

The Five Dimensions of Trust

White Paper



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Trust has long been part of the underpinnings of society, and it is used and abused in the business world. And even though trust is a key aspect of relationships, it is misunderstood or mismanaged in many companies, which leads to serious consequences over time.

In the workplace, trust is fundamental to effective communication. Without trust, employees may feel uncertain, worried and insecure. Management may find it difficult to make constructive and needed changes to the enterprise. Vendors and third party partners cycle through a revolving door, causing stops and starts to your operations as new relationships must be set up and old ones must be let go.

No relationship can exist for any significant period of time if there is not at least some degree of trust. It helps people overcome doubts and accommodate unknowns with security of mind. Lack of trust ushers in confusion, worry and fear, which in turn, slows the wheels of progress and profit.

Psychological research suggests that trusting relationships have three characteristics:

- Predictability
- Caring
- Loyalty

A composite of dictionary definitions adds three others:

- Reliance: certainty based on past experience
- Belief: confidence in or about something;
- Faith: complete and unquestioning confidence in a person, plan, etc.

In the business world, these six characteristics of trust are present in greater or lesser degrees across five different dimensions, defined by the roles and type of interactions that take place.

These are:

1. Executive-Everybody Else
2. Manager-Employee
3. Manager-Manager/Employee-Employee
4. Company-Market
5. Company-Vendors-Partners

“The glue that holds all relationships together - including the relationship between the leader and the led is trust, and trust is based on integrity.”

-Brian Tracy

(American Television Host)



Trust at 50,000 Feet: Executive-Everybody Else

The Impact of this Dimension

The relationship between the executive suite and everybody else in the company can make or break the firm's success. The predictability and reliability of executive management in the eyes of the employees will, in large part, determine the loyalty of the workforce in tough times and the faith and belief they will exhibit when difficult decisions must be implemented.

What Surveys and the Media Say

Generally, the news is not great. While more than one survey and research study report trust in senior management as the most relevant dimension in predicting the general state of organizational trust, the measurements are consistent that senior management shows up repeatedly as the least trusted group in an organization.

Three Ways to Raise the Level of this Dimension

In spite of the extensive research and studies discussing the importance of trust, it is surprising and disheartening that the perception of trust in senior management continues to decline. Raising the level of this dimension requires the following three approaches from the executive suite:

1. Open and honest communication to all levels of the company: Avoid "do as I say because I'm the leader" opaque and one-way transmissions.
2. A collaborative approach to the workforce: Soliciting and responding to input from employees and management.
3. Walking the talk: Consistent principles and behaviors are key to improving trust between executives and everybody else.

Every program or initiative rolled out from the company's C-level must include all three of these approaches in order to improve trust and/or maintain a high trust level.

The Usual Suspect: Manager-Employee

The Impact of this Dimension

This is the dimension most often discussed in business performance literature and addressed in corporate training courses. The quality of the relationship between manager and direct reports can make up for many trust deficiencies elsewhere in the enterprise. When a manager's behavior toward employees is consistent over a period of time and another person can reasonably predict that behavior, direct reports will develop a high level of trust in that manager. Additionally, a manager with faith in a direct report knows that that employee's behavior will be consistent with expectations and their performance will remain at the highest possible level. By contrast, it is difficult to trust a manager whose actions are inconsistent or unpredictable. Managers who have difficulty demonstrating faith in others are typically not highly trusted.

What Surveys and the Media Say

Research on this dimension consistently reports that employees have a greater level of trust in their immediate supervisor than any other management level in the firm. It is important for leaders to 1) make sure their words are consistent with their actions and 2) show confidence and faith in their direct reports.

Three Ways to Raise the Level of this Dimension

As with the first dimension, the business world is full of material dealing with trust and leadership. Within the scope of this paper, the key elements needed to create and maintain a high level of trust in the manager-employee relationship are:

1. Tell the truth and share honest information, even if it's to your disadvantage: Tampering with actual information or avoiding bad news will damage trust.
2. Demonstrate and foster a win-win focus: Include the personal and professional welfare of your direct reports in your decision making and encourage collaborative behaviors in your staff.
3. Actively seek feedback: Conduct a thorough self-examination of yourself to determine if your behaviors are building trust, or seek honest feedback from your professional peers.

