

Executive Book Summary by

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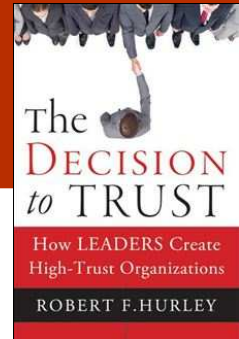
For EADM 826

# The Decision to Trust

How LEADERS Create High-Trust Organizations

By Robert F. Hurley

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## Summary

In *The Decision to Trust*, Hurley (2012) presented a picture of a world facing a trust problem, with trust in people, organizations and institutions in steady decline over several decades. Trust has become problematic for both those making the decision to trust and for those gaining the trust of others. This is a problem that Hurley suggested leadership must solve, and the Decision to Trust Model was presented as a systematic solution to trust problems on individual, group and organizational levels.

The Decision to Trust Model is based on a series of ten personal and situational factors. Through understanding and management of these factors, we can not only make



**Trust is presented as a problem of leadership**

better trust decisions ourselves, but also facilitate gaining the trust of others. Furthermore, the ten factors can also be applied to diagnosing and repairing trust problems, and can be used to effectively build trust and cooperation across cultures when taking unique cultural perspectives into account. Using personal experience and anecdotes of major organizations, Hurley offered a rich, in-depth analysis of the Decision to Trust Model, the factors involved, and their application to leadership.

## About the Author

Robert F. Hurley, PhD, is a professor at Fordham University where he has been recognized for his excellence in teaching and has received the Gladys and Henry Crown Award for faculty excellence (Hurley, 2012). He is also the president of Hurley Associates, an individual and organizational effectiveness enhancement consulting firm. Hurley has designed and led, with colleagues, seminars on

trust across the world, and is an organizational consultant on leadership development, team development, managing, transformational change, and strategy development and implementation across a variety of industries. Since 1987, he has been Columbia Business School High Impact Leadership program core faculty member (Hurley, 2012).

Hurley received his BS from Fordham University, his MBA from Wharton School, and his doctorate from Columbia University. He is the author of more than 20 published articles and book chapters, and has been published in the *Harvard Business Review* and the *California Management Review*, among other publications (Hurley, 2012).



*“We sometimes hear the expression ‘This is a business’ or ‘I am running a business’ to justify, on economic grounds, what we feel may be questionable from a moral or ethical perspective” (Hurley, 2012, pp. 20-21).*

# Chapter 1—The Decision to Trust

Hurley (2012) contended that, as social animals, humans have an instinctive proclivity to rely on one another in order to satisfy our needs. Trust enables this cooperative behavior without continual monitoring of the behaviour of others. Trust also enhances performance between individuals.

Hurley cautioned that trust can also lead to problems: we trust those unworthy of it; we don't trust those who deserve

it; we don't understand why people don't trust us; we may erode others' trust in us. Trust brings vulnerability and the potential for betrayal, which often leads to a default decision of distrust. Hurley stated that distrust undermines and destroys cooperation, creating problems and causing prosperity to suffer.

Hurley presented research that shows a general trend of declining trust in major social

institutions in most advanced industrialized democracies. While 59 percent of American people in the 1950s thought that most people could be trusted, the most recent data reveals that only about a third of people believe that most people are worthy of trust today.



## The Decline of Trust

*Trust is closely related to confidence, and often defined as “confident reliance.” (Hurley, 2012, p. 13).*

Hurley (2012) stated that surveys measuring confidence reflect the continuing decline of trust across many institutions, including Congress, the press, business, and financial institutions. The themes of this decline and trust are related to the following themes:

- Complexity and inflated expectations of trustees
- Change in interdependence and social networks
- Widening of income disparity
- Decline in civic-mindedness and increase in isolation
- Extreme capitalism and the Age of Opportunism
- Increased negative content and tales of betrayal in the media



Do you think that trust in public education has followed the same pattern of decline? What might be the reasons for this?

