"Unlike so many books on this subject, *Choose Trust* looks at the challenges and opportunities of trust from multiple angles: personal and organisational trust, trusting and being trusted, collaboration as a team and being a high-trust leader, together with both the emotional and rational dimensions. The book offers practical, real-world insights to transform the way you operate at work. This is not about the theory but about the practice of giving and receiving trust whatever your role."
– Charles H. Green, co-author of *The Trusted Advisor* and CEO of Trusted Advisor Associates

"If 'beating the competition' drove business in the 20th century, it is surely collaboration that is driving the 21st century. How to win was clear in the 20th century, but how do you 'win' at collaboration? Answer? Trust; one of the most complex one-syllable words in the English language. Thankfully Stuart and Kevin have written an excellent guide to help you navigate those waters. Trust – easy to say, not so easy to do. Until now. Stuart and Kevin have written not just a book, but a survival manual for the 21st century."
– John Philpin, Founder, People First, and former CEO of Lyris

"Insightful. The book is thought-provoking and full of common sense from start to finish in addition to being an excellent reference for practical situations. Many great examples that bring the theory to life are relevant both personally and professionally."
– Mark Harvey, CFO, General Phoenix

“This is a brilliant read from genuine experts on relationship building. It explores the concept of trust and building trusted relationships in depth, creating a wealth of practical and easily applicable tips for more effective relationships and better results. The thinking around trust-based leadership and teamwork is thought-provoking – lessons that would benefit many in modern business.”
– Steve Cullen, Founding Partner, Merlin5 Consulting

“Trust is elusive in our ability to define it – a behaviour, an emotion, gut feeling? When we fail to comprehensively understand how trust is created, grown and maintained, we leave too many valuable relationships and outcomes to chance. This book brings a new perspective, a delightful simplicity and practicality to the subject: a three-stage model of clarity, character and capability coupled with great exercises that mean you are applying your learning with every chapter. We would live in a better world if we could all learn the lessons inside.”
– Gill White, Chartered Insurance Institute

“Transform your relationships with insights from this practical guide to trust. The strategies for shifting from transactional mindsets to trust-based approaches in a business setting are a must-read for anyone in an educational environment looking to foster trust and collaboration.”
– Diane O’Dowd, Professor Emerita, University of California Irvine

“An essential read for anyone whose values are honed around honesty, principles and integrity. The ‘Trust Triangle’ neatly encapsulates why the need to ‘Choose Trust’ should be a vital tenet of life.”
– Stephen P.E. Fletcher, Founder and Managing Director, The Leaders Club

Choose Trust

Building relationships for business success

Stuart Maister and Kevin Vaughan-Smith

The Economist

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Stuart: to my children and close friends

Kevin: to Hayley, Mia, Anya and Carys – the support of my family makes the difference

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About the authors

Stuart Maister

After a ten-year career as a national TV and radio reporter for the BBC, ITN and Sky, Stuart has worked at the most senior level with businesses and public organisations as a consultant, coach, trainer and producer. He has led four different companies, selling his first award-winning business to a NASDAQ-listed firm and running all their international operations.

He has focused his work on the areas of storytelling and trust building. His mission is to help people and businesses articulate their truths and live by them in the way they engage with others in their work.

Stuart developed the concept of the Strategic Narrative, the articulation of the organisation or individual's value proposition and approach to the marketplace, focusing on areas of greatness and using this to drive strategy. Together with Kevin Vaughan-Smith he founded Mutual Value Ltd, a business based on changing the behaviours around leadership and sales to focus on trust building, not transaction.

Stuart has two children and lives in Brighton, in the south of England.

Kevin Vaughan-Smith

Kevin spent twenty years with IT companies such as IBM and Digital Equipment, where he built a reputation for creating large-scale client relationships and award-winning teams, including nine years leading Digital Equipment to no. 2 supplier to the UK government. He then transitioned to sharing his expertise in relationship building and leadership by establishing his own consulting business before being invited to take over at Franklin Covey as MD in the UK. He continued to focus on working with large clients in leadership, team building and client engagement before joining EY as an associate partner responsible for changing the go-to-market approach of its 16,000 employees.

On leaving EY, Kevin and Stuart joined forces to continue to promote the importance of trust and trustworthiness through their business Mutual Value Ltd.

Kevin lives on the edge of England's Chiltern Hills with his wife Hayley, a highly respected counsellor and psychology content writer. They have three children.

Contents

Introduction: Why choose trust? 1

Part 1: Why trust matters

1 The power of trust – and why most people don't choose it 19

2 Choose trust to create more value 37

Part 2: The formula for trust

3 Clarity: the foundation of trust 59

4 Character: the behaviours that build trust 80

5 Capability: the ability to work together 100

Part 3: Trust in the real world

6 Being a high-trust leader 131

7 More effective teamwork 151

8 Trust-based business development 164

9 Building trust with suppliers 182

10 Conversations that build trust 200

Epilogue: Trust is a choice 220

Acknowledgements 223

Notes 225

Index 231

Introduction: why choose trust?

