

Trust defined



“An individual’s belief in, and willingness to act on the basis of the words, actions, and decisions of another.”

– 1998 Lewicki, McAllister, & Bies

Managing your stakeholder’s trust in your organisation is key

Internal trust

*“The ability of a general manager to earn higher trust from her or his employees likely **creates a competitive advantage** for a firm over its rivals, in terms of sales, profitability and turnover.”*

– 2008 Thompson Learning

External trust

More than half (57%) of customers refuse to buy products and services from a company they do not trust, while 49% will criticize them to a friend or colleague. Conversely, 76% chose to buy products from companies they trusted.

– 2015 Edelman Trust Barometer

Trust in the media

- Enron files for bankruptcy
- Anderson Consulting files for bankruptcy

- Greek government debt crisis

- Pope Francis apologises to clerical sex abuse victims and asks forgiveness
- Malaysia Airlines plane MH370 lost

“People’s panels’ could build public’s trust in politics”
– ABC Local June 2015

“Abuse victims seeking compensation told Catholic Church would endure long after they died, royal commission hears”
– The Age May 2015

“Win flights, fly for cheap: Malaysia Airlines struggles to rebuild trust”
– News.com.au August 2014

“Greece has become the first developed nation to default on an International Monetary Fund loan”
– News.com.au July 2015

“QANTAS chief executive Alan Joyce says the troubled airline is on track to return to an underlying profit in the first half of this financial year”
– News.com.au October 2014



- Johnson & Johnson 7 people killed
- First case of child sexual abuse by catholic church

- Lehman Brothers files for Bankruptcy
- Iceland Financial Crisis

- Qantas industrial disputes

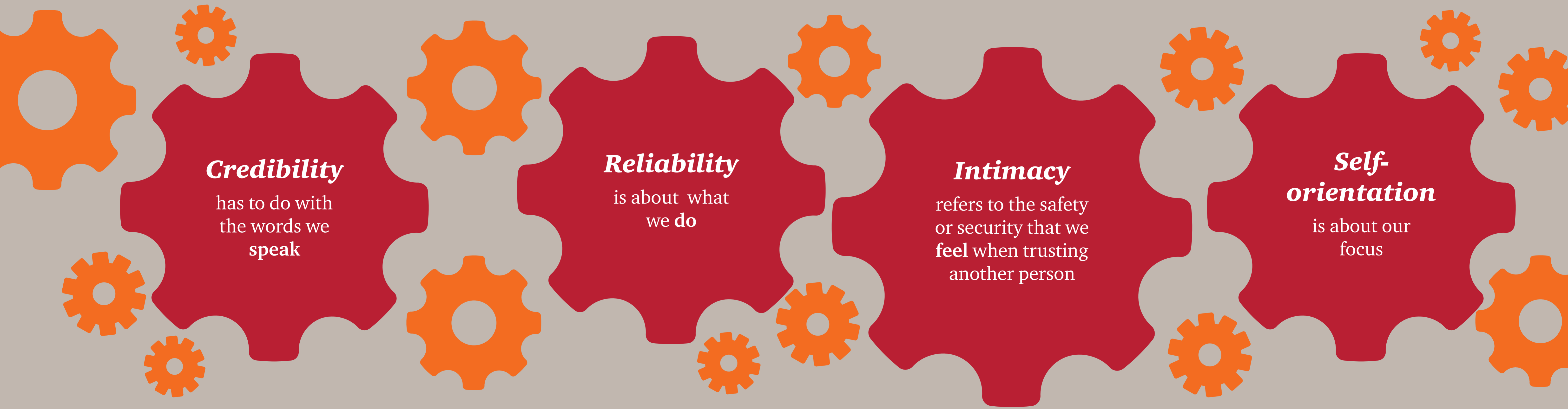
- Trust in Australian politicians drop from 56% to 49% of people

