

Guidelines for Measuring Trust in Organizations

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January 2003: A coalition of organizations representing 50,000 professional communicators gathered in New Jersey to discuss ways to restore trust in American business. Buffeted by scandal and crisis since the Enron debacle, the average citizen's belief in the integrity and honesty of corporate American had reached an all-time low. The coalition agreed on three basic actions that they could recommend to each and every CEO in America.

1. The CEO should articulate a set of ethical principles closely connected to their core business processes and supported with deep management commitment, enterprise-wide discipline and training.

2. The CEO should create a process for transparency that is appropriate for current and future operations. It should include an oversight committee, culture audit and consistent messaging. CEOs should ensure that they have professional, competent counsel to serve as a strategic integrator, champion, bridge builder, catalyst, facilitator and record keeper for appropriate transparency.

3. The CEO should establish a formal system of measurement, measurement of trust a business standard for that proved benchmarking and encouraging peer pressure and CEOs should make trust a corporate governance issue and a board priority tied to compensation

The first two are essentially process issues that are relatively easy to implement. The third poses a problem to many corporations which has only been addressed by a few: How to measure trust?

This document offers standard guidelines to help professional communicators answer that question and implement the third directive of the PR Coalition.

FOREWORD

Trust or lack thereof, has a measurable impact on the financial health of an organization. Following the Enron scandal, its accounting firm, Arthur Anderson, was essentially destroyed because its clients lost confidence in its results. Sales of fast foods take a dive whenever news of tainted beef hits the airwaves causing consumers to question the safety of their favorite burger. Conversely, a key component to FedEx's success is customer confidence in the company's ability to deliver "when it absolutely positively" has to be there in the morning.

What is disturbing is that even though we intuitively know that trust is important, we have yet to embrace a consistent methodology to measure the trust of an organization. Companies have relied upon customer loyalty surveys or employee morale surveys to determine how people feel towards an organization, but there is little in the way of research that specifically focuses on trust.

We hope that with these guidelines, organizations will agree with us that setting up a system to measure trust in your organization is a critical component of corporate governance.

Katie Delahaye Paine
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OVERVIEW

One of the key action items coming from the Coalition summit in January was the need to have a single, unified approach to measuring trust. Rather than force-fitting all programs into one system, The IPR Measurement Commission proposes a set of guidelines that would recommend different measurement methodologies based on the type of organization seeking to measure its trust.

This document outlines our basic definitions of trust, as well as guidelines for its measurement. It is not intended to be a rigid set of criteria, but rather general guidelines to ensure that we are all on the same page regarding the implementation of trust measurement programs.

First, we understand that it is impossible to impose a single definition and measure of a concept on everyone. Different researchers develop their own definitions of the same concept based on their unique theorizing. If everyone could be forced to define and measure a concept in the same way, we would lose the potential for innovation that science, in particular, and scholarship, in general, value highly.

In addition, we do not have the ability to impose a single definition and measure on everyone. Individual organizations have different constituencies, different objectives, different culture, and their communications practitioners will need to develop a unique product to measure trust with their own constituencies. In the long run, we all benefit from this diversity of approaches because we can choose the approach that best fits our own needs.

By taking the perspective that different system fit different organizations and situations, we believe that we will better accomplish our goals -- to encourage more companies to set up specific actionable and quantifiable systems for measuring and improving trust.

DEFINITIONS: WHAT IS TRUST?

Trust has been a widely studied concept both by itself but, most importantly, as a component of the quality of relationships. In psychology and interpersonal communication, trust has been one of several dimensions identified in relationships. It also has been studied extensively in business management and organizational communication—sometimes as a single concept but, again, most often as a component of relationships. In psychology and communication, the emphasis has been on interpersonal relationships among spouses, friends, relatives, and the like. In business management and organizational communication, emphasis has been on relationships among managers and between managers and other employees.

