



United Arab Emirates



The Government Summit Thought Leadership Series

Building Citizen Trust in Government Entities

Strengthening public confidence
and driving efficiency



In collaboration with
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Executive Summary

Vital to the smooth operation of any governmental entity is having the trust of those it is trying to serve. Around the world, there has been a general decline in the amount of trust that people place in all institutions involved in service delivery – including government entities. Why? Because, as the citizens, residents, and businesses that deal with government entities are increasingly in interactive communication with each other, more and more citizens and other constituents have a clear picture of what a government is all about, and they are demanding a higher standard.

In this environment of universal transparency, if a government entity is to earn and keep its citizens' trust, then it must demonstrate with its actions (1) that it respects its customer's (i.e. citizen's) own interests at all times, and (2) that it has the competence to administer rules and provide services. Moreover, as citizens have experienced better and better customer service from the businesses they deal with, they have come to expect that government entities will protect their interests proactively, even when they aren't fully knowledgeable themselves, or when they may not be paying close attention.

In this white paper, the requirements of good intentions and competence are subdivided into six different building blocks, and each building block is further deconstructed into the many different attributes it represents. Finally, we suggest six important steps every government entity should take toward becoming more trustable in the eyes of its citizens.

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The Rising Importance of Trust

After having struggled with internal efficiency and governance issues for the past few decades, government entities around the world are beginning to discover that trust is a key enabler for future operating models. Trust between citizens and government entities is becoming increasingly important. Trust allows citizens to interact more efficiently and government entities to operate more effectively. When people trust their sources so much that they don't have to check those sources or verify details, then they can rely on what they learn immediately, whether they're paying a bill, trying to find a government regulation, or complete an online application for a permit. People filter information based on trust. By contrast, untrustworthy interactions are very inefficient, and people have to doublecheck everything. They may even have to check with an expert before they act.

Untrustworthy interactions waste people's time. They also create extra work for governments and add to costs. When citizens trust the information provided on a government website or contained in an interactive voice response (IVR) system, they are less likely to have to take the time to double-check the validity of the information directly with a government official, saving the citizen time and saving the government money. When this level of trust is in place, a citizen can complete his or her transaction more efficiently with greater confidence in the government entity. In turn, the government entity is able to process the trans-

action more cost-effectively on a digitized, self-service platform instead of consuming valuable human resources that could be deployed on other valuable endeavors.

As social media platforms and consumer technologies continue to proliferate, both the volume and speed of interactions between people and institutions are accelerating. The more people-to-people and people-to-organization interactions there are, the more trustworthiness people will demand.

Rising levels of interactivity also make the world more transparent. Whatever information a person shares today, anywhere in the world, thousands (or millions) of others can know about it tomorrow. Because of social media and other forms of electronic interaction, it is more difficult and costly to keep a secret today than ever before, so when people or entities are not trustworthy, they are quickly exposed.

The rising levels of interactivity is particularly important for government entities to recognize and leverage. The entire world watched the Arab Spring unfold on Twitter and Facebook, and citizens of different nations followed along as events and opinions developed. For a government entity today, enjoying the trust of its customers has never been more important.



General Lack of Trust in Government Entities and Other Institutions

Regrettably, citizen trust in government entities (and many other institutions) has declined significantly over the past several decades. According to the 2012 Edelman Trust Barometer, an annual study examining the state of trust in government entities, business, media, and non-governmental organizations (NGOs) among 30,000+ people in 25 countries, citizens in a majority of countries say they don't trust their government entities.

However, the results of this survey vary widely by country. On a nine-point scale where one means citizens "do not trust them at all" and nine means that citizens "trust them a great deal," citizens in countries such as Spain (20 percent), Japan (25 percent) and Russia (26 percent) have low levels of trust in government.

By contrast, citizens in the United Arab Emirates (78 percent), China (75 percent), Singapore (73 percent), and The Netherlands (61 percent) have high levels of trust in their governments.

In order to earn and keep the trust of citizens, non-citizen residents, and businesses operating within their boundaries, governments must deliver on two primary components: intent and competence. Government entities must design and deliver services that are fashioned in the best interests of their customers and other stakeholders. And government entities must deliver such services competently. In order to gain and maintain trust, government entities must demonstrate willingness to serve and competence, and they must do it consistently and proactively.

Customers Have Rising Standards With Respect to Trust

Because of the rapid rise in the demand for trustworthiness, and as technology continues to generate greater transparency among individual customers, businesses, and government entities, customers are holding government entities to a much higher standard than before. Rather than simply expecting clear answers from public servants, customers are demanding proactive trustworthiness, or what we at Peppers & Rogers Group refer to as “trustability.” If a customer is about to make a mistake, overlook a required action, or is in danger of missing a filing deadline, increasingly the burden will be on the government entity itself to remind him, and to help him figure out what he needs to do to avoid unintentionally or unknowingly damaging his own interests.

