

# Generating Trust Capital

## What Does It Take?

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**Trust:** *-n-* Reliance on the integrity, strength, ability, surety, etc., of a person or thing; confidence

**Capital:** *-n-* Wealth used to produce more wealth; any source of benefit

**Trust Capital:** *-n-* Social relationships built on trust that produce wealth or benefit

When we think of capital, most of us think of financial capital and the benefits that can accrue from it such as interest, dividends or profits. Capital, by definition, is any source of benefit—or wealth used to produce more wealth. Trust capital, therefore, can be thought of as social relationships built on trust that produce wealth or benefit. How can these gains be realized?

### What It Takes

To realize the gains that trust capital can generate, it must first be developed. Building trust begins by understanding and infusing the fundamental principles behind its development—timeless truths about how to be and how to treat people.

Next comes what we call authenticity building—seeing things as they really are. There are two main components to authenticity building: (1) seeing through a clear lens, and (2) seeing through a wide lens. Seeing through a clear lens involves recognizing the filters through which we view the world; seeing through a wide lens involves seeking to understand all stakeholder perspectives.

Like an oyster that coats a grain of sand and turns it into a pearl, we can turn the apparent irritants of opposing perspectives into things of great value by creating inclusive solutions that people embrace. When we do, we build trust and engagement. That is how innovation, sales and top performance flourish—and the treasures that come from them are rare.

After authenticity building comes inclusive structures and effective interactions. These include creating networks where people interact and share resources, encouraging everyone to contribute, and fostering principle-based interactions.

## Principle Infusion

When fundamental principles about how to be and how to treat others are infused into teams and organizations, culture shifts take place. Attitudes about how best to work together begin to emerge and motivate behaviors that move the team or organization toward top performance.

How can fundamental principles be infused? Given that teams and organizations consist of individuals, principle infusion involves helping people recognize and further develop timeless truths in themselves and others. The first step is educating people about the fundamental principles that lead to trust.

There are two main types of fundamental principles: (1) individual virtues, and (2) social virtues. Social virtues emerge in situations that involve two or more people; for example, dependability, generosity, fairness, courtesy, speaking the truth tactfully, encouragement and righting wrongs. Individual virtues do not necessarily involve two or more people, although they could. For example, honesty is something that can show up whether others are around or not. Having a positive attitude, guarding one's thoughts and feelings from negative influences, striving for excellence, having self-discipline, and learning from mistakes are examples of individual virtues as well.

After learning the fundamental principles *behind* building trust, individuals, teams and organizations can reflect upon their virtues that are well developed. Doing so will enable them to recognize and leverage their strengths. By pondering virtues that are less developed, people can choose to broaden their strengths by trying new behaviors.

## Authenticity Building

The timeless truths behind building trust are universal, although some cultural nuances exist. Authenticity building, on the other hand, is tailored to particular individuals, teams and organizations because it involves helping them discover the lenses through which they see the world.

If we are not seeing through a lens that is as clear as it could be, we are not seeing things as objectively as we might. Thus, our perspective lacks authenticity. And if the scope of our lens does not include a wide range of perspectives, we do not see situations as fully as they really are. In other words, our understanding of a situation is less complete and therefore less authentic.

When people seek to understand one another and are truly interested in helping others succeed, they become open to creating inclusive solutions. Thus, effective problem solving and enhanced performance emerge.

## Inclusive Structures

Principle infusion and authenticity building determine how one shows up in and views the world. Changes in either of these begin inside an individual and thus are not initially apparent. In contrast, inclusive structures and effective interactions are more visible externally. It is easy to see who is invited to participate, and interactions can be observed in the moment.

There are two components to inclusive structures: (1) building inclusive networks that connect people who might otherwise not be connected, and (2) inviting everyone to the table and giving them a meaningful voice.

The larger and more diverse one's network, the greater one's ability to access information, resources and people. That said, some of us are natural networkers but many are not. If top performance is to be realized, tools, time and space should be allocated so that people can communicate with others freely in inclusive networks. In addition, a culture of trust should be nurtured via principle infusion, authenticity building and effective interactions so that the gains that come from inclusive structures can be realized.

## Effective Interactions

Effective interactions involve active, respectful communication that seeks to understand and be understood. This pertains to both informal communications and more formal communications such as meetings or community forums.

A particular fundamental principle at the heart of effective interactions is treating others with respect. People draw conclusions about whether another person respects them based on how that person treats them. By exhibiting fundamental principles about how to treat others—and therefore sending the message that they are respected—effective interactions lead to engagement and cooperation.

When people do not feel respected, they do not feel like they are being treated fairly. And when people do not feel like they are being treated fairly, they are less likely to cooperate. In other words, they become less invested in what is best for the relationship, team or organization and more invested in what is best for them—and this negatively impacts performance.

Understanding the existing relationships is *crucial* for knowing where strengths lie and where relationships can be further developed. How active, respectful, and open is communication? Has trust been built? If so, in what ways? Has trust been weakened or lost? If so, why?

When active, respectful, open communication takes place and people genuinely seek to understand others' perspectives and communicate their own as objectively as possible, people are more likely to strive for solutions that incorporate everyone's views. Trust gets strengthened and energy is mobilized that enables collective action and leads to efficiency, innovation and top performance on *all* levels—from day-to-day activities to execution of major change.

