Building Trust

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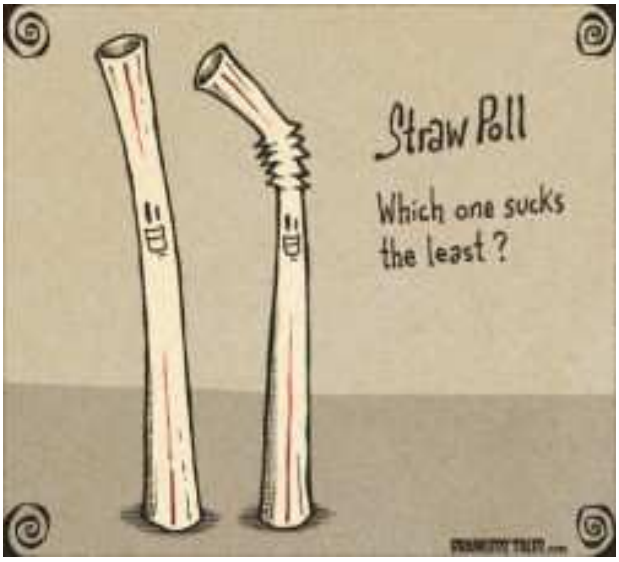
Explore and Debate

- What is trust?
- Are there dark forces at play?
  - Review the social experiments results
  - Examine these dark forces
  - Enact a classic customer/supplier negotiation
- Strategies to build and maintain trust

Have you ever been….
Part of a team that achieved the impossible?

What was the recipe ….
To success; to achieving the impossible?

- Common vision
- Sense of current reality
- **Trust**
- Commitment to learn
- Commitment to the truth



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Trust and Leadership

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"**Trust"** is the **belief** we have in another person

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"**Trust"** often comes from within us; without rational thought

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"**Confidence"** is the assurance that we have in another person

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"**Confidence"** is rational, based on past experience that another can perform

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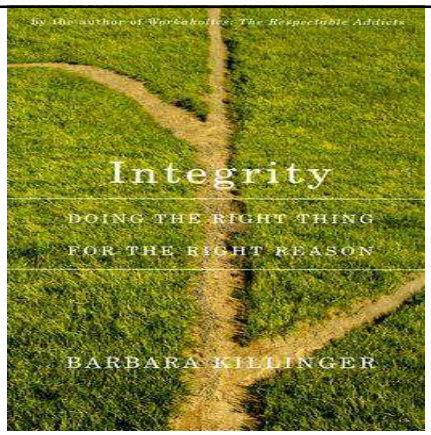

Integrity is the quality of being honest and having strong moral principles; moral uprightness. It is generally a personal choice to uphold oneself to consistent moral and ethical standards.

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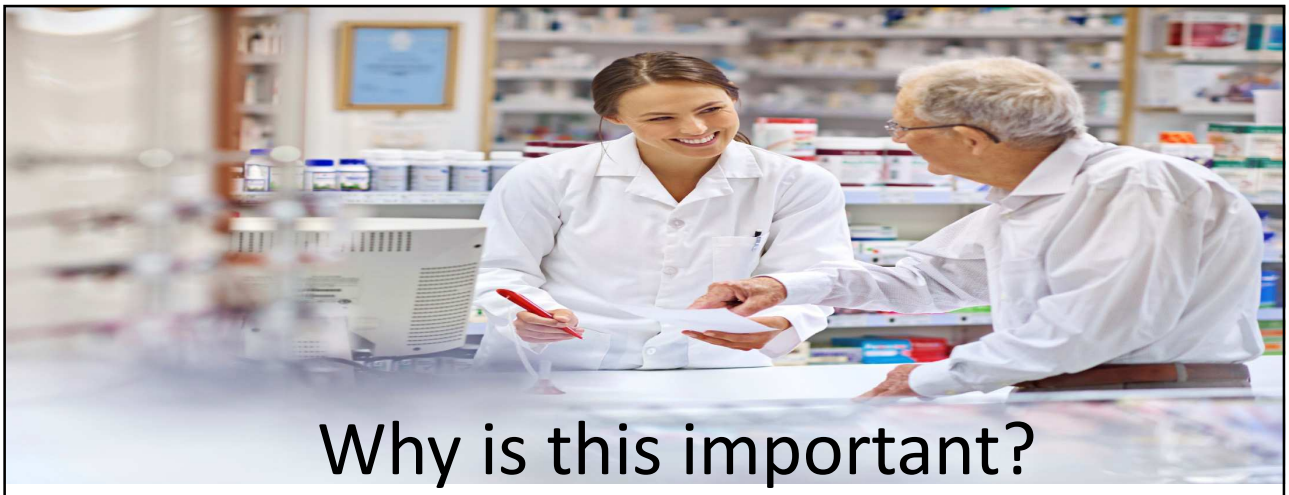

Why is this important?

We have a commitment;
A commitment to address unmet needs;
Trust accelerates the delivery of that commitment

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Are there dark forces at play?

What are these dark forces?

Through social experiment and theory we can demonstrate:

- Agency theory is at play
- Perverse Incentives
- Self Interest is prominent
- Information asymmetry is problematic
- Lack of emotional intelligence
- Anchoring position
- Perverse Incentives

….. All can erode trust over time

Three Experiments

PRISONER'S DILEMMA

PD demonstrates whether people opt for win-win (co-operative) or win-lose orientation (selfish competitive) in a game which offers the opportunity of both

Ultimatum Game

The ultimatum game demonstrates how people respond predictably to positive and negative incentives – demonstrate if self interest is at play and how emotionally we respond to inequity / injustice

tki

The TKI measures preferences for five different styles of handling conflict, called conflict modes: Competing, Collaborating, Compromising, Accommodating, and Avoiding.

