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In This Issue:

HR & COMMUNICATION

- Building Bench Strength for the Future
- Making Informed Hiring Decisions
- Go Beyond Trustworthiness
- 7 Essentials for Organizational Success
- The Power of a Template
- Business Writing Mistakes



Craig Dowden, Ph.D.

Go beyond trustworthiness – aim for trustability

Trust is one of the most intangible, yet vital cornerstones of our economic engine. Unfortunately, in recent years there has been an unrivalled crisis of confidence in our organizations, as countless scandals have rocked the headlines. In fact, the annual Edelman Trust Barometer, a global survey that focuses on trust and credibility within public and private sector institutionsⁱ, has noted a precipitous and historic decline in trust over the past three to four years.

THE BUSINESS CASE FOR TRUST

At the beginning of the financial collapse, the Editor of the Harvard Business Review notedⁱⁱ, “If companies can’t address this problem, an economic turnaround may be delayed indefinitely...consumers won’t open their wallets for anything they consider nonessential. A complex modern economy simply can’t function unless people believe that its institutions are fundamentally sound” (pg. 8).

Not surprisingly, there are countless ROI benefits for organizations who decide to invest in the business of building trust. In one of the recent Edelman surveys, 91% of respondents purchased a product or service from a company they trusted while 77% reported refusing to buy a product or service when they mistrusted an organization.

In another powerful example of the ROI of building trust with consumers, 55% of those people surveyed by Edelman mentioned they would pay a premium for their services/products. Anecdotally, this makes a lot of intuitive sense. Companies such as Apple and Starbucks are not the most economic options available, yet they continue to grow and acquire considerable market share. Customers of these organizations identify strongly with their products and have established an unspoken trust with the brand.

In their latest book, *Extreme Trust: Honesty as a Competitive Advantage*, international best-selling authors

Don Peppers and Martha Rodgers (Ph.D.) argue that the advent and power of social media has rewritten the rules of how we do business. In today’s world, organizations no longer have as much control over what is being communicated. Twitter, Facebook, YouTube and even LinkedIn have all become major players in the world of work where people can share their views in real time. Now, a customer can share his or her dissatisfaction immediately with the world without censure, and with tremendous repercussions for the offending institution.

HOW TO BUILD TRUST IN YOUR ORGANIZATION

Being aware of the positive benefits of building trust in organizations leads us to an obvious yet important question: How can we build more trusting relationships with our clients/stakeholders? To help translate Peppers and Rodgers’ findings into tangible actions, I asked them for their thoughts on putting these theories to work.

According to the authors, although trustworthiness is a laudable goal, it is not enough because it entails only doing what is expected from you and your business. Essentially, being trustworthy means ‘following through on your promises’. They propose that businesses need to focus on enhancing their *trustability*, an elevated form of trustworthiness.

There are subtle, yet crucial differences between the two concepts. First, while many organizations talk about putting their customer needs first, how many actually do? Peppers and Rodgers assert that organizations need to enhance their trustability by keeping customer needs their top priority. They offer one such example:

“Imagine a credit card company where they counsel you to spend money wisely. Imagine that you can set spending limits on your account so you do not run into trouble in the future. How about a credit card company that gives you a

ⁱ Edelman is the world’s largest independent public relations firm, with 3,200 employees in 53 offices worldwide.

ⁱⁱ Harvard Business Review (June, 2009). From the Editor (page 8).

bonus for paying off your balance more quickly? How likely would you be to sign up for a card with this type of service attached?"

In the case of the above, a credit card company could be seen as trustworthy if it charges the right fees, honours advertised promotions, etc. However, each of the additional actions outlined in the quote above enhance *trustability* and sends the message that the company is concerned, first and foremost, with the well-being of the customer before the profit needs of the organization.

Another equally, if not more important element of trustability relates to its proactivity. In other words, according to the authors, organizations need to be actively seeking ways to improve the lives of their customers through their products or services.

"Prepaid gift cards are a booming consumer industry. Think about how many cards go unused. Rather than think of these as profit, imagine if a company would send you a reminder email or automated message informing you of your balance or an upcoming expiration date. How would this affect your feelings towards this organization? How likely would you to buy a gift card in the future?"

Their ideas strike at the heart of every business. As they convincingly argue, much of the foundation of customer trust is within our control. We can choose to enact these strategies if we wish. Businesses that follow these guidelines will be the standard-bearers of success in the future.



CONCLUSION

Although trust is a critical element in our economic system, it is one that may seem increasingly hard to capture. Companies recognize that building long-term relationships with customers is essential to corporate survival, yet struggle with achieving this fundamental principle. The answer may be far simpler than we think. If organizations truly put the needs of the customer first, all else will follow. Rather than paying attention to maximizing our return, focusing on building trust with our customers will serve our businesses well, both now and in the future.

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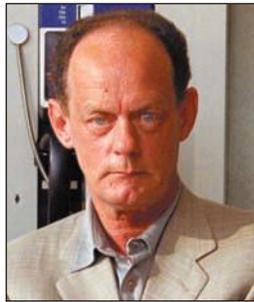
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