Trust is both more important and difficult to achieve



The trust equation

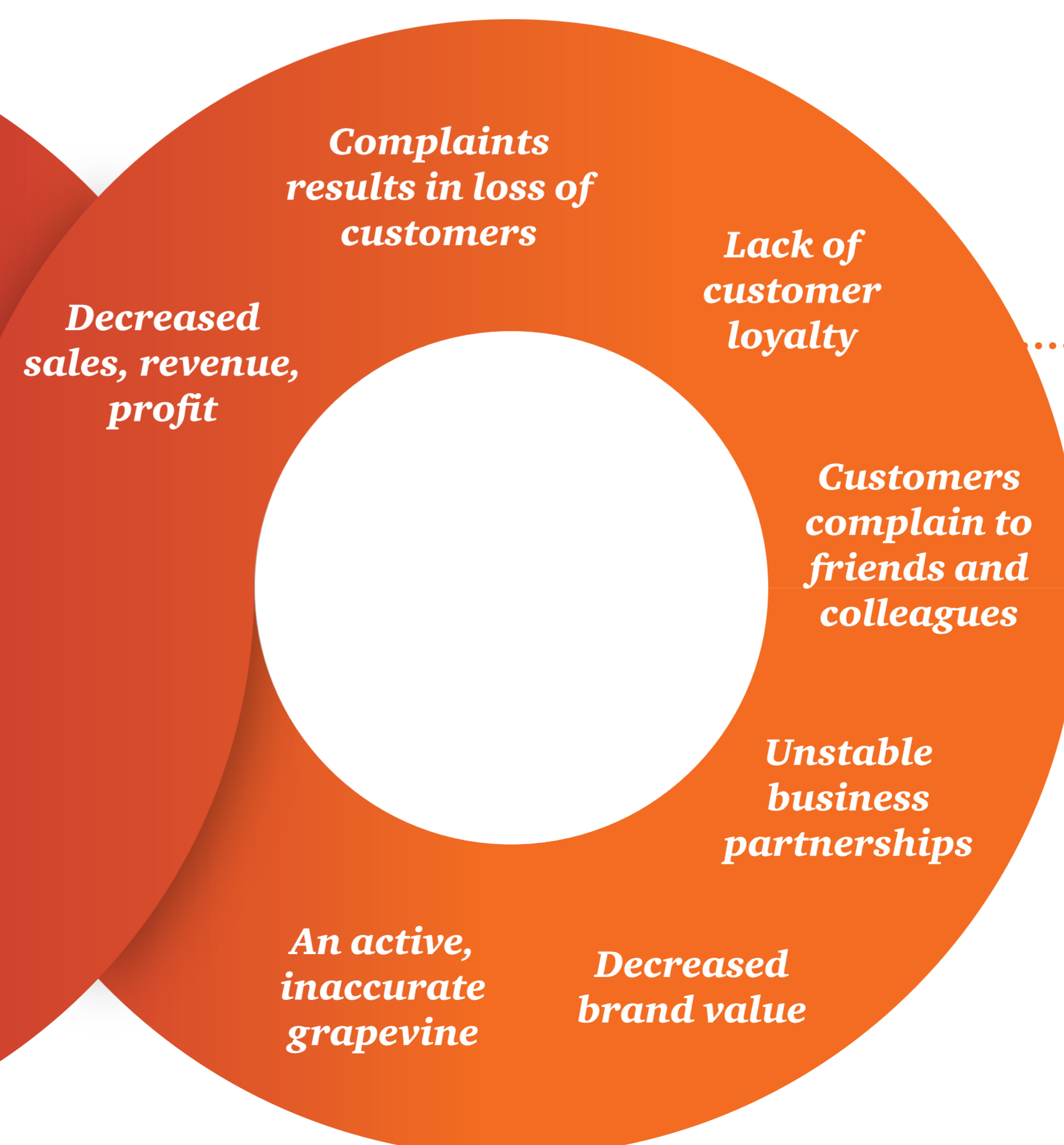
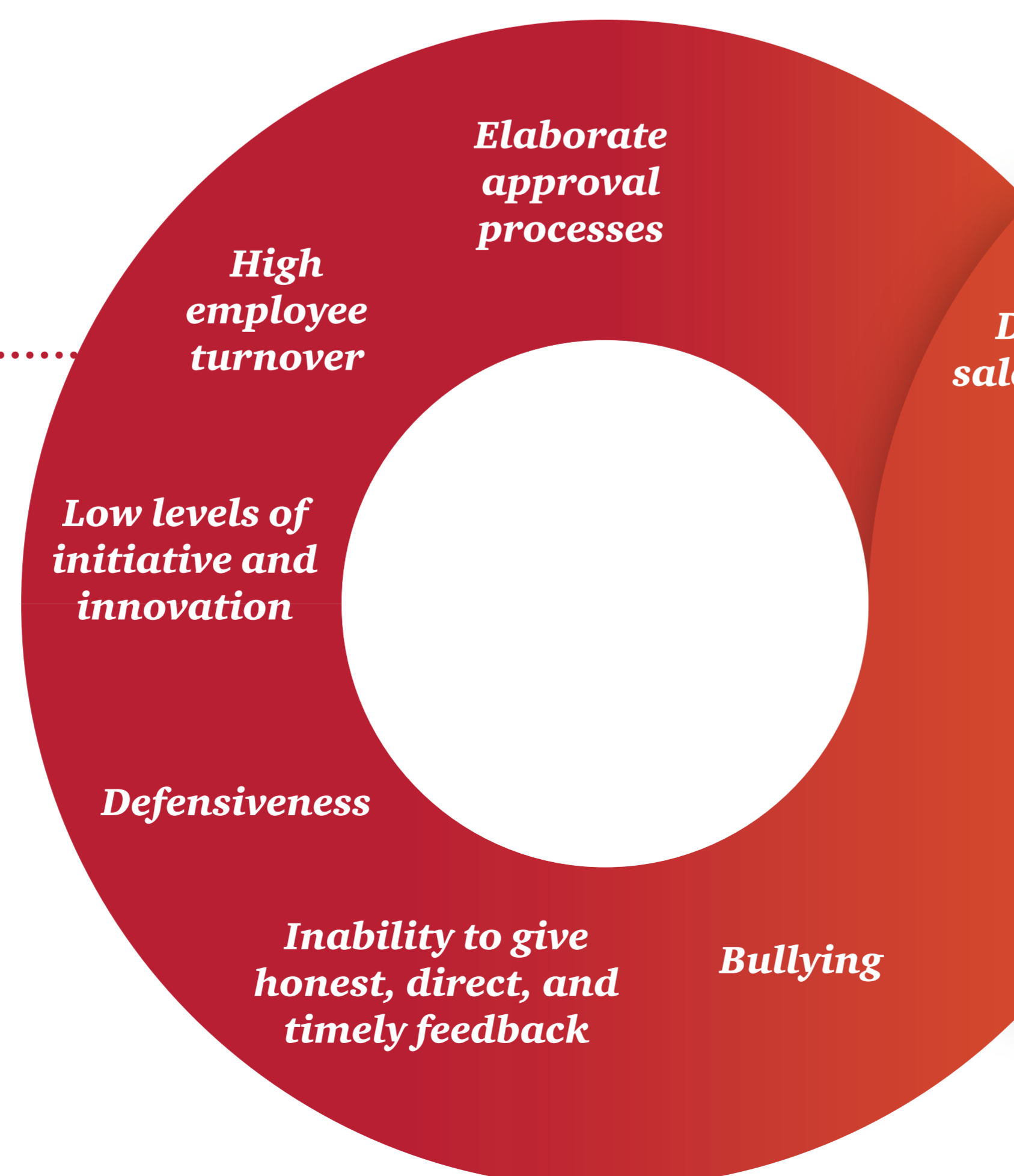
$$\text{Trust} = \frac{\text{Credibility} \times \text{Reliability} \times \text{Intimacy}}{\text{Self-orientation}}$$