In 2021, the price of the digital currency Bitcoin soared to a record high of $69,000, a rise of seven times its value over 12 months. Cryptocurrency was enjoying a surge. It had suddenly become a popular way for people to speculate and even trade.

Despite many warnings about the dangers involved, millions of people were beginning to engage with crypto. Major banking institutions were investing their clients' funds, and there were many stories of crypto millionaires, with a lot of speculation about major growth to come.

At the centre of this whole story was the development and maintenance of widespread trust in this new, exciting system. It's the foundation of everything you do too, as this book will show.

Perhaps a backlash was inevitable. International financial institutions were nervous. Debates raged about whether this was a real revolution in money and payments or simply a set of scams. Some countries, like the UK, blacklisted exchanges that people were using to buy and sell crypto.

By June 2022, the price of Bitcoin had plummeted to below $18,000. A major cryptocurrency lending company announced that it was freezing withdrawals and transfers because of "extreme" conditions. Cryptocurrency exchange Binance paused Bitcoin withdrawals because of a "stuck transaction" that was causing a backlog.

Trust in this amazing new source of value was reducing rapidly.

Then, in November 2022, it was dealt an even heavier blow. A major cryptocurrency exchange, FTX, went out of business after Binance pulled out of a deal to buy it. At the start of 2022, FTX was valued at $32bn. By the end of the year, it was worthless.

Worse, the practices revealed by its bankruptcy suggested there was fraud and perhaps even criminality involved, which caused speculation about whether this was true across the crypto world. The whole edifice of crypto was based on one thing: trust. And when that was damaged, its value crashed.

This may be an extreme example of an industry with no product and value created by pure speculation. But the fact is that at the base of every organisation is the trust that people place in it. From the smallest sole trader to the biggest companies, not to mention governments, institutions and entire nations, this trust underpins how they engage with everyone and everything. It's that big. When trust disappears or is damaged, behaviours change.

There's one simple reason for this. The power of choice.

People who buy from you, sell to you, work with or for you, or decide whether to employ you, have choice. They are selecting from a number of options. Even those who *have to* deal with you will decide whether to put in discretionary effort to do more, or simply transact.

The simple fact is: people choose positively when they trust and are trusted. This powerful idea can change everything about how you engage with others in your working life.

Choosing trust

When a small child looks at their parents, their love is based on total trust. It's an instinct that's never lost. If you consider your own most important relationships – partner, friend, relative – which are the best ones? And what makes them so?

You want the best for each other.

This is an innate need from birth. People want to bond with others they can relate to and can rely on. For this to be true, they need to be able to trust those people too.

It's easy to forget that these truths apply just as much in the world of work. Organisations are made up of human beings who have relationships with each other. Turning this simple idea into a strategy can give you a competitive edge.

You may choose a supplier, colleague, partner or even who you work for because of a range of factors, but the people you stick with tend to be the ones you trust. Yet, at work, it's easy to forget this, to focus on other things or to feel the need to "be professional" or "to perform". This can lead to behaviours that damage, rather than build, trust.

The central message of this book is that the most professional and effective way to behave at work is to trust and to be trustworthy. This is the way to build better relationships which create far more value for everyone involved. It can affect every conversation, every meeting, every time you deliver a presentation, create a proposal or respond to an email.

The difference at work is that you need to develop this habit *deliberately*. Intentionally. Consciously. This needs a structured approach. That's what this book will provide. It will show you how to apply some key principles, whether you're leading or selling, collaborating or partnering. Being trustworthy and intentional about building trusting relationships is a powerful way to position yourself and, ultimately, your organisation.

The book offers a structure and detailed thinking about every aspect of trust that is applicable whatever you do and wherever you work.

In more formal situations – such as managing a major contract or building a team – it is worth going through each of the exercises and thinking through all the dimensions of trust to build a much more solid foundation for your relationships. Many of the ideas and exercises will be a great basis for a workshop or discussion.

On a day-to-day basis, where there is a need or desire to build trust with other people quickly, you may find that one or two of the ideas here will resonate with you, and that different ideas will hit home in different situations.

In *all* situations you will find it valuable to consider why deliberately building trust is such a critical aspect of the way you interact with others, and to have ways of doing so that you can reach for quickly and easily.

Technology is changing the world at a breathtaking pace. Artificial intelligence promises to bring huge benefits and potential threats. Social media can manipulate, and some has malign intention. What this world increasingly does is make us less and less connected to other human beings, with machines operating according to set rules with no discretion or judgement. This is perhaps the biggest driver of a general distrust which all research suggests widely exists. In such an environment, being more human can be a major advantage. Focus on this innate human urge to trust others and be trusted so that, when choices are made, people decide to work with you.

The founder of eBay, Pierre Omidyar, says that the company's business is based on "enabling someone to do business with another person, and to do that, they first have to develop some measure of trust, either in the other person or the system". What he describes is a principle that can be applied by people working in all types and sizes of organisation.

In your next meeting, or your next conversation, actively choosing high-trust behaviour could radically change the outcome. A deliberate focus on building and preserving trust as a central part of your approach to others can make the difference between success and failure.