In the business world there are already an increasing number of examples of trustability in action (or proactive trustworthiness):

- If you are paying for more voice, SMS and data services than you are using with Vodafone Turkey, the company will proactively suggest a less expensive, and more appropriate, calling plan for you.
- When you try to buy a book from Amazon or a song from iTunes that you purchased before, the company will warn you that you already obtained this product once, so are you sure you want to buy it again?
- If you have idle money deposited at Ally Bank, the bank will proactively suggest that you could transfer the money at no cost to a different account where it would earn higher interest.

- If you buy enterprise SQL Server software from Microsoft, you will also receive vouchers allowing your business to send your IT people to be trained at Microsoft’s expense. If you have not redeemed these training vouchers after a period, Microsoft will proactively remind you not to forget this free service.
- In South Africa, where potato farmers face several different combinations of soil and climate, the agrichemical company Syngenta will recommend the correct mix of chemicals and treatments for each farmer’s own individual situation, sometimes even recommending a direct competitor’s products, when they are likely to do a better job.

For a business, customer trust is a tool for improving long-term shareholder value. When a business proactively protects a customer’s interests, it is rendering a very high level of customer service. Trustworthiness like this demonstrates a kind of “empathy” for customers, and for a business, empathy demonstrates and also delivers a very high level of customer insight and commitment to acting on it. It is a business’s way of saying to a customer, “We know who you are and we have your best interests at heart.”

For a government entity, having empathy for customers is the ultimate form of customer-centric government policy. Being trustworthy will almost certainly lead to improvements in customer compliance with regulatory requirements, will strengthen customer loyalty and will increase support for a government entity and its legitimacy.



Defining and Understanding Trust

In order to fully comprehend how to earn the trust of a customer, we also need to understand what the idea of “trust” actually means. There have been numerous studies on the issue of trust and trustworthiness over the years, and academics from many disciplines have expounded on its components. A few of the most recent business, economic, and social books on the issue are listed in the appendix to this paper, along with some references to the importance of trust in social media.

Overall, most academic authorities agree that the components of trust can be categorized generally into two areas: good intentions and competence. Another way to think about it is that trust involves doing the right thing for customers (good intentions) and doing things right (competence).

Good intentions. Before a customer will trust any government entity, he must respect the entity’s intentions first. Is the government entity only watching out for its own interest, or is it watching out for its customers, too? In other words, does the customer anticipate that the government’s actions will be designed in all cases to serve the best interests of its customers?

Competence. A customer will also try to evaluate whether the government and its various ministries and departments are actually able to deliver on its good intentions. That is, does the government entity have the competence to render timely and effective regulatory policies or decisions, handle individual inquiries expeditiously and appropriately, and dispense licenses, permits, and other papers efficiently?

As we discussed earlier, today's customers have set higher expectations based on the empowerment they've achieved through their mobile/social connections and as a by-product of the greater transparency characterizing modern, electronically interconnected societies. As with the businesses they buy from, customers will now expect their government to be proactively trustworthy, or "trustable."

Historically, government entities have often acted and operated in ways that could be viewed as untrustworthy – even if that was not their intention. For instance, when citizens or non-citizens residing in a country have to wait in long lines at an agency responsible for transportation permits, the experience from the point-of-view of the citizen, resident, or business is that the entity doesn't have the intent or the competence to make the process more efficient. As a result, these experiences weaken trust. Moreover, if someone is waiting in line in an area that's incorrectly marked, only to be informed later that they have been standing in the wrong line and have to start the process over, such an experience can undermine a person's trust in that ministry or in the government in general.

By contrast, when a government entity actively solicits feedback from its customers on the strengths and shortcomings of the services it provides (e.g. steps needed to apply for a building permit), then incorporates that feedback into making meaningful improvements to the services, and ultimately communicates how the feedback has been acted upon, this can help a government to earn and preserve the trust of its citizens and residents while improving the productivity and efficiency of its operations.

When a government entity consistently demonstrates that its intentions are in the best interests of its customers and it provides reliable services to people that are designed based on their needs and preferences, this is a recipe for building and maintaining public trust. Trust can't be completely earned unless a government entity delivers on both intent and competence. Intent and competence are like two cross beams needed to support a roof (trust). Without the equal support of both, the roof will eventually falter and collapse. Think of the proactivity element as the shingles that keep the house dry.

It's important to recognize, however, that both a government entity's intentions and its competence are subjectively evaluated by individual customers, based on their own personal perceptions. Obviously, a government entity itself cannot actually have "intentions," because it is a sum of human actors. A government entity itself has no mind, and can not "intend" anything. Instead, as with any organization a customer deals with, the customer will assess the government entity's actions and make a subjective determination in his own mind with regard to whether they are the actions of a well-intended entity. It's been said that people judge themselves by their intentions, but judge others by their actions. The same is true of government entities: it's not enough to intend to do the right thing. People judge a government entity's intentions by its actions.

