



A MATTER OF TRUST

Most of us will never have to deal with the kinds of scandals that have plagued the corporate world, but that doesn't mean we don't encounter ethical dilemmas every day

by Pamela Shockley-Zalabak, Ph.D.

Almost everyone agrees that ethical violations contribute to breaches in trust and other negative outcomes. But does behaving ethically necessarily increase trust? We intuitively understand relationships between ethics and trust, but most of us have a harder time thinking practically about what it means in terms of our organizational responsibilities.

We've all seen the headlines: "Apple's Workplace Violations Report" (*The Hill*); "Clarence Thomas Failed to Report Wife's Income, Watchdog Says" (*Los Angeles Times*); "Ethics Pledge Stymies Appointee" (*The Hill*); and "FIFA Bans, Fines Two Executive Committee Members" (*Euro News*), to list a few. The early years of the 21st century have witnessed a rash of corporate scandals. Enron, Global Crossing, Synergy, Xerox, Adelphia, Tyco and WorldCom are but a few examples where significant abuses resulted in the loss of billions of dollars, unemployment for thousands and criminal charges leveled at leaders. Deceptive messages, illegal accounting practices, corporate profits taken for individual gain, the creation of phantom entities to record transactions and disguise debt, and a

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variety of strategies to avoid taxation were used to secure questionable and illegal advantage, resulting in scandal and public outrage. The global financial crisis beginning in 2008 can be traced to multiple ethical abuses, as well as outright illegal behavior.

Although some of the most visible scandals can be linked to individual behavior, increasingly, organizational structures and cultures have been assessed blame. We know that people get fired, fined, denied positions and worse. We know that organizations lose customers, harm employees and even cease to exist. Without question, highly publicized ethical breaches lower trust.

Thankfully, most of us will never be associated with such serious levels of abuse. The vast majority of ethical breaches never make headlines. Some are never recognized, while others steadily lower organizational trust and overall effectiveness. It is these less visible abuses that are the types of ethical dilemmas most of us encounter.

So what are our personal and professional responsibilities for building ethical behavior and trust? The answer often given is, “Be ethical and trustworthy.” It’s a fundamental answer, but it’s totally insufficient to build an effective organization. The real challenge is much more complex: distinguishing between ethics and trust, understanding the relationship between the two, understanding the relationship of trust to effectiveness, identifying ways to evaluate ethical communication and the drivers of trust, and intentionally using strategic communication to support ethics and build trust.

The relationship between ethics and trust

Simply put, ethics are the standards by which behaviors are evaluated for their morality—their rightness or wrongness. When specifically applied to business communication, ethics are the moral principles that guide our judgments about the good and bad, the right and wrong of communication, not just communication effectiveness or efficiency.

Definitions of trust are numerous and varied. Based on the research my colleagues and I have conducted, and our professional experience, we offer the following: “Organizational trust is the overarching belief that an organization in its communication and behaviors is competent, open and



honest, concerned, reliable, and worthy of identification with its goals, norms and values.” As such, trust is a multifaceted experience in organizations and is culturally determined, communication-based, dynamic and multidimensional (behavioral, cognitive and emotional).

Obviously, ethics and trust are related. Ethical judgments are based on the standards in use for both behaviors and decisions. Trust can be the overarching reaction to behavior and decisions. A decision or behavior can be ethical or unethical. It does not follow that trust results from ethical behaviors and decisions and that distrust occurs when decisions or behaviors are unethical. Trust is a more complex phenomenon, based on the perceptions of decisions and behaviors. We know unethical people who are trusted, and we know ethical people who are not trusted. This is unhappy but true. Ethics influence perceptions of trust, and trust influences perceptions of whether decisions and behaviors are ethical. They are powerfully related, but not the



"The damage caused to FIFA as regards its image is very great," Claudio Sulser, president of FIFA's ethics committee, told *The Guardian* last November, after two executive committee members were banned following a probe into alleged vote-buying during bidding for the 2018 and 2022 World Cups. "Now, we are trying to work in complete transparency."

same. The distinctions and relationships are important for strategic communication.

Evaluating ethical behaviors

There are many ways to think about what constitutes ethical behaviors and decisions. I'd like to propose a framework of four habits that, when applied to a variety of organizational processes, decisions and behaviors, can assist leaders and communication professionals as well as individual contributors in evaluating not only their own behaviors but also the processes, practices and policies that become the ethical underpinnings of the organization and that contribute to the

organization's trust profile. The four habits are adapted from *Fundamentals of Organizational Communication*, by Karl Wallace, Rebecca Rubin, Jess Yoder and myself, and are widely used for ethical decision making in interpersonal, group and organizational settings.

1. **The habit of search** describes the willingness to explore the complexity of issues or problems.
2. **The habit of justice** promotes presenting information as openly and fairly as possible, with concern for distortion in understanding.
3. **The habit of public** versus private motivations requires sharing of sources, information, special opinions, motivations or biases that might influence positions or decisions.
4. **The habit of respect** for dissent encourages opposing viewpoints and arguments as processes, policies and decisions are developed.

