## A matter of trust

Trust is as important in your corporate world as it is in your personal life, but it's a fragile structure, easily toppled by one careless move. **Dr Leandro Herrero** explains how to build and protect your valuable trust capital, through actions that have emotional rather than rational appeal



rust is a funny thing. It's also a delicate one. It takes quite a while to build but very little time to destroy. It's fragile and powerful all at once. It's an important phenomenon from a psychological perspective, because it represents a typical combination of the ways of working of our two brains - the old reptilian emotional one and the newest evolutionary rational one. As always with us humans, we are pulled in these two opposite directions, rational and emotional, all the time. The emotional part of trust has to do with exposing our vulnerabilities to people, but believing they will not take advantage of our openness. In other words, I feel I am safe (with somebody, with the group, with the firm...), that it's OK to be open, sincere or ingenuous and it's not going to backfire. Translation: I trust you. It is our emotional brain at its best. You feel the trust between the two parties. If asked about the logic, you may just say, "I don't know, I just trust him (or her)".

There is, however, a second component to trust, the rational one, where, as the experts say, "you have assessed the probabilities of gain and loss, calculating expected utility based on hard performance data, and concluded that the person in question will

behave in a predictable manner". It sounds a bit cold, but that's probably because it is! Translation: I have figured out the pros and cons and decided that, on balance, I can trust you. It is my rationality that takes me there, my assessment of risk benefit, my rational brain in the driving seat.

Although the scholars insist on the two aspects, there is little doubt that most of the time we work in emotional-trust mode. And this is perhaps why it's so fragile.

There are reams of analysis on trust. Psychology, psychosociology, sociology, anthropology, politics and modern behavioural economics all address the question of trust one way or another. Business management adopts it and organisational development incorporates it heavily. People involved in the latter will tell you that trust is

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the real oil in the organisation engine, makings things work when it's present and making things fall apart when it's not. Whether you are referring to an individual such as your boss, or a group, a team, an entity such as your company, your wish is to have it. It is difficult to be indifferent to the lack of it.

Trust is productive; it is full of consequences. Trust allows you to lower your defences because the level of threat goes down. You don't have to be on the alert all the time, as happens in aggressive and paranoid environments. In fact, in those environments it tends to calm things down

and relieve tension. Trust also tends to generate loyalty. Since trust depends in part on visible transactions and the behaviours of people, transparency grows in it. Trust also triggers and fosters collaboration. It sets people free, and they will tend to engage with others more. It generates social capital, defined as the quality and quantity of the relationships between people.

Other healthy organisational-effectiveness processes such as delegation and empowerment are also largely dependent on trust. Reciprocity, a well established psychological mechanism of value interchange between individuals (superficially "I'll do for you, you'll do for me,") is the chicken-and-egg link to trust. In particular, the so called "delayed reciprocity" (for example "I trust you, I know you'll

do something for me in future when I need you") is well connected to trust. My favourite characteristic from the dozens of angles that research in this area has given us is the effect that trust has in dealing with uncertainty. In a high-trust environment, uncertainty doesn't disappear but it is more manageable, less threatening and therefore increases the chances of us looking at it as an opportunity, as a variety of possibilities, instead of hostility and threats. It transforms victims into actors. And our business environment could do with a bit less victimisation.

If you have followed me on this psychosocial promenade, you will probably have added new characteristics – your own – as we went along. We have all experienced the pleasure trust gives us, and the sadness that can come with the lack of it or its

breakdown.

Organisations and their individuals share quite a lot of the characteristics of trust, although we are often happy to make a distinction: "I don't trust the company, but I trust my manager". Since trust allows us to be more vulnerable without expecting negative consequences, when we feel or are confronted with some of those negatives, our disappointment triggers a possible disproportionate reaction of the "I don't trust you any more" kind. It seems to follow a possibly unfair all-or-nothing rule. Breach of trust forces us to defend ourselves even if the threat is not immediately present. It's a matter of "I will protect myself just in case, so you're out".

## Walking the walk

One of the most powerful ways to breach trust is to behave inconsistently with promises or verbalisations. People who 'talk the talk, but don't walk the walk' cannot usually be trusted – visible incongruent behaviour destroys trust-capital very quickly.