At present, there is no overt or objective metric that can aid a customer in assessing a government's trustability. If there were, then customers could compare one country's government with another, one agency in the same government with another, and watch how trustability trends up or down over time.

Six Discrete Elements of Trustability

In this white paper, we analyze trust in terms of six basic elements which can be thought of as aspects of good intentions and competence:

Good intentions:

- **Empathy:** Anticipate a customer’s needs, understanding the context in which those needs develop, and work to deliver genuinely beneficial solutions. When it is helpful, reach out to customers in this way proactively.
- **Transparency:** Communicate openly with customers both proactively and reactively, in order to deliver honest information about policies, decisions, requirements, and outcomes.
- **Accountability:** Take ownership of issues and act responsibly at both the organizational and individual level when citizens

encounter negative experiences. Take responsibility for balancing the efficiency of a government’s operation with the effectiveness of its policies.

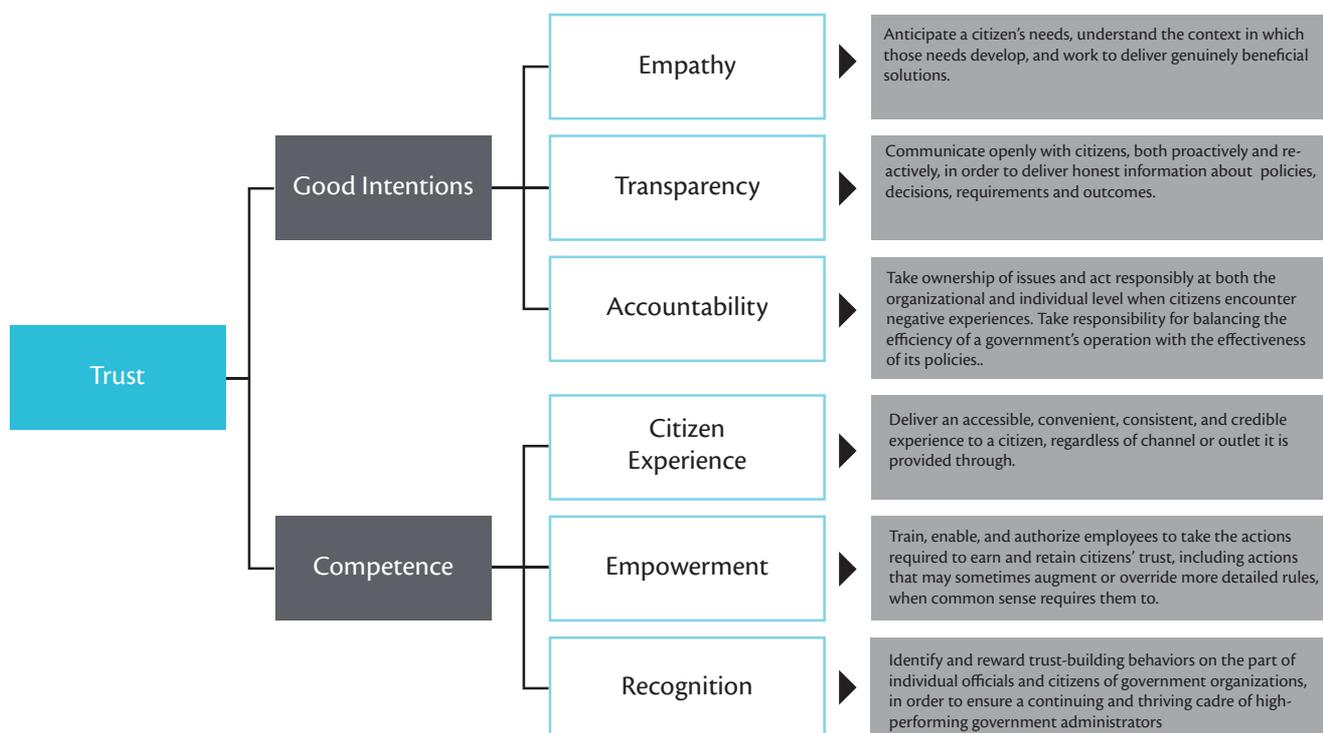
Competence:

- **Customer experience:** Deliver an accessible, convenient, consistent, and credible experience to a customer, regardless of the channel or outlet it is provided through. If it will improve the experience, reach out to customers who are not paying attention or not knowledgeable about what is best for them.
- **Empowerment:** Train, enable, and authorize government officials and employees to take the actions required to earn and retain customer trust, including actions that may sometimes augment or override more detailed rules, when “common sense” requires them to.