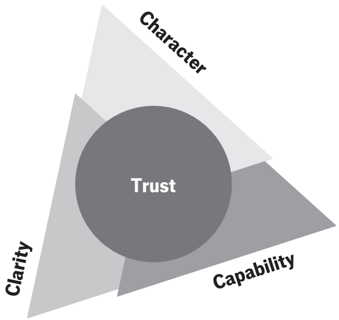
Defining trust

What is trust?

Many people see trust as an instinctive thing: “I know when I can trust someone.” It’s seen as something indefinable, that’s felt rather than seen. The problem with this is that it is impossible to bake feelings into your personal strategy or company culture or measure its impact. It cannot just be something individuals generate if it’s to be a consistent deliverer of value. Otherwise people shrug their shoulders and say that some have trust and some don’t.

We believe that trust is based on three dimensions: clarity, character and capability. These are all interdependent if trust is to be earned and given in a relationship.

These dimensions form our trust triangle. They provide the foundation for the practical approaches set out in this book.



Clarity

Alignment of purpose, mission, vision and value expressed through a clear story
“Why”

Character

The way we show up: behaviours that build trust
“How”

Capability

The combination of our competencies and the structure of our relationship
“What”

Figure 1: **The trust triangle**

The triangle serves as a design principle for the relationships you want to build and grow in your working life.

It's not the first time there has been an attempt to define trust in business, but this book contains three departures from previous approaches.

External vs internal focus

Books on trust often focus on how to become *trustworthy* to achieve an outcome – for example, to gain the trust of a customer. It's an important but essentially internally focused approach, intended to create a win for the person using it. By contrast, this book will focus on the *relationships* you want to create, with an emphasis on this being a two-way street, with value created for everyone involved.

What you'll learn here can work as a tool to ensure that you (and, through its people, your organisation) are consistently trustworthy. That is highly valuable. But even greater results can be achieved if you use the tools as a way of building a trusting relationship with others to *co-create* value together.

In almost all situations there is interdependence, which means that all sides need to trust each other for the best relationships to be established. The trust triangle provides the vocabulary to agree the basis of trust between everyone involved, and how they will be held accountable for acting accordingly.

The need for accountability and consequences

Most approaches to trust fall down in one key area: the transition from warm words to actual, consistent behaviours. Where there is an intention to create a trusting relationship together, it is important to agree both the accountability and the consequences if those involved depart from the agreed behaviours, including a process for regular review. This is what gives this approach teeth and encourages difficult, honest discussions about what can go wrong – as well as enthusiastic, optimistic dialogue, which often characterises the beginning of a relationship.

The start of a work relationship can be like a wedding. When you win that contract, or join a new company, agree a new partnership, become a new leader, it's as if everyone is in love. There is no shortage of huge, positive statements of intent.

But the real work is in the marriage. Months later there are problems, difficulties – the professional equivalent of the baby crying at 3am. If there is no real commitment to the relationship, trust is destroyed. This book helps you address that so that you can maintain the same spirit that characterised the relationship at the outset.

A focus on clarity

The third differentiator is an emphasis on the foundation element of the three dimensions in the trust triangle: clarity. It's foundational because misunderstanding is so often the cause of mistrust, simply because those involved had different expectations or interpret what others have done through a different lens. The more you are clear about and align expectations and achieve mutual understanding, the higher the levels of trust.

The three dimensions of the trust triangle

Clarity: the why

Have you ever completed a project knowing that you have done a great job, but then discover that your customer or colleague is unhappy because it wasn't what they were expecting? Have you ever commissioned work only to find out that the person responsible is not carrying it out as you wanted them to, or as you would have done yourself? Or perhaps that a supplier has done the work but is charging you more than you had anticipated?

When this happens, trust is destroyed. Being clear together, making sure everyone involved has the same ambition for the work together, is the critical foundation for trust.

The book will demonstrate the impact of a lack of clarity – and how to create more clarity in the first place.

Character: the how

This is the dimension that addresses the behaviours that need to be demonstrated consistently by those involved in the relationship. It's important to decide the behaviours expected of all parties deliberately and collectively, to look at what this means in practice, and to hold each other accountable for them.

Once again, the behaviours involved are the ones agreed as appropriate by those in the relationship. You may regard the way you engage with others as entirely reasonable. They may see things differently. In this gap, trust is destroyed.

The approaches set out in the book will help you to consciously decide the right behaviours and apply them in practical ways – for example, in meetings and conversations.

Capability: the what

A key component of trust is to do what you say you will do when you say you will do it, and on the basis you agreed. However, this ignores the fact that, in many cases, your ability to do this is affected by the capability of the person you're interacting with; your customer, partner, colleague or employer also needs to play their part. This *interdependence* is a key component of capability, and is either the foundation or the destroyer of a sustainable, trusting relationship.

The question is this: are those involved capable of behaving in a trustworthy, collaborative manner with each other? Are they clear about the structure of the relationship? Establishing this, and setting up ways to maintain the ambition and behaviours that build trust, is the secret to having a powerful trust capability. The book explores what this means in practice and how to make sure this capability is in place.

The interdependence of the three Cs

Each of these three dimensions – clarity, character and capability – will be considered in turn. However, all three need to work together to build high-trust relationships that create value.