Only recently have public relations researchers began to use similar concepts to study organization-public relationships. The IABC document, *Measuring Organizational Trust*, and the Institute for Public Relations *Guidelines for Measuring Relationships* both contain extensive bibliographies that will be useful to any organization seeking to implement a trust measurement program.

It is universally agreed that trust is a multi-dimensional concept. It is:

- **Multi-level:** Trust results from interactions that span co-worker, team, organizational and inter-organizational alliances.

- **Culturally-rooted:** Trust is closely tied to the norms, values and beliefs of the organizational culture.
- **Communication-based:** Trust is the outcome of communications behaviors, such as providing accurate information, giving explanations for decisions and demonstrating sincere and appropriate openness.
- **Dynamic:** Trust is constantly changing as it cycles through phases of building, destabilization and dissolving.
- **Multi dimensional:** Trust consists of multiple factors at the cognitive, emotional and behavioral levels, all of which affect an individual's perceptions of trust. It has been one of several dimensions frequently included in measurement of relationships. Since its measurement is intrinsic to measurement of relationships, we include relationship definitions with our definitions of trust.

Trust dimensions include:

Competence: The belief that an organization has the ability to do what it says it will do. It includes the extent to which we see an organization as being effective; that it can compete and survive in the marketplace.

Integrity: The belief that an organization is fair and just.

Dependability/Reliability: The belief that an organization will do what it says it will do; that it acts consistently and dependably.

Openness and Honesty: This dimension involves not only the amount and accuracy of information that is shared, but also how sincerely and appropriately it is communicated.

Vulnerability: The organization's willingness, based on its culture and communication behaviors in relationships and transactions, to be appropriately vulnerable based on the belief that another individual, group, or organization is competent, open and honest, concerned, reliable, and identified with common goals, norms, and values. Trust is a complicated concept, which has several underlying dimensions.

Concern for Employees: Concern for employees includes the feelings of caring, empathy, tolerance and safety that are exhibited when we are vulnerable in business activities. Sincere efforts to understand contribute to high levels in any relationships.

Identification: Identification measures the extent to which we hold common goals, norms, values and beliefs associated with our organization's culture. This dimension indicates how connected we feel to management and to co-workers.

Control mutuality: The degree to which parties agree on who has rightful power to influence one another. Although power imbalance is natural in organization: public relationships, unilateral attempts to achieve control by one party are associated with decreases in perceptions of communicator competence and satisfaction with the relationship and increases in the level of activism. For the most stable, positive relationship, organizations and publics must have some degree of control over each other.

Satisfaction: The extent to which one party feels favorably toward the other because positive expectations about the relationship are reinforced. Or, a satisfying relationship is one in which the benefits outweigh the costs. Satisfaction can also occur when one party believes that the other party's relationship maintenance behaviors are positive.

Commitment: The extent to which one party believes the relationship is worth spending energy to maintain and promote. Two dimensions of commitment are continuance commitment, which refers to a certain line of action, and affective commitment, which is an emotional orientation.

Finally, trust can only be considered in the broader context of the relationships an organization has with its various publics. Therefore, one should also include the following relationship dimensions:

- In an **exchange** relationship, one party gives benefits to the other only because the other has provided benefits in the past or is expected to do so in the future. In an exchange relationship, a party is willing to give benefits to the other because it expects to receive benefits of comparable value to the other. In essence, a party that receives benefits incurs an obligation or debt to return the favor. Exchange is the essence of marketing relationships between organizations and customers and is the central concept of marketing theory. However, an exchange relationship often is not enough. Publics expect organizations to do things for the community for which organizations get little or nothing in return, that is how they develop trust. Many relationships begin as exchange relationships and then develop into communal relationships as they mature. Often mutually beneficial exchanges can begin to build trust, control mutuality, commitment, and satisfaction.
- In a **communal** relationship, both parties provide benefits to each other because they are concerned for the welfare of the other—even when they get nothing in return. Communal relationships are essential to developing and enhancing trust in an organization. Communal relationships are important if organizations are to be socially responsible and to add value to society as well as to client organizations. They also greatly reduce the likelihood of negative behaviors from stakeholders mentioned above—litigation, regulation, strikes, boycotts, negative publicity, and the like. Exchange relationships are necessary for customers, stockholders, and suppliers. However, exchange relationships never develop the same levels of trust and the other three relationship indicators that accompany communal relationships. Therefore, public relations can enhance the relationships with these stakeholders by using their unique expertise to produce communal as well as exchange relationships.