## The Advantage of Trust

Hurley (2012) contended that the decline in trust has led people to look after their own interests first – likely, others will not. This has led to reluctant or resistant cooperation in organizations and, at the system level, more energy spent on self-protection than on production. However, as the defining characteristics of successful institutions and organizations are interdependence, cooperation, and coordination (all of which trust enables), those leaders and organizations that can foster, develop, and utilize trust have an enormous advantage over their competition.

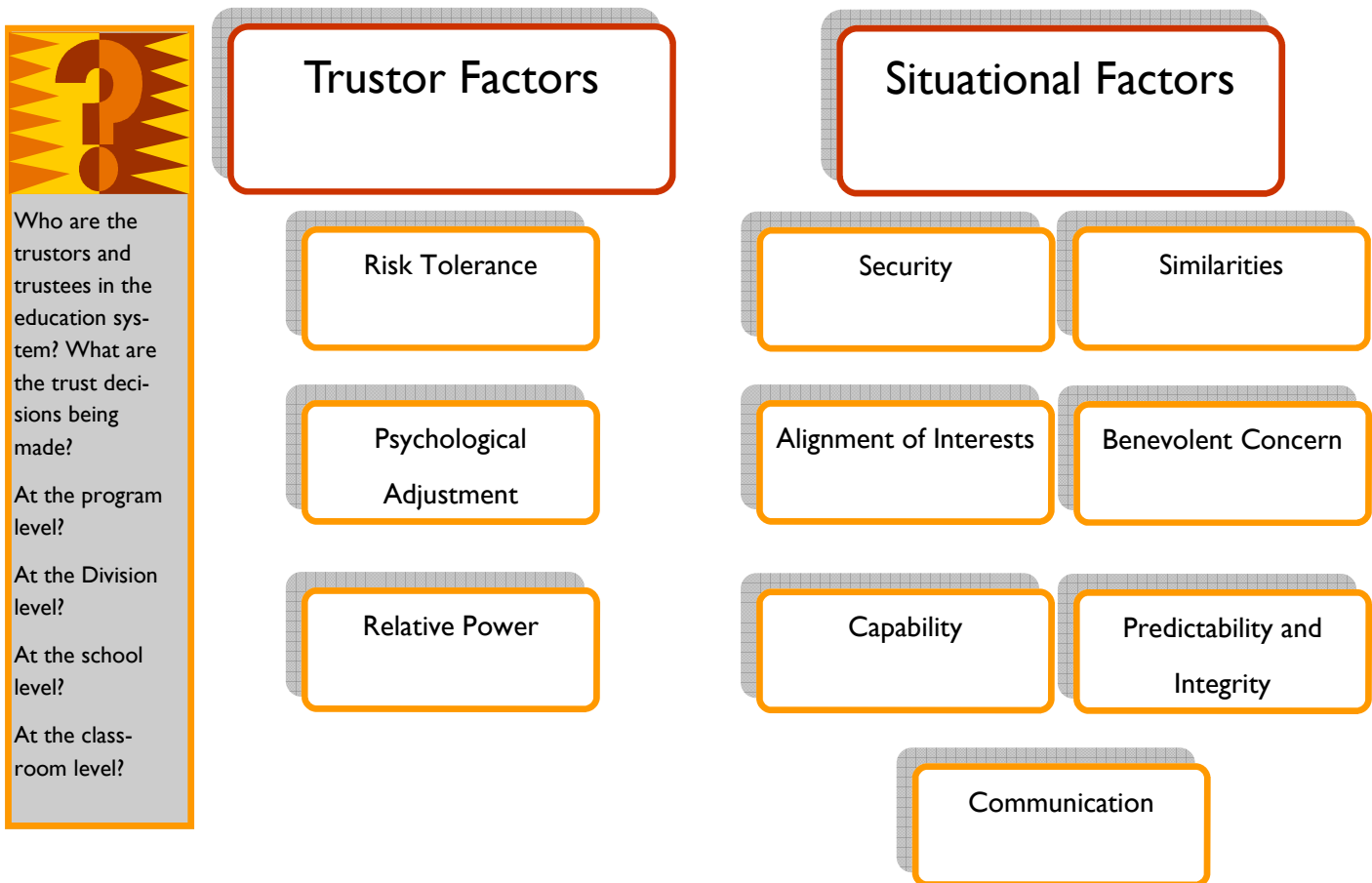
# Chapter 2—The Decision to Trust Model

In this model, Hurley (2012) defined trust as “having ‘confident reliance’ in another party whenever an uncertain situation entails some vulnerability or risk” (p. 25).