## Trust

A simple way to think about trust is to talk about trust in (1) people, (2) processes, and (3) institutions. When people believe that others have their best interests in mind and are competent and reliable, they trust them. When people believe that processes are fair, they trust the processes. And when people believe that an institution's processes are fair and its' leaders are competent, reliable, and have their best interests in mind, they trust the institution.

Creating a culture based on fundamental principles about how to be and how to treat others encourages people to have one another's *best interests* in mind. Trust in others' *competence* pertains to their possession of the knowledge, skills and abilities needed to perform well. This includes having the necessary resources to do their job, which organizations can and should provide. Trust in another's *reliability* can result from whether the person has a dependable nature and/or whether the person's workload is realistic.

Thus, ensuring that people have the resources and capacity to do their work in a reliable and timely manner influences trust. This is where examining and improving work processes come into play and where Six Sigma/Lean Processes adds so much value.

Now let's shift our attention from trust in people to trust in processes. Trust in processes has to do with the perceived fairness of processes or decision-making procedures. Three main elements influence whether procedures are perceived as fair: (1) whether people believe decision makers based their decisions on *facts*, (2) whether people were given a meaningful *voice*, and (3) whether people perceive that they have a favorable *status* in the eyes of others.

Status refers to the prominence, respect and influence that someone enjoys in the eyes of others. When people's words and actions send a message that someone is important and respected, and when they allow that person to have an influence on them, they send a message that the person is of high status in their eyes.

To summarize trust in processes, when people believe that decisions are based on facts, people are given a meaningful voice, and their status is favorable, decision-making procedures are likely to be perceived as fair. And when members of a group or organization believe that they are being treated fairly, cooperation is more likely to increase.

When people are helped by others, have the capacity to help, and a culture of generosity exists, they become more likely to help others in return. In this way, cooperation flourishes—which positively impacts performance.

### **Strengthening or Repairing Trust**

Trusting relationships are not always the norm in organizations. In fact, while org charts depict the formal way that work should get done in an organization, informal social network analyses reveal the way that work *really* gets done. By revealing where trust is strong, weak or absent, a social network analysis both exposes and explains many of the hidden challenges that organizations face. This reveals opportunities to improve the effectiveness of operations.

Why might trust get weakened or broken and what can be done to repair it when it does?

When people enter into relationships, they often have unstated assumptions about expected behavior. Trust is often broken when initial assumptions or expectations were not aligned. People typically do not realize that they had assumptions about how others should behave until their assumptions are violated.

Often when trust is weakened or broken, people's intentions were good. In these situations, a third party may be needed to help people see one another's intentions and behaviors objectively. Even when intentions are good, however, trust inevitably gets damaged. People are not perfect, misperceptions happen, and situations sometimes influence things in ways we do not anticipate or cannot control.

When trust gets weakened or broken, there are six common ways of responding: (1) constructive dialogue, (2) ambiguous dialogue, (3) third party dialogue, (4) resignation, (5) retaliation, and (6) exit.

Constructive dialogue begins with expressing a genuine desire to maintain or strengthen the relationship, and entails seeking to understand others' perspectives and be understood. Three fundamental principles are particularly relevant here—having a positive attitude, seeking to understand, and helping others succeed. This is the most effective way of responding to broken trust.

Ambiguous dialogue also involves expressing one's views, but does not include sending a clear message of intending to maintain or improve the relationship. This is a critical distinction. With

ambiguous dialogue, people are more likely to be on guard and judgmental. Thus, joint resolution is less likely to occur.

Third party dialogue consists of voicing concerns to a third party with the expectation that he or she will help resolve the issue. While third party dialogue can help people see through a clear and wide lens, it is *not* a substitute for constructive dialogue and should be considered a short-term intervention.

Resignation involves enduring an unpleasant situation and keeping future interactions to a minimum. Retaliation also involves enduring an unpleasant situation, but includes intention to do damage in return. Last, exit means choosing to leave a relationship.

Engaging in constructive dialogue in response to broken trust can not only repair trust, it can strengthen it. If those involved respectfully engage in an open and rich flow of communication—seeking to understand one another’s perspectives—a climate of safety is created in which people can freely express their views and work toward resolution. This increases the predictability that issues will be constructively resolved and that interactions will be safe, healthy and effective. Trust grows stronger when people realize that others are truly striving for inclusive solutions.

When people recognize that their actions caused disappointment and/or harm to others—even if unintentional—they can choose to engage in constructive dialogue, make a conscious decision to change one’s behavior, and seek reconciliation.

The person on the receiving end of the disappointment can be encouraged to contain his or her negative emotions, suspend judgment, be open to understanding the other person’s perspective, be open to being influenced, and be open to forgiveness. Over time, if behavior changes in the ways promised, trustworthiness increases, trust gets stronger, and true reconciliation becomes possible.

## Summary

To summarize, trust capital consists of social relationships built on trust that produce wealth or benefit. Engagement and cooperation are optimized when people:

- infuse the fundamental principles behind building trusting relationships
- strive to see things as they really are
- are competent and reliable and have others’ best interests in mind, and
- create inclusive solutions.

And when this occurs, high performance, innovation and employee and customer loyalty follow—and profits.

## Why Trust Capital Institute?

Our proprietary Trust Infusion™ methodology is based on research and over 100 years of combined experience with what works. We are *thought leaders* on trust. Our work has been presented at numerous international conferences and cited in a Special Commission report that went to Congress and the President. We bring an international team of senior consultants to help you net the gains that come from a sustainable culture of trust.