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The Power of Trust

Teaching & Discussion Guide

An interdisciplinary classroom companion for Business, Finance, Economics, and MBA/DBA programs.

5 CASE-BASED MODULES	2 CLASS FORMATS	1 INTERACTIVE WORKSHOP
Silicon Valley Bank · Enron · Boeing · Wells Fargo · Singapore	60- and 90-minute seminar plans	MTI self-assessment with evidence review

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www.elpoderdelaconfianza.com

Intended use Supplementary reading, facilitated discussion, and critical inquiry. This guide is not an empirical validation of the book's proposed assessment instrument.

FRAMEWORK & LEARNING GOALS

A common language for teaching trust

Use the book's six proposed laws as analytical lenses, not as established causal laws or statistically validated dimensions.

Learning outcomes

- Distinguish trust (a decision or expectation), trustworthiness (evidence of deserving trust), and perceived credibility (reputation).
- Identify mechanisms by which trust is built, lost, transmitted, buffered, or restored in institutions and markets.
- Apply the six laws to cases while citing specific actions, controls, incentives, and stakeholder outcomes.
- Compare competing explanations and identify the evidence necessary for prospective testing.
- Critically interpret an MTI self-assessment without mistaking its rating for an independently verified credit score.

The six laws in the book

LAW	CLASSROOM INTERPRETATION
1. Compound Interest	Trust accumulates through repeated commitments over time.
2. Collateral	Transparency and independent checks lower the need for blind faith.
3. Credit History	Promises gain credibility through a record of observable performance.
4. Contagion	Signals of distrust can spread across people, firms, or markets.
5. Reserves	Accumulated credibility may buy time and options during a crisis.
6. Recapitalization	Restoring lost trust often requires proof and credible external validation.

Reading stance

Ask students to separate (1) the author's interpretation, (2) documented facts in the case, and (3) hypotheses that would require additional independent evidence. Encourage disagreement supported by reasons and sources.

COURSE DESIGN

Use it in a single class or across a unit

Choose one anchor case for a 60-minute class or pair a case with the interactive MTI exercise for 90 minutes.

60-minute seminar plan

TIME	ACTIVITY	DELIVERABLE
0–8 min	Opening question: What is the difference between being trusted and being trustworthy?	Two competing definitions
8–18 min	Case facts: timeline, decision makers, incentives, affected stakeholders.	Shared case map
18–35 min	Small groups: identify two relevant laws and one counterargument.	Two evidence-backed claims
35–50 min	Whole-class discussion of mechanisms, alternatives, and failures of prediction.	Short debate
50–60 min	Exit ticket: what evidence would change your judgment?	150-word reflection

90-minute case + tool workshop

TIME	ACTIVITY
0–15 min	Prepare case facts and stakeholder roles; distinguish trust from trustworthiness.
15–35 min	Teams defend one law as explanatory and challenge another.
35–55 min	Optional online MTI self-assessment using the Organization lens; log evidence gaps.
55–75 min	Compare scores, discuss self-report bias and unsupported assumptions.
75–90 min	Design one verifiable corrective action and one metric for follow-up.
Preparation Assign the designated book chapter in advance. For advanced students, require one independent source that corroborates or complicates the chapter's account.	

Where it fits

Business Ethics / Corporate Governance: Cases 2–4. Finance and Banking: Case 1. Economics and Public Institutions: Case 5. MBA/DBA integration: compare any two cases and evaluate the framework's measurement limits.

CASE STUDY 01 / FINANCE / BANKING

Silicon Valley Bank and the speed of a bank run

Book reading: Chapter 9 · "The Market Doesn't Price Assets, It Prices Trust" (p. 97). Focus: market confidence, information, and contagion.

Case orientation

The chapter opens with Silicon Valley Bank in March 2023 and examines how confidence can deteriorate rapidly in a financial institution. The author situates this episode within a broader discussion of expectations, liquidity and credibility in markets.

Analytical focus

Use the Law of Contagion alongside the Laws of Reserves and Collateral. Distinguish balance-sheet vulnerabilities from depositor beliefs and from the channels through which those beliefs spread.

Discussion questions

- 1. Which observable risk factors existed before depositors lost confidence?
- 2. How did communication and the speed of withdrawal decisions interact?
- 3. When would additional transparency restore confidence, and when might it accelerate withdrawals?
- 4. What data would let us test whether trust erosion preceded, followed, or amplified financial stress?

In-class application · 12–15 minutes

Assign teams as bank management, depositors, supervisors, and investors. Each writes a 60-word communication issued before or during the crisis, plus one fact that must be independently verified.

Instructor debrief A strong answer does not treat confidence as a substitute for solvency or liquidity. It specifies which claims are behavioral, which are financial, and which are supported by evidence.