Chart 1

The Six Building Blocks of Trust

The following chart is a graphical representation of the six building blocks of trust. The harmonization of these elements lead to the two primary tenets of trust: intent and competence.



- **Recognition:** Identify and reward trust-building behaviors on the part of individual officials and customers of government entities, in order to ensure a continuing and thriving cadre of high-performing government administrators.

We have identified a series of attributes that can be applied to each of these six different elements of trust, and we've expressed these attributes in the form of questions that allow us to evaluate the degree to which a government meets the requirements for each of these six elements. With further consultation, this questionnaire would be refined and "tuned" to the actual situation within the UAE government. (These questions could serve as the basis for a "trustability test," in the form of a self-administered series of questions, to enable government entities to judge their level of trustability and how much work remains to be completed to achieve genuine, proactive trustworthiness.)

As a general proposition, appropriate for all government entities, the questions covering the six elements of trustability would be as follows:

GOOD INTENTIONS

Empathy

- Do we understand a customer's goal or objective in his interaction with us?
- Do we make the effort to use terminology easy for customers to understand, rather than expecting them to use our entity terminology?
- Do we know, or can we learn, a customer's ultimate motivation in dealing with a particular government entity?
- Is there a clearly defined role for the government entity to play in meeting the customer's objectives?
- Have we set appropriate expectations on the customer's part?
- Do we have a process for managing those expectations?
- Do we make insights with respect to a customer's needs available to front-line government employees so that a customer can be served better and faster?
- Do we know which aspects of government services and re-

quirements are more appropriate for meeting different customer's objectives and needs, and do we convey this knowledge to the customer proactively?

- Can we match the appropriate service personnel within a government entity to customers based not just on the customer's overt objectives, but also on the customer's own unique perspectives, or even based on the customer's personality traits? Can we be proactive about this if it helps a customer?
- Are we careful to put a "human face" on government policies and activities, to ensure that a customer perceives the government entity itself as being empathetic in its actions, and both approachable and responsible?
- When we do make a mistake, do we apologize sincerely and proactively?

Transparency

- How efficient is our process for implementing and managing two-way, interactive communications with customers?
- Do we provide explanatory information for customer-facing employees?
- Do we provide self-explanatory information to customers through efficient and well-maintained self-service channels?
- Do we provide customers with outlets to appeal or question government decisions or policies?
- Are these outlets appropriately moderated, so as to ensure that occasional injustices or errors on the part of government officials or agencies are corrected in a timely fashion?
- Do we allow customers to freely post their (non-abusive) opinions about a government service on websites or other social media channels, for the benefit of other customers?
- To what extent do we allow customers to view, or to participate in, the service design- process within a government entity or regulatory body?

Dubai: Demonstrating Transparency in School Rankings

When government entities demonstrate they are transparent – both through the actions they take on behalf of customers as well as the information that’s made available to the general public regarding government services, policies, and programs – this produces benefits to customers, businesses, and governments themselves.

Transparency can drive operational improvement within government. Government ministries aren’t normally competitive as businesses are for customers and market share. However, measuring and publishing the operational efficiencies and effectiveness of various government departments can nevertheless create a sense of urgency among departments and teams to strive for operational excellence, particularly if financial and performance incentives are tied to the results.

An outstanding example of transparency in government is demonstrated by the Government of Dubai. The Government of Dubai provides information on its website from the Dubai Schools Inspection Bureau based on evaluations it has conducted on the effectiveness of the education provided by each school as well as the quality of the education that’s provided by private schools within Dubai. Inspectors evaluate multiple criteria in each school, including students’ attainment and progress in key subjects; the quality of students’ personal and social development; and the effectiveness of each school’s cur-

riculum in meeting the educational needs of all students. Each school is then ranked based on aggregate scores and the grading level established by the government (Outstanding, Good, Acceptable, and Unsatisfactory).

This level of transparency benefits both customers and businesses. Parents are able to discern the various strengths and weaknesses of a particular school (class sizes, exam results by subject), make informed decisions about the educational strategies for their children, make decisions on housing location, and so forth. Meanwhile, businesses that are affected by a school’s ranking, such as realtors, shopkeepers, etc., are also able to draw upon this information to guide their marketing and sales strategies.

One result of this government program was that Dubai ranked as the most transparent real estate market in the Middle East and North Africa region in Jones Lang LaSalle’s 2012 Global Real Estate Transparency Index. Included in the formula for the index is the accessibility of information regarding land and property registration statistics, debt regulation data, and so forth. By making such information easily available and transparent for customers, businesses, and other stakeholders, the Government of Dubai is able to help make real estate markets more attractive to consumers and fortify business performance generating not only a positive trickle-down effect for local businesses, but a favorable reputation for the government’s trustability.