You may be clear about what you plan to do with someone else, so you have achieved *clarity*. But if you then behave in ways that destroy trust (*character*) or together you fail to demonstrate the *capability* to work collaboratively, trust is damaged.

You may do a great job for your customer – demonstrating your *capability* – but that doesn't mean there was *clarity* about what you were meant to do. The result may be that you disappointed the customer in some way, which causes them to start to doubt your *capability* and behave accordingly, so they lose trust in you and doubt your *character.*

You may behave in very high-trust ways, demonstrating great *character*, but without *clarity* about what you are doing together or the *capability* to do so, trust will be damaged.

If not properly nurtured and agreed, any one of the three dimensions of the trust triangle can damage or destroy trust. Trust is a fragile flower which can be crushed much more easily than it can be nurtured. That's why it is so important to look to build trust intentionally.

The interdependence of the parties involved

You can use every method in this book to become more trustworthy.

But real trust is a two-way street. In most situations where you create value, you do it *with* people, not *for* them. That's why the most effective way to choose trust is to be clear about the interdependence of everyone involved and make that a powerful, sleek engine of value creation, not a complex system that gets in the way. You can use the trust triangle with others to choose trust together.

Even in a situation where you are providing a product or service to others – customers or colleagues – the effectiveness of what you provide depends to some degree on the way it is received or used. Other people's behaviours may be a factor in the value you create for them. That's why interdependence is so important and why trust is the basis of a relationship, not simply a virtue. It's also why the trust triangle provides a framework for consciously designing working relationships that last, even when things go wrong.

Everyone wants to trust those they work with and for. And, in a world where trust is often considered to be in short supply, being the leader, seller, buyer, colleague or partner who gives and receives trust will give you a major advantage.

In routine interactions, it means things work better. In bigger, more formal relationships, it means you win and continue to win together. In all types of ways in which you work with others, it means people make a positive choice in ways that benefit you: they choose you as a supplier or employer; they do extra discretionary work as a team member or partner; you have more influence as a colleague or fellow leader.

The key is for you to choose trust and know what to do about it.

How to use this book

This book is designed to provide you with a simple framework to use to build and maintain trust, and then looks in detail at how this shows up in specific working situations. The ideas here are intended to inspire you to consider how they apply in your working world, and give you practical ways to use them.

Each chapter sets out some key questions you can ask yourself to explore your own behaviours and those of the people around you. Chapters also contain practical exercises you can do on your own, with a team and with customers and clients to help build trust into your working life. They are designed to help you explore issues in a structured way.

Part 1 sets out the choice between having a transactional mindset or a trust mindset. Chapter 1 considers why being transactional has become the default in many work situations and the negative impact it has. Chapter 2 sets out the case for the opposite – the trust mindset. It will explore the difference it makes if you choose trust as a key strategy, whether as an individual or an organisation, and how this creates far greater value for everyone involved.

Part 2 dives into the trust triangle and looks in detail at each of the three dimensions. Chapter 3 focuses on clarity, the foundation of trust. It explores what happens when there's a lack of clarity and sets out a simple approach to being clear. Chapter 4, on character, sets out five principles of behaviour that can serve as a useful framework to explore real-life situations and how they can be tackled in a high-trust way. Chapter 5 puts some teeth into the process, asking you to ground things in a clear analysis of your capabilities both in terms of your interdependence and the way you govern the relationship.

Part 3 shows what this can look like in practice. In each case the trust triangle is the framework that underpins the approach. You may choose to go straight to the chapter which most directly reflects your own situation or current focus. Chapter 6 sets out an approach to high-trust leadership that will ask you to consider what great, trusting leadership looks like, and how leaders can destroy trust if they are not intentional about this. Chapter 7 explores how you can build more successful teams using the approaches in this book, and contrasts this with the situation when people are really working as a group rather than as a team.

Chapter 8 tackles business development. Building trust with customers and clients is the only way to ensure loyalty and growth. This chapter focuses on when the engagement is in person, rather than mass marketing, but many of the principles apply in all contexts.

Chapter 9 looks at trust in how you work with your suppliers: how you create trust as a buyer of goods and services and why this is a more successful way to do business. The chapter sets out a philosophy which turns into a practical way to engage with your suppliers and partners that can change the whole tenor of your work together.

In every relationship, meetings and discussions are where trust is most often built or destroyed, and so in Chapter 10 we offer a structured approach to conversations which, if followed, will mean you are always building trust, even if the subject matter is difficult.

This book is based on a clear philosophy. You have a choice in your working life between being highly transactional or highly trustworthy. In fact, almost no one wants to see themselves as untrustworthy; few people go to work aiming simply to transact. But they do not choose to put this at the centre of their thinking. The results can be seen through some of the examples you will read here.

You probably regard yourself as highly trustworthy. This book will ask you to analyse your actions and behaviours to see if they create or destroy trust, usually inadvertently. It will encourage you to test with colleagues whether or not they feel they can trust you and, if they can, to ask why. If you can seek this feedback with genuine inquiry, it will help you discover more about your relationships.

