

Edelman

Building trust

Steven Spurr, CEO of Edelman Australia, says there are three ways directors can work to build trust.

Trust in Australia isn't in a good place in 2018 with declines across all four key institutions: media, business, government and NGOs. This year's results revealed Australia currently sits only four percentage points above the world's least-trusting country, Russia. Trust in media has fallen to a new all-time low of 31 per cent, and 60 per cent of Australians are disengaged with news from major organisations.

The 2018 Edelman Trust Barometer reinforced the expectations of the public that business (over government, media and NGOs) is expected to address social issues. Bear in mind that these results reflected the state of trust in Australia in November last year – before the revelations of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry and the Facebook/Cambridge Analytica data privacy scandal – both of which have caused the Australian public to further call into question the fundamental principles of trust applied to products and services that we engage with on a daily basis.

When it comes to directors, there has been a marked lift in trust this year in Australia, although from a low base (up 10 points to 34 per cent, five points behind CEOs). The expectation of the Australian public is that you represent the interests of the average Australian, hold CEOs to account and ensure the businesses you guide have a societal purpose as well as financial ones.

The Australian public is also clear on another important issue – trust is an important business metric in itself because it is essential to your social licence to operate – and your survival.

The question for businesses and boards remains: how do we ensure we are trusted? Start by making an honest assessment of where your people, your business and your industry stand in relation to your values. Apply these to the expectations of the communities you operate in and determine your social licence to operate. This year's study revealed three key drivers of trust in business. Boards looking to rebuild trust would do well to focus on them.



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Steven Spurr, CEO Edelman Australia

1. Shifting away from the market-driven CEOs. Voices of authority, including experts and CEOs, are regaining credibility. Leaders who have a broader stakeholder and societal perspective and platform have elevated trust levels above their profit-and-loss-only peers.
2. Australian businesses have been given licence to stand up for societal issues.

This social licence must be underpinned by ethical engagement and solid performance as a baseline, but essentially, this is not just an opportunity; it's an expectation that businesses are actively engaged in the communities and societies in which they operate.

3. Look within your organisations to find your advocates. One of this year's most surprising findings was the enormous leap in trust Australians feel towards their employers – up 20 per cent since 2016. Your employees are your ambassadors of trust. They can correct misconceptions, support and advocate from a place of authentic engagement and experience.