

The Five Dimensions of **Organizational Trust**



Trust has long been a part of the foundation of society; yet, it is often used and abused in the business world. Even though trust is a key aspect to all relationships, it can be misunderstood or mismanaged in many companies, which leads to serious consequences over time.

TRUST:

Confidence in your relationships with others; a strong faith that they will meet your expectations in three areas.



Organizations cannot function without people who – although they are individuals – depend on others. This interdependence requires collaboration, which is only successful if it is based on trust.

Trust is at the heart of organizations' ability to succeed and the ability to have confidence in relationships of all types is critical. Research suggests that the core elements of trust include integrity, competence and compassion. Although not all elements are equally important in all situations and their importance varies dependent upon the scenario, it is accepted that they are all essential to healthy and productive relationships. They are best defined in the following ways:

- **Integrity, which means someone acts according to a set of principles or values and can be counted on to keep commitments and do what he or she says**
- **Competence, which shows an individual is capable of successfully performing his or her roles and responsibilities**
- **Compassion, which demonstrates an ability to care about the needs of others as well as his or her own and will work for the good of everyone**

These characteristics of trust are present, in greater or lesser degrees, across five different dimensions. Regardless of the relationship, if trust is not present, miscommunication, unmet expectations and reduced effectiveness all negatively contribute to an organization's mission.

In looking at **FIVE DIFFERENT RELATIONSHIPS** that occur within most organizations, there are clear strategies that should be incorporated to raise the level of trust.

TRUST IS A KEY ASPECT TO ALL RELATIONSHIPS.

Executive ➤ Everybody Else

The predictability and reliability of executive management in the eyes of the employees will, in large, determine the loyalty of the workforce in tough times. Unfortunately, many surveys and research studies report that senior management is the least trusted group in an organization.

To raise the level of trust in this dimension, ensure:

- **Open and honest communication in all levels of the company**
- **A collaborative approach to the workforce**
- **Consistent principles and behaviors**

Manager ➤ Employee

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. When a manager's behavior toward employees is consistent over a period of time, employees can reasonably predict that manager's behavior. The manager will be trusted at a high level. Managers who have difficulty demonstrating faith in others are typically not highly trusted.

To raise the level of trust in this dimension:

- **Tell the truth and share honest information, even if it is to your disadvantage**
- **Demonstrate and foster a win-win focus**
- **Actively seek feedback**

Peer > Peer

Whereas the first two dimensions span the company hierarchy, this dimension explores horizontal interaction, involving manager-to-manager and employee-to-employee interaction. Trust is a foundational 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.

To raise the level of trust in this dimension:

- **Create opportunities for social interaction**
- **Take a strong line against collusion and other demoralizing and counter-productive behaviors**
- **Motivate employees at all levels to solve problems by providing appropriate training, resources and rewards**

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Company > Market

The impact of this dimension has been apparent for some time. Lack of integrity, indifference to the end-user and an “anything to increase profits” mentality have soured customers and investors for decades. Consumers have “advertising fatigue” and demand a more personal relationship with the companies with which they do business.

To raise the level of trust in this dimension:

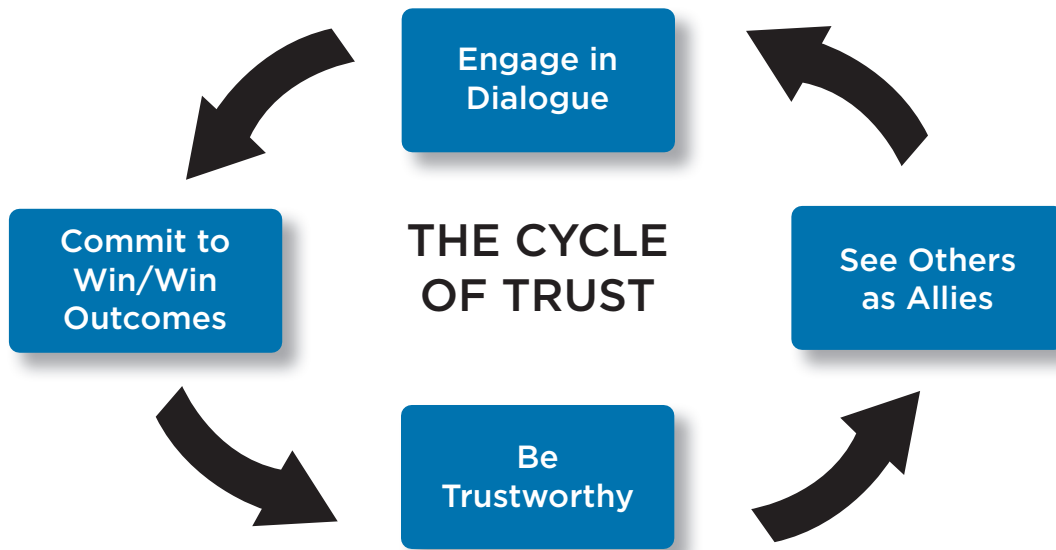
- **Strive for transparency with the public**
- **If a crisis or problem arises, step up and take responsibility**
- **Establish two-way communication with your market**

Company > Vendors/Partners

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. This element of trust is crucial given the increasing role that outsourcing and other third-party relationships are taking in today’s business environment.

To raise the level of trust in this dimension:

- **Set up procurement policies and procedures**
- **Make sure your accounts receivable management team adheres to agreed upon terms**
- **Avoid creating arduous partnering agreements**



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. If you see voids in trust in any of the dimensions discussed in this paper, please consider attending a High Performance Leadership seminar to increase the level of trust in your organization.

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Business results come from the actions of people. Get good at leading others and you get better business results and greater personal satisfaction.

In many companies effective leadership is simply more difficult and stressful than it need be. Titles and tenure do not assure effective leadership. Commitment to the right shared business strategy and persistent application of proven leadership practices does.

If you want to improve results, improve the effectiveness of the people in charge. Individuals and teams are transformed when people learn and apply the perspective, skills and tools of effective leadership. When all leaders in a business do so the results are profound.

Whether you are an engineer, a mechanic, hold an MBA or an MD, make wine or widgets, your profession changes when you become accountable for getting results through others. Learn to do it well and it gets easier, much more satisfying and the results show up in the metrics that matter.

There is no silver bullet. If you want different results it's time to take different actions. If you are ready to consider some possibilities we may be able to help.

