



Building Trust
In Business, Politics, Relationships, and Life

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Author bio and credits: Robert C. Solomon is the Quincy Lee Centennial Professor of Business and Philosophy at the University of Texas, Austin. His books include *A Short History of Philosophy* and *Business Ethics*. Fernando Flores is Presidente, Fundacion Chile (a Chilean nongovernmental organization) and Chairman of Business design Associates, Inc. Fernando Flores was Chile's minister of finance -- and, later, a political prisoner. Now he teaches companies how to use assessments and commitments to transform the way they do business.

Authors' Big Thought: Trust is the essential precondition upon which all real success depends. The authors offer compelling answers to what trust is, how it can be achieved and sustained, and most importantly, how it can be regained once it has been broken. The authors offer the distinctions between trust that is simple, blind, and authentic. Building trusts begins with an understanding of trust and it also requires everyday routines and practices without which understanding comes to nothing. The key to trust is action, and in particular commitments: commitments made and commitments honored.

Chapter Notes:

Introduction

To understand trust is to build trust into our everyday practices and relationships, and to develop institutions in which such practices and relationships are not only possible but also mandatory. The authors are simply talking about ordinary trust, at home and at the office, where the right kind of conversations, are the only tools needed. Trust often seems invisible or taken for granted until it is violated or betrayed. When trust is most at issue, we all too easily tend to give up on it.

Trust in corporations is essential to a smoothly working, efficient corporate culture. Without trust, the corporate community is reduced to a group of resentful wage slaves and defensive if not ambitious, managers. People will do their jobs, but they will not offer their ideas, their enthusiasm, or their souls.

Trust is not always a good thing. It can be foolish, naïve, gullible, and blind. It ought never to be taken for granted. That is why the authors insist that the issue is building trust – that is, creating trust, maintaining trust, restoring trust once it has been lost or betrayed. Their thesis is that trusting is

something we do individually, it is dynamic: it is something we make, we create, we build, we maintain, we sustain with our promises, our commitments, our emotions and our sense of our own integrity. Trust is an option, and a choice. It involves skills and commitments, not just good luck or mutual understanding.

The focus of what the authors call authentic trust is not merely reliability, predictability, or what is sometimes understood as trustworthiness. It is always the relationship within which trust is based and which trust itself helps create. Authentic trust embraces the possibilities of distrust and betrayal as an essential part of trust. Building trust means coming to terms with the possibility of breach and betrayal.

Trust, similar to love, is an emotional skill. It requires judgment, vigilant attention, conscientious action and all of the intricate reciprocities of a human relationship. We make decisions to trust. We make promises and tacit commitments. We see them through. We come to have expectations of others, and we respond to the fulfillment or frustration of those expectations. Trust isn't something we "have", or a medium or an atmosphere within which we operate. Trust is something we do, something we make. The problem of trust is not the loss of confidence but the failure to cultivate commitment making.

Trust is a matter of mood and emotional skills, a function of the imagination as well as the product of negotiation and understanding. Our moods and emotions are engagements in the world. They are skillful practices, not mere "feelings". They do not just happen to us. Our moods and emotions change with our practices. These practices can be changed and cultivated – we can and must learn to trust.

Trust may also be compared to freedom. The freedom provided by trust is the freedom to engage in projects that one could not or would not undertake on one's own. The freedom provided by trust is the freedom to approach and engage with strangers whom one may in fact never meet, as in the e-commerce economy. The freedom provided by trust is the freedom to think and speak for oneself. Companies dominated by office politics, in the absence of a culture of trust, are companies with a lot of losers.

Trust forms the foundation or the dynamic precondition for any free enterprise system. The individual entrepreneur, like the giant corporation, depends on trust, including self-trust, to function in the business world. High trust societies, according to Francis Fukuyama, are outstanding in their potential for forming wide-reaching and successful cooperative partnerships. Low trust societies, by contrast, often tend to be economic disaster areas and can certainly be terrible places to live.

Thinking and talking about trust will not only influence our beliefs but also change our behavior in the world and with one another.

Trust is transformative. It is not a matter of trusting or being trusted so much as a matter of changing each other and the relationship through trust.

Chapter 1: Trusting Trust

One might make the observation that the nature of trust has been called into question in part because of an epidemic of distrust. The other side of this observation is that trust has never been more relevant or important: it has come into question precisely because, in a free society and a growing free-market economy, it is trust and not power or fear that is essential to our well-being and the possibility of a “new world order”. That new world order will be defined by the trust it builds among nations, among consumers, and the companies that serve them, and among increasingly powerful corporations and the citizens of the world. In the fast changing world of the twenty-first century, trust must be reconceived in terms of rapid change, converging societies in a global market, and a world that is self-consciously making its own history.

