Building Trust Transactionally

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Industrial Logic
Building Trust Transactionally Agile2018
Trust : noun

An assured reliance
on the character, ability, strength, or truth of
an individual, team, or organization.
“... knowledge work is invisible and based on trust...”

- T. Davenport
“Trust is the glue of life. It’s the most essential ingredient in effective communication. It’s the foundational principle that holds all relationships.”

— Stephen Covey
“Over time, I have come to this simple definition of leadership: Leadership is getting results in a way that inspires trust.”

— Stephen M R Covey
“Success in business requires a winning *competitive strategy*, and superb *organizational execution*. Distrust is the enemy of both.”

— Stephen *M R* Covey
Transaction Costs

“Transaction costs are lower inside firms (as there’s no need for contracts, less hidden information, less monitoring)”

Ronald Coase,
Nobel prize winner in economics for “The Nature of the Firm” (etc.)
Trust

Governance
Governance

Expensive & Exhausting
Under-appreciated
For Low-trust Situations
Best Where Consequences are Dire
Oh, the jobs people work at!
Out west, near Hawtch-Hawtch,
there's a Hawtch-Hawtcher Bee-Watcher.
His job is to watch . . .
is to keep both his eyes on the lazy town bee.
A bee that is watched will work harder, you see.
A Lack of Trust Increases Governance
A Lack of Trust Creates Conflict
Model by Chris Argyris,
Popularized by Peter Senge
Pressure for accurate estimates

Longer schedules

Stories claimed “done” but have deferred work

Hardening takes longer

Delayed impact
Pressure for accurate estimates

Longer schedules

Fear of estimate as commitment

More up-front analysis
(S × E)T = R

Strategy times Execution multiplied by Trust equals Results
— Stephen M.R. Covey
Observation:

Trust isn’t about feelings we can work with or without. It’s about money and effectiveness.
Vulnerability-Based Trust

“Remember, teamwork begins by building trust”
Vulnerability-Based

Leaders comfortably and quickly acknowledge, without provocation, their mistakes, weaknesses, failures, and needs for help.

They also recognize the strengths of others, even when those strengths exceed their own.

-- Lencioni
“Around here transparency means exposing your jugular.”

- unnamed client
Vulnerability-based trust is an advanced state.
Conclusion:

We may need to start the practical building of trust as a less emotionally-vulnerable activity.
Trust
I trust my husband with my life; but not my laundry.
“In our real lives, we tend to place trust in a differentiated way.”

Onora O’Neill
Trust: skill

The *process or skill of building* an *assured reliance* on the character, ability, strength, or truth of an individual, team, or organization.
Non-Vulnerability-Based Trust

The skill to establish and build assured reliance through a transactional exchange.
Open Strategy

Trust  Disappointment  Withdrawal
Closed Strategy

Distrust  Establishment  Trust
Incremental Strategy

Measured Trust  Observation  Measured Adjustment
Observation:

Trust is a skill not merely a reaction.
We can choose strategies and set points.
We can work incrementally with feedback.
The currency of trust is autonomy.
Permitted or Required

Forbidden
This fact has a number of ramifications. Chief among them is that knowledge workers need some say in what they work on and how they do it.
Permitted or Required

Forbidden
Permitted or Required

Forbidden

SLAM!!!
Lean Startup Cycle

1. Epic
2. Build MVP
3. Evaluate MVP
4. Implement additional Features
5. Local features and other epic Inputs
6. Auto-complete
   - Continue until WSJF determines otherwise
7. Persevere
8. Pivot
9. Stop Work

Approved Lean business case and hypothesis
Observation:

Extending trust is an act of strength and courage.

Working incrementally manages risk with trust as it does with software development.
“It doesn’t make sense to hire smart people and then tell them what to do; we hire smart people so they can tell us what to do.”

Steve Jobs
Commitment matters. In the industrial economy, one could do a job with one’s body even when the brain and heart weren’t committed to the job. But this isn’t the case for knowledge work. It’s unlikely that you’ll get great performance out of a knowledge worker if he or she isn’t mentally and emotionally committed to the job.
Alignment is an agreement or alliance, a sharing of goals and values, an integration of wills, a trust relationship.
Compliance is how people cooperate in the absence of alignment.
Bring people who do the work into this space... but how?
Permitted or Required

Discretionary Space

Forbidden

Recruitment: Invitation To Join The Mission
Required

Forbidden
“Mentally and emotionally committed to the job.”
PURPOSE

Discretionary Space
Tim Ottinger @tottinge · Aug 1
“Effective leaders are always adjusting alignment, re-telling the story, bringing us back to our core”

What I Hear When You Tell Me Your Company Doesn’t Do Meetings
Your management revolution and what it can do to your team
mfbt.ca
Permitted or Required

Forbidden

Permitted or Required

Forbidden
Build projects around motivated individuals. Give them the environment and support they need, and trust them to get the job done.
Give them the environment and support they need, and trust them to get the job done.
Observation:

We begin with *purpose* and *alignment* within clear boundaries
“Making and keeping small agreements is how to begin building trust.”

—Chris Avery,

*Teamwork is an Individual Skill*
“The goal isn’t more trust.

Intelligently-placed trust & intelligently-refused trust is a much better goal.”

Onora O’Neill
Over-trust

- Exceeding the trust a person accepts
- *Expecting* without *agreement*
- *Relying* on an unproven elements
- Risking more than we can afford
Experiencing Unmet *Expectations*:
A problem is a difference between things as desired and things as perceived

- Gerry Weinberg
Redemption
Expectations

Curiosity Space

Actuals
Was the expectation faulty?
Did we really have an agreement?
Did we have the same agreement?
Record and summarize agreements.
Give them the environment and support they need, and trust them to get the job done.
Success with Autonomy

- Alignment: clear goal/mission
- Resources: support (material/other)
- Connection: N-way feedback
Success with Autonomy

- **Alignment**: clear goal/mission
- **Resources**: support (material/other)
- **Connection**: N-way feedback

Did the people doing the work receive the support and environment they needed in order to be successful?
Trust Exchange
Observation:

Without a focus on redemption, led by curiosity, there can not be sustainable trust.
Proportion

Permitted or Required

Alignment

Forbidden

Autonomy
Permitted or Required

- Increasing Safety
- Increasing Mastery

Forbidden

Purpose, Alignment, Support

Transparency, Delivery
Permitted or Required

Forbidden

Permitted or Required

Forbidden
As far as I know, trust scales (and always has).
If trust doesn’t scale, then we’re all pretty much screwed.
• Selflessness:
  have others’ interests at heart

• Predictability:
  clear about agreements,
  consistent in meeting commitments

• Authenticity:
  integrity; matching thought and action

• Relatedness:
  collaborate; build the relationship

• Knowledge:
  competence in your specialty
“The First Law of Trust:
Nobody but you cares about the reason you let another person down.”
—Jerry Weinberg,
The Secrets of Consulting
Are we governance-addicted?
“Trust: Confident expectation of something; hope”
—dictionary.com