GUIDELINES FOR MEASURING TRUST

WHAT IS TRUST MEASUREMENT?

Basically, it is any and all research designed to determine and quantify the relationship an organization has with its various publics. Trust Measurement and evaluation involves assessing the success or failure of much broader efforts an organization makes to improve and enhance the relationships that organizations maintain with key constituents

More specifically, Trust Measurement is a way of giving a result a precise dimension, generally by comparison to some standard or baseline and usually is done in a quantifiable or numerical manner. It seeks to answer questions such as:

- Have the behaviors, programs and activities we implemented changed what people know, what they think and feel about the organization, and how they actually act (as exhibited by protests, votes and purchases).
- Have the actions or behaviors of my organization had an impact on the trust that our constituencies feel towards our organization?
- Have those public relations and communications efforts that we initiated to build trust had an impact—that is, "moved the needle" in the right direction—and, if so, how can we support and document that with research?

MAJOR TRUST MEASUREMENT AND EVALUATION COMPONENTS

For research to be credible, six components need to be considered.

1. Define the publics with whom you have or want to have relationships.

Because trust is an element of a relationship, you need to specifically identify those groups or individuals with whom you have or need relationships. Once those publics have been identified, you can begin to create a system to measure your relationship with each one.

2. Set specific, measurable goals and objectives.

No one can really measure the effectiveness of anything without first figuring out exactly what it is they are measuring. The communications practitioner, counselor and/or research supplier ought to ask: What are or were the goals or objectives of the organization? What exactly did the program or the activities hope to accomplish? The more specific the answers, the more meaningful the research will be.

3. Establish what you want to compare results to.

Measurement is essentially a comparative tool, and you always need something to compare results to. Whether it is your own trust over time, or a comparison of your results to a peer company, you must provide a benchmark and a context for the results.

4. Select a measurement instrument and/or tool.

There is no one, simple, all-encompassing research tool, technique or methodology that can be relied on to measure and evaluate trust. Usually, a combination of different measurement techniques is needed. Some of the tools and techniques to measure trust include: surveys, focus groups, before-and-after polls, ethnographic studies, experimental and quasi-experimental designs, multivariate analysis projects, and model building.

There are many books available that discuss and describe both qualitative and quantitative research techniques. Here are three that specifically discuss such techniques from a public relations perspective: *Using Research In Public Relations*, by Glen M. Broom and David M. Dozier (Englewood Cliffs, NJ: Prentice Hall, 1990); *Primer of Public Relations Research*, by Don W. Stacks (New York: The Guilford Press, 2002); and *Public Relations Research For Planning and Evaluation*, by Walter K. Lindenmann (available from the IPR Commission on Trust Measurement and Evaluation, www.instituteforpr.com.)

Two useful resources for qualitative and quantitative research techniques are the Advertising Research Foundation's two documents: "Guidelines for the Public Use of Market and Opinion Research" and The ARF Guidelines Handbook: A Compendium of Guidelines to

Good Advertising, Marketing and Media Research Practice. Both are available from the Advertising Research Foundation, 641 Lexington Avenue, New York, NY 10022.

It is important to keep in mind that Qualitative Research (e.g., focus groups, one-on-one depth interviews, convenience polling) is usually open-ended, free response and unstructured in format—generally relies on non-random samples and is rarely "projectable" to larger audiences. Quantitative Research (e.g., telephone, mail, mall, Internet, fax, and email polls), on the other hand, although it may contain some open-ended questions, is far more apt to involve the use of closed-ended, forced choice questions, which are highly structured in format, generally relies on random samples and usually is "projectable" to larger audiences.

