

foundation findings

More Than a Social Virtue: Public Trust Among Organizations' Most Valuable Assets

EDITOR'S NOTE:
This issue of
Foundation Findings
reports on the
PR Coalition summit
on restoring public trust
in corporate America
that was held in January
at Fairleigh Dickinson University
in Teaneck, N.J.
Tamara Gillis, ABC, Ed.D.,
a past chairman of
the IABC Research Foundation,
was a presenter at the summit,
and a synopsis of her comments
has been adapted for this report.

Leaders from 19 professional communication organizations attending the PR Coalition summit earlier this year weighed in with ideas and strategies for restoring public trust in corporate America. The summit examined three specific aspects of trust: ethics, disclosure and transparency, and trust measurement. Communicators reached consensus on three major industry-wide recommendations to CEOs:

1. CEOs should articulate a set of ethical principles closely connected to their core business processes and supported with deep management commitment and enterprise-wide discipline. CEOs need to develop a statement of purpose and governance that incorporates ethics training and ethics as part of evaluations.
2. CEOs should create a process for transparency that is appropriate for current and future operation conditions. It should include an oversight committee, culture audit and consistent messaging. CEOs should ensure that they have professional, competent PR counsel who would serve as a strategic integrator, champion, bridge builder, catalyst, facilitator and record keeper for appropriate transparency.
3. CEOs should establish a formal system to measure trust as a business standard for benchmarking. CEOs should make trust a corporate governance issue and a board priority tied to compensation.

DEFINING TRUST

Communicators at the summit also spent time defining organizational trust and discussing its multi-dimensional value. In her remarks on behalf

of IABC, Tamara Gillis, ABC, Ed.D., noted that organizational trust is an international business imperative. Trust affects an organization's ability to develop and sustain relationships with partners and publics. Trust is "social capital" measurable against the corporate bottom line and is culturally defined by rituals and religion.

Trust has a direct effect on an organization's ability to cope with change and crisis. Employee job satisfaction, productivity and team building are affected by trust. In addition, high levels of organizational trust correlate to lower incidence of litigation and legislative action, according to the 2000 IABC Research Foundation study "Measuring Organizational Trust: A Diagnostic Survey and International Indicator."

The study, conducted by Pamela Shockley-Zalabak, Ph.D., Kathleen Ellis, Ph.D., and Ruggero Cesaria, and sponsored by United Technologies, provides a look in depth at the importance of organizational trust and offers a diagnostic measurement tool for assessing trust within an organization.

Gillis noted that organizational trust is rooted in two communication theories that help explain how people interact within organizations:

> **Social exchange theory** assumes that people gauge the outcomes of interactions and rationally choose the action that will provide the best result for them based on the track record of past exchanges, shared values and communication strategies.

> **Cost/reward theory** assumes that relationships are shaped by rewards and costs. Opportunistic behaviors occur because parties in the exchange perceive that the reward outweighs the cost (sanction).

The first theory argues that trust prevails even when opportunism might rationally be expected; the frequency of interactions encourages trustworthy behavior, even if there is an opportunity to be less

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ABOUT THE FOUNDATION

The IABC Research Foundation contributes to a body of knowledge that advances the practice, perception and effectiveness of communication. It serves IABC, its members and others in the profession through research on organizational communication.

> “MEASURING ORGANIZATIONAL TRUST” is available for purchase through IABC. To order online, visit www.iabc.com/store or call 800-776-4222 or +1 415-544-4700.

> For more information on the Foundation's participation in the PR coalition summit on restoring public trust in corporate America, visit www.iabc.com/fdtweb.

than trustworthy or when no sanctions against such behavior exist. The second assumes that untrustworthy behavior will be curbed by controls.

“Measuring Organizational Trust” summarizes business communicators’ and organizational development experts’ understanding of organizational trust: “The organization’s willingness, based upon its culture and communication behaviors in relationships and transactions, to be appropriately vulnerable, based on the belief that another individual, group or organization is competent, open and honest, concerned, reliable and identified with common goals, norms and values.”

According to the study, organizational trust exists on multiple levels (individual, group, institutional) and is

- > culturally rooted
- > communication-based
- > dynamic (constantly changing, building, stabilizing and dissolving)
- > multidimensional (cognitive and emotional).

MEASURING TRUST

Communicators can measure organizational trust in several vital areas using the diagnostic tools contained in “Measuring Organizational Trust.” The study includes an Organizational Trust Index (shown), which allows communicators to measure trust in their organization against an international database of responses.

The IABC Trust Model is based on competence, openness and honesty, concern for employees, reliability and identification.

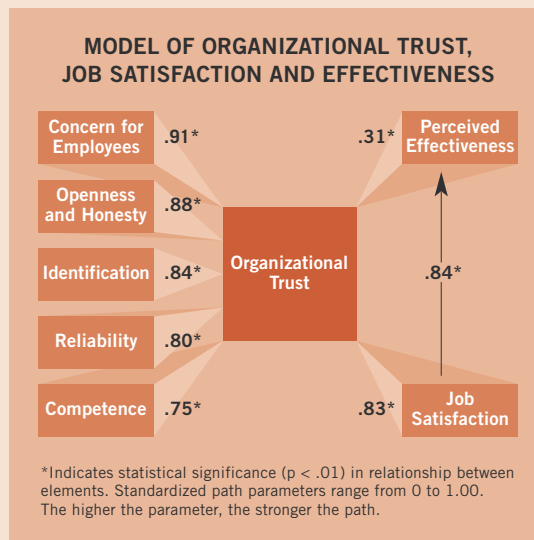
> **Competence.** How competent is the organization? Is the organization effective—will it survive and be able to compete? Signs of competence include adaptation to technology and confidence in the organization’s leaders as perceived by factors such as intelligence; clarity of thinking; communication skills; and problem solving, crisis management and decision-making.

> **Openness/Honesty.** Openness and honesty are characterized not by the information itself, but (the perception of) how it’s delivered, referent power, practiced self-awareness and social deftness.

> **Concern.** Self-interest on the part of the organization is balanced with others’ interest. Concern is demonstrated through experience and perceived sincerity, caring and empathy, reliability and congruency between words and actions.

> **Identification.** This is the common ground of shared goals, values, norms and beliefs.

Identification results from communication behaviors



and interpretive processes, much of which is culturally rooted in organizations and society.

> **Reliability:** Being reliable is defined as having “consistent and dependable actions.”

The IABC study also provides a survey for communicators to gather data about trust in their organizations. When compared to the index, areas of strength and weakness are identified that can be used to develop plans to build or reinforce trust.

In the words of Sissela Bok, author of “Lying: Moral Choice in Public and Private Life,” “Trust and integrity are precious resources, easily squandered, hard to regain.”

In these post-Enron times, measuring trust and then developing a communication plan to strengthen and perhaps even regain it should be part of every communicator’s job. **CW**