*Source: The Trusted Advisor (Maister, Green, Galford. 2000)

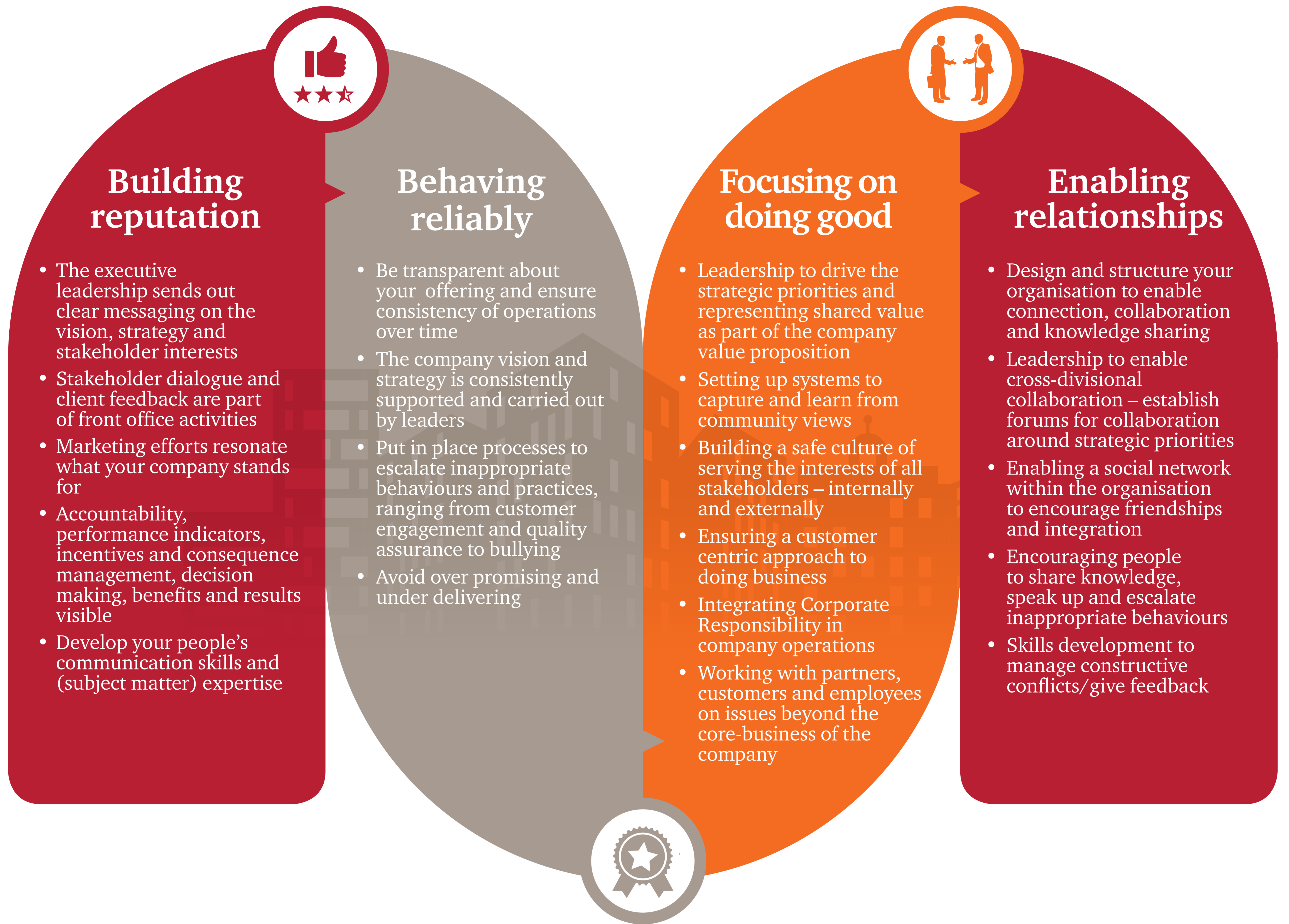
Trust is holistic

Internal trust



External trust

The trusted organisation



The trusted professional

Changes in occupational trust
2001–2005
vs 2011–2015

