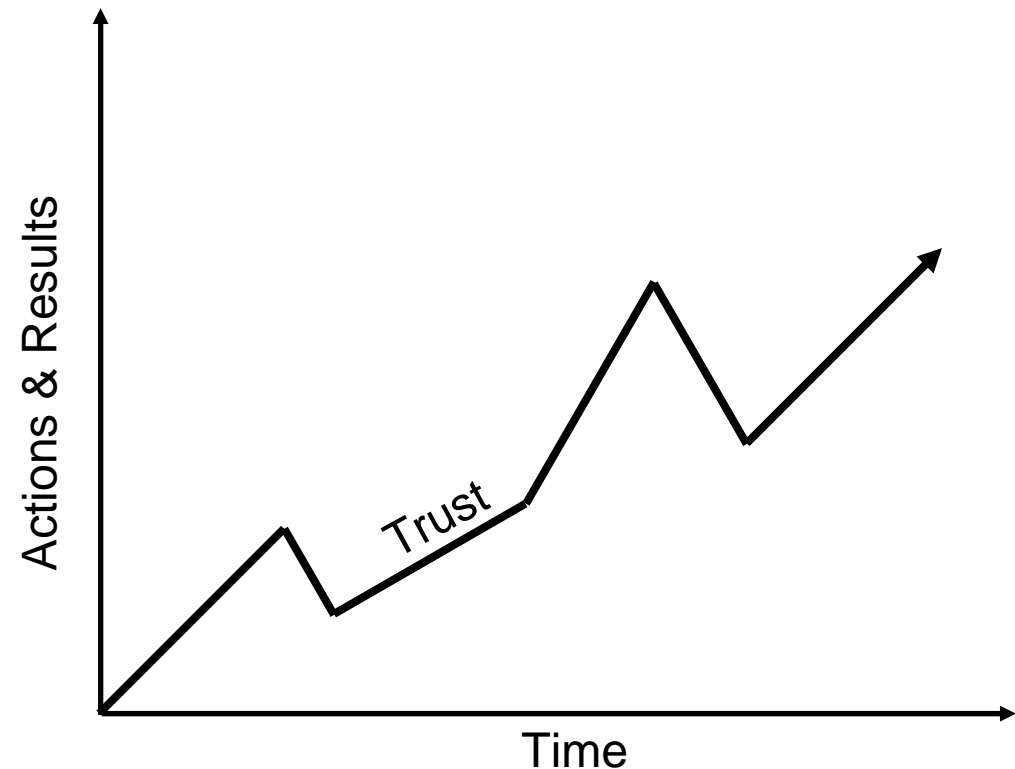
# Authentic Trust

- Builds and creates relationships and new possibilities, despite obstacles and the suspicion of distrust and even the trauma of betrayal, through caring and commitment
- Is ultimately about relationships and what it takes to create, maintain, and restore them
- Is a practice that takes time, energy and commitment to master
- Takes into consideration that the trust may be betrayed
  - ◆ Authentically trusting someone means you are committing to the relationship
  - ◆ “Do you want to be right or do you want to be in relationship”
    - David Deming, Trustologist