Alternatives to trust: fear, control, power

Increasing trust within a company does not increase control. Rather, by easing the reins of control, it improves efficiency, effectiveness, cooperation, team spirit, employee morale, and chances for success in an increasingly competitive world.

Trust and control are incompatible because the core of trust involves freedom. To trust people is to count on their sense of responsibility or integrity, believing that they will choose to act in a trustworthy manner, while recognizing the possibility that they may choose to betray the trust.

In a culture structured by power relations, commitments and promises have a different meaning than they do in a context of mutual trust. One might expect that promises will be honored, but only because of fear of retribution if the promise goes unfulfilled, or because the person has failed in his or her promise will be forced to make enormous sacrifices. A power driven culture may result in self-interested calculation, cleverness, and conspiracy, which undermine an organization or society. The most damaging, although nearly invisible, aspect of such a power culture, is the loss of creativity. The essential virtue of trust is its openness, its celebration of possibilities. Force and fear shut these down.

Whether in a corporation, an authoritarian community, or a marriage, there is a desperate avoidance of risks and obstacles that might lead to failure due to the fear of punishment.

The great advantage of a trust culture over a power culture is the ability and need to appreciate other people’s circumstances and points of view. Trust and attention make innovation possible as the result of the expression of values, passions and a shared willingness to explore new possibilities.

Distrust: “Paranoia” and Cynicism

Distrust is not so much the opposite as it is “the other side of” trust. Trust requires some degree of mutual understanding and cooperation while distrust is adversarial. Trust suggests the will to believe while distrust demands suspicion.

The extremes of distrust are evident in the notion of paranoia, a mental state in which one perceives other people as hostile and perhaps conspiratorial., A widespread and socially sanctioned version of paranoia is cynicism. Cynicism is a refusal to trust. It is a closed-door policy, which poisons ongoing possibilities as well as foreclosing new ones. In business life, as in a civic context, cynicism shuts down

not only honest criticism but also hope. The demoralization it carries with it often has a devastating effect.

There is always evidence to feed and confirm distrust. Trust similarly feeds and confirms trust. If we insist that others prove their trustworthiness before we trust them, our distrust, no matter how tentative, will more likely provoke the downward spiral of distrust rather than allow room for building trust. Trust must begin with trust.

Basic Trust

Basic trust is learned in infancy. As we grow up, our sense of basic trust is enhanced or undermined by our experiences with other people. If expectations are frustrated, if needs are left unfulfilled, if security is threatened or violated, a baby naturally becomes distrustful. That distrust becomes the generalized stance from which that child enters, or refuses to enter, into new relationships and situations.

Basic trust provides the basis for one's entire personality and demeanor towards the world. The family is the basis for not only simple trust, trust based on familiarity and taken for granted, but also authentic trust, trust that is focused on relationships rather than single transactions and outcomes. The trust that originates in families may or may not be coupled with a complementary tendency to distrust those who are not family.

Trusting Strangers; the global society

In the world today trust cannot be limited to those we know and are familiar with. People tend to distrust people who are different from them, but civilization has always required the accommodation and acceptance of strangers. In our day-to-day lives, we are surrounded by strangers whom we implicitly trust *because we have to*. We are people on the move. We are citizens and consumers in a global society.

We trust in part because of protective devices (such as encryption codes in computer credit card transactions), references, reputations, and brand names. But without trust, there would be no business, and without trust between strangers there would be no global or even regional economy.

Business, personal relationships, and politics have always required trust. What makes our era different is that our need to trust strangers is increasing exponentially. The cost of trust may on occasion be devastating, but the high cost of distrust is virtually guaranteed.

Talking about Trust

The authors suggest that building trust begins with talk about trust. While trust might feel like a leap of faith, the leap can be initiated by learning to talk about trust, put it into practice, and make it fully explicit. Even between conflicting groups, talking about trust and believing that trust is possible even in the face of vehement distrust, is the first and essential step. Talk may begin with venom and mutual accusations, but accusations that are well intentioned or well mediated can lead to negotiations, and negotiations can lead to mutual commitments, small at first, which build trust. Mutual commitments and their fulfillment may never put an end to distrust, but they do build trust, authentic trust, trust with its eyes wide open.

Building Trust

Building trust requires talking and thinking about trust. It begins with an appreciation and understanding of trust, but it also requires practice and practices. Trust in a society is not a given. It is the product of collective, self-conscious action.