Sources:

1. Government of Dubai: Knowledge & Human Development Authority website.
<http://www.khda.gov.ae/En/DSIB/Reports.aspx>
2. Emirates 24/7 website. Dubai ranked Mena’s top transparent realty market.
<http://www.emirates247.com/news/emirates/dubai-ranked-mena-s-top-transparent-realty-market-2012-06-27-1.464788>

Accountability

- Do we proactively take action on behalf of a customer who has been “wronged” in some way?
- Is there an “ombudsman” function within the government, to hear the customer’s point of view and (when appropriate) to take the customer’s side in disputes and disagreements?
- Do we respond quickly and openly to customer requests or complaints?
- Does each ministry take ownership of the services delivered to ensure that customer expectations and needs are being met the first time?
- Do we have a structured and consistent approach for identifying and acting on areas of operations that can be improved?
- Do we adequately record and respect what has been promised to customers on both an organizational and employee level?

- Do we proactively follow up mistakes or wrongs to customers with apologies, fee refunds, or other messages and offers?
- Do we accept responsibility when the wrong information has been communicated to a customer?
- To what extent do we track mistakes and errors made by the government in serving customers' needs? How do we hold ourselves accountable internally?
- Do we have a defined approach in place for correcting mistakes, both systemically (continuous improvement) and on an individual basis?
- Do we communicate a ministry's policies and openly (when not inappropriate), and entertain customer comments or objections about them?
- Do we solicit and act on customer ideas to improve services or to deliver new services?
- To what extent are we committed to continuously improving customer satisfaction with the services rendered by government?

COMPETENCE

Customer Experience

- Are all government services accessible, convenient, and easy for customers, residents, and businesses to use?
- Do we strive to serve customers with trained, empowered, and compassionate employees?
- To what extent do we track and enforce this approach to ensuring good service across all channels?
- Do we have a case numbering system or other process for ensuring that service commitments are tracked and met? For example, can we pick up a conversation with a customer where the last conversation left off, even if someone different answers the phone?
- Do we measure each entity's customer experience performance and its impact on that ministry's own trustability in the eyes of the customers, businesses, residents, or others it deals with? Do we effectively communicate the operational benefits of delivering successful customer experiences to employees and key stakeholders within the government?

Meeting Different Customers' Needs Differently

A few years ago, a government entity in the Middle East embarked on a project that was intended to help it improve the delivery of services to customers. As the government entity's leaders involved began examining the challenges and opportunities available for service improvement, they recognized that different types of customers have different needs. They also recognized that they needed to deliver information in such a way that meets the expectations and needs of its populace (instead of taking a government-centric approach to information delivery).

For example, married couples sought certain information about the locations and services offered by health centers. Meanwhile, younger people seeking information about marriage certificates or opportunities for institutions of higher education have a different set of needs.

Recognizing the differences between different types of customers, the ministry began developing services on its websites based on age, needs, preferences, and other characteristics of different types of customers who would be using these services. By developing website content and services that were customized for different types of customers, the entity has been able to provide more relevant experiences, improve customer satisfaction with the services, and strengthen customer trust in the services it is delivering.

Empowerment

- Do we provide employees with the tools and information systems required to make real-time decisions for the benefit of individual customers?
- How effective and comprehensive is our employee training program when it comes to implementing the policies required to earn and keep the trust of customers?
- To what extent do employees have the autonomy to make real-time decisions when it comes to managing a customer's experience?
- Can we foster an organizational culture within the government entity which incentivizes autonomous actions by employees? How do we do this without violating our duty to treat customers equally before the law?
- Have we established and socialized well-defined trust principles that employees can be trained on?
- Do we have adequately defined policies enabling employees to know (or to decide, autonomously) when and how trust principles apply to a situation?

- Do we have controls in place to ensure proper oversight of trust-related programs?
- How do we assess the effectiveness of the "culture of trust" within different government ministries?

Recognition

- Are actions that build trust and foster citizen centricity tracked at the employee level?
- Do our employee recognition programs include trust-related components?
- Have we incorporated trust-related performance metrics into employee and department performance management programs?
- Do we cite achievements and provide rewards for individual employees who have demonstrate customer-centric best practices and trust-related performance excellence?
- Do we recognize trust leaders among employees as valuable assets?
- Do we publicize success stories?

Engaging Customers Via Social Customer Service

Social media is emerging as an attractive channel for providing service support to customers.

A growing number of governments are using social media channels such as Facebook and Twitter to strengthen engagement with their customers, and to collect customer feedback on services being offered, including recommendations for areas of improvement. Social media can be a useful tool for gaining customer trust by involving customers in government processes.