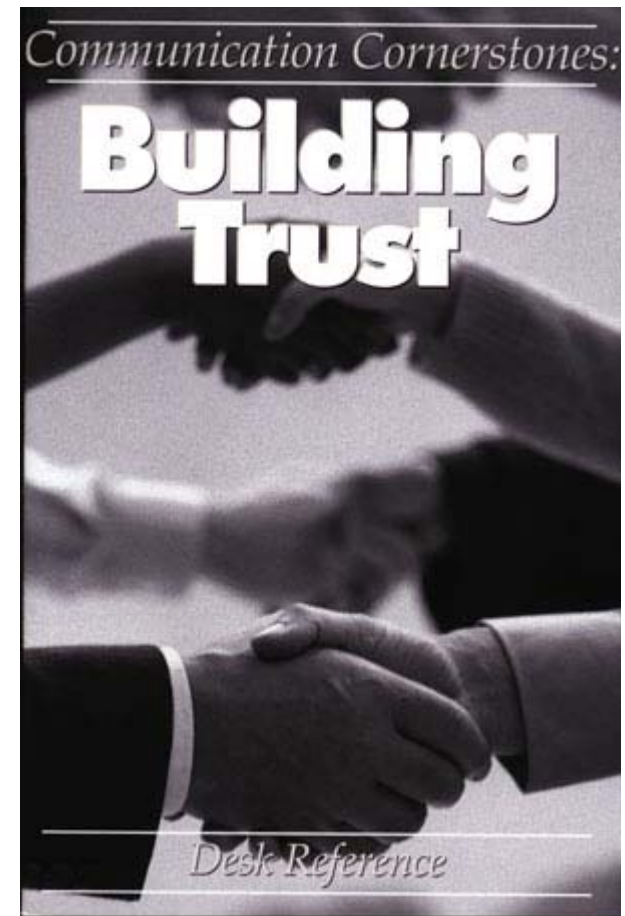
# How is trust built?

- Trust is built over time
- Trust is directly proportional to ones actions and the results experienced or achieved
- Can also be influenced by your perception of competence and intentions



# Trust begins with trust...

- Trust must begin with trust
- If we insist that others prove their trustworthiness before we trust them, our distrust no matter how tentative, will most likely provoke the downward spiral of distrust than allow room for building trust



# Foundations of trust...



Openness

**Trust**

Integrity

Commitment

Responsibility

# Commitment

- First and foremost must be committed to building a trust-based environment
  - ◆ A devotion and dedication to trust
  - ◆ Takes a “do whatever it takes” mentality
  - ◆ Developing skills in employees and organization
- Timely action to breaches of trust or events
  - ◆ Address difficult situations immediately
- Having faith and believing in others
- Having a clear mission (purpose), vision and values (principles) that the organization and stakeholders can commit to



# Integrity

- Integrity comes from the Latin word “intergritas”, the word has, at its root, "integer" or the concept of "whole"
- Keeping your word – being whole
- Making clear agreements by defining when, where and how you will fulfill them
  - ◆ How much – by when – how will I know
- Not over committing your time and resources
  - ◆ Do not give into your acceptance and approval issues
- Develop corporate values and stick to them



# Openness

- Openness is a key essential ingredient
- Requires being vulnerable not defensive
- Being truthful and transparent
  - ◆ Keeping all stakeholders informed about why decisions are made
  - ◆ When trust is betrayed, it is about telling the truth and not hiding the facts
- Requires accountability and transparency
  - ◆ Admitting mistakes and learning from them
  - ◆ Not blaming others or being a victim of circumstances



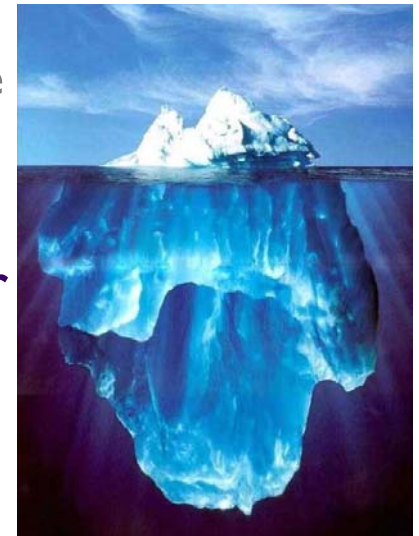
# Responsibility

- The ability to respond – not react
- Exercising responsible conscious choice
- Responsible communication
  - ◆ Being respectful towards others
- Responsibility shows up in our actions and behaviors
  - ◆ Both personally and corporately
- Service and/or social responsibility