If you choose trust in an intentional way, it's a much more enjoyable and rewarding way to work, because it creates better relationships. People will know they can rely on what you say, and you will create far greater value for yourself and those around you.

PART 1

Why trust matters

It seems obvious that trust is important, but most of us casually destroy it every day in our professional lives through ingrained behaviours and structures. This is rarely deliberate. It's just that, when you think about how you do things at work, often your actions and behaviours are not designed to create trust but simply to achieve an outcome.

When you consider how others work with you – as colleagues, leaders or people who want to sell you something – this may become even more clear. Part 1 of this book is intended to get you into a total trust mindset, ready to explore what this looks like in practice in Parts 2 and 3.

Chapter 1 sets out what destroys trust – the transactional mindset. This chapter will look at why this has become the default in many work situations and the negative impact it has. From the collapse of a global accountancy firm to the sudden deregulation of the financial markets in what became known as the Big Bang, through the technology everyone used in the time of covid, the trend is towards a more transactional mindset.

Chapter 2 sets out what creates trust – the trust mindset. This chapter will explore the difference it makes if you choose trust as a key strategy, whether as an individual or an organisation, and looks at why and how this creates far greater value for everyone involved.

In each chapter we will set out some key questions you should ask yourself to explore how true this is in your own behaviours and those of the people around you.

1

The power of trust – and why most people don't choose it

"A man who trusts nobody is apt to be
the kind of man nobody trusts."

Harold Macmillan, British prime minister

In 2002, after 89 years in business, Arthur Andersen ceased to be an auditor. Before it became embroiled in a major scandal involving the energy firm Enron, it had 28,000 US employees. By the time it was forced to relinquish or revoke its licences to operate, the number of employees was down to 3,000.

The company, one of the Big Five global accountancy firms, collapsed in a matter of months. Accusations that it had turned a blind eye to the Enron leadership's accounting fraud, and then obstructed justice by shredding documents, created too big a scandal for the company to survive.

In fact, this conviction was reversed, and only a tiny proportion of Arthur Andersen employees was involved. But the damage had been done. The reputation of the whole organisation was in tatters. Despite its huge global presence, a giant of the financial system collapsed all too quickly once it lost its most important asset: *trust*.

The company had always stood for ethics and honesty. Its founder, Arthur Andersen, originally built the business "by putting reputation over profit". So what had changed?

An article in the *Wall Street Journal* summed it up like this.

> Andersen leaders responded [to pressure to perform] by pushing partners to become salesmen – upsetting the delicate balancing act any auditor must perform between pleasing a customer and looking out for the public investor.[1]

It's an extreme reminder that trust is the basis of all relationships, at work as well as in life. In the pursuit of immediate profit, the individuals at Arthur Andersen had been encouraged to act in ways that compromised relationships based on trust. The cumulative effect was enough to bring down an entire organisation.

Once you no longer trust someone or something, you lack confidence that any promise they make will be kept. If they appear untrustworthy, you avoid them. When you have a choice, you look elsewhere for the service they provide. Or, if you have to deal with them, you do so in a very transactional way, checking everything and only giving what you have to so that you get what you need or want.

The *Collins Dictionary* defines trust in a helpful way, through a series of sentences.

- If you **trust** someone **to** do something, you believe that they will do it.
- Your **trust in** someone is your belief that they are honest and sincere and will not do anything to harm you.
- If you **trust** someone's judgement or advice, you believe that it is good or right.
- If you say you **trust that** something is true, you mean you hope and expect that it is true.

For most people, this is a simple statement of how you want to be seen by others. In your working life, it is important that, to a greater or lesser degree, these statements are true about you. And it's important that you see others with whom you work in the same way.

Consider the opposite of all these sentences. Replace "trust" with "do not trust" and think about the opposite of what you expect or believe as a result. Where this is true, it is deadly to commercial and professional relationships. Here's what it looks like.

- If you **do not trust** someone to do something, you believe that they will *not* do it.
- Your **distrust** in someone is your belief that they are *not* honest and sincere and *may do something* to harm you.
- If you **do not trust** someone's judgement or advice, you believe that it is *not* good or right.
- If you say you **do not trust that** something is true, you mean you *do not* hope and expect that it is true.

Most people would not want anyone to say any of this about themselves. And yet this crucial factor is often overlooked in the way people work together. They focus instead on what is to be done, how much it will cost and how well the work will be carried out.

Entire countries suffer when outside investors no longer trust the actions of the government. That corner store you went to suffers if something happens that causes you not to trust the goods it sells or the manner in which it sells them – and so you no longer choose to shop there. At the most personal level, if someone betrays your trust, then whatever joy you created together will not be repeated.

Exercise: Who do you trust, why, and what impact does it have?

Think about who you do *not* trust.

Is there an organisation or person you deal with only grudgingly, or simply because it is convenient or necessary to do so? If so, think about what they have done – or not done – to put you in this frame of mind when dealing with them.

It may be a landlord, a colleague or boss, a company you buy goods from, a utility, a shop. What did they do? How do you behave when dealing with them? Consider the impact this has on your willingness to do anything for them that involves some discretionary behaviour on your part.