To measure the perceptions of an organization's relationships with key constituencies focusing on the elements of trust as defined above we suggest administering a questionnaire, from the up coming section – A Typical Trust Measurement Questionnaire, that includes a series of agree/disagree statements pertaining to the relationship. Respondents are asked to use a 1-to-9 scale to indicate the extent to which they agree or disagree that each item listed describes their relationship with that particular organization.

5. Analyze results, make recommendations and measure again.

The process of developing and maintaining relationships with strategic publics is a crucial component of strategic management, issues management, and crisis management. Therefore, once you have the data from your constituencies you need to analyze it and make recommendations as to its meaning and implications. Organizations generally make better decisions when they listen to and collaborate with stakeholders before they make final decisions, rather than simply trying to persuade them to accept organizational goals after decisions are made.

First you need to identify any opposition to management goals and decisions before it results in "issues" and "crises." You also need to help management understand that certain decisions might have adverse consequences on a public, so that management might make a different decision and behave in a different way than it might have otherwise. That is a behavioral change by management that should lead to a behavioral change by a public. For example, the public would be more likely to accept a group home in its neighborhood, buy a product that is now more acceptable, or support a downsizing that takes employee interests into account. There also are times when communication helps a public to trust management and to accept a decision that management wanted to make before communication took place.

Since there are many times when good relationships do not lead to changes in behavior immediately, it is important to set realistic expectations. Trust and good relationships keep publics from engaging in negative behaviors such as litigation, strikes, protests, or negative publicity. As a result, we have difficulty measuring a behavior that did not occur because of a good relationship. At other times, there may be a long lag between the development of a good relationship and a behavior—e.g., when good.

6. Determining the value of trust for public relations and organizations

When trust helps the organization build relationships with key constituencies, it saves the organization money by reducing the costs of litigation, regulation, legislation, pressure campaigns, boycotts, or lost revenue that result from bad relationships. A high level of trust helps cultivate relationships with donors, consumers, shareholders, and legislators who are needed to support organizational goals. Lower turnover of employees has a direct impact on the bottom line. Good relationships with employees also increase the

likelihood that they will be satisfied with the organization and their jobs, which makes them more likely to support and less likely to interfere with the mission of the organization. Trust from the financial community is critical to an organization's access to capital and therefore its ability to grow. Good relationships with the media can often avert a crisis. As you can see, there is almost always a direct and measurable benefit to an organization when it measures and understands its relationships with its constituencies.

A TYPICAL TRUST MEASUREMENT QUESTIONNAIRE

Questions to Measure Trust, including the Dimensions of Integrity, Competence and Dependability

1. This organization treats people like me fairly and justly. (Integrity)
2. Whenever this organization makes an important decision, I know it will be concerned about people like me. (Integrity; original dimension: faith).
3. This organization can be relied on to keep its promises. (Dependability)
4. I believe that this organization takes the opinions of people like me into account when making decisions. (Dependability)
5. I feel very confident about this organization's skills. (Competence)
6. This organization has the ability to accomplish what it says it will do. (Competence)
7. Sound principles seem to guide this organization's behavior. (Integrity)
8. This organization does not mislead people like me. (Integrity)
9. I am very willing to let this organization make decisions for people like me. (Dependability)
10. I think it is important to watch this organization closely so that it does not take advantage of people like me. (Dependability) (Reversed)
11. This organization is known to be successful at the things it tries to do. (Competence)

Questions to Measure Control Mutuality

1. This organization and people like me are attentive to what each other say.
2. This organization believes the opinions of people like me are legitimate.
3. In dealing with people like me, this organization has a tendency to throw its weight around. (Reversed)
4. This organization really listens to what people like me have to say.
5. The management of this organization gives people like me enough say in the decision-making process.
6. When I have an opportunity to interact with this organization, I feel that I have some sense of control over the situation.
7. This organization won't cooperate with people like me. (Reversed)
8. I believe people like me have influence on the decision-makers of this organization.

