

# On Trust

**HBR's 10 Must Reads**

We think of trust as precious, and yet it's the basis for everything we do as civilized people.

We rely on laws and contracts as safety nets, but even they are built on trust in the institutions that enforce them.

Trust is also one of the most essential forms of capital a leader has.

The traditional leadership narrative is all about you, your talents, your charisma etc.

People trust you when they think they are interacting with the real you.

The trust logic is about authenticity, logic and empathy.

If people think that you care more about yourself than about others, they won't trust you enough to lead them.

If people don't trust your judgement, then they will not trust you. So, your ideas must have rigor.



The uncomfortable truth is that diverse teams underperform against homogeneous teams.

In diverse teams, knowledge is partly shared,  
in inclusive teams a diverse base of knowledge  
is shared.

The path to empowerment leadership starts when you start to trust yourself.

# How to manage for trust

1. Recognize excellence
2. Induce challenging stress
3. Give people discretion in how they work
4. Enable job crafting
5. Share information broadly
6. Intentionally build relationships
7. Facilitate whole person growth
8. Show vulnerability

Bridges are built when two people develop authentic connections across their differences.

Each time two people connect authentically at work, they build one layer of a bridge.

Human beings are naturally predisposed to trust, and by and large it's a survival mechanism that has served our species well.

We have to learn to trust wisely and well – I call it tempered trust.



We are far more likely to trust people who are similar to us.

Physical touch has a strong connection to the experience of trust. That's why greeting rituals across the world involve touching.

We also see what we want to see and hear  
what we want to hear, this comes in the way of  
good trust.

People tend to think that their judgement is better than average. 95 % of MBA students place themselves in the upper half of the distribution curve when it comes to sizing people up.

People generally fall into two categories – either they trust too much or they don't trust at all.

Most of us underinvest in communicating our trustworthiness to others, because we take it for granted that the other person knows our wonderful qualities.

Research has shown that you can be nice and do well as a leader if you are firm and punish offences.

Personal relationships sometimes get in the way of trust.



# How to negotiate with a liar

1. Encourage reciprocity
2. Ask the right questions
3. Watch for dodging
4. Don't dwell on confidentiality
5. Cultivate leaks

The building blocks of trust are consistency, clear communication, and a willingness to tackle awkward questions.

Things which hurt trust are – inconsistent messages, inconsistent standards, false feedback and failure to trust others.

When a company fails to meet expectations then trust erodes rapidly.

Cynicism produces burnout, cheating and it also spreads rapidly.

Individually cynics earn less over the course of their career.

Its just not human psychology that drives trust, company policies and procedures also lead to lack of trust.

Companies make three types of commitments to earn trust – economic, legal and ethical.



# 3 questions companies must ask themselves

1. Do we tell the truth
2. On whose behalf are we acting
3. Do our actions actually benefit those who trust us.

# To build trust companies need to have

- Procedural fairness
- Distributive fairness
- Interpersonal fairness and
- informational fairness

Trust is based on the judgement of people and groups , there is no universal code of good conduct.

In terms of data, there are three types to think about:

1. self reported data which is voluntary

2. digital exhaust data like locations data and browsing history

3. profiling data which are predictive in nature.

Companies need clear guidelines for determining whether a misstep needs an apology.

Companies have a strong tendency to fall back on legalities rather than apologizing.

