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Building and Maintaining Trust: The Essential Ingredient for Organizational Success

Non-Thematic Article/Article hors thème

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Abstract *The importance of trust has been widely identified in the literature as a key component and catalyst for relationship development. Yet, the concept of trust from both a theoretical and managerial perspective has been a source of confusion and misconception. The paper examines trust from a variety of perspectives and suggests simple common principles that can be implemented at the organizational level to achieve organizational success.*

Trust – A Fundamental Notion

Since the beginning of time, trust has been widely recognized as a very important facilitator of materially and morally efficient relationships between individuals, but also within and between organizations. Claimed to be understood by nearly everyone, trust is one of those fundamental notions that most individuals find difficult to explain or precisely define (Misztal, 1996). In that regard, the concept of trust is behaving like many fundamental notions that make the fabric of our daily interaction within the world (time, goodness, faith, selfhood): it's a notion that is easier experienced than defined. While we can't disagree about the fact that it is more important to *be* good than to successfully define goodness, there comes a time when our implicit knowledge of a concept is just not enough to help us out of problematic situations. We know that trust is at the root of many social and organizational problems, but we can't always explain why it is a problem and what incentive/corrective measures best promote trust. The topic of trust has been one of confusion, exasperation and misconception on behalf of those who would hope to understand it.

Functional and essential definitions

Taylor's (1989) analysis of the word trust found "... a bewildering array of meanings and connotations" in a variety of books, articles and journals. Trust within a process makes cooperative endeavours happen, as well as influencing the interaction between individuals (McKnight & Chervany, 1996). One can find a similar account is Fukuyama (1995) and Illingworth (2002) who link trust and social capital. Mishra (1993) suggests that trust becomes even more central and critical during periods of uncertainty due to organizational crises; and thus it can be a critical requirement in today's workplace. These are functional definitions: they inform us about the purpose of trust, and its social value, but they don't tell us what it *is*. Clearly, what is needed is a philosophical account of the notion of trust and a clarification of its ethical implications. This clarification of the concept of trust is even more necessary at a time where trust or distrust is at the heart of the ethical crisis that characterizes our times.

According to Jones (2000), accounts of trust can mainly be grouped under three categories: risk assessment accounts, will-based accounts, and affective attitude accounts. Risk-assessment accounts do not take into account the reasons why we should trust or not, will-based accounts emphasize the motives of the trusted parties, while the affective attitude accounts emphasize the epistemological standpoint of the trusting party (trust is a "feeling as well as a judgment and a disposition to act" (Jones, 2000: 899). The third account is the most comprehensive for it encompasses the trusting party, the trusted party and the facts on which judgments are based. Moreover, the affective attitude account clearly manifests the ethical dimension of trust. As Govier states, "[…] trust is an attitude based on beliefs and values […] typically involving feelings and implying behaviour […]" (Govier, 1994, p. 238). Trust puts the self at risk. Not only because one could stand to lose money or friendship, but because one can ultimately lose trust in oneself for not being right in trusting a person or an organization. Trust implies that one can trust oneself in trusting others. The vulnerability of the self-implicit to the act of trusting is at the heart of ethics. Trust is necessary in a society not only because it makes social interaction possible, but also because it nurtures the ethical self. Without a reasonable belief that one can make good decisions, one cannot fully develop one's ethical potential, and one cannot even begin to trust others.

Similarly to Govier, and in the line of the affective attitude account, we define trust as a relationship between one or more persons, which has elements of openness and honesty, and a willingness to accept other[s] based on the opinion that the other party is both capable, and dependable.

How Do Organizations Violate Trust?

Within the context of the organization trust is generally earned slowly as a result of consistent behavior based on personal respect and genuine concern for the well being of all organizational members. Referring to Putnam's distinction, we are referring here to "thick" trust, which involves "strong and frequent personal relationships" (Putnam, 2000). As a result, leaders within an organization cannot expect trust from their employees solely because of their status or position. Different types of trusting relationships exist within any organization. A successful organization is built on a foundation that includes lateral[1]; vertical[2]; and, external[3] trust (McKnight, Cummings and Chervany, 1995).

Organizational experts have been writing about the importance of trust for organizational success for decades. More recently, however, organizational consultants have noted the recent emphasis on trust has been prompted by the following factors:

[1] Defined as trust relations between peers or equals
[2] Defined as trust relations between a supervisor and subordinate
[3] Defined as trust relations between an organization and its clients or suppliers

- The Clinton Presidency scandals - from his first months in office until his last day, Clinton's presidency was plagued by charges of wrongdoing, including Whitewater, the Lewinsky affair, perjury and obstruction of justice charges, and impeachment.