For example, if this is your boss, will you go the extra mile when asked? If it is a company, how do you feel when you pay them? Do you resent it or are you happy to pay for the service or goods provided?

And, if you were that person or organisation, is that how you would want your customers, colleagues or investors to feel about you? Think about the value that is destroyed when this situation exists, when there is no trust, simply a transaction.

Now think about who you *do* trust.

Consider someone or an organisation or company you trust. How does your behaviour differ? What have they done – or not done – to make you behave in this way? Would you want others to feel that way about you? Would you choose to deal with others who give you this level of confidence?

Think about the difference.

That difference is the outcome of trust, whether it is present or absent. It is inconceivable that you would choose for others not to trust you, your team or organisation. Yet you will have thought about people or companies that destroy trust daily, and it is probably true that, if asked, they would say the same as you. They think they're trustworthy. Yet you don't trust them.

When you do this exercise, you may find that the central reason that trust does not exist is when your relationship or engagement with others is *transactional* in nature: the person or organisation deals with you in a way that is functional and focused on what you do for them, and what they do for you. It may be that what you do is simply to hand over cash in return for a product or service, or vice versa – for example, your employer paying you for your work.

If trust does not exist, then you will continue to take the money until you get a better job. You will calculate the value of the transaction and continue until there is a better one. Your employer may do the same: keep paying you until they no longer see value in keeping you. And you know that is the case, so you do not trust them.

Similarly, you will continue to go to that shop until you see a better option. Where you have discretion, you will use it to change without thinking twice. Compare that with shopping at a place where you really believe in the good intentions of those selling to you, and the experience is a good one. That's a relationship you'd be sorry to lose, to the extent that you might be less price conscious as a result.

This leads to the question: do you really know how much others trust you or your organisation?

Once, when the village was the typical place to live and its inhabitants worked and shopped locally, every person had to protect their reputation because they lived with the consequences of any betrayal of trust for the rest of their lives. The world today is very different, and many of the factors that have led to a highly transactional mindset are relatively recent.

How did we get here?

"My word is my bond." This remains the motto of the London Stock Exchange, but the idea on which it is based was swept away in October 1986. The Big Bang in the City of London changed the rules about who could or could not trade stocks and shares in London, and led to a wave of takeovers and mergers, many involving overseas banks, that swept aside a culture that had developed over centuries.

In the old world, personal relationships between brokers and jobbers were key. Trust was critical to the system, and without it you could not do your job. After 1986 the move towards a highly transactional, impersonal trading system was inexorable and personal trust was no longer a major factor in success.[2]

The Big Bang paved the way for new digital trading and provided the foundation for a boom in fast-paced transactions that have accelerated, driving stocks up and down at a new pace. Those running listed companies continually focus on volatile stock prices, a system which rewards short-term decision making and eye-catching initiatives that may be attractive to transactional investors but can destroy trust among customers, employees and partners.

It's a story that is reflected in the way businesses are financed across the world, however they are set up. The pressure to perform quickly and demonstrate continual growth has led to an increasing focus on short-term results and transactional behaviour.

Such specialisation and the drive for efficiency has its roots in the Industrial Revolution. Instead of small local firms doing everything, larger businesses grew up which focused on one thing and did it brilliantly. This division of labour, international trading and empire-building led to complex supply chains where the users of a product or service had little or nothing to do with the people who contributed to its creation.

In the professions – accountants, lawyers, engineers, architects – new firms were founded by experts who recruited like-minded people and built their success on selling that expertise into the market. It's been a story of success that has a history of over 150 years based on building into the system the idea that expertise can be traded as a commodity like any other.

As organisations grew bigger, they became less personal. The relationships of trust that were critical to a small marketplace got lost in the drive for growth, expansion and financial success. The rise of the joint stock company – the basis of every limited and listed business today – meant that investors too were no longer directly connected to the firms in which they invested, and vice versa. Stock in a company became itself a commodity to be traded, its value varying depending on many different factors, not all related to the fundamental performance of the business.

Yet as recently as the first half of the 20th century many businesses still behaved according to a strong ethical base. They were led by their founders and underpinned by the strong personal connections that remained a feature of most commercial activity, which largely remained local in nature.

Hyper-globalisation after the Second World War began to loosen the ties. Technology ripped them apart. The impersonal trading that took over stock exchanges was mirrored by the systemisation of every aspect of business. In the digital world the numbers are what count, and this drives behaviours and intent in every aspect of our working lives.

Covid accelerated history to the world of Zoom, Teams and Google Hangouts. Initially, many people felt it was great that they could see into each other's front rooms – wasn't this personalising business again? But the reality is that this means of connecting moves us even further into a transactional world where every conversation has a purpose and participants take it in turns to speak. Now there are fewer "water cooler moments" that result in human-to-human, casual conversations.

The result of all this? Many of your customers, employees, colleagues and teams feel disconnected. They view you, your company, its products and services, and their connection with it, as a transaction that they continue while it serves them. And you may view them in the same way.