This definition allows for interpersonal, organizational and system perspectives of trust. In the Decision to Trust Model (DTM), trust is framed as a judgement made by a trustor

regarding the trustee’s trustworthiness, where reasons to both trust and distrust must be weighed and balanced when determining an overall judgement.

Hurley (2012) presented the inputs of the trust decision as the ten inputs of the DTM, divided into two categories:



Who are the trustors and trustees in the education system? What are the trust decisions being made?

At the program level?

At the Division level?

At the school level?

At the classroom level?

*Trustor factors reflect the disposition of the trustor to trust or distrust and can be used to predict of people will be more or less trusting.*

*Situational factors relate to the situation in question and the relationship to the trustee and can be most effectively addressed and influenced to gain trust.*

# How We Differ in Trusting

## Chapter 3

Hurley (2012) stated that, though we often think that trust depends mostly on the trustworthiness of others, the decision to trust depends a great deal on the person making the decision to trust. No matter how trustworthy someone might be, sometimes we cannot bring ourselves to trust them.

There will always be people who require more proof when deciding to trust. The DTM can provide insight in identifying situational and relationship factors that can offset this reluctance to trust. However, for some people, building trust will always require more work and effort due to the three trustor factors (Hurley, 2012).

*The disposition to trust is affected by all three trust factors, and all play a part in shaping the decision to trust. For example, high psychological adjustment may not lead to a trusting disposition in a person with low risk tolerance and little power.*



We often see these factors at play in the students we teach. What are some successful ways you have offset these factors?

*Dispositional factors can make trust-building difficult or impossible with certain people. Trying to change some of these trust factors is akin to changing personality, which can be extremely difficult and very intrusive. Though sometimes we can adapt to a trustor's chronic distrust, we can also seek to affect their disposition directly: by educating them about the risks, building safety nets, building confidence, ensuring positive and supportive environments, and increasing their power and influence over events.*

### Power and Trust

People in positions of lower power must calculate trust more carefully because they possess less control and influence. When we perceive that we have more power control or affect situations, we tend to be more sure that negative outcomes can be avoided and more likely to trust.

### Psychological Adjustment and Trust

People who have low self-esteem and negative emotions, who see the world as threatening, are described by the term "low-adjustment." "High-adjustment" people are typically see the world in a positive light and are comfortable with themselves. High-adjustment people are more likely to trust.

Often nature and nurture combine to play a role in the development of a person's psychological adjustment, and societal factors can affect this as well. Minority groups that have histories of discrimination are often sceptical and prone to distrust. When people have been conditioned by experience and upbringing, it may require more effort and assurance to build trust.

### Risk Tolerance and Trust

Trust and risk are inversely related. Where risk is high, trust is likely to be low; where risk is low, trust is likely to be high. Often, ignorance is a large source of perceived risk due to the anxiety caused by unfamiliarity or a lack of understanding. The perception of risk and willingness to tolerate it, as well as the natural inclination to trust, varies widely among people. Therefore, sometimes it is necessary to overcome someone else's risk-averse perceptions; it is not always enough to make ourselves trustworthy in our own eyes without considering the nature of the person we want to exchange with.

## Chapter 4— Situational Factors in the Building of Trust

### Security

When risk is high, trust is more difficult. In high-risk situations, trying to get the trustor comfortable with the risk is often the beginning of trust-building. Trustors want to know potential losses will be manageable, the potential outweighs the risk, or the danger of trusting is less than the danger of not trusting.