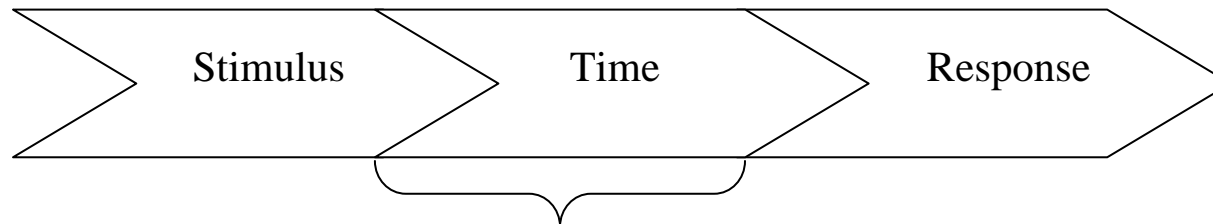


# Responsible Choice

- While we are blessed with the fundamental gift of choice, we are also subject to it
- We may not always make great choices
  - ◆ Some might say, 90% of the time the choices we make are unconsciously made
- Even the best of us are subject to going on auto pilot (reacting) and making choices based on our past – not the present circumstances
- The essential element that determines whether we make conscious or unconscious choices
  - ◆ the amount of time between stimulus and response



# Stimulus – Response



**Choice gap**

Freedom and power to choose

Size of gap determined by:

- Genetic or biological inheritance
- Your upbringing
- Your present circumstances

- Between stimulus and response there is a space
- In that space lays our freedom and power to choose our response
- In those choices lie our growth and our happiness

# Reacting

- Reacting is fueled by the subconscious mind and is typically driven by non-working beliefs, attitudes, and emotions
  - ◆ This is not to say that all reactions are bad or wrong, in fact there are some instances when reactions could save our life
- If you use a reactionary impulse to non-life-threatening events in your life,
  - ◆ you typically are not consciously exercising your freedom of choice but choosing from an unconscious place



# Corporate Responsibility

- Is about responsible behavior and openly communicating
- Trust starts with the companies promise
- How companies treat their customers, communities, and employees as it relates to sustainability, philanthropy, wages, and benefits
- The manner in which a company engages with its stakeholders is the lone factor that companies can exert some control over



# Company behaviors

- Business transactions are paramount
- Above all else quality of products and services leads to the perception of credibility and trust
- Attentiveness to customer needs is the second most important attribute to building trust
  - ◆ Good old-fashioned “customer service” will likely differentiate the most trusted companies from their competitors
- Strong financial performance is also deemed a pivotal building block of trust
  - ◆ If you are making money you must be doing something right



# Company behaviors

- Employee relations is seen as a corporate behavior
- The impact of globalization – off-shoring, outsourcing – does not help build trust in corporations and leadership
- Social responsibility, such as disaster aid, tends to build trust
  - ◆ Getting involved in society through philanthropy



# Do you trust these guys?

- Both practitioners and scholars have proposed that a new paradigm of management and organization must be developed with trust as a core component, if organizations are to survive into the 21<sup>st</sup> century
  - John Sculley
- The uncertainty of the environment can be swiftly dealt with only if the firm can fall back upon the certainty of relationships among people and among groups – in other words, upon trust and integrity
  - Tom Peters
- The primary reason people will choose not to buy from you is the lack of trust
  - Zig Ziglar

# Summary

- Trust is the foundation of all relationships
- Trust directly impacts the organizations bottom line & stakeholder motivation
- Trust and distrust are self-confirming
- Authentic trust is the key to building healthy relationships both within and outside the organization
- Trust must begin with trust
- Foundation of trust includes commitment, openness, integrity, and responsibility

# Q&A / Feedback

- Please send any questions or comments on this presentation to SNIA: [trackprodev@snia.org](mailto:trackprodev@snia.org)

Many thanks to the following individuals  
for their contributions to this tutorial.

*SNIA Education Committee*

David A. Deming  
Howard Goldstein  
Rob Peglar

[ddeming@soltechnology.com](mailto:ddeming@soltechnology.com)  
[Howard.Goldstein@HGAI.Com](mailto:Howard.Goldstein@HGAI.Com)  
[Robert\\_Peglar@xiotech.com](mailto:Robert_Peglar@xiotech.com)