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PRISONER'S DILEMMA

Background

A game theory which demonstrates whether people opt for win-win (co-operative) or win-lose orientation (selfish competitive) in a game which offers the opportunity of both

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Background

Member A	Member B	Score A	Score B
Red	Red	+3	+3
Red	Blue	-6	+6
Blue	Red	+6	-6
Blue	Blue	-3	-3

Background

PRISONER'S DILEMMA

- Prisoners Dilemma contrasts actual behavior vs. stated intentions, i.e. do people who say they support a win-win approach actually enact it when the pressure is on?
- If they do, the consequence is that they will be equally concerned that the other party's needs are also met in any agreement
- Often we're more focused with winning than with achieving the optimum result.
- Exhibits the effects of competition between people
- Proves the potential rewards of a co-operative approach to solving problems

	Member (A)	Member (B)	SCORE A	SCORE B
Round 1	Win	Win	+3	+3
Round 2	Win	Win	+6	+6
Round 3	Win	Win	+9	+9
Round 4	Lose	Win	+3	+15
Round 5	Win	Win	+6	+18
Round 6	Win	Lose	+12	+12
Round 7	Win	Win	+15	+15
Round 8	Win	Lose	+21	+9
Round 9	Lose	Win	+9	+21
Round 10	Win	Win	+15	+27

Are we:

- 'tic for tat', ''nice' / 'nasty - 'forgiving' / 'unforgiving' = Perform over time.....

	Member (A)	Member (B)
Game 1	+39	+39
Game 2	+39	+39
Game 3	+39	+39
Game 4	+39	+39
Game 5	+15	+27
Game 6	+3	-9
Game 7	+24	-27
Game 8	+33	-21
Game 8	+15	+9
Game 10	+18	-6
Collaboration & Trust = 78 Points		

"We had lunch together"
"We are friends"
"How do we get the best score"
"I don't want to be mean"

"Tic for Tack"

"B" broke trust first.....and paid the price

"Tic for Tack" – B attempts to stop; at a cost

Background

The ultimatum game demonstrates how people respond predictably to positive and negative incentives – demonstrate if self interest is at play and how emotionally we respond to inequity / injustice

Results

	Offer (A)	Recipient (B)	Game
Round 1	5 euro	5 euro	Ultimatum
Round 2	5 euro	5 euro	Ultimatum
Round 3	6 Euro	4 Euro	Ultimatum
Round 4	7 euro	3 euro	Dictator
Round 5	9 euro	1 euro	Dictator

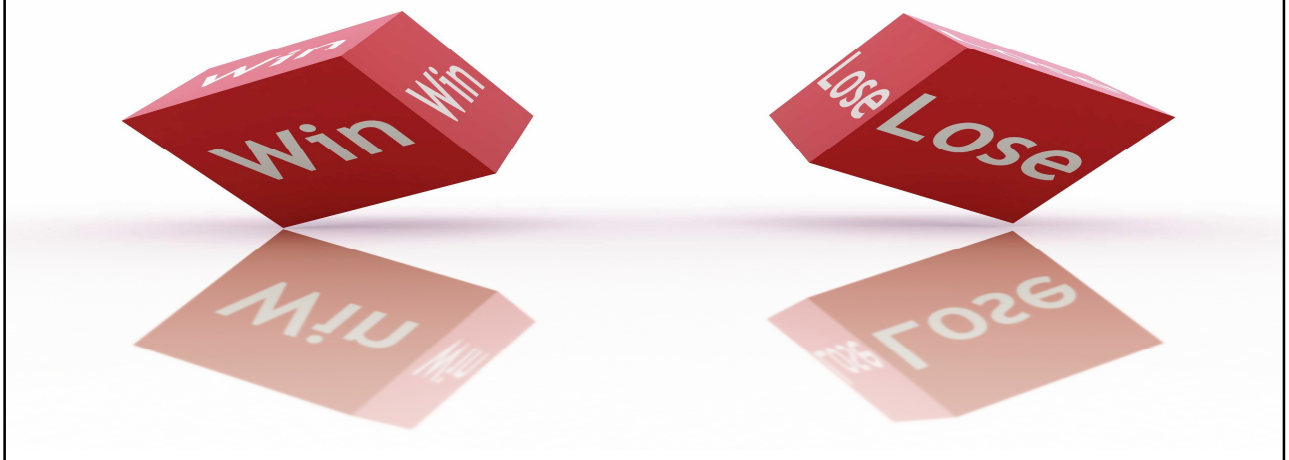
Relevance

The ultimatum game demonstrates how:

- 'Inequity / injustice' is a significant emotional driver in human interactions
- Irrational thought process
- People have adopted to relationships not single trade situations
- Offers typically are more central/equal

The Dictator Game (Kahneman, 1986)

- When certainty of securing more is present; the offers are significantly lower/injust



Thomas-Kilmann Conflict Mode Instrument

Closing Considerations

- **There are many "dark forces" at play; understand them; manage their impact**
- **Trust is built over time and lost in a moment – think about the impact of decisions/actions**
- **Emotional Intelligence – we create the world we life in**
- **Integrity - Check your "actions"; against your "values"**
- **Seek ways to increase transparency; remove asymmetry**
- **Adopt an interest based negotiation style to resolve problems and conflict**
- **Build long term relationships; avoid short term success**

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"Доверяй, но проверяй"

"Trust But Verify"

"In God we trust.
All others bring data."
W. E. Deming

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THANK YOU FOR your ATTENTION! ANY QUESTIONS?