Risk reduction or improved experience enlarges the trust zone. When risks are an obstacle to trust and exchange, situational security must be enhanced. This can be done by prototyping, joint analysis, risk-sharing, phased risk, hostage posting, stop-loss, inspections, insurance, or arbitration, each of which is a substitute for interpersonal trust that allows for trust to grow as the relationship develops. However, these tools are useful only for initiating trust, not substituting for it.

### Alignment of Interests

Trust is built when interests are aligned; when one person promotes their own interests, it benefits others, too. Superordinate goals and common interest can form the basis for cooperation and trust, and good leaders engineer these into the system. Conflicting interests and mixed-motive situations, which exist when there is reason to both cooperate and compete at the expense of others, can create trust problems.

Aligning interests is increasingly challenging in social situations. Communicating how interest will be aligned is important. Using processes that are transparent, rigorous and fair lead to higher levels of trust, even when employees don't like the decisions made.

### Similarities

People we consider similar to us have an advantage in gaining our trust. High-trust organizations cultivate the instinct to bond through strong workplace cultures. These unifying cultures lead to higher internal trust.

The similarity effect can lead to trust errors. In-groups may discriminate against out-groups, resulting in prejudice and misplaced trust. Trivial similarities can also lead to superficial bonds, causing us to trust for the wrong reasons.

### Benevolent Concern

The belief that someone cares more about us than about themselves is a powerful trust builder, while a lack of benevolence comes across as exclusively self-centered. People who balance their own interests with others' are seen to be more trustworthy, as they demonstrate respect for others and a desire to seek win-win solutions. Humans have a basic sense of fairness and reciprocity enabling us to survive in social groups. It is difficult to work in groups that operate "every man for himself."

Communication  
that is clear and  
open is perhaps  
the most  
important trust-  
building tool  
available"

(Hurley, 2012,  
p. 70).

### Predictability and Integrity

Our predictability, the ability to predict our actions based on our words, values, and past behaviour, is related to trust. High predictability makes trusting easier, and acting with integrity increase predictability.

Though we may choose to exchange with people who have shown patterns of overpromising and underdelivering, we are likely to adjust our expectations base on past behaviour. Estimates of what will happen may be widened, and the possibility of disappointment prepared for.

### Communication

Communication underpins all but the situational security factor of the six other situational factors of the DTM. The core of a trusting relationship is communication; through communication, trust is built. Communication skills such as active listening, inquiry, and advocacy all help build trust. Miscommunication can lead to feelings of betrayal, which can break down communication further and lead to outright distrust.

### Capability and Trust

Degree of competence (or incompetence) should correspond to the degree of trust. It is foolish to trust a good image and good intentions that lack the competence to perform. Trust is built when capabilities are accurately understood and communicated, and a track record that warrants trust is established.



Which of these situational factors do you think most impacts administrator—staff trust at your school? Teacher—student trust? Which would have the biggest impact on improving trust?

# Chapter 5—Tools for Diagnosing, Building and Repairing Trust

Under certain circumstances, Hurley (2012) wrote, all people, groups, and organizations are untrustworthy at times. Trust is multidimensional – people are neither totally trustworthy nor totally untrustworthy. Sometimes, people can be trusted for certain things or in certain scopes, and not for others. In these cases, control can be delegated and interdependence limited and, in some cases, trust can be built over time. The four criteria to determining whether the time and effort to build trust is warranted are:

Risk, uncertainty and vulnerability are present in important matters.

Alternative higher-trust relationships are not practical or possible.

Distrust is risky, impossible, or has a low chance of success.

The will and ability to change elements of the DTM is present.

*“At the center of the process for building trust . . . is communication” (Hurley, 2012, p. 75).*