Peer-to-Peer: Manager-Manager / Employee-Employee

The Impact of this Dimension

Where the first two dimensions span the company hierarchy, this dimension explores horizontal interaction. Trust is a foundation piece of teamwork, and the presence or absence of trust can predict the effectiveness of a team or group of peers. This dimension can be greatly impacted by collusion, secret interactions, plots and agreements that undermine and erode authentic, constructive workplace interactions.

What Surveys and the Media Say

Cooperation and a "one for all, all for one" attitude are the ultimate objectives of this dimension. Unfortunately, respondents indicate trust-defeating experiences with peers, including consistent and singular focus on one's own welfare in relation to work activities and developing the habit of going behind co-workers' backs.

Three Ways to Raise the Level of this Dimension

Fostering personal connections is the key to this dimension.

1. Create opportunities for social interaction: Plan personal or group events to celebrate a team member's birthday or achieving a quarterly goal.
2. Take a strong line against collusion and other demoralizing and counter-productive behaviors: Discourage gossip and other forms of negative communication.
3. Motivate employees at all levels to solve problems by providing appropriate training, resources and rewards: This will empower the staff and may ease pressure on other managers or departments.

***"It takes years to build up trust, and
only seconds to destroy it."
-Friedrich Nietzsche***



Facing the World: Company-Market

The Impact of this Dimension

This dimension is the purview of the marketing, customer service functions, and in publicly owned companies, the investor relations office. The impact of this dimension has been apparent for some time, from the downfall of Enron to the Wall Street and mortgage banking issues that face us today. Gaining and keeping the trust of the market is both critical and challenging given events over the past decade.

What Surveys and the Media Say

Building trust with external audiences in today's market requires different strategies than what was previously acceptable. Consumers have "advertising fatigue," and demand a more personal relationship with the companies with which they do business. The internet and its offspring, social media, have raised the bar in terms of the quality of communication that companies must create.

Three Ways to Raise the Level of this Dimension

Increasing trust with your market is the route to company growth. The more reliable and credible your marketing and customer service messages are, the more loyal your customer base will be.

1. Strive for transparency with your public: Communicate honestly in all messages.
2. If a crisis or problem arises, step up and take responsibility: Welcome and respond to customer complaints and input.
3. Establish two-way communication with your market: Take advantage of new media outlets such as online discussion forums and other web-enabled media.

Procuring Trust: Company-Vendors-Partners

The Impact of this Dimension

Though this may be the least-reported-on dimension, the presence or lack of trust with suppliers, vendors and third party partners has a significant impact on company growth and health. Given the interesting times in which we live, the inclusion of reliable third parties that will oversee aspects of non-core operations is imperative. The absence of trust, exhibited on the company side by onerous demands and legal safeguards, for example, can create a "revolving door" effect. The cycle of procurement, set up, relationship ramp up, relationship degradation, back to procurement, traps company resources and limits continuous improvement in areas where third parties are needed.

What Surveys and the Media Say

The “word on the street” about this dimension is largely anecdotal, with consultants and procurement experts stating the obvious: You need to be able to trust your third party suppliers and partners. Although obvious, this element of trust is crucial given the increasing role that outsourcing and other third party relationships are taking in today’s business environment.

Three Ways to Raise the Level of this Dimension

Trust is as trust does. Trust your vendors and partners, and you will get the same in return.

1. Set up procurement policies and procedures: Ensure that selected vendors have high trust indicators on all five dimensions.
2. Make sure your accounts receivable management adheres to agreed up on terms: Fair payment is an area that significantly impacts trust.
3. Avoid creating arduous partnering agreements: Protect yourself, but don’t focus on so much detail to the point that the documentation is communicating distrust.

Summary/Conclusion

Creating and maintaining high levels of trust across all dimensions are vital for healthy and sustained company growth. Management leads the way in their actions, the initiatives they sponsor and the behaviors they acknowledge and reward. High-trust work environments deliver big benefits in the form of higher morale, increased initiative and improved productivity.

How does your company stack up across the five dimensions of trust? If you can ensure that the five primary characteristics are present throughout the firm, you will be in a great position to navigate economic and market challenges in today’s business environment.

***“I’m not upset that you lied to me,
I’m upset that from now on I can’t believe you”
-Friedrich Nietzsche***