- The Enron Business scandal, that came to symbolize the excesses of corporations during the long economic boom of the 1990s in the United States. Billed by *Fortune* magazine as "America's Most Innovative Company" for six straight years from 1996 to 2001, Enron became one of the largest bankruptcies in U.S. history in December 2001.

- The indictment of Martha Stewart by the U.S. Attorney for securities fraud and obstruction.

- Disclosure by WorldCom that it had inaccurately accounted for almost $4 billion in routine operating expenses, inflating its profits for five quarters.

- In the Canadian context, the "Sponsorship scandal" has certainly started to raise awareness about the issue of trust in public institutions.

But these events are just the tip of the iceberg. Already in 1999, Davis & Landa (1999) cited one study (The Day America Told the Truth), which noted that 68 percent of employees did not trust their supervisors. This would support Fairhom's (1994) notion that trust, can no longer be assumed to exist within an organization, but must be earned and developed over time.

Apparently, distrust was already in place before the major events cited above, and surely other events have contributed to the erosion of trust for a long time. While it would be interesting to explore this further, one can only suggest that this situation is typical of the post modern era: lack of trust in institutions, abandonment of ideologies and meta-theories (progress, democracy, science, etc) and consequently an emphasis on informal structures and marginal political action (if one cannot act within the system, one should start its own system). If one examines history from a macroscopic standpoint, post modernity is ultimately the result of a violation of trust in humanity: we failed ourselves and we do not deserve to be invested with trust. We believed that we could be much better, that the world could be a better place, that we could attain a unified understanding of the world, that science would free us from our frailty, but we ended up creating more evil than goodness as a result of these beliefs. Not only did we lose trust in our institutions, we disenchanted ourselves. What we thought were reasonable expectations upon ourselves were not fulfilled.

At a microscopic level, organizations such as corporations and governments violate trust when they fail to fulfill an implicit contract that we have with them involving reasonable benign expectations "trust entails positive expectations about what the other is likely to do, based on a sense of her competence and motivation, a willingness to allow oneself to be vulnerable and a disposition to interpret what the other person says and does in a positive way" (Govier, 1994, p. 239). The last part of the definition is important. When someone has earned my trust, I do not automatically interpret small failures as automatic signals that I should no longer trust this person. For example, if I trust my supervisor, I will not automatically presume that "she is setting me up for failure" should she forget to mention that the meeting originally scheduled for 3:00 pm was rescheduled at 10:00 am. Because trust is maintained, I will simply dismiss these events as results of unfortunate miscommunications and will not question the adequacy of my perceptions.

The stability of the organizations rests on the fragile base constituted by these generous interpretations allowed over time. This is why organizations should make constant efforts to promote and implement the highest norms of excellence, emphasizing ethics as much as efficiency and efficacy. When the organization's vision is clearly communicated, and when it successfully and ethically implements this vision, our sense of its competence and motivation is maintained. Distrust starts when we no longer perceive a match between what is expected and what actually happens. It's as if we were saying to the organisation: "you are not being true to yourself, and by not being so, you are not being true to me, why should I be true to you". On the contrary, people and organizations (by extension) that are trustworthy "support a positive picture of human nature, one to which others will respond in a positive way" (Grovier, 1994, p. 250).

Building and Maintaining Trustworthiness within an Organization

Neither people nor organizations can demand trust. But people and organisations can demand trustworthiness of themselves. Trustworthiness can be developed, and trust earned. Organisations have to show that they are worthy of their members' trust. This process takes time (Fairholm, 1994; McKnight & Chervany, 1996; Abdul-Rahman & Hailes, 2000). Thus building and maintaining trustworthiness is not simple or fast, but rather an incremental process (Fairholm, 1994). As an ethics counsellor, one might be asked to play a major role in building and maintaining trustworthiness in an organization. One would normally proceed by completing a benchmarking exercise to assess the organization's current level of trust,
even when the level of trust is unarticulated and unconscious (buried deep in the traditions and behaviours of the corporate culture). The process of conducting a benchmarking exercise sends a powerful message, and the results provide a roadmap for reform and subsequent action.

Who—What—Why

The success of benchmarking depends on the organizations leadership. In fact, it is imperative for organizational leadership to foster a common understanding of what benchmarking means and its implications for the organization. As well, such sponsorship should produce commitment to the concept, thereby sustaining and supporting organizational staff involved in benchmarking to generate continuous improvements. Furthermore, the organizations senior management cadre must ensure:

- involvement and engagement of staff in a free and open exchange on the subject of benchmarking; and agree on what employees can do, costs and expected benefits, and what executive decisions are needed;

- instilling the concept of benchmarking 'trusts worthiness' in the organizations planning, performance processes and management practices;

- allocating the necessary financial and human resources to develop and train employees in the benchmarking exercise;

- identifying a champion from the ranks of the senior management cadre to manage the initial efforts of the organization in implementing benchmarking; and

- assessing how to promote the trust benchmarking initiative throughout the organization in a practical way.