Commitment

1. I feel that this organization is trying to maintain a long-term commitment to people like me.
2. I can see that this organization wants to maintain a relationship with people like me.
3. There is a long-lasting bond between this organization and people like me.
4. Compared to other organizations, I value my relationship with this organization more.
5. I would rather work together with this organization than not.
6. I have no desire to have a relationship with this organization. (Reversed)
7. I feel a sense of loyalty to this organization.
8. I could not care less about this organization. (Reversed)

Satisfaction:

1. I am happy with this organization.
2. Both the organization and people like me benefit from the relationship.
3. Most people like me are happy in their interactions with this organization.
4. Generally speaking, I am pleased with the relationship this organization has established with people like me.
5. Most people enjoy dealing with this organization.
6. The organization fails to satisfy the needs of people like me. (Reversed)
7. I feel people like me are important to this organization.
8. In general, I believe that nothing of value has been accomplished between this organization and people like me. (Reversed)

Communal Relationships

1. This organization does not especially enjoy giving others aid. (Reversed)
2. This organization is very concerned about the welfare of people like me.
3. I feel that this organization takes advantage of people who are vulnerable. (Reversed)
4. I think that this organization succeeds by stepping on other people. (Reversed)
5. This organization helps people like me without expecting anything in return.
6. I don't consider this to be a particularly helpful organization. (Reversed)
7. I feel that this organization tries to get the upper hand. (Reversed)

Exchange Relationships

1. Whenever this organization gives or offers something to people like me, it generally expects something in return.
2. Even though people like me have had a relationship with this organization for a long time, it still expects something in return whenever it offers us a favor.
3. This organization will compromise with people like me when it knows that it will gain something.
4. This organization takes care of people who are likely to reward the organization.

QUESTIONS THAT NEED TO BE PUT TO THOSE ORGANIZATIONS THAT COMMISSION TRUST MEASUREMENT AND EVALUATION STUDIES

Here are some of the key questions that those who commission Trust Measurement evaluation studies ought to ask themselves before they begin, and also the types of questions that those who actually carry out the assignment ought to ask their clients to answer before the project is launched:

--What are/were the specific goals and/or objectives of the public relations, public affairs, and/or marketing communications program? (For example: To double the number of inquiries received from one year to the next. To increase media coverage by achieving greater "share of voice" in one year than in a previous year. To have certain legislation passed. To enhance or improve brand, product, or corporate image or reputation.) Can these be stated in a quantitative or measurable fashion

--Who are/were the principal individuals serving as spokespersons for the organization during the communications effort?

--What are/were the principal themes, concepts, and messages that the organization was interested in disseminating?

--Who were the principal target audience groups to whom these messages were directed?

--Which channels of communication were used and/or deemed most important to use in disseminating the messages? (e.g., the media ... word-of-mouth ... direct mail ... special events?)

--What specific public relations strategies and tactics were used to carry out the program? What were the specific components or elements of the campaign?

--What is/was the timeline for the overall public relations program or project?

--What are/were the desired or hoped-for outputs, outtakes, and/or outcomes of the public relations effort? If those particular hoped-for outputs, outtakes and/or outcomes could, for some reason, not be met, what alternative outputs, outtakes, and/or outcomes would the organization be willing to accept?

--How does what has happened in connection with the organization's public relations effort relate to what has happened in connection with related activities or programs in other areas of the company, such as advertising, marketing, and internal communications?

--Who are the organization's principal competitors? Who are their spokespersons? What are their key themes, concepts, and messages that they are seeking to disseminate? Who are their key target audience groups? What channels of communications are they most frequently utilizing?

--Which media vehicles are, or were, most important to reach for the particular public relations and/or marketing communications activities that were undertaken?

