

The Value of Trust

Trust is a key element in the effective management of project teams and contracts. High levels of trust speeds up decisions and business processes and consequently lowers costs. As the level of trust goes down, the speed of doing business goes down and costs go up. When distrust exists, relationships and communications are ineffective and everything has to be proved or validated.

Most of the cost associated with measuring and checking performance, writing complex and detailed contracts and meeting with people is associated with the lack of trust. Where trust exists, all that would be needed to manage most work is a brief communication to ensure understanding and a 'hand shake'; real or virtual.

In traditional situations, trust is built over time and is based on observation and actual performance. Gaining trust takes time and then you have to continuously demonstrate you are completely trustworthy or people will quickly lose confidence in you. Importantly, people will not follow a leader they do not trust.

Interestingly, it would appear trust is not a fundamental element of most relationships; relationships can work with remarkably low levels of trust as long as both people have a common objective. However, the effectiveness of the relationship will definitely improve as trust builds. Certainly within projects and business, trust tends to build after relationships are established. The challenge is to create enough trust quickly to allow teams to function in the early stages of a project.

Swift Trust

Temporary organisations such as project teams (particularly virtual teams), where people are brought together to complete a given task that requires a high degree of collaboration, within tight timescales and with a high cost of failure create a different challenge. Most people do not have the time to allow trust to develop naturally. They have to work out their differences on the fly and 'blindly' trust one another to do their jobs. This is called 'swift trust'.

'Swift trust' can be a powerful force but is also fragile and easily broken. Aligned activity within the team contributing to a common goal, supported by appropriately professional behaviours and an effective team leader allows 'swift trust' to develop but it will only last as long as everyone behaves in a trustworthy way.

The Key factors that make for swift trust include:

- **Aligned activity:**
 - Linked overall goals, rewards and penalties. By putting people in the same boat, such that they share the glories of reaching the shore and sink or swim together, they are forced to develop a system of trust.
 - Interdependence. If they are independent, no trust is needed. If some are more dependent on others, then power positions are created with a much less trusting environment.
- **Constrained environment:**
 - Time. If there is no time to develop trust slowly, the pace is forced. Slack time also give space in which idle hands can be turned to selfish or non-productive activities.
 - Just-enough resources. There should be sufficient resources to do the job, otherwise battles for resource will erode trust. Too much resource is simply wasteful.
- **Non-person focus:**
 - Professional role focus. A focus on acting as and treating others as professionals leads to trust in their professional capabilities.

- Task/process focus. Focusing on the task or process removes focus on the people. If there seems to be a personal problem, refocusing on the process and context that caused the problem is more productive and supports trust.
- **Trust broker:**
 - A central person who recruits everyone is responsible for ensuring everyone is professional and can perform as above. If they are the project manager, they are a single point where issues of difference are clearly resolved.

Pragmatic Trust

The challenge facing project teams and their stakeholders is to identify a pragmatic level of trust that will allow the work of the project to proceed effectively but to also have sufficient checks and balances in place to insure against untrustworthy behaviours.

Scientific management and traditional project management are based on the assumption work can be measured and controlled¹. This assumption fails for most knowledge work (eg, software development) where the only time progress can be really measured is on completion of a task. Until the work can be tested, managers need to trust the professionalism of the knowledge worker to create the new ideas at an appropriate level of quality. The check and balance is partly the reputation of the person doing the work and partly system design where no module is too large (but too smaller modules involve more work and cost).

Building Trust

According to Stephen Covey, trust is built on three behaviours (you have to walk the talk...)

- **Transparency** – tell the truth in ways people can verify and validate for themselves.
- **Keeping commitments** – do what you say you will do.
- **Trust others** – extend trust to your team. Trust is contagious; if you trust people they will be motivated to be trustworthy and trust you in return.

Creating trust is hard work; rebuilding trust is far harder once it has been lost, and trust that has taken years to build can be destroyed in minutes.

The Theory of Trust

Trust is ephemeral. One of the best definitions is *‘Trust is a disposition and attitude concerning the willingness to rely upon the actions of, or be venerable towards, another party.’*

Trust is needed in most contractual and social situations where there are obligations to fulfil and/or collaboration is needed to achieve an objective. Trust is not a rational judgement, it is based on cognitive feelings and the disposition of the people involved and is to an extent a learned social behaviour².

The lack of calculable precision on the value of trust however does not reduce its value³.

¹ See The Origins of Modern Project Management: http://www.mosaicprojects.com.au/Resources_Papers_050.html

² For more on Social and emotional Intelligence see: http://www.mosaicprojects.com.au/WhitePapers/WP1008_Emotional%20Intelligence.pdf

³ For more on research into the value of trust see: *The value of trust in project business*. Smyth H, Gustafsson M, Ganskau E. International Journal of Project Management: 28 (2010) 117-129.