Building trust is no longer a matter of creating structures and practices within a single culture. From a global perspective trust is built step-by-step and commitment-by-commitment on every level. Building trust means thinking in a positive way and not only in terms of risks and vulnerabilities. We must force ourselves to think about uncertainties as possibilities and opportunities, not as liabilities.

Chapter 2: Understanding and Misunderstanding trust

Trust is often confused with familiarity. Familiarity is no assurance of competence, and in business particularly is a bad basis for trust. Trust is also confused with reliability and dependability. But trust is not a matter of predictability and expectations. It is a function of our active commitments – it is a mode of interpersonal engagement. Trust can also be confused with keeping one's promises, prudence and following rules. Trust is not a feeling or a medium.

In contrast to these various (mis) conceptions of trust, the authors defend a conception of authentic trust, trust that is fully self-aware, cognizant of its own conditions and limitations, open to new and even unimagined possibilities, based on choice and responsibility rather than the mechanical operations of predictability, reliance, and rigid rule following.

The authors make the distinctions between simple trust, blind trust, unconditional trust and authentic trust:

Simple trust: trust that remains unthinking and unreflective. It is the utter absence of suspicion. E.g. the types of trust infants have for their primary caretakers. Simple trust is trust that is taken for granted, that has gone unchallenged and untested, trust that is undisturbed. Simple trust, like innocence, cannot be recovered if lost.

Blind trust is no longer innocent. E.g. as in a cult environment. It has been exposed to violation and betrayal. Blind trust is denial and is essentially self-deceptive. Blind trust can be incredibly articulate, remarkably coherent, and on occasion convincing. But what it does is lock us into a particular perspective with well-defined boundaries, one that excludes all counter-evidence. Unconditional trust is just another version of blind trust however it can be much more authentic.

Conditional trust: Reflection on trust seems to show that we always trust people in certain aspects, regarding the performance of certain acts and participation in well-defined practices, within certain more or less well-defined domains. Context and appropriateness help determine the limits of trust. There are always limits, and to recognize these limits is by no means to refuse to trust. To recognize limits is an essential part of authentic trust. E.g. you can trust your mechanic with your car, but not to do brain surgery.

Chapter 3: Authentic Trust

Simple trust is unreflective. Blind trust is self-deceptive. Authentic trust is both reflective and honest with itself and others. Whereas simple and blind trust experience betrayal as earth shattering, betrayal is neither surprising nor devastating to authentic trust. Whereas simple trust is devoid of distrust and blind trust denies the very possibility of distrust, authentic trust is articulated in such a way that it must recognize the possibilities for betrayal and disappointment. It does not exclude or deny distrust, but rather accepts it and goes on to transcend it in action.

Authentic trust is a committed openness rather than a mere lack of discrimination. To trust someone is not to say “anything goes” but rather to keep open one’s responses, expectations, and a willingness to negotiate. There is no particular obstacle, disappointment, or betrayal that will bring such trust to an end, because that kind of trust is dedicated to a relationship. Authentic trust is self-confident with a focus on one’s own responsibilities in trusting. Authentic trust is trust that is well aware of the risks, dangers, and liabilities of trust, but maintains the self-confidence to trust nevertheless.

Authentic trust differs from simple trust and blind trust in its willingness and in the necessity, to confront distrust. What is necessary to move from simple trust to authentic trust is self-scrutiny, caring about the long term relationship and not just the outcome, negotiation and mutual understanding, a willingness to make and stand by one’s own commitments, a keen awareness of the risks and liabilities, and the recognition that taking on these risks and liabilities is above all one’s own responsibility.

Trusting changes both the person trusted and the person who trusts. Trusting is a choice, a decision, and authentic trusting takes into primary account the way the relationship will change as the result of that choice e.g. giving an employee an assignment and trusting his competence.

Authentic trust is ultimately a skill and in particular, an emotional skill. The authors suggest that emotions in general and authentic trust in particular are both chosen and a person’s responsibility, or people’s collective responsibility. Authentic trust is an emotional phenomenon because it is not merely a way of understanding and predicting the world, but a way of investing in it, of looking forward to a future that the investment itself helps make possible.

