

The Upsizing of Trust

By Charles Sutton



*The current era has seen not only a downturn in our economic circumstance, but also a plunge in the trust the public has in private companies, public organisations and the government. Here, **Organizational Edge's Charles Sutton** takes a philosophical glance at this loss of trust, and outlines what steps leaders of large organisations need to take to get it back.*

Over the last decade or so, business leaders, the business press, marketing specialists and academics have been drawing our attention to the power of trust. They have described the benefits, of being 'trusted', in terms of enhancing organisational reputation and identity, to secure greater market penetration, closer employee engagement and enhancing customer loyalty.

More recently our trust in organisations and their leaders, politicians and the

media (to name but a few) has taken a considerable beating. Whilst there has never been a 'golden age' of trust, there isn't doubt that the events of the last couple of years have led to a reduction of the public's willingness to trust.

If we do accept the notion that trust is important for effective social and business functioning, then how do we get trust back into the equation? Here we reflect on some trust perspectives and draw useful lessons for the future.

"IN WHOM CAN WE TRUST?"

Plato provides an account of a discussion between Socrates and Glaucon on the subject of trust. Glaucon's position is that only fear of detection and punishment serve to restrict the levels of self-interest that all human beings display. His key point is that the only interest we have is self-interest, and we are not remotely concerned with issues such as morality or justice. To prove his point he tells a revealing story of a shepherd who takes an opportunity to seduce, murder and steal;

he does so undetected and with great 'success'.

Niccolo Machiavelli takes this sad proposition to a more extreme stage. In 'The Prince', he points out that if fear of detection and punishment is not enough to control the excess of self-interest, then there can only be one answer. And the answer is to make the first move, instead of waiting to be 'fleeced' by others or putting up defence systems for protection, take the pre-emptive advantage. Consequently, to maintain power one should be prepared to be cruel, murderous, dishonourable, deceptive and miserly whenever necessary.

Now it is possible that Bernard Madoff read and embraced the propositions of Glaucon and Machiavelli described here, but I doubt it. So too, do I doubt that many bankers, politicians, media shapers or business leaders have established such thinking as part of their strategic foundation. However, there does seem to be a certain resonance between this thinking and the act of recent years.

Building upon the thinking outlined by Glaucon and Machiavelli, there is a third, and potentially more attractive, perspective. Hobbes accepts the logic outlined above but describes this as leading to a 'miserable condition'. Surely, he suggests, there is the possibility of creating a 'trust truce'. This idea places trust as a way of making social life simpler and safer; it enables us to do, co-operatively, what we could not do alone. It is simply the process of reaching a trust agreement, but it is, nevertheless, a flimsy agreement.

This philosophical approach is a little bleak, and makes the question of an alternative approach to trust one well worth pursuing. Such an alternative approach arises in the reflection on the nature of being human.

HUMAN NATURE AND TRUST

The basis of this approach is well anchored in the word 'nature', and based on our evolutionary and psychological construction. One factor for the success of our species is that we are predisposed to trust. Hundreds of thousands of years of evolutionary shaping have led to dominance, and a factor of this is our willingness to co-operate with others; demonstrating and giving trust to get things done. One could say we are hard-wired to trust and it has become a powerful survival mechanism.

Whilst it is not possible to provide clear evidence for this theoretical evolutionary perspective, there is clear evidence in our behaviour and body chemistry. To give a few well researched examples, we recognise the rapidity with which the child-parent bond is formed. This is established within hours of birth and well before the conceptual developments associated with the meaning of trust. And, again, there is a considerable body of research that explores the impact of hormones we produce within our bodies both to boost trust and engender a feeling of well-being.

Additionally, there are regularly referenced experiments that demonstrate our willingness to trust people with whom we have something in common, such as looks, interests or membership; and the subtle but powerful impact of touch, where, for example, even the slightest connection of hands will lift the level of trust between two people.

Prior to having any knowledge of more 'organic' features of the human psyche associated with trust, the philosopher David Hume wrote a 'Treatise on Human Nature'. In this, he described how people have a natural affinity for each other, people like and desire company, and that this is a motivational

factor for association, regardless of any additional benefit from co-operation.

This 'natural' approach to trust rests on the understanding that a key factor of human life is that it is social. To be successful we need to be able to rely on others to act in manageable and predictable ways. This means that we should also be able to trust in their sense of responsibility, for their own actions, which acknowledges that their behaviour will influence the decisions and acts of others. Trust then becomes mutual, a naturally desired state that enables success in co-operative enterprises.