Getting Started

Since benchmarking is both a method of process and comparative analyses with other organizations, it is important to have a variety of partners in the initiative—partners need to be selected for similar processes, rather than having identical missions.

Generally speaking, most benchmarking models are divided into four phases: planning, data collection, analysis, and action. Under the planning phase, the benchmarking champion with stakeholder input should clarify the objective of the benchmarking exercise to gain an understanding of the factors driving the decision to benchmark and achieve consensus on the intended outcome of the benchmarking study. The objectives of the study should be aligned with the overall mission and goals of the organization. Next, since trust is clearly defined by a series of related activities, it is important to clearly define which aspects of the processes are most crucial to your success; and identify where you can realistically make a change. Finally, the scope of the benchmarking study should reflect the objectives and resources of the organization. Most organizations utilize an external facilitator to gel this process. In addition, the facilitator with stakeholder involvement develops and refines a flow chart, which depicts the sequence of discrete activities in the process and establishes process measures. Finally, the stakeholder group should be utilized to identify potential partners for the benchmarking exercise.

The second step to benchmarking trust is undertake background research related to the concept of trust, followed by in-house surveys with organizational employees, focus groups, or case studies within the organization perhaps based on variables involved in building and maintaining trust. For example, the following chart (adapted from Likert, 1967), illustrates the relationships between the variables involved in building and maintaining trustworthiness.

Shared Values

Causal Variables	**Personal**	
		❑ integrity ❑ honesty ❑ competence ❑ loyalty ❑ openness ❑ fairness
	Job / Relational	
		❑ meaningful work ❑ participation ❑ open communication ❑ autonomy ❑ feedback
Intervening Variables		❑ trust ❑ loyalty ❑ commitment
End-Result Variables		❑ increased productivity ❑ high employee morale ❑ reduced absenteeism, and turnover ❑ innovation ❑ long-run stability

Hence, mapping the various relationships involved in building and maintaining trustworthiness in a similar fashion to the aforementioned can supplement survey, focus group, and case study data from both organizations allows comparison of qualitative and quantitative data necessary for the third step of the benchmarking model—Analysis.

The Issue of Ethics

The sharing of information is an important aspect of benchmarking, and thus benchmarking exercises must be conducted with the highest ethical standards to maintain trust and confidence between the ethics counsellor who might be called upon to perform this analysis, and his/her benchmarking partners. Hence, there are several ethical and legal concepts that should always be considered during the benchmarking exercise.

- ❑ ensure transferred information remains confidential between the organization conducting the benchmarking study and the individual benchmarking partner;

- organizations requesting process information should be willing to provide similar information to their benchmarking partner;
- information that will be used to support a position in another forum, should not be requested;
- organizational secrets or proprietary data should not be requested;
- information should not be gathered under false pre-tenses, so avoid misrepresentation; and
- benchmarking partners should be guaranteed anonymity if so desired.

Action Planning to Build Organizational Success

The final step in the benchmarking exercise is action—implementing specific actions that enable the transition from the current to the modified process. Without question, a detailed plan is essential for successfully implementing the process of change. Progress is tracked using measures established in the planning phase of your benchmarking study. By taking the necessary time to utilize progress tracking, the organization can identify problems that may arise during the implementation of the process improvements.

Making the Case for Benchmarking Trustworthiness

Trust between individuals and a group is a highly important element in the long-run stability of the organization, and the well being of its members (Cook and Wall, 1990). High levels of trustworthiness within the organization permits an organization to switch its focus on the long-term (Sonnenburg, 1994) and according to various researchers (Fairholm, 1994; McGregor, 1967; Likert, 1967; Mishra, 1993) significant levels of trust reduce friction among employees; bond people together; increase productivity; stimulate growth; improve employee morale; reduce employee turnover and absenteeism and creates an environment where innovation can flourish. Empowering employees for example, may have a short-term risk but may lead to innovation, improved quality of service, increased worker responsibility and competence, improved morale, and reduced absenteeism and illness - all of which are essential for an organization's long-term growth and survival (Peters 1994; Sonnenburg, 1994) Moreover, trust is an essential component of effective change management (Covey, 1994; Fink, 1992; Kotter and Schlesinger, 1979; Mishra and Mishra, 1994). When distrust exists within an organization between the persons initiating change and the employees, change will be resisted as both its reasons and implications are not clearly understood (Kotter and Schlesinger, 1979). In fact, trust is an essential ingredient in any effective downsizing program (Mishra and Mishra, 1994).