Cultivating moods conducive to trust is an important part of any human relationship, from the intimacies of marriage to the complexities of a giant corporation. Moods in companies are primary determinants of dedication efficiency, and success. They are not merely personal as they are often shared and social, closing off possibilities and disrupting working with others. Corporate moods are often summarized as “morale”. Trusting moods allow companies and the people who work for them to flourish. To trust is to be open and look to the future, even in the face of the same challenges and catastrophes that in other contexts give rise to such bad moods as resignation, despair, and confusion. Instead of resignation or despair there is engagement and commitment. In place of confusion there is the clear conviction that those in charge know what is going on, that they can be engaged in productive conversation, and that one can unhesitantly admit that one needs advice or direction. Whereas resentment sulks and stews and plots revenge, trust opens up, and maps out the future. Obstacles are viewed as opportunities. In place of confusion there is a sense of resolution and in the place of panic there is acceptance and serenity.

The key to cultivating moods is creating understanding through conversation. Conversation leads to mutual understanding, and understanding should lead to resolutions and engagements, actions that will bring about new situations and open up new possibilities.

Authentic trust remains in the background only until it is stirred into consciousness, typically by the need to make a decision. Like many basic elements of human relationships, trust is recognized mainly in the breach. Trust is on the one hand, one of the most “natural” things we do with people, but at the same time one of our most cautious, deliberative and responsible concerns.

Trusting someone requires a certain self-confidence, as is often said, you cannot trust anyone if you cannot trust yourself. Our self-confidence in terms of making a good judgment about whom to trust is of the utmost importance. A great deal of trust has to do with making assessments. An assessment is a statement of opinion and in authentic trust the awareness of the subjectivity of such assessments is critical. Authentic trust is created when you come to be unafraid of the negative assessments of people you respect. The practice of making and receiving assessments and learning how to negotiate them forms the core of the authors’ strategy in building trust in troubled marriages and in organizations.

At the heart of both the practice and the strategy of building trust is first building self-confidence and self-trust: trust in one’s own abilities, skills, knowledge, preparation, and know-how as well as trust in one’s own body and body language, impulses, emotions, self-control, moods, thinking, intelligence, and sensitivity to others.

In the background of every instance of trust is the specter of betrayal. Without betrayal there can be no trust, only reliance and predictability. Trust involves risk, and authentic trust involves going knowingly into the unknown together. The consequences of such risks are often disappointment and failure. That does not necessarily mean that the trust has been betrayed, or that the trust has been destroyed.

The first category of disappointment is simply the category of “things that didn’t work out”. The second category has to do with mistakes. Focusing on the relationship rather than the outcome gives us the navigational tools to overcome, if not overlook mere mistakes. Among the most important distinctions we can make are those between mere disappointments and mistakes, and between mistakes for which someone is to blame and those for which no one is. What this signifies is the need for negotiation and understanding, the need for further resolve and commitment, in other words, the need for authentic trust.

There are also blameworthy acts that *are* breaches of trust. These include indifference, a lack of sufficient caring, insincerity, lying and renegeing on one’s promise as well as breaches of contract.

In the restoration of trust, hope is the essential ingredient. Forgiveness as well plays a particularly dramatic role in the restoration of trust. Whereas hope sets the mood, forgiveness is the instrument, the social practice that makes renewal possible. Moving on through forgiveness does not imply a

simple return to what was. In simple trust there is no return to the state of innocence and trust will always be guarded by an appropriate amount of caution. In the case of a betrayal of authentic trust, the betrayal is never entirely unexpected. The betrayal of authentic trust leads to a profound alteration of the trusting relationship.

Chapter 4: Conclusion: Building Authentic Trust

Why talk about trust? Because talking about trust is essential to building trust. Even if talking about trust is uncomfortable, it is only by talking about trust, and trusting, that trust can be created, maintained and restored. Trust is a matter of conscious choice. What we are now capable of, and what has become necessary, is authentic trust, sophisticated trust, responsible trust, trust with its eyes wide open. Believing in the viability of human commitments is the necessary first step in making ourselves trustworthy, and it is the presupposition of trust as well. Thinking of trust in the right way may make all the difference between our being willing and able to trust, on the one hand, and a bad faith refusal to do so, on the other hand.

Reviewer's recommendation:

This book is written as a debate on the topic of trust. The distinctions made between the different types of trust were worth reading. It was a bit of a slow read and somewhat repetitive. Since I am always interested in the significance of conversations I particularly liked their thesis on authentic trust being dependant on conversations.

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About the reviewer: Frumi Rachel Barr, MBA, PhD

Many CEO's find themselves asking "What now?" to sensitive situations that only an experienced former CEO can understand. Frumi is brought in to solve problems and often remains to work with you, as your confidante and secret weapon. She has an uncanny knack of getting to the heart of your corporate climate and maximizing your team's performance, profitability and sustainability.

To schedule a free ***Break From the Pack to Success*** consultation email ceoconfidante@frumi.com or call 949-729-1577