

Trust: What Creates It?

Social media and trust are two concepts not often used in the same sentence. But in a linked-in world where applications and sites including YouTube, Facebook and Twitter are rapidly changing the way people communicate with each other, social media and trust will play increasingly important roles in determining how your company is perceived by employees, customers and other stakeholders. They may also have a real impact on your company's ability to achieve its strategic goals.



The explosion of social media and social networking tools has fostered two fundamental changes in the business world. One, consumers now have at their disposal a wealth of information about your company and its product or service. As anyone who has spent some time on the Internet knows, some of this information is more accurate and reliable than others.

Two, and more important, you can no longer control the communications messages the public receives about your business. You still have to put your message out there. But now it is just one more message amidst all the social media "chatter" about your company. In order for your messages to have credibility, people must trust you, which is why trust has become one of the new business imperatives.

Low trust can inflict organizational damage on many levels. Low trust makes it harder to:

- Recruit, hire and retain good employees
- Attract needed investment
- Build customer loyalty
- Secure strong vendor relationships
- Develop efficient internal processes and systems
- Motivate high performance
- Resolve interpersonal conflicts
- Develop effective relationships with government and regulatory agencies

Conversely, several studies have shown a direct link between high trust and financial performance. Companies with high levels of trust tend to have stronger brands. They enjoy more positive word of mouth advertising. And when they make mistakes, stakeholders are quicker to forgive, as long as the company acts quickly to rectify the mistake.



So, what is trust and how do you get it?

In organizations, trust is the belief that management's actions, words and deeds are intended to benefit and enrich all stakeholders, not just those who run the company. For trust to exist, your customers, employees, suppliers and stockholders have to believe that you are acting in their best interests as well as your own.



Strategies for building trust include:

- Act with integrity. In other words, walk your talk.
- Develop a strong, unifying mission and vision. Let people know why you exist and how that will make the world a better place for everyone involved with the company.
- Define and clarify organizational values that determine how you will behave internally and externally. Live those values on a daily basis.
- Communicate constantly, not just about the decisions being made but *why* they are being made.
- Treat people with respect. Create an environment where people are encouraged to express their opinions, and listen when they do.
- Provide ongoing feedback. Let employees know what you expect from them and tell them how they are doing on a regular basis.
- Develop a culture of accountability. Reward high performance and hold people accountable for improving poor performance.
- Communicate constantly and cascade key messages throughout the organization. This includes telling employees how the business is doing overall and where you see it headed in the next one to three years. It also includes constantly updating employees on shifts in the external environment (markets, competition, regulations, etc.) and defining why you will still win.

Perhaps the biggest change wrought by the advent of social media is the demand for transparency. In the past, many companies controlled public perception by limiting the amount of information people had access to. With social media and the resulting flood of information, transparency in business has become an expectation.

In today's world, secrecy breeds suspicion. When you withhold information, both the intent and the actual content become open to misinterpretation. In the absence of information, today's bloggers, twitterers and forum posters will make it up for you. The last thing you want is for others to dictate how the public perceives your business.

Creating trust as a strategic objective represents a new way of thinking for many of today's business leaders. But the next generation of market leaders will be those companies that do the best job of building and maintaining trust with their key stakeholders.





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