The Department of Justice in Victoria, Australia, is an example of a government agency using social media channels such as Facebook, Twitter, and Yammer, a private social network, to help inform the public about its policies and services offered and to help create a two-way di-

alogue between citizens and DOJ officials. The Facebook page for its Consumer Affairs division, for example, recently sent out proactive posts alerting citizens to fraudulent activities involving scam artists who purported to represent the Metropolitan Fire and Emergency Services Board, and are unlawfully selling fire extinguishers and blankets door-to-door.

Providing customers with a forum to share their opinions and to inform them about recent developments through commonly available tools such as social media channels is a highly effective way to build trustability, demonstrating a government's willingness to be proactively trustworthy. After all, social media is a highly transparent form of communications between customers and governments. Proactive customer outreach not only demonstrates trustability, but also confirms the accountability of a government to its customers.



Six Steps to Achieving Trustability

In this white paper, we have outlined multiple actions and processes for demonstrating trustability in government. Overall, there are six important steps to consider in developing a reputation for trustability with customers springing from genuinely trustable behavior, and they can be listed as follows:

1. **Demonstrate Empathy.** To be trustable, a government entity must act toward its customers the way one human being would act toward another he cares about. Humans have empathy, and humans are fallible. To have empathy, a government entity must see things from the customer's perspective, treating different customers differently. It must treat customers the way the people in the government would want to be treated if they were in the customer's place. As for fallibility, consider this: Government entities are already fallible. To demonstrate their humanity, government entities need to admit their shortcomings occasionally, and they must be willing and eager to right wrongs and improve deficiencies. This can be accomplished by developing effective customer outreach communications efforts and social media management programs.
2. **Think Long-term.** No organization can be trustable if it is entirely focused on the short term, but unfortunately many organizations (including government entities with an eye on the next election) are. Customers want a government they can believe in for the long term. Assembling a structured approach to delivering customer-centric services and communicating this to the public clearly and regularly can help assure customers that a government is taking a long-term approach to customer centricity. These efforts can be orchestrated through multichannel communication programs and the use of customer segmentation and data analytics to identify and act on the types of customer-centric services that different segments of the populace seek.
3. **Be Competent.** A government entity must be capable of efficiently executing its policies and programs, in order to deliver services to customers effectively, appropriately, and in a high-quality way. Every government organization and ministry should strive to deliver a consistent level of services to customers, with sufficient attention and regard for individual customer interests. It should treat customers with different needs differently, when not inappropriate, in order to improve general customer satisfaction. Government assessment programs, including benchmark testing between ministerial departments, can help identify best practices and gaps in operational processes and uses of automation.
4. **Share.** People want to share with each other, and the rise of social media and other interactive communications platforms has increased the benefit of sharing and reduced the cost or effort involved, from how-to YouTube videos to eBay reviews and Wikipedia contributions. If a government entity wants to be trustable in the eyes of its customers it will have to participate in and be generally supportive of this general increase in sharing. Make public information freely available. Provide electronic platforms for people to help themselves collectively, as communities, as interest groups, and as concerned customers. Develop interactive communication programs and use customer data and analytics tools to determine the types of communication channels used by different customer segments.
5. **Respect Evidence.** Don't manage by judgment alone, but rely on evidence. Evaluate information for its objectivity and accuracy. Take the steps required to deal with the inevitability of random events: Pay more attention to numbers and statistical best practices, measure inputs in addition to results, and plan more carefully for alternatives and multiple scenarios. Correlate findings from data management and analytics efforts with trustability measurement programs (e.g. changes in customer satisfaction; changes in operational efficiency).
6. **Self-analyze frequently.** Even when things seem to be going well, ask "What does a trustable government entity, or even the front counter look like? How can we help our customers better? How can we make life here better by doing things right and doing the right thing, proactively? Benchmark against best-in-class ministries internally and government leaders in other countries.



Conclusion

Listening, analyzing, and responding to the needs and preferences of a nation's customers and then communicating to them the actions that have been taken based on their feedback is a highly effective approach toward strengthening customer trust in government. Simply stating policies intended to express a government's trustworthiness is not enough. Government entities must develop a structured approach to cultivate and maintain trust throughout all levels of government. This includes creating a culture of trust and empowering government employees to act in customers' interests and giving employees the tools, training, and authority they need to do so effectively.

Appendix

Don Peppers and Martha Rogers, Ph.D., *Extreme Trust: Honesty as a Competitive Advantage* (Penguin Press, 2012). Written by the founding partners of Peppers & Rogers Group themselves, this book expounds on the idea that the importance of trust and trustworthiness is increasing as the world becomes more and more electronically connected and interactive. It proposes a new standard for what consumers will demand of the businesses they interact with. “Extreme trust” is based on *proactive* trustworthiness, or what the authors call “trustability.”

