

What do we talk about when we talk about Trust



Today's business world is full of situations where you can only achieve the results you are responsible for by trusting people in another organisation to play their part to the full. And the news is full of examples from 'bed blocking' in hospitals to delays caused by 'engineering works' on the railways which show how quickly problems escalate when this breaks down. I spend my professional life advising leaders in organisations that have to work together in partnerships, alliances, or other interconnected systems and much of that time is working in situations where this trust has broken down and emotions are running high. It may seem paradoxical but my first response is often to get people to stop talking about trust at all - and to start asking questions about actions and their consequences.

Inter-organisational trust is different to inter-personal trust

In human relationships we use the language of trust when we talk about personal loyalty, of people caring for each other in sickness and in health, and always looking after a friend's best interests. But in relationships between organisations the people at the interfaces face the challenges of wearing two hats - they have loyalties to their own organisation (their employer) and they have loyalties towards their partner organisation (or customer). Now of course you'd want these to be beautifully aligned, but in my experience this alignment is never perfect - priorities and incentives change over time and that always creates points of tension or conflict. Successful, mature, business relationships recognise and handle these conflicts. But at times that means people choosing to prioritise the needs of their own organisation and helping their partners to understand and accept those needs, without destroying the basis of their relationship for the future.

Why actions matter more than words

In these tricky situations, what do we look for in a partner? It's worth laying it out in a bit more detail, do you want them to:

1. Always do what they say they will do and keep their promises - Be Reliable
2. Just 'do the right thing, and do the thing right' - Show Competence
3. Act in the best long-term interests of the relationship even when this is at some cost to themselves - Be Collaborative
4. Do as you would do yourself, acting on your behalf, taking selfless decisions that look after your interests - Demonstrate Altruism... or even Mind Reading?

Faced with this list in a workshop most groups of business partners tick off the first two points quickly, as desirable and achievable characteristics, and then get into a debate about the third. That is already the start of a more productive conversation. Instead of talking about the black and white absolute of whether I can or cannot trust you - we are exploring questions about what demonstrates reliability and competence across the relationship. And if there's been examples of these being found wanting, how can each party commit to making changes and be judged on specific actions?

The debate about collaboration then often boils down to questions of incentives and timescales. In the long run, we and our partners usually do want to act for our mutual interests and so achieve the joint objectives/vision we all signed up to. But in the short-term we also want our partners to recognise where local incentives or external pressures can drive us to act in different, partial ways. And to forgive us our trespasses!

And why those actions differ along a Spectrum of Collaboration¹

The nature of the collaboration will play a part in this short-term / long-term debate. At one end of the spectrum, if your relationship is essentially 'transactional' - where one party specifies a product or a service and the other delivers it (with some verifiable measures of time/cost/quality) then the 1st of the criteria, Reliability, really comes to the fore. By contrast if you are at the other end of the spectrum and you are aiming for a close 'symbiotic' relationship - where the future is unpredictable and to thrive both parties must act together to create innovative solutions that take account of the needs of all - then you need reliability, competence, collaborative behaviour - and yes perhaps even some mind reading!

The best academic research I've read on this topic is by Elinor Ostrom in her books *Governing the Commons*² and essays on *Trust & Reciprocity*³. In her experiments and field work with long standing collaborative communities, she talks about how people develop a 'theory of mind' which enables them to make predictions about the intentions of others and test these by experiments in 'bounded reciprocity'. Which could be summarised as 'I'll try giving a little bit of something I think they value (without risking too much myself) and see how they respond'. Over time these many reciprocal interactions develop a shared body of 'common knowledge' on how all parties can be reliably expected to act (for good or ill) in a sustainable community. This common knowledge then forms a foundation for building the shared controls and sanctions necessary for long-term collaboration.

Pilot testing relationships - bounded risks and common knowledge

I wonder whether similar foundations can be built for sustainable business-to-business relationships. For organisations that need to work together for the long term, can leaders construct a series of low-risk interactions (call them pilot projects if you will) where they can test responses to various real-life dilemmas? Situations where the interests of the individual organisation and the joint enterprise are likely to be thrown into tension. If the learning from these pilots can be shared honestly and openly then this knowledge can form the basis of relationships that can sustain the questioning of more strategic challenges that may lie ahead.

So for me when we talk about trust between organisations the conversation needs to be based on a shared analysis of the actions of different parties, the knowledge that can be learned/written down from them, and the formal governance and decision making structures that can be built as a result.

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¹ [Socia Essentials of Collaboration Pt 1 - from Collaborative Leadership \(Routledge 2013\)](#)

² [Governing the Commons: The Evolution of Institutions for Collective Action \(Canto Classics 2015\)](#)

³ [Trust and Reciprocity: Interdisciplinary Lessons for Experimental Research \(Russell Sage 2005\)](#)