As you will see, this leads to bad leadership, salespersonship, colleagueship and partnership. It results in poorer service and much lower value creation. But it also creates an opportunity for people and organisations who go in exactly the opposite direction of travel: to focus instead on building trust, to behave in ways that demonstrate that and be rewarded by the value created because they are trusted and more able to trust those with whom they work.

This somehow feels like an old-fashioned concept, dating back to those days when we were all local and accountable to our neighbours. It is. And yet it is also a totally modern idea because consumers, employees and colleagues are becoming alienated from low-trust engagement and increasingly choosing to spend their time and money where they feel higher levels of trust, purpose and integrity.

The destruction of value: the transactional mindset

Time and again in the world of work, trust is damaged by this transactional mindset. It's an approach that focuses on the "facts": the numbers, the deal, the contract, what one person is buying and the other selling, whether that is a consumer item or service or their labour and time.

To trust is a fundamentally human-to-human emotion which was once the foundation of all commerce. But the way in which businesses are now measured and controlled puts pressure on everyone to focus on transactions.

From the earliest ledgers to the most recent complex accounting systems, success is judged by a list of inputs (costs) and outputs (revenue), and success is based on the difference between the two. Business is analysed down to the transaction – the focus is on deals, not customer relationships, profit per month, quarter or year, not employee or customer lifetime engagement. If you are a listed company you are judged by the daily stock price and its trend, not the success of your vision.

Under pressure, companies seldom, if ever, reflect on their vision or their strategy. They revert to age-old donkey leadership (carrot and stick) focus on cost reduction and squeezing the assets (mostly people) and respond by analysing how they can carry out more transactions at lower cost. And when they are successful, what is rewarded most often are the biggest transactions rather than the biggest contribution to the overall vision.

It's therefore no surprise that the people within this system are led to think and behave transactionally. They focus first on their own success, not that of the broader team, and not that of their customers and clients. In low-trust, transactional situations like this, collaboration is difficult even within teams, let alone beyond them.

Does that sound familiar? Just by recognising it you can probably immediately see the difficulties that result. But let's look at this in more detail.

The impact of a transactional mindset

In his book *The Speed of Trust*, Stephen Covey identifies that low trust has a very predictable outcome: that the speed of interaction falls and costs rise.[3] What does this mean in practice at work? As you read these examples, reflect on the extent to which they are familiar to you in your own experience.

Transactional leadership

You may have experienced low-trust leadership, sometimes called command and control. Despite many warm words by leaders to the contrary, some or all of these behaviours are still common.

Typically, low-trust leaders set goals and supervise based on lag measures – revenue, profit, costs. They don't create a compelling vision; they measure goal achievement and manage accordingly. Because of this, they take no responsibility for whether the goal is achievable, which means they cannot be clear on how these results should be achieved.

When things go wrong, you really see how low-trust leadership damages relationships. In an interview, Nicholas Hale, Group CEO of Movera (which dominates a specific area of property contract work in the UK), said:

> You're going to have stakeholders that pop up when everything's brilliant, they pop up in more voluminous ways when things are not going well, and they're silent in the middle. But if you really want to build trust, you need to be there through the whole journey.[4]

Hale has worked at various major companies in senior roles. He remembers one example where transactional leadership above him destroyed his trust in them because of how they behaved when he was facing a challenge. His team deployed a massive technology change. The new technology worked perfectly on 70 different sites, then, at the biggest location, which was processing 50,000 customer orders a day, someone flipped the button on a Monday morning. Everything stopped.

What followed was a demonstration of how not to lead. Hale found himself spending as much time managing upwards, to people who failed to fully trust him and his team, as he did sorting out the problem. As a result, the issue continued for three weeks. His conclusion is stark.

> In a bad moment, trust people more. Don't trust them less, because if you trust them less the impact on their ability to perform, their mental well-being, the way they show up and the way they implicitly cascade their behaviour onto the rest of the team is deeply unhelpful.

People at work often have choices. They expect leadership to be trusting and trustworthy, engaging, collaborative, giving them input to and ownership of the work they do. Many leaders aspire to this style of management but struggle to deliver.

Colleagues in low-trust environments

The psychologist B.F. Skinner is the person who coined the phrase "positive reinforcement". Considered the father of a psychological discipline called behaviourism, Skinner saw human actions as dependent on the consequences of previous actions. It now seems a simple idea: if the consequences of an action are bad, there is only a small chance that the action will be repeated; if the consequences are good, the probability of the action being repeated becomes higher.

In other words, human beings learn what happens when they act in a certain way and, if this is a positive experience, they do more of it. Think about how children are typically taught "right" and "wrong" behaviours. They are rewarded when they do the "right" thing and punished when they do the "wrong" thing.

At work, people learn quickly what is deemed right and wrong. If there is a win–lose culture based on top-down goals, carrot-and-stick leadership and transactional behaviour, these behaviours and culture will be replicated elsewhere. Even if colleagues like and trust each other on a personal level, they know that the expectation is that they should behave differently in a professional setting. Where transactional behaviour is encouraged and rewarded, the result is a culture based on low trust.

This shows up in familiar ways.