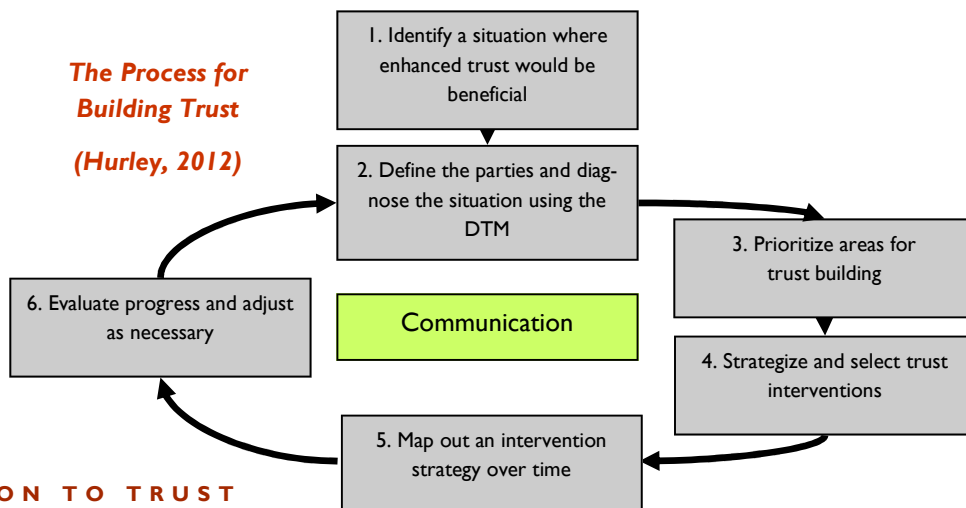
*“Apologies work better than not apologizing because giving no response is judged as an indication that there was no guilt experienced and that there is little desire to repair trust” (Hurley, 2012, p. 84).*

Vulnerability when trusting expounds the pain felt at betrayal. More severe breaches of trust, and more of them, are more difficult to repair. Repair begins with acknowledgement of acceptance of responsibility and requires overcoming negative perceptions and emotions (Hurley, 2012).

Hurley (2012) offered the following appropriate actions for repairing trust at the interpersonal and organizational levels:

Interpersonal Level	Organizational Level
Acknowledge the violation	Immediate response: acknowledge, regret, investigate, commit resources to prevention
Determine causes and admit culpability	Diagnosis: timely, transparent, systemic and multilevel examination of violations
Admit the act was destructive	Reforming interventions: apology and reparation, and implementation of diagnosis recommendations
Accept responsibility and consequences	Evaluation: timely and transparent assessment of success of reforms

**The Process for Building Trust (Hurley, 2012)**



# Chapter 6—Trust in Leadership and Management

Hurley (2012) insisted that trust in leadership is critical. Leaders that are trustworthy and expect this behaviour from their coworkers see trust cascade throughout the organization. The DTM offers 10 high-impact areas for leaders to enhance trust and manifest high-trust leadership (Hurley, 2012).



## Build Risk Tolerance

Leaders that help people contain anxiety so that they can operate effectively are called *adaptive leaders*. Adaptive leaders help people understand, share, and cope with risks.

## Inspire Confidence

Good leaders help people achieve appropriate levels of self-confidence. Ideally, self-confidence should equal capability.

## Balance Power Inequities

People in stressful environments respond better when they have more control. High-trust leaders distribute power and encourage the same behaviour in others.

## Add Security to Circumstances

Effective leaders act as sense makers to accelerate the speed of understanding and adaptation within the organization. They will candidly admit risks and help followers understand and manage them.

## Cultivate Shared Values

When leaders emphasize the value of subordinating individual interests to group interests, support, fair process, transparency, and open communication, the organizational culture promotes trust.

## Keep interests Aligned

Leaders must integrate individual interests with those of the enterprise. The company should not be a series of exclusive units, but an integrated whole. Strategic planning is a key part of this process.

## Demonstrate Benevolence

When leaders demonstrate concern for others over concern for their own interests, they enhance trust. These acts are even more powerful outside of the public spotlight.

## Prove and Improve Capability

Leaders must project confidence in turbulent times as others will look to them. Showing self-awareness and humility regarding personal weaknesses is also an important leadership quality.

## Practice Predictability and Integrity

Short-term performance should never outweigh integrity and long-term trust. Trust in leadership is often based on integrity and authenticity in clear values that guide behaviour.

## Communicate

The leadership style most closely associated with trust building consists of direct communication. An important element of this is approachability.

Hurley (2012) also presented a chart outlining several leadership trust practices for each factor of the DTM at the end of the chapter.