--What were the specific public relations materials and resources utilized as part of the effort? Would it be possible to obtain and review copies of any relevant press releases, brochures, speeches and promotional materials that were produced and distributed as part of the program?

--What information is already available to the organization that can be utilized by those carrying out the evaluative research assignment to avoid reinventing the wheel and to build on what is already known?

--If part of the project involves an assessment of media coverage, who will be responsible for collecting the clips or copies of broadcast materials that will have been generated? What are the ground rules and/or parameters for clip and/or broadcast material assessment?

--What major issues or topics pertaining to the public relations undertaking are, or have been, of greatest importance to the organization commissioning the evaluation research project?

--What is the timeline for the Trust Measurement and Evaluation Research effort? What are the budgetary parameters and/or limitations for the assignment? Do priorities have to be set?

--Who will be the ultimate recipients of the research findings?

--How will the collected information be used by the organization that is commissioning the research?

QUESTIONS THAT NEED TO BE PUT TO THOSE RESEARCH SUPPLIERS, AGENCIES AND CONSULTING FIRMS THAT ACTUALLY CONDUCT TRUST MEASUREMENT AND EVALUATION STUDIES

Here are some of the key questions that ought to be put to those who actually are asked to carry out a Trust Measurement and evaluation research project, before the assignment is launched:

--What will be the actual research design or plan for the Trust Measurement and evaluation project? Will there be a full description in non-technical language of what is to be measured, how the data will be collected, tabulated, analyzed and reported?

--Will the research design be consistent with the stated purpose of the Trust Measurement and evaluation study that is to be conducted? Will there be a precise statement of the universe or population to be studied? Will the sampling source or frame fairly represent the total universe or population under study?

--Who will actually be supervising and/or carrying out the Trust Measurement and evaluation project? What are their backgrounds and experience levels? Have they ever done research like this before? Can they give references?

--Who will be doing the field work? If the assignment includes media content analysis, who will be reading the clips or viewing and/or listening to the broadcast video/audio tapes? If the assignments involve focus groups, who will be moderating the sessions? If the study involves conducting interviews, who will be doing those and how will they be trained, briefed, and monitored?

--What quality control mechanisms have been built into the study to assure that all "readers," "moderators," and "interviewers" adhere to the research design and study parameters?

--Who will be preparing any of the data collection instruments, including tally sheets or forms for media content analysis studies, topic guides for focus group projects, and/or questionnaires for telephone, face-to-face, or mail survey research projects? What role will the organization commissioning the Trust Measurement and evaluation assignment be asked, or be permitted, to play in the final review and approval of these data collection instruments.

--Will there be a written set of instructions and guidelines for the "readers," the "moderators" and the "interviewers"?

--Will the coding rules and procedures be available for review?

--If the data are weighted, will the range of the weights be reported? Will the basis for the weights be described and evaluated? Will the effect of the weights on the reliability of the final estimates be reported?

--Will the sample that is eventually drawn be large enough to provide stable findings? Will sampling error limits be shown, if they can be computed? Will the sample's reliability be discussed in language that can clearly be understood without a technical knowledge of statistics?

--How projectable will the research findings be to the total universe or population under study? Will it be clear which respondents or which media vehicles are underrepresented or not represented at all, as part of the research undertaking?

--How will the data processing be handled? Who will be responsible for preparing a tab plan for the project? Which analytical and demographic variables will be included as part of the analysis and interpretation?

--How will the research findings and implications be reported? If there are findings based on the data that were collected, but the implications and/or recommendations stemming from the study go far beyond the actual data that were collected, will there be some effort made to separate the conclusions and observations that are specifically based on the data and those that are not?

--Will there be a statement on the limitations of the research and possible misinterpretations of the findings?

--How will the project be budgeted? Can budget parameters be laid out prior to the actual launch of the assignment? What contingencies can be built into the budget to prevent any unexpected surprises or changes once the project is in the field or is approaching the completion stage?