Similarly, overt behaviours are the most powerful mechanism to create trust, well above the simple appeal: "Trust me because I believe in X or Y". What you do or don't do has a lot of power in the building or destroying of trust.

Some professions have, over time, gained quite a lot of collective trust-capital: doctors, policemen, and teachers, for example. At the other end of

the spectrum, politicians and business managers rank extremely low in the West. And the pharmaceutical industry ranks very low in public trust, at levels similar to the tobacco and oil industries. It is generally acknowledged that the pharmaceutical industry has a steep curve ahead to rebuild trust. This despite the fact that the industry hosts the best intellectual capital in life sciences, and has over the years developed many more medicines than government or academia. Its societal relevance unquestionable. One has to be suffering from social blindness to believe otherwise. Yet, year after year, the percentage of people who believe the industry is working for the public good doesn't reach 5%, while the percentage who thinks that it is all about profits - very high ones, incidentally - is always in the 70s or 80s.



In the last couple of years we have seen a significant increase in 'initiatives' from pharmaceutical companies to improve their image and hopefully rebuild trust. Many of them relate to territories such as drug safety, transparency of systems and, most recently, transparency of clinical trials results. The trust erosion is so bad that any serious philanthropic gesture or initiative, such as free or generous availability of essential drugs in developing countries (and there are dozens of these industry examples) is immediately received with a certain dose of cynicism, or simply not believed, clouded by the industry's bad image and reputation. Paradoxically, these 'positive social behaviours' are potentially more powerful in rebuilding the image than all the pharma CEOs together pointing out the industry's achievements in tackling diseases and creating wellbeing.

## Actions, not image

At a recent pharmaceutical conference in London, one of the speakers, a divisional director at the WHO, repeated the following

advice several times: "Don't worry about your image, but about your actions." In other words, only visible actions will restore trust and reputation. Not surprisingly, he believed those actions should be focused on dealing with HIV/AIDS and pandemic influenza, together with the diversion of marketing money to R&D, particularly for "essential medicines". The

position of this public health civil servant — met with varying degrees of enthusiasm by the audience — was predictable. Whether you agree with his recipe or not, he has a point from the behavioural sciences of trust: the only hope is action, not linguistics. Pharmaceutical leaders would gain a lot from studying the psychosociology of trust with care, as opposed to relying solely on PR or 'educational campaigns'.

The 'initiatives' of many major pharmaceutical companies contain some sort of socio-educational programme, with the intention of educating the public on the merits of the drug industry, and some have even dedicated senior management to the topic. I have seen some of these programmes and none has impressed me so far. They're all about telling people how the industry has done this and that, how drugs make people

better and cure diseases, and how pharma cares about quality of life and people's wellbeing. The programmes usually follow the "listen to me" PR model, which has very limited effect in terms of trust-building. Unfortunately, it only takes a few 'bad examples' on the front pages of newspapers to neutralise the

'educational efforts'. Logical argument meets emotional brain: "How can we trust them if this and that happened?" The emotional battle will not be won with rational "listen to me" PR.

Incidentally, not all logical arguments are powerful, just because they are rational. At

a press briefing, I witnessed an industry representative going for the sympathy vote, arguing that "only three out of seven drugs in the market make money". I don't know whether the executive had reached his highlevel position in the industry through naivety, but he certainly exhibited a lot that day. A member of the press sitting next to me in the

audience muttered: "Three are still too many". It is an irrational discourse that needs a dose of irrational handling. Trust will be rebuilt through actions wrapped up in emotional appeals. I am pessimistic – I don't think it will happen soon. PR thinks of emotions as a source of manipulation, but it's doing a bad job in pharmaceuticals. Trust appears and disappears in a non-linear way, and pharma is an industry using linear thinking to tackle it, saying, "OK,

we've had this list of errors, but look at our bigger lists of achievements". Mathematics doesn't work well with the emotional brain.

Trust, whether in politics, people, organisations, business management or reputation building, is probably the most important issue today. In New York, Jewish diamond dealers today continue their centuries-old tradition of sending each other diamonds in envelopes across the city on a consignment basis. Trust me, we need a dose of this.

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