Without trust, change occurs with an environment of secrecy and self-protection. In this instance, managers retain tight control over information and employees are not substantially informed of events that will significantly impact on their lives (Fink, 1992). On the other hand, when change occurs within a trusting environment, the transition is much easier. When management shares information openly and honestly during change, employees fully understand both the internal and external factors influencing the decision that has been reached (Marlowe, 1992). In this instance, employees will find it easier to remain committed to the goals of the organization even in times of crises (Fink, 1992).

Sometimes, the worst crises can become an opportunity to make creative and often long overdue changes (Fink, 1992). When the employer-employee relationship is based on trust, management can effectively include employees in deciding on such matters as how to minimize costs, and how to make better use of existing resources (Fink, 1992). Again, the total organization remains committed to the goals of the organization rather than to the competing goals of different individuals and groups. Although trust is complex both in its composition and in terms of the number of bases on which it rests, the following principles when institutionalized within an organization should enable the organization to enhance both levels of trust and organizational success:

- Exhibit behaviour which is predictably competent, honest, and benevolent

When individuals do not believe a person is predictably competent, honest, and benevolent, then it is quite unlikely individuals will be willing to depend on the person. Individuals need to first try to be the type of person that others feel is trustworthy. Since trust is based primarily on perceptions of trustworthiness, considerable attention needs to be paid to presenting oneself in ways that are consistent with trusting beliefs. Perception management alone, however, is not likely to work over time because experience with an individual gives others a history of how well one's actions match one's self-presentation.

- Develop positive relationships to enable others to feel comfortable, and secure.

Feelings are hard to separate from each other; hence an individual who likes a superior is more likely to also feel secure in the belief that the individual is benevolent toward them. Therefore, individuals should devote time to develop an appropriate measure of positive, personal relationships with others so that others can feel comfortable, confident and secure.

- Exhibit behaviour which shows trust and decrease control measures

One can develop a good relationship with another person by gradually increasing trusting behaviour, while at the same time decreasing control measures, directed at the other person. Decreasing controls includes moving from a formal relationship to a more personal informal relationship. This indicates to the other person that they are okay, that they can be trusted, and therefore can have positive effects on the trusted person's self-esteem. In fact, trust is often a motivator. Control measures tend to express to others that they are not okay and are not trusted. As well, being controlled is very de-motivating because it feels demeaning (Fink, 1992).

- Understand the relationship between trust and power

Within the organizational hierarchy, individuals have positional power, however, it is should be recognized that other's have power over such individuals by extending such individuals trust. This levels out what is often an asymmetrical power situation between employees and supervisors, in which the supervisor dominates. In a dominating situation, an employee will feel insecure around the supervisor. Therefore, in such cases, the employee may withhold or distort information given to the supervisor. Additionally, they may also accept less influence from the supervisor. This will typically lead to the supervisor's use of control mechanisms, leading to a downward spiral of distrust (Zand, 1972).

- Consider the individual's personal attributes

When dealing with an individual, it is necessary to consider the other individual's personal attributes. Additional steps may need to be taken to overcome tendencies such as cynicism by developing personal relationship with such individuals and by communicating very clearly the positive intent behind changes, directions, etc.

- Ensure changes, roles and responsibilities are well defined

Individuals responsible for change should ensure that organizational changes, roles and responsibilities are clearly defined and known at all levels in the organization. Additionally, major changes like downsizing and restructuring should be handled carefully so that individuals should remain to feel at ease and secure in the organization's environment. Thereby enabling individuals better able to trust others within the organization.

- Get off on the right foot, take small steps first

Since trust is built or destroyed through iterative reciprocal interaction, the initial period of the relationship is crucial. To get off on the right foot, individuals should begin each new work relationship by choosing to trust first. In other words, take small steps first with individuals to signal a desire to have a trusting relationship. This gives the relationship a chance to move forward in a positive manner. Building and maintaining trust with an organization is not a simple or rapid process. It requires a commitment to creating and sustaining a culture that is focussed and respectful of employees. Unlike organizations that only talk about values, organizations that institutionalize the value of trust build trust in the process and promote trust as an important element in the building of a successful organization.

Conclusion

Since the term 'trust' is so frequently used, business literature tends to assume everyone knows what trust means; so the word is rarely defined in most articles. This has lead to a wide variety of trust definitions, and a plethora of in-use meanings of the concept has developed. Despite, the lack of consensus on the meaning or the concept of 'trust', there is a consensus among theorists, management consultants and organizations that trust is necessary to achieve organizational excellence and is an essential element of organizational success. An ethics counsellor, one is constantly called upon to deal with the issue of trust or distrust. This article suggested one benchmarking approach that will help determine the level of trust within an organization, with the purpose to, hopefully, build a stronger level of trust within the organization, but moreover to build the trustworthiness of the organization. Trust is one of those very fundamental anthropological notions that make the very fabric of a community. The success of any organization depends on the level to which it is rooted in a community of persons.

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