- Departments or individuals focus on achieving their own goals, whether that helps the organisation meet its vision or not – sometimes even at the cost of other people or teams. For example, salespeople complain that delivery teams don't build relationships for them to piggyback on; delivery people complain that what the salesperson has promised cannot be delivered, or at least delivered in a way that meets their cost and margin goals; someone overpromises to a customer and the team has to work harder to deliver on this.
- Different teams compete for scarce resources at budget time – often bidding for more than they need to make sure their needs are covered. Inevitably, in this win–lose environment, some teams will be under-resourced while others are in surplus, which reduces the likelihood of overall success.
- League tables celebrate "winners" and denigrate "losers" without any understanding of the complexity that may sit behind these simple numbers. The focus here is on competition, not collaboration, which is not an environment to create trust.
- Innovation is stifled because the high levels of openness and collaboration it requires is lacking. Innovation flourishes when people feel able to be vulnerable so that they can try new things and put forward ideas, comfortable that this will be welcomed. The opposite of a

trust environment for innovation is a blame culture, where people feel inhibited about sharing new ideas and thinking in case things go wrong and they are stigmatised.

- People behave as though they are in a gig economy, selling their time to businesses transactionally. This can work in the short term but over a longer period it risks potential innovation, knowledge within the business and choice about who stays and who goes.

At its core, these are often symptoms of a failure to engage with a vision that creates a big picture that people understand. People "play narrow", focused on their targets or customers, with no reference to a broader ambition for the organisation.

Yet every organisation of every size has a stated ambition of being unified with the ability to take advantage of economies of scale across different departments and teams. This book will look at how to achieve this.

Transactional selling

There's someone at the door. When you answer it, it is clear he wants to sell to you. He tries to engage you in conversation, to connect, to explore your needs.

What is your reaction?

You will probably have a similar reaction to most people: you'll put up a barrier, make it difficult, resist and be suspicious, be on your guard. No one wants to be ripped off, and this is the danger that a salesperson represents.

In response, salespeople develop ever more sophisticated tactics. They learn clever sales techniques, find a way to grab your attention, maybe even exaggerate the benefits of what they are selling to get the sale.

What should be an exchange of value becomes a battle of wits, with the walls between the parties getting higher and higher. Even large companies with major needs deliberately make it hard for people to sell to them and try to use procurement techniques to crush suppliers on cost. The incentive is to quote low and then ramp up prices when the job is won through change notices, new issues or add-ons.

Can you think of a more transactional situation than this? It is literally a transaction, and the result is that neither the buyer nor the seller gets the maximum value from the process. Trust is damaged and, instead of an open, collaborative approach to finding the best solutions, the parties focus on the deal or the sale. Often, this results in things going wrong when the product or service is delivered because the best solution was not chosen – and guess what happens? Trust is further damaged.

Yet many hold a belief about selling which is founded in a lack of trust, often compounded by tough targets to close deals. The result is that they focus on this more transactional mindset rather than on the fundamental needs of the customer.

This is a good moment to consider a fundamental idea. Figure 2 shows the belief model, which illustrates how what a person believes drives what they do and therefore the results they get. It shows why it's so hard to change ingrained thinking and behaviours.

If you want to change an outcome, it's tempting to focus on what people are doing – their actions. But that's not the place to start. What matters are the beliefs that drive what people do, and they can be limiting or empowering.

Whatever outcome is achieved usually serves to reinforce those beliefs, a process known as confirmation bias – the ability of the brain to give preference to data that supports its expectations, and to ignore contradictory evidence.[5]

If, in the case of selling, a buyer has the limiting *belief* that a

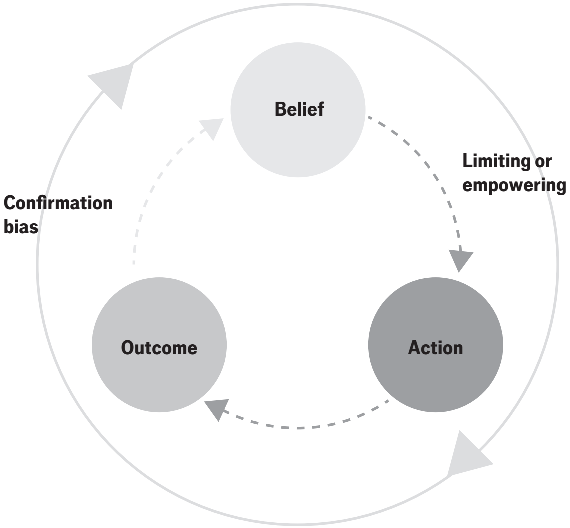


Figure 2: **The belief model**[6]

salesperson is untrustworthy, this leads to defensive behaviour. The *action* that results is that buyers restrict access, information flow and time to avoid being "sold to". This is true whether the purchase is a consumer item or a business deal.

By so doing they restrict the ability of the salesperson to really understand them or their business and they often get lower quality solutions than may have been available. That is the *outcome.*

Confirmation bias kicks in. The results reinforce their belief that they should not have trusted the sales process, and they raise barriers further. In large businesses this shows up as formalised procurement processes that are inappropriate for the acquisition of complex services and goods.

Salespeople, met with the barriers, driven by goals, take a self-interested approach to try to meet their own needs. By