THE UPSIZING OF TRUST

In the recent past (2009) there has been considerable discussion concerning how trust might be rebuilt after the perceived damaged caused by 'banks' to the global economy; the 'media' in terms of its damage to truth; and the revelations concerning 'politicians' focus on themselves rather than on society.

In general terms, the reported opinion to the public of these failures has had an almost religious zeal. There have been demands for full revelation, individual repentance and confession, and the application of appropriate punishment. Putting aside the traditional moral basis for this response, which is interesting in its own right, it is also of note that this is very much directed at individuals who become symbolic representations of the failures rather than of the institutions or cultures that have caused the damage. This serves to remind us of the human and personal nature of trust.

Another factor, which is becoming increasingly apparent, is that trust seems to be upsizing itself. Following the phase of anger in which individuals were singled out and during which institutional trust dropped, there seems to be a phase of

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restoration. Recent research within both the UK and the US (eg, Datamonitor and Nottingham University Business School) has shown that our trust in financial institutions has significantly increased over the last few months, not quite to the same levels as the past but very much higher than at the close of 2008 and the early months of 2009. This would also appear to be the case for national government. What is noticeable about this is that the rise in trust is confined to the institutions themselves and not associated with the individuals who became the symbolic representations of failure in trust. Interestingly, the rise in trust level is more significant in terms of the groupings to which an individual belongs; my bank or my political party.

Two observations come from this. The first is that it might be that the psychological need to trust, for which evolutionary processes have predestined, is so strong that trust rebuilds 'naturally'. The second is the human and personal level at which trust primarily operates.

WHAT ARE THE ACTIONS THAT MIGHT SERVE TO ACCELERATE THE RESTORATION OF TRUST?

On the basis that we accept the necessity for trust as a fundamental prerequisite for social order and human success then trust must exist as a fundamental element for economic existence and business success. Having agreed this position then how do we move toward a position in which trust can be re-established after the damage due to the breaking of trusting relationships of the last couple of years?

Considering the above discussion we may wish to rephrase this question on the basis of our recognition that trust is such an important element of society and a behaviour to which we are predisposed that it will naturally rebuild itself for the good functioning of society. Consequently, the question might be how do we accelerate the upsizing of trust?

The reflections on trust, that have been explored here, could provide a few useful lessons for moving forward to accelerate the building of trust. Six observations are listed here.

1. Recognise Darwin's determinant

A fundamental aspect of human existence is that we are programmed to trust. It is on this basis that we can enhance the likelihood of survival and engage in activities, which are beyond the scope of any one of us – individually or corporately. Trust, in the first place, is given (not earned).

2. Apply Hume's measure

Our predisposition to trust may be too willingly given. People's willingness to trust and hard wiring may make us overly trusting, sometimes in a way, which could be described as 'blind'. Consequently, there is a need to apply Hume's Measure and ensure that trust is given in an informed way.

3. Reject Glaucon's conspiracy

All of us will have seen business contracts that are short and effectively to the point but are followed with a volume of clauses and sub-clauses that have been added over time to address every exception and deviation experienced. Such documents a very clear message to all those concerned – we do not trust you! Such a document will, in itself, create distrust and cause all parties to operate in a more self-interested manner.

4. Elect to take Hobbes' choice

Hobbes' Choice is to recognise the importance of the agreement between one or more parties in any co-operative activity. In short Hobbes' Choice is our decision to engage in proper and fully understood engagements. This means that we should not only discuss and agree what might be described as contractual elements but we also need to agree the more philosophical and behavioural elements associated with the agreement and the trust between parties.

Hobbes' Choice should not to be confused with Hobson's Choice – a decision made between limited options.

5. Avoid the Niccolo strike

As a direct result of the banking crisis there have been calls for increased regulation and control to be applied to financial institutions. Such control may be applied on a governmental or agency level and are

constructed to maintain integrity and have the power to apply punitive measures in the event of failures. Whilst it is true that some measures may be appropriate we need to recognise also that they will not be the answer to stopping such events in the future. They might be considered to be akin to the pre-emptive strikes suggested by Machiavelli; additionally such actions shift responsibility away from the individual and place it in the hands of another institution.

6. Placing 'me' in the personal dimension

Since it seems apparent that one of the significant elements of trust is its human and personal dimension it is important to recognise that one aspect of this dimension is 'me'. Much of the public and media response to the financial crisis has been the pointing of fingers and the identification of individuals who represent the excesses, exaggerations and errors. What is forgotten is the finger pointer. To accelerate the restoration of trust we will need to bring ourselves into the equation and accept the levels of personal responsibility that this will require within our own behaviours, attitudes and thinking.

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