Optional extension. Compare this chapter with Chapter 10 on the 2008 crisis. Ask whether the same framework identifies different mechanisms in a liquidity run and a systemic credit shock.

CASE STUDY 02 / CORPORATE GOVERNANCE

Enron and Arthur Andersen: when assurance fails

Book reading: Chapter 16 · "The Scandal That Sank Two Companies" (p. 171). Focus: auditing, conflicts of interest, third-party credibility.

Case orientation

The chapter connects Enron's collapse to the erosion of Arthur Andersen's credibility, showing why a trusted intermediary can become implicated when the assurances it provides fail.

Analytical focus

Emphasize the Laws of Collateral, Credit History and Contagion. Distinguish organizational deception, auditing incentives, public reputation and failures of independent verification.

Discussion questions

- 1. What exactly was being certified, and by whom?
- 2. Where did incentives undermine credible oversight?
- 3. Why did the damage extend beyond the primary firm?
- 4. What governance changes could be evaluated through measurable evidence, rather than good intentions?

In-class application · 12–15 minutes

Ask students to draw a "chain of assurance": managers → auditor → board → investors. Mark each handoff with the evidence required and the party accountable for validating it.

Instructor debrief The most defensible diagnosis identifies a broken verification mechanism and its consequences; it avoids concluding that a prestigious audit brand guarantees reliability.

Optional extension. Ask advanced cohorts whether reputation is an independent asset or a claim contingent on underlying conduct. Students should identify what prospective indicators could distinguish the two.

CASE STUDY 03 / STRATEGY / BUSINESS ETHICS

Boeing 737 MAX: engineering as a promise

Book reading: Chapter 17 · "The Plane That Lost the World's Trust" (p. 181). Focus: safety, transparency, governance, stakeholder trust.

Case orientation

The chapter discusses the Lion Air and Ethiopian Airlines accidents and the ensuing credibility crisis surrounding the Boeing 737 MAX. Its central question concerns the relationship between engineering, organizational choices and public trust.

Analytical focus

Use the Laws of Collateral, Credit History, Reserves and Recapitalization. Students should distinguish a technical corrective measure from the additional institutional evidence required to restore public confidence.

Discussion questions

- 1. Which safety and disclosure claims must be independently verified?
- 2. How might commercial incentives conflict with engineering escalation or regulatory oversight?
- 3. What role does a long record of previous performance play after a major failure?
- 4. What would constitute credible evidence that trust had been rebuilt?

In-class application · 12–15 minutes

Create a board-level recovery dashboard containing three measures: a safety-control metric, an independent verification metric, and a stakeholder-confidence metric. Explain why each measures a different construct.

Instructor debrief Do not collapse accident causation, organizational accountability and public perception into a single score. A persuasive analysis specifies the evidence for each causal link.

Optional extension. Compare Boeing with the Wells Fargo case to examine when formal policies diverge from day-to-day organizational behavior.

CASE STUDY 04 / ORGANIZATIONAL BEHAVIOR

Wells Fargo: incentives and the real culture

Book reading: Chapter 18 · "Culture as an Internal Guarantee" (p. 191). Focus: sales incentives, internal reporting, corporate culture.

Case orientation

The chapter examines Wells Fargo's unauthorized-account scandal through the gap between official values, sales pressure and the incentives employees experienced in practice.

Analytical focus

Emphasize the Laws of Collateral, Credit History and Contagion. Treat employee complaints, sales metrics, managerial responses and customer outcomes as distinct types of evidence.

Discussion questions

- 1. How could management detect that performance targets were producing harmful behavior?
- 2. What makes a whistleblower channel credible rather than merely available?
- 3. Which measures incentivized the wrong behavior, and what should replace them?
- 4. How do we distinguish a culture problem from a few individual rule violations?

In-class application · 12–15 minutes

Provide each group with an imaginary quarterly dashboard containing only sales growth and cross-selling targets. Ask them to add four leading indicators of trustworthiness and one escalation threshold.

Instructor debrief A stronger answer proposes auditable changes to incentives and accountability, not just messaging, training or new corporate values statements.

Optional extension. Role-play a meeting between internal audit, frontline staff, the risk committee and customers. Ask each stakeholder what evidence they would accept as proof of change.

CASE STUDY 05 / ECONOMICS / PUBLIC POLICY

Singapore: institutional trust as economic infrastructure

Book reading: Chapter 3 · "The Country That Wept on Television" (p. 35). Focus: institution building, long-term credibility, development.

Case orientation

The chapter opens with Singapore's 1965 independence and uses its subsequent development to discuss institutional credibility. It also uses comparisons with other national experiences across the six laws.

Analytical focus

Focus on the Laws of Compound Interest, Credit History, Collateral and Reserves. Students must distinguish the author's trust-centered interpretation from other explanations of economic performance.

