Creating Trust Organizations

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“The only reason a business exists is to make a profit”
“Not everything that can be counted, counts.
Not everything that counts can be counted.”

— Einstein
Work is Joy
Who wants to be king?
Homo Economicus

1. People are lazy and don't want to work (economists call it shirking)
2. We will steal, given the opportunity.
Innovation
Cognitive Science, summarized:

1. **We are irrational.**
   Proof: We believe we are rational.

2. **The unconscious can’t tell the difference between real and imagined input.**

3. **You can’t trust your brain. You need to apply science before drawing conclusions.**
The best things in life aren't things
Children who expect rewards for an activity are less likely to engage in the same activity later than those who were intrinsically motivated.

(Lepper, Greene & Nisbett, 1973)
The Mythos of the Omniscient Visionary Leader
How can we have an atmosphere of trust in such conditions?
CONSENSUS
What feedback mechanism maintains the structure?
Red: Control through a single person, usually via fear.
Power maintained through constant vigilance.
Tribal militia, Mafia, Gang, Wolf Pack.
Feedback: Are the leader’s needs being met?
Unit: Disposable serf (worst case)
Amber: Control through belief & conformism.
Power is absolute, but distributed via hierarchy.
Armies, Schools, Catholic Church, Governments.
Hierarchy allows for much larger organization.
Stability through formal roles & rigorous process.
Innovation is almost impossible.
Feedback: People must believe the story.
Unit: Soldier
Orange: Control through science.
Meritocracy: Power granted based on ability (but still granted via hierarchy).
Somewhat distributed decision-making: Objectives are controlled, “how” is distributed.
Bigger, more effective companies (Multinationals).
Feedback:
1. Does the organization make good use of its “resources” (people)?
2. Are you making your manager/boss happy? (Bad boss = bad life).
Unit: Cog in a machine
Green: Control through Caring. Values, Family (a hierarchy of caring parents). Southwest Airlines, Ben & Jerry’s, Whole Foods, The Container Store, Cafe Gratitude
Empowerment ... but someone still gives you that power. Consensus, and all its problems.
Feedback: Are the parents making their children happy?
Unit: Child
Teal/Trust: “No control” (self control/social network control).
Self-organized: Power is in the process, AND in individuals. NO power is allocated to hierarchy (Autonomous, not automatons). Buurtzorg, Patagonia … and now Zappos.
Completely distributed decision making.
Feedback: The IRL social network of the organization. Are individual AND community needs satisfied?
Unit: Whole human
**Principles of Teal/Trust**

1. **Self-Organization**: The Advice Process.

2. **Wholeness**: autonomy, mastery, purpose, individual character, interests, desires.

3. **Evolutionary Purpose**: Where does the company want to go?
Power vs. Credibility

**Industrial-age:**
command authority
control of others

**Trust:** Unofficial hierarchy of credibility
("Credocracy?")

**Integrity:**
Transparency
Honesty

**Capabilities:**
Knowledge and Experience

**Intent:**
How can I make your life better?

**Follow-through:**
Do What You Say
Partial Examples of Trust:

1. Netflix: “Freedom & Responsibility” (e.g. Expense Policy)
2. W.L. Gore: freedom to innovate outside your objective
3. Open Salaries (Planet Money Podcast Episode)
4. Semco: No Time clocks, work where you work best
But We Might Lose Money!
Challenges:
1. People interaction problems.
2. Hiring and firing.
3. Financing.
Starting a Trust Organization
MONEY IS POWER ONLY BECAUSE WE TREAT IT THAT WAY
Bootstrapping a Trust Organization
manifesto
noun
a written statement declaring publicly the intentions, motives, or views of its issuer.

The Trust Organization Manifesto
www.TrustOrganizations.com
“Organizational Hierarchy of Needs”
Resources

This Presentation: https://goo.gl/lJCGzz

www.reinventing-business.com

Reinventing Organizations

Overview

www.self-managementinstitute.org