

# The Five Dimensions of Trust

## White Paper





*“Don’t worry, you can trust me”*

*“Just trust me.”*

*“Is this the face of a man you can trust?”*

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

In the workplace, trust is fundamental to effective communication. Without it employees may feel uncertain, worried, 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, and 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 five 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

## **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 will literally 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 hard decisions must be followed up on.

### ***What Surveys/Media Say***

Generally, the news is not great. While more than one survey and research study reports trust in senior management as the most relevant dimension in predicting the general state of organizational trust, the results are consistent—senior management shows up as the least trusted group time after time.



### ***Three Ways to Raise the Level of this Dimension***

There are so many words written about this dimension of trust and how it needs to be established that it is surprising (and disheartening) that it continues to score lowly. In a nutshell, raising the level of trust requires the following three approaches from the executive suite:

1. Open and honest communication to all levels of the company.
2. A collaborative approach to the workforce (soliciting and responding to input from employees and management).
3. Walking the talk (a cliché, yes, but 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***

Trust is the dimension most often discussed in business performance literature and addressed in corporate training courses. The quality of the relationship between a manager and their employees 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. That manager will be trusted at a high level. Trust is a two way street. Managers who believe in their employees will be rewarded. Not only will workers be consistent and high performing, they will give their trust in return.

#### ***What Surveys/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 that leaders

- 1) make sure their words are consistent with their actions (more walking the talk).
- 2) show confidence and faith in their direct reports.

***"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)



### ***Three Ways to Raise the Level of this 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 (twisting or hyping actual information or trying to skirt bad news is more likely to erode trust than build it).
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 from your direct reports including feedback about yourself and respond to it. At least acknowledge the input, and if necessary take action based on the feedback.

## **Peer to Peer: Manager-Manager /Employee-Employee**

### ***The Impact of this Dimension***

Where the first two dimensions span the company hierarchy, this dimension lives at the day to day level of company operations. Trust is a foundation piece of teamwork, and the presence or absence of trust can to a large extent predict the effectiveness of a team or group of peers. Collusion, secret interactions, plots and agreements that undermine and erode authenticity, all have a strong impact on the manager-manager / employee-employee dimension.

### ***What Surveys/Media Say***

Cooperation and a "one for all, all for one" attitude are the features most often reported in surveys of this dimension. On the other side of the coin, a consistent and singular focus on personal welfare in relation to work activities and going behind co-workers' backs were described as trust-defeating behaviors in a peer.

### ***Three Ways to Raise the Level of this Dimension***

Fostering personal connection is the key to this dimension.

1. Create opportunities for social interaction (For example, group lunches, learning sessions or celebrations of personal and group achievements).
2. Take a strong line against collusion and other demoralizing and counter-productive behaviors. One way is to disallow tale-telling to you or other managers.
3. Motivate employees at all level to solve problems by providing appropriate training, resources and rewards. This will empower the staff and ease some of the pressure on your human resources people.





## **Facing the World: Company-Market**

### ***The Impact of this Dimension***

This dimension ranges from 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 issues on Wall Street that we face today. Gaining and keeping the trust of the market is both critical and challenging, especially given events over the past decade.

### ***What Surveys/Media Say***

Building trust with external audiences requires different strategies than those used a generation ago. Consumers have “advertising fatigue,” and demand a more personal relationship with those companies with which they do business. The Internet and 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 in 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. In other words, communicate honestly and openly in all messages.
2. If a crisis or problem arises, step up and take responsibility. Always welcome and respond to customer complaints and input.
3. Establish two-way communication with your market via 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 an imperative. The absence of trust, exhibited on the company side by onerous demands and legal safeguards can create a “revolving door” effect. The cycle of procurement, set up, relationship ramp up, relationship degradation and back to procurement, traps company resources and limits continuous improvement in areas where third parties are needed.



### ***What Surveys/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. This is not surprising, given the increased key role that outsourcing and other third party relationship have taken on 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/procedures to ensure that selected vendors have high trust indicators on all five dimensions (e.g., getting/checking references).
2. Make sure your accounts receivable management works well and adheres to agreed up on terms (this is an area that significantly impacts trust—for better or worse).
3. Avoid creating onerous partnering agreements (protect yourself, but don’t go into so much detail that the documentation is communicating the opposite of trust).

### **Summary/Conclusion**

Creating and maintaining high levels of trust across all dimensions is vital for a healthy and sustained company growth. Management leads the way in their actions, in the initiatives they sponsor and in the behaviors they acknowledge and reward. High-trust work environments deliver big benefits in the form 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 the 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***