Discussion questions

- 1. What institutional arrangements would make promises credible to citizens and investors?
- 2. Which developmental outcomes could follow from increased credibility, and which might have other causes?
- 3. How would you operationalize institutional trustworthiness across countries?
- 4. What comparative design could test the argument while accounting for rival explanations?

In-class application · 12–15 minutes

Have teams design a five-indicator institutional dashboard with at least one outcome measure, one process measure and one perception measure. Require definitions and plausible data sources.

Instructor debrief This is an opportunity to model causal humility. An association between institutional quality and prosperity does not independently prove that trust was the determining cause.

Optional extension. Pair the chapter with Chapter 4 on elections or Chapter 7 on digital government for a policy design exercise.

INTERACTIVE CLASSROOM COMPANION

Turning a reading into a testable judgment

Website: www.elpoderdelaconfianza.com | Recommended lens: Organization

What the manuscript says about the MTI

The Appendix describes four assessment lenses (Organization, Nation, Market, Individual). Within each lens, users answer 24 statements: four items for each of the six laws, scored from 1 to 5. Total scores range from 24 to 120 and are translated into illustrative bands labeled AAA, BBB, CCC, and D.

Methodological boundary The book explicitly states that the MTI is a structured self-assessment, not a psychometrically validated instrument or verified predictor of future outcomes. Its bands are conventions, not observed default probabilities.

40-minute guided activity

STEP	INSTRUCTIONS
1. Select (5 min)	Use a public company with accessible reporting. Agree on the specific unit being assessed.
2. Score (10 min)	Small groups use the online tool, if available. If not, use the worksheet on page 11 and record narrative assessments.
3. Justify (10 min)	For each law, provide one observable piece of evidence and one unresolved question.
4. Compare (10 min)	Compare groups' judgments. Where ratings differ, identify assumptions and different access to evidence.
5. Reflect (5 min)	Decide what external validation would be needed before treating the score as predictive.

Three distinctions to insist on

- Perceived trust: what a stakeholder believes or expects.
- Trustworthiness: what conduct, controls and records warrant that belief.
- Reputation: a social signal that may or may not accurately reflect underlying behavior.

Facilitation tip: a score is never the endpoint. The educational value lies in defending each judgment, explaining disagreement, and recognizing the limits of self-report. Access and language options on the live website should be checked before class.

ASSESSMENT

A short assignment and a transparent rubric

Use the assessment to evaluate analytical reasoning, not the absolute MTI number obtained.

Student brief: "Trust audit with evidence"

In teams of 3–4, select one organization discussed in the book or approved by the instructor. Prepare a 900–1,200-word memo or a 7-minute briefing that includes:

- A timeline of key decisions and affected stakeholders.
- An application of at least three of the six laws, with a documented fact supporting each claim.
- An explicit distinction between perceived trust, trustworthiness and reputation.
- A description of two rival explanations or data limitations.
- Two actionable recommendations, each accompanied by a follow-up indicator.

Suggested rubric (100 points)

DIMENSION	POINTS	WHAT GOOD WORK LOOKS LIKE
Evidence quality	30	Uses relevant, traceable evidence and distinguishes facts from assumptions.
Application of framework	25	Applies laws precisely, without treating them as proven universal causes.
Conceptual clarity	20	Separates trust, trustworthiness and reputation.
Critical evaluation	15	Identifies bias, alternatives, uncertainty and validation needs.
Communication	10	Clear, organized and appropriate for the audience.

Two alternative formats

Finance seminar: A two-page memo for a risk committee comparing early warning signals with observable financial exposures.

MBA / DBA seminar: A theory-to-measurement critique that proposes testable hypotheses and a design for evaluating MTI dimensions.

Academic integrity The case accounts and framing come from the assigned book. If independent empirical verification is required, students should consult and properly cite primary reports or other scholarly sources.

PHOTOCOPY-READY WORKSHEET

Evidence-first trust assessment

Student / team: _____ *Case:* _____

Instructions: Choose an organization or institution and enter one observable fact, one inference and one information gap for each law. You may use the MTI tool to generate discussion, but do not treat its rating as externally validated.

LAW	OBSERVABLE FACT	INTERPRETATION / EVIDENCE GAP
Compound Interest		
Collateral		
Credit History		
Contagion		
Reserves		
Recapitalization		

Exit reflection

1. Where does reputation diverge from verified conduct?

2. What evidence would most change your assessment?

3. What part of the framework would require empirical validation before the organization could rely on it for decisions?

Source and scope Companion to Moisés D. Garvin, The Power of Trust (English edition, 2026), ISBN 979-8-9977183-2-9. Cases and laws are based on that book; classroom activities and prompts are instructional suggestions. For tool access, visit www.elpoderdelaconfianza.com.

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