



LEVERAGING CULTURE TO BUILD TRUST INSIDE THE ORGANIZATION



STRATEGIC ALIGNMENT



MERGER & ACQUISITION



TRANSFORMATION & TURNAROUND



TALENT MANAGEMENT

Why Trust Matters

The high cost of mistrust is well captured and documented in many sources. From academic journal articles to popular books, we find numerous case examples illustrating how a lack of trust has hurt organizations in various ways. Research evidence backs up these findings, demonstrating that low levels of trust in organizations can lead to employee dissatisfaction, deviant behaviors, ineffective teamwork, and poor performance. In contrast, high levels of trust in organizations have been linked with a range of positive outcomes, including employees who are more open, honest and loyal; teams that operate seamlessly and drive high-performance workplaces; and organizations that are more resilient in tough times, less resistant to change, and higher performing overall.

So, how can organizations build high levels of trust and avoid the pitfalls of mistrust? Where should they begin? This research note builds on our experience working with clients who have successfully leveraged culture to build trust inside their organizations. Using research conducted with the Denison tools, we uncovered a number of key cultural linkages that provide a road map for successfully building trust in organizations. First, we define in detail what we mean by organizational trust and then introduce the Denison Organizational Trust Module as a tool intended to measure levels of trust within an organization along a number of interrelated components.

The meaning and measurement of trust in organizations

Trust is a belief that one can rely on or have confidence in someone or something beyond oneself (Robinson, 1996). In a workplace, trust is reflected in the relationships that connect individuals to each other and to the groups they belong to. For example, one can trust [or not trust] a specific co-worker, co-workers in general, a specific boss, or the leadership of the organization.

Rather than focusing on trust within specific relationships, organizational trust focuses on what is perceived in general within an organization whether members believe that co-workers have positive motives and intentions, that their best interests are considered in the organization, and whether others can be relied upon.

Further analysis of organizational trust reveals a number of core components. It is very important to look at each of the components because each holds unique implications in an organization. These include specific beliefs related to benevolence, integrity, honesty, and openness. Each component contributes one frame of the total picture of trust within an organization, and each is essential of a strong foundation for trust to exist. By the same token, the foundation for trust can be damaged for different reasons, and it is therefore necessary to "deconstruct" trust components to fully understand why this is the case.

The **Denison Organizational Trust Module** was developed to complement the Denison Organizational Culture Survey (DOCS) by providing specific, measurable insights into the core components of trust in organizations. The Trust Module includes 6 items that assess employees' perceptions of trust along each component described above. Benevolence captures trust in decision-making and intentions in the organization. Integrity focuses on trust in lived-out actions that are consistent with stated intentions and principles. Honesty reflects whether people can be trusted at their word with accuracy and truth. Openness reflects trust that important information is not intentionally hidden from employees. Insights from these components are triangulated against a single item reflecting employee perceptions of overall trustworthiness. As with the DOCS, the Trust Module is a fully validated,

reliable instrument that produces benchmarked results relative to other organizations.

The Organizational Trust Module: Items and components

- In this organization, decisions are made with employees' best interests in mind. **(Benevolence)**
- People in this organization have good motives and intentions. **(Benevolence)**
- This organization conducts business with integrity. **(Integrity)**
- The people who work here are honest. **(Honesty)**
- There are very few secrets in this organization. **(Openness)**
- Employees consider this organization to be trustworthy. **(Overall trustworthiness)**

Leveraging culture to build trust in the organization

Research indicates that the culture of an organization plays an important role in setting the stage for a strong foundation for trust. The values, norms, rituals, and habits that are built up over time both reinforce and reflect what is "in-bounds" and "out-of-bounds" in the organization – who gives and receives trust? How is trust built, demonstrated, violated, and renewed? What does having trust enable individuals, teams, and the organization to do? The answers to these questions are closely intertwined with the culture – the way we do things around here – and have key implications for the way organizations function. Whether an organization is exploring its culture of trust, looking for ways to build on an already - strong foundation, or responding to a serious threat or damage, an important first question is where to begin. What are the levers in the culture that most directly influence levels of trust in an

organization?

To discover where the culture-trust linkages are strongest, we conducted analyses using a sample of 57,188 individuals from 149 organizations who completed both the DOCS and the Trust Module. Across organizations, we correlated scores on the DOCS with scores on the Trust Module. All 12 culture indexes yielded strong (and statistically significant) positive relationships with trust. Overall, this indicates that organizations with more effective cultures have, on average, higher levels of trust, and that all aspects of the culture play a contributing role.

The Organizational Trust Module Benchmarks: A 30,000 ft View

- Scores on the Trust Module are compared to a normative database and converted to percentile scores
- The benchmark database consists of data from 161 organizations
- 58,471 individuals completed the Trust Module
- 70% of organizations were headquartered in North America; however, respondents were widely dispersed across the world (e.g., 67% non North American respondents)

Although culture is positively linked to trust in general, as these results suggest, it is nevertheless possible for an organization to complete an assessment and find DOCS and Trust Module scores that are not aligned exactly.

When the two scores do not seem to be as clearly linked as one might expect (e.g., high DOCS score but low Trust Module scores), it is important that the organization take a closer look at the aspects of culture that serve as

the strongest drivers of trust to identify where potential challenges may exist.

Interpreting Trust Module Scores

- When Trust Module scores are very high, trust is likely to be strong throughout the organization and across facets of trust.
- Mid-range Trust Module scores often reflect a mixture of potential strengths and developmental needs. It is likely that there is uncertainty about some areas of trust rather than a clear sense of mistrust in the organization.
- Low Trust Module scores more clearly point to trust as an area of concern for the organization. It is likely that some (or several) aspects of trust may be damaged and will require special attention to be rebuilt over time.