These habits suggest that individuals and groups engage in ethical behaviors when they thoughtfully analyze problems and issues, are open to diverse types and sources of information, conduct their deliberations openly and without hidden agendas, and not only respect different viewpoints but also encourage disagreement and dissent to produce superior ideas and solutions.

From the perspective of the habits, unethical behaviors suppress the examination of issues, withhold relevant information to pursue personal interests or motivations, and use dissent to press for special advantages. In the end, ethical behaviors promote informed choices from among known alternatives. The abuses discussed earlier clearly violate this habit framework.

Trust and organizational excellence

The evidence is clear: Trust is fundamental for the achievement of organizational excellence. A broad range of studies and empirical evidence links trust to bottom-line economic performance and the achievement of goals. Restaurants, sales forces, sports teams, and nonprofit and for-profit organizations all experience more success with high-trust profiles. Stock market performance is significantly better in high-trust organizations; top and bottom innovators can be distinguished by organizational trust levels.

Distrust comes at a high cost. "Us versus them" behaviors occur between organizational functions.

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Distrust lowers employees' desire to contribute to productivity goals. Even rewards such as pay raises or promotions cannot easily restore trust. Distrust breeds fear, destructive behaviors and the inability to deal effectively with crises. It's also expensive, due to increased costs for surveillance, compliance and low supervisor-to-employee ratios. Additionally, trust levels affect the types of organizational structures that can be used and how organizations learn and renew themselves.

The five drivers of trust

The five drivers of trust—competence, openness and honesty, concern for employees and stake-

holders, reliability, and identification—were developed through a research project sponsored by IABC. The research was conducted in multiple languages, with respondents from 53 organizations in eight countries on four continents. The results indicated that the five identified drivers were strong and stable predictors of organizational trust across cultures, languages, industries and types of organizations. The more positive the trust scores for an organization, the more effective the organization was perceived to be and the more satisfied employees were with their jobs. Low trust scores had the opposite effect.

1. Competence. The competence driver represents the ability of the organization, through its leaders, strategy, decisions, quality and capabilities, to meet the challenges of its environment. Competence relates to the overall efficiency of the organization as well as to the quality of its products or services. It comes from the capabilities of employees at all organizational levels. Finally, competence is measured by an organization's ability to achieve its objectives.

2. Openness and honesty. This driver is reflected in how organizations communicate about problems, engage in constructive disagreements and provide input into job-related decisions. Openness and honesty are evaluated positively when managers and supervisors keep confidences and provide information about job performance and evaluation of performance. Employees evaluate an organization as open and honest when they are provided information about how job-related problems are handled and how major organizational decisions will affect them as individuals.

3. Concern for stakeholders. This driver is squarely about communication and stakeholder policies, processes and practices. Stakeholders trust organizations when they believe they are heard. Trust is higher when leaders bring information to those affected by their decisions. Safety procedures, health plans and benefits, family leave, vacation, performance evaluation, salary scales, promotional practices, customer policies, service requirements, vendor policies, and a host of other processes indicate whether the organization is truly concerned about its stakeholders.

4. Reliability. This is about keeping commitments and basic follow-through. It is about leaders doing what they say they are going to do and describing why change must take place, as well as consistent behavior. Reliability includes listening to ideas, issues and concerns, and responding, whether the answer is positive or negative. It is a steadiness in behavior that builds the trust necessary for uncertain times.

5. Identification. This is the connection between the organization and stakeholders that is most often based on core values. Identification is high when stakeholders believe their values are reflected in the values the organization exhibits in its decisions, communication, policies and practices.

Building the high-trust organization

There seems to be a widespread belief that trust matters, but that there is little we can do about it. Trust building must be more intentional, and must be the responsibility of both corporate leaders and professional communicators. We know that being trustworthy and being trusted are not the same. It is hard to face the truth that integrity does not equate to trust. Integrity and ethical behaviors are fundamental for trust, but organizational trust requires a more sophisticated alignment among intentions, behaviors and interpretations of behaviors.

The four habits and the five drivers provide a framework for building a high-trust organization. The four habits help leaders and professional communicators evaluate individual behaviors, select decision-making processes, evaluate strategic communication strategy, and evaluate important processes, policies and procedures for their ethical impact. The five trust drivers provide a framework to continually monitor the trust profile of an organization; identify productivity measures important for trust monitoring; evaluate policies and procedures; align vision, strategic direction and operations; and develop communication strategies for trust building.

Here's a specific admonition: Leaders must respond quickly to ethical abuses. Distrust grows when abuses are ignored, action is delayed or secrecy surrounds ethical violations. To be sure, legal actions can constrain what is communicated with respect to certain abuses. However, legal constraints should not block communicating basic action to address known ethical violations. Leaders, legal counsel and communication professionals must work together to determine how best to communicate in particular circumstances. A core message should make clear that ethical violations will not be tolerated, that a complete understanding of the violating situation will be developed and that safeguards will be put in place to prevent further abuses.

A culture of trust requires ethical behaviors and practices throughout the organization. Ethical action and high-trust organizations are not accidents. They develop from the intentional behaviors and strategic planning of leaders, professional communicators and individual contributors. •

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about the author

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