Is there an area in which educational administrators, in general, are deficient? Why do you think this is?





## ORGANIZATIONS

depend on many different types of teams to accomplish their goals, and all high functioning teams depend on some form of trust for their success. Considering team life span, task interdependence and criticality, member identification, and location will help leaders identify and build the degree of trust necessary for the group to perform optimally (Hurley, 2012).

“To the degree that the external threat is real, using it to enhance trust is effective and often leads to good trust decisions by members of the group, because not trusting in such a situation can be riskier.”

(Hurley, 2012, p. 145)

*“It is the concern for the good of the group that is the defining characteristic of a ‘team player.’ The team leader must try to select members of the team on the basis of this characteristic and then reinforce its value within the team.”*

(Hurley, 2012, p. 150)

“One of the most critical norms in high-performing teams is that people live up to their commitments.”

(Hurley, 2012, p. 154)

“Open communication can help members adjust to working together and deal with diversity in personalities, motives and interests. . . . Team members who establish the most trusting relations know that making a human connection is critical.”

(Hurley, 2012, p. 156)

The elements of the DTM will influence group members’ decision to trust. Appropriate elements of trust should be embedded into the team (Hurley, 2012).

“Each team member varies with regard to risk tolerance, adjustment and perceived power. . . . Members who can guide and facilitate trust within the team are invaluable.”

(Hurley, 2012, pp. 143-144)

*“When bonds of identity are strong within a group, they enhance trust through a shared sense of pride in membership, desire to maintain in-group status, and unspoken understanding that betraying a teammate would be met with sanctions if not expulsion.”*

(Hurley, 2012, p. 146)

“In most teams, there is a complex interplay between individual interests, subgroup interests, and the interests of the team as a whole. . . . Team leaders must facilitate team members’ willingness to integrate self-interest with group interests for the good of the whole.”

(Hurley, 2012, p. 147)

*“Teams with a task to accomplish require the competence and capability to succeed in that task. Good personal relationships and intentions will only go so far in building trust if there is no progress being made on the task.”*

(Hurley, 2012, pp. 151-152).

PLCs are common educational teams. How would you define trust within your PLC—high or low? What factors of the DTM have influenced this?



## CHAPTER 8—

### Building Trust Within Teams

# Chapter 9

## Building Trust Across Groups and National Cultures

Hurley (2012) contended that cross functional value creation processes are the most critical in nearly all organizations; across-team and within-team cohesion and trust are therefore required for integration. Time and effort must be spent on creating integration and trust with adjacent groups as well as within groups, as there is new pressure to improve adaptability, growth, and

efficiency by operating effectively across organization boundaries. Cross-group interaction requires trust, and collaboration, characterized by parties' willingness to adjust to the other parties while remaining active in promoting their own interests, is an effective method of interaction for building trust.

Hurley (2012) discussed the six factors of the DTM are most helpful in moving groups toward the collaborative style. Increasing situational security reduces the risks of collaborating; leaders should also increase the risk of avoiding or competing when it hurts the enterprise. A common sense of identity will promote collaboration and is particularly important when short-term interests conflict; language and symbols, common thinking and strong superordinate goals can help groups collaborate beyond their own walls. Conflicting interests are often inevitable; as incentive and reward programs do not move fast enough to help drive collaboration, dynamic and flexible approaches are needed to assist in decision-making concerning whose interest should be served in competing agendas. Proper capabilities are also necessary to facilitate collaboration; communication processes, knowledge management systems, financial systems, enterprise-wide marketing councils, and physical space are valuable capabilities in this regard. Hurley recommended carefully defining what predictability and integrity mean to each party when working across groups. In early stages of collaboration, it is important to establish a strong precedent of delivering on commitments to facilitate collaboration. Finally, superior communication skills are needed to clarify goals, interests capabilities, and commitments of parties involved in collaboration (Hurley, 2012).