Stephen M. R. Covey and Rebecca R. Merrill, *The Speed of Trust: The One Thing That Changes Everything* (Free Press, 2006). Covey and Merrill suggest that trust is built (and can be rebuilt) on two things: competence and character (almost identical to Peppers’ and Rogers’ view of “competence” and “good intentions.”) They talk about five waves of trust: self-trust (credibility), relationship trust (trust-building behaviors), organizational trust (measuring low-trust “taxes” and high-trust dividends), market trust (reputation), and societal trust (contribution). David Hutchens and Barry Rellaforde wrote a short fable that succinctly illustrates the power of trust, based on the principles of Covey and Merrill’s book: *A Slice of Trust* (Gibbs Smith, 2011).

David Maister, Charles H. Green, and Robert Galford, *The Trusted Advisor* (Touchstone, 2000); Charles H. Green, *Trust-Based Selling* (McGraw-Hill, 2006); and Charles H. Green and Andrea P. Howe, *The Trusted Advisor Fieldbook: A Comprehensive Toolkit for Leading with Trust* (Wiley, 2011). Green and his colleagues are highly respected for their work in helping companies build trusted relationships with their customers over the years—mostly in B2B settings. Their Trust Equation is based on the idea that self-orientation is the most influential component in building trust—and that it’s negative. (Greene’s “self-orientation” can be thought of as the opposite of Peppers’ and Rogers’ idea of “good intentions.”)

$$\text{Trust} = \frac{\text{Credibility} + \text{Reliability} + \text{Intimacy}}{\text{Self-Orientation}}$$

Anna Bernasek, *The Economics of Integrity: From Dairy Farmers to Toyota, How Wealth Is Built on Trust and What That Means for Our Future* (Harper Studio, 2010). A financial journalist, Bernasek profiles nine businesses whose success has been built on trust, and in our new “age of responsibility,” argues that businesses must start with a “DNA of integrity,” whose nucleus includes disclosure, norms, and accountability.

Kathy Bloomgarden, *Trust: The Secret Weapon of Effective Business Leaders* (St. Martin’s Press, 2007). Bloomgarden points out that recent corporate scandals have decimated public trust in global companies and in the office of the CEO in particular. She emphasizes that CEOs must actively earn the trust of a company’s stakeholders if they want to keep their jobs in this highly skeptical environment.

Peter Firestein, *Crisis of Character: Building Corporate Reputation in the Age of Skepticism* (Sterling, 2009). Firestein, a corporate reputation risk consultant, presents a variety of case studies from some of the best-known brands in the world, illustrating how companies with behind-closed-doors strategies end up doing lasting harm to their reputations and thus their existence. Alternatively, he presents the Seven Strategies of Reputation Leadership to help corporations build a trustable reputation right into the core of their decision-making structures.

Joe Healey, *Radical Trust: How Today’s Great Leaders Convert People to Partners* (Wiley, 2007). A consultant and banking executive who has been speaking on the importance of trust in business leadership for twenty years, Healey uses four case studies to show how trust is no longer merely a moral choice, but a requirement for competitive advantage. According to Healey, trust requires four competencies: execution, character, communication, and loyalty.

Geoffrey A. Hosking, *Trust: Money, Markets, and Society* (London: Seagull Books, 2010). Hosking argues that the stability of a global economy depends on trust, which includes a robust understanding of exactly how trust is developed, how it’s broken, how it’s maintained, and how it’s repaired. Key to this is understanding where to place trust, as he cites misplaced trust in financial sectors and state welfare systems as precursors to the global economic crisis in 2007.

John Kador, *Effective Apology: Mending Fences, Building Bridges, and Restoring Trust* (Berrett-Koehler, 2009). Kador explains why, as transparency grows and everyone seems to be apologizing for something, we don’t necessarily need more apologies, but more effective ones. And if trust is a renewable asset that needs to be developed consciously, broken, and then rebuilt, an effective apology becomes a vital skill to master.

Roderick M. Kramer, a social psychologist and Stanford professor, argues that despite overwhelming evidence of corporate deceit, and despite the many books and articles that promote trust as if it’s a hard sell, we still tend to trust too readily. He examines common human trust activators, such as physical similarities and the presence of touch, and after showing how easily we’re fooled, he argues for “tempered trust.” See “Rethinking Trust,” *Harvard Business Review* 87 (June 2009): 68–77. Kramer also authored *Organizational Trust* (Oxford University Press, 2006), and *Trust and Distrust in Organizations* (Russell Sage Foundation, 2004) with Karen Cook.

Robert Solomon and Fernando Flores, *Building Trust: In Business, Politics, Relationships, and Life* (Oxford University Press, 2003). Solomon and Flores argue that although trust is an important precursor to any interaction, it should be neither a static quality nor a knee-jerk reaction. Trust is a skill to be developed, and the authors explain how to go from simple or naïve trust to authentic, fully conscious trust in a number of contexts, including business.

