

# Three types of trust



Trust is a positive expectation that another will not – through words, actions, or decisions – act opportunistically. The two most important elements of the definition are that it implies familiarity and risk. Five key dimension of trust

**Integrity** --It refers to honesty, conscientiousness and truthfulness. This one seems to be most critical when someone assesses another's trustworthiness.

**Competence**--It relates to an individual's technical and interpersonal knowledge and skill.

**Consistency**--It encompasses an individual's reliability, predictability, and good judgement in handling situations.

**Loyalty** --It is the willingness to protect and save face for another person.

**Openness**—It relies on the person to give you the full truth.

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**Deterrence based Trust** The most fragile relationships are contained in deterrence based trust. It is based on fear of reprisal if the trust is violated. One violation or inconsistency can destroy the relationship. Individuals who are in this type of relationship do what they say because they fear the consequences from not following through on their obligations.

Deterrence based trust will work only to the degree that punishment is possible, consequences are clear, and the punishment is actually imposed if the trust is violated. To be sustained the potential loss of future interaction with the other party must outweigh the profit potential that comes from violating expectations. Most new relationships begin on a base of deterrence. In a new manager -employee relationship the bond that creates this trust lies in the authority held by the boss and punishment he can impose.

**Knowledge Based Trust:** Most organizational relationships are rooted in knowledge based trust. That is, trust is based on the behavioural predictability that comes from a history of interaction. It exists when you

have adequate information about someone to understand them well enough to be able to accurately predict his or her behaviour. Knowledge based trust relies on information rather than deterrence. Knowledge of the other party and predictability of his behaviour replaces the contracts, penalties and legal arrangements more typical of deterrence based trust.

This knowledge develops over time largely as a function of experience that builds confidence of trustworthiness and predictability. The better you know someone, the more accuracy you can predict what he or she will do. Predictability enhances trust even if the other is predictably trustworthy because the ways that the other will violate the trust can be predicted. The more communication a regular interaction you have with someone else the more this form of trust can be developed and depended on. In an organizational context, most manager-employee relationships are knowledge based.

**Identification based Trust:** The highest level of trust is achieved when there is an emotional connection between the parties. It allows one party to act as an agent for the other and substitute for that person in interpersonal transactions. This is called identification based trust. Trust exists because the parties understand each other's intentions and appreciate the other's wants and desires. This mutual understanding is developing to the point that can effectively act for the others. Controls are minimal at this level as you don't need to monitor the other party because there exist unquestioned loyalty.

The best example of identification based trust is among the happily married couple. A husband comes to learn what's important to his wife and anticipate

those actions. She, in turn, trust that he will anticipate what's important to each other without having to ask. Increased identification enables each to think like the other, feel like the other and respond like the others. Broken promises have led to a breakdown in what was at one time, a bond of unquestioned loyalty. It's likely to have been replaced with knowledge based.