## Trust Across National Cultures

Hurley (2012) stated that trust across groups can be affected boundaries of national culture. Developing cultural sensitivity and not trading in cultural stereotypes is vital. Five important considerations in adapting the DTM for effective use in multiple cultures are:

1. The disposition to trust varies by culture and can affect how long it takes to build trust.
2. Like risk-averse personalities, cultures that are high in uncertainty avoidance may take longer to build trust.
3. Collectivist cultures emphasize similarities and in-group status more than individualist cultures.
4. High-context and low-context cultures will prefer different communication styles to most effectively build trust and to avoid eroding it.
5. The manner in which benevolence, fairness, and integrity should be demonstrated may vary by culture. (Hurley, 2012, pp. 178-179)

There are many groups within the educational realm, from individual classrooms and schools to school divisions and ministry departments, and there is much cross-group interaction. What benefits might result from improved trust relationship in some of the potential cross-group interactions?



# CHAPTER 10—

## Hope for the Future of Trust

While Hurley (2012) began his book with a message about the decline in trust, the last chapter relates a message of hope for the future. Though trust scores for people and many institutions have fallen, trust has held steady and, in some cases, grown, in regard to such institutions as the Supreme Court, American military, and many well-known, large companies. For the future of trust to remain promising, Hurley recommended improvements in three areas.

### *Improving Trustors*

*Hurley (2012) suggested that we must reform the untrustworthy by withholding our trust; by making better trust decisions, trustees will have to become trustworthy or risk not exchanging. Trustees must be held accountable for*

### *Improving Trustees*

*Hurley (2012) stated that trustees need reform, and that the best place to start is to improve the trustworthiness in leaders. Integrative stewardship cares for the enterprise and moves it forward with integrity while encapsulating stakeholders' interests. Hurley recommended choosing leaders that display this type of leadership.*

### *Engineering Trust into Organizational Systems*

*Until incentives to act opportunistically and signals that tell people to compete with stakeholders are removed, trust will not thrive in organizations (Hurley, 2012). The social environment within which people choose to trust and cooperate or distrust and compete must be transformed; ethical and trustworthy behaviour must be rewarded, and its opposite penalized, for trust to thrive within organizations.*



Within the educational system, are there more incentives for competition or cooperation among stakeholders?

Is ethical and trustworthy behaviour rewarded? Is unethical and untrustworthy behaviour penalized?





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## CRITICAL BOOK REVIEW

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*The Decision to Trust* offered many helpful insights into trust and the decision-making behind trust. Specifically, through the ten factors of the DTM, the book offered many insights into the decision-making one *should* engage in when deciding to trust; one of the problems noted was the lack of rigour involved in many decisions to trust. The book also offered a wealth of knowledge on the application of the DTM, specifically in business organizations, and the author included helpful appendices of interventions. One of the detriments of the book was the lack of direct connection to public institutions, such as government, and specifically in my case, education. While much of the knowledge given in the book is transferrable to non-business organizations, the book certainly seemed aimed at a business audience, as indicated by the author's almost exclusive use of business-related examples, anecdotes and case studies. The appeal of the book would have broadened had the author included a wider array of organizational types.

The focus on negative-case examples was a component of the book that I appreciated and found valuable. While the author's focus seemed to be on building and improving trust and trustworthiness, the book was thorough in its analysis of the darker side of trust – what can occur when trust breaks down, when there are deficiencies in the ten factors of the DTM, both systemically in organizations and individually in leaders, and when exchanging with untrustworthy individuals. Rather than simply focusing on the benefits of improving trust and trustworthiness, the author gave a well-rounded picture of trust in organizations by also clearly explaining the drawbacks of poor trust decisions and untrustworthy behaviour. The author was also consistent in pointing out the research behind the book, and I found that this added to the credibility of the information presented.

Though the book became somewhat repetitive, focusing on the ten factors of the DTM repeatedly, though in different contexts, I found the material to be thought-provoking, relevant and informative. The book has encouraged me to consider the ways in which I can improve my trustworthiness, as well as be much more vigilant in my own decisions to trust others.

### Reference

Hurley, R. F. (2012). *The decision to trust: How LEADERS create high-trust organizations*. San Francisco: Jossey-Bass.