In other words, not all aspects of the culture will be equally important for building and maintaining trust in the organization. The results of our analysis help to identify three areas that warrant close attention.

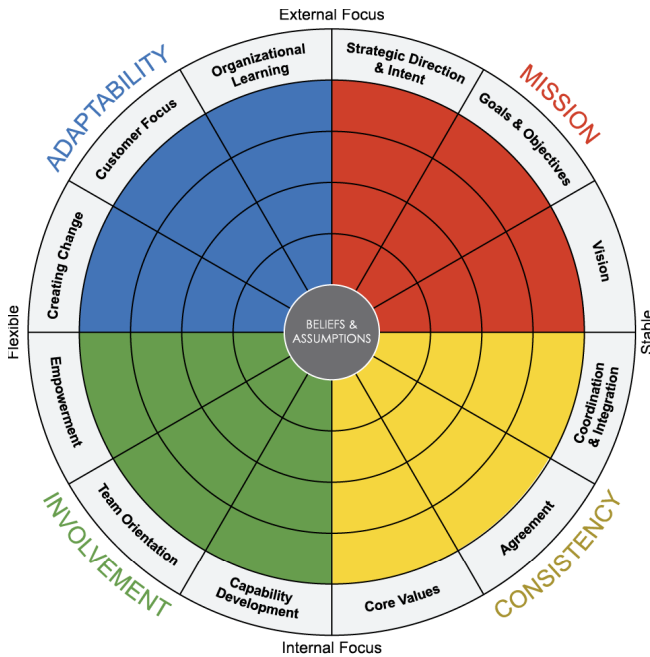
Looking at a more specific level, three culture indexes in particular demonstrated strong, positive linkages with trust: **Empowerment (r = .83)**, **Agreement (r = .80)**, and **Capability Development (r = .75)**. Hence, these results suggest some clear paths to building trust by using culture as a lever:

- Empower employees to own and be accountable for their day-to-day work; foster involvement by giving employees a voice in business decisions.
- Work on agreement as a way to build strong relationships; get people talking and working together through the issues that are most

challenging and divisive.

- Set a clear tone that the collective capability of people are valued as the most important asset of the business; support personal and professional development through decisions and follow-through actions.

Figure 1. Link between DOCS index & Trust score: Three strongest correlations



The strong relationship observed for Empowerment suggests that trust is highest when information is widely shared and people are involved in decisions and business planning. Agreement is also key, with the most trustworthy organizations creating clear paths to bring people together on difficult issues. The third crucial factor is Capability Development. Trust is strongest when the competence and development of people are focused strengths of the culture.

In addition to these clear levers for building a strong trust foundation, what are some of the specific behavioral norms,

values, and work practices that may need to change? This is where a deeper dive using specific items in the DOCS can add useful insights.

Table 1 highlights the specific values and norms linked most strongly with the components of trust assessed by the Trust Module. As each Trust Module item provides insight into a unique aspect of organizational trust, it is important to look at patterns across components as well as the overall Trust Module score to understand the source of trust issues. With this understanding of where and why trust may be damaged, organizations can identify more targeted areas of intervention for each component of a strong trust foundation— some ideas are outlined in the table (see next page).

Conclusion

Trust is a complex and sensitive topic to deal with for many organizations. We believe building trust inside the organization starts with leveraging organizational culture. Understanding specific norms, values, and work practices that may be facilitating or hampering trust will enable organizations to build capacity for trust and ultimately build a high performing and high trusting culture.

Table 1. Organizational culture and trust: Where they correlate most strongly

Components of a Strong Trust Foundation	Cultural Values/Norms that Support Trust	How Organizations can Take Action
Benevolence/compassion	<ul style="list-style-type: none"> • The leaders and managers practice what they preach • Everyone believes that he or she can have a positive impact 	<ul style="list-style-type: none"> • Leaders and managers need to be the first to demonstrate trust and model the behaviors and expectations that they set for others • Encourage and praise employees for personal and professional success. Celebrate performance that is mutually beneficial for the individual and organization.
Integrity	<ul style="list-style-type: none"> • There is a clear and consistent set of values that governs the way we do business • The capabilities of people are viewed as an important source of competitive advantage 	<ul style="list-style-type: none"> • Employees trust leaders who are consistent and dependable. Keep promises and fulfill commitments. • Build the skills of employees through training, coaching and stretch assignments. It is easier to trust someone at work if you believe they have the skills and experience needed to do the job.
Honesty	<ul style="list-style-type: none"> • People work like they are part of a team. • When disagreements occur, we work hard to achieve "winwin" solutions. 	<ul style="list-style-type: none"> • Take risks together. People who take risks together form a bond that comes from being vulnerable together and working together to try something new. • Be open. When employees show others that they are open to new ideas and encourage others to share their opposing opinions, organizations not only create an environment of trust but also support a culture of innovation.
Openness	<ul style="list-style-type: none"> • There is widespread agreement about goals. • Information is widely shared so that everyone can get the information he or she needs when it's needed. 	<ul style="list-style-type: none"> • Engage employees in the performance management process at the individual, department, and organization level. • Share information and resources. Employees want to know what is going on. Leaders and managers must make an effort to keep them informed of any changes being made. Let them hear it from their managers first, and it will create a greater sense of loyalty and trust.

FOR MORE INFORMATION

United States

121 W. Washington Street
Suite 201
Ann Arbor, MI, 48104
Phone: +1 (734) 302 4002

Europe

Freiestrasse 7
CH-8570 Weinfelden
Switzerland
Phone: +41 71 552 0571

United Kingdom

36 Coquet Terrace
Newcastle upon Tyne
Heaton, NE65LE England, UK
Phone: +44 7961 974 568