With respect to the increased importance of social media, and how social media is generating higher and higher standards for what consumers consider “trustworthy” behaviors, consider:

Chris Brogan and Julien Smith, *Trust Agents: Using the Web to Build Influence, Improve Reputation, and Earn Trust*, 2nd ed. (Wiley, 2010). Brogan and Smith have a compelling view of why social media platforms are changing our view of trust. They emphasize that businesses should treat the Web as a kind of party, with guests engaged in active conversations with each other. A business’s goal should be to humanize and not monetize it, per se. The way to be a “trust agent” is to share ideas, facts, and insights freely—knowing that investing in relationships always brings a return eventually, even if a business isn’t focused on that return in the moment. The goal is simply to be a helpful person—generous and other-focused. This is what builds trust. They advise us never to be “that guy”—who’s always trying to turn the conversation back to himself or his business, who makes you want to run when you see him coming.

And here is a sampling of business how-to books that deal with social media and emphasize transparency and honesty:

The New Influencers: A Marketer’s Guide to the New Social Media (Quill Driver Books, 2007) by Paul Gillin, p. 14: “...transparency is key to working in this medium.”

Six Pixels of Separation: Everyone Is Connected. Connect Your Business to Everyone (Business Plus, 2009), by Mitch Joel, p. 15: “Throughout this book you will be able to underscore all of the information and tactics and weaver them through one long thread of authenticity.” Also see Chapter Two, “The Trust Economy.”

The Thank You Economy (Wiley, 2011) by Gary Vaynerchuk, p. 233: “Being authentic – whether online or offline, say what you mean and mean what you say.”

Marketing to the Social Web: How Digital Customer Communities Build Your Business (John Wiley & Sons, 2007), by Larry Weber, p. 170: “bloggers are a community bound together by trust.” And see page 56 for the story of how “[t]rust is another major reason to allow critical comments on your site.” A woman cited by Weber reports that after her negative review of a product was not displayed on Overstock.com’s web site she never trusted any of the other reviews she saw on that site.

Open Leadership: How Social Technology Can Transform the Way You Lead (Jossey-Bass, 2010), p. xvi: “Leadership will require a new approach, new mindset, and new skills. It won’t be enough to be a good communicator. You will have to be comfortable sharing personal perspectives and feelings to develop closer relationships. Negative online comments can’t be avoided or ignored. Instead, you will come to embrace each openness-enabled encounter as an opportunity to

learn.” On pp. 5-6, Li talks about the “culture of sharing” now springing up because of new technologies for interacting.

Friends With Benefits: A Social Media Marketing Handbook (No Starch Press, 2009), by Darren Barefoot Julie Szabo, p. 10: “With the culture of sharing comes two key concepts we always cite when discussing social media and specifically blogs: authenticity and transparency. A cult of honesty has developed in tandem with technical innovation...”

Groundswell: Winning in a World Transformed by Social Technologies (revised edition, Harvard Business Press, 2011), by Charlene Li and Josh Bernoff, makes many references to the requirement for honesty and authenticity. For instance, “Authenticity was crucial. Dell couldn’t get anywhere in the groundswell until it honestly admitted its flaws” (p. 229). And from page 117: “Tips for successful blogging... 10. Final advice: be honest....”

The Hyper-Social Organization: Eclipse Your Competition by Leveraging Social Media (McGraw-Hill, 2010), by Francois Gossieaux and Ed Moran, also has numerous references to the need for honest, participatory collaboration with customers, and the importance of frank authenticity. For instance, page 25: “Reciprocity is one of the key factors that allow communities to work—you scratch my back, I’ll scratch yours...” And page 92: “Becoming human-centric also creates new knowledge flows for the company that may not have existed in the past. For instance, if everyone at your company began receiving daily reports on the top social media opinions expressed about your company, its brands, and its executives, instead of just monthly market share or sales data, wouldn’t this transparency profoundly affect decision making across various groups?” Page 39: “So the key to success in this new economic reality is to move from a transactional world to a long-term trust-based world.” Of the authors’ “Eight Characteristics of Hyper-Social Leaders,” two are “They Trust Their People and Create Trusted Environments” and “They Embrace Transparency” (pp. 320-324).

The Power of Social Networking: Using the Whuffie Factor to Build Your Business (Crown Business, 2010), by Tara Hunt, p. 2 : “First and foremost, the reason people are on these networks is to connect and build relationships. Relationships and connections over time lead to trust. And trust is the basis of whuffie—aka credibility.” And p. 82: “Responding effectively to feedback expands your whuffie because when you respond correctly, you demonstrate to your customers that you are truly listening and responding to what they are saying, building trust. That trust will lead to more feedback and conversation, which leads to a deeper relationship.”

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