

Trust

Exploring the
impact of trust in
the workplace.

Me!

A GEYER, SWINBURNE UNIVERSITY OF TECHNOLOGY
& GREAT PLACE TO WORK RESEARCH COLLABORATION
FERTILIZER #4

Why study trust?

Highly flexible, highly mobile environments challenge our notions of control and management style and rely heavily on a high degree of trust to be successful.

This has been the question we have been asked by colleagues, clients and advocates. Some roll their eyes and question our entry into the domains of human psychology and organisational ju ju where they claim, perhaps legitimately, we don't belong. Others point out the fact we don't currently design with trust in mind and wonder why anyone would consider adding another dimension, expectation, and potential yard stick to what is already a challenging task? Isn't it enough to create a great design with reduced programs and lower fees!

In some ways that is just the point. Creating good design is more difficult than it was in the past, particularly for designers who want to make a difference. If we want to contribute more than producing an aesthetically beautiful solution, we need to concern ourselves with the performance of the space and our past research on Knowledge Management has shown us that 'trust' is a key factor in sharing knowledge. Likewise our research on Technology Adoption highlighted trust as a key factor for adopting (even trying) new technology.¹

So if trust is so important, why don't we consider it when we design? The answer is quite simple, because we don't know how! And there is no research, at least none we have uncovered, exploring the impact of the physical environment on organisational trust to enlighten us.

Other reasons are tied inextricably to the ever changing landscape of work style and the impact this has on physical space. Specifically the emergence of mobile work practices like Activity Based Work (ABW) within organisations, and the next evolution of those that push the boundaries of the workplace beyond buildings and into community such as: 'The Hub' in Melbourne, Steelcase's Mindspring centres in Chicago and Palo Alto and 'Co-Working' facilities designed by the UK architectural firm TILT.

These highly flexible, highly mobile environments challenge our notions of control and management style and rely heavily on a high degree of trust to be successful. This makes sense. Regardless of how and where we work, business practices are conducted via personal relationships between human beings. Whether

it is with your partner, a co-worker or the guy you buy your coffee from in the morning, a relationship built on trust will be far more stable than any other.

Other reasons for exploring the topic are that the GFC, corporate misbehaviour and leadership fumbles, have created low organisational trust. Naturally this is cause for serious concern amongst business leaders who are painfully aware of the negative impacts low trust can have on business performance.

Face it, it's hard to ignore. The word TRUST surfaces at workplace, human resources and business conferences and we would be hard pressed to conduct a visioning session with a client where building and maintaining trust has not been mentioned as an organisational imperative.

It deserves greater investigation — trust is a big deal.

1. Geyer primary research into Knowledge Transfer and Technology Adoption download full report geyer.com.au

Our findings in a nutshell

If this is only thing time permits you to read,
you will still get the high level concept of the research,
otherwise please read on.

In our continual efforts to simplify the delivery of our research and make it easy to digest, we have compressed eighteen months of research findings into three poems following the Japanese style Haiku, a short poem comprised of three lines - the first and last having five syllables and the second having seven. We believe they capture the key messages at a high level.

Time & Place

Your time suits my time
Anytime suitable, anywhere here
Got to see your face

Size & Quality

Quality is King
Don't care much about size
I like my smart phone

Leadership

Leadership drives change
Workplace and strategy alone
Impact bugger all

Organisational trust

We have begun each of our past research reports with a dictionary description of the topic; however, in the case of organisational trust, a simple description proved to be quite confusing because our definition of trust has evolved over time.

This forces us to ask at what point in time our definition should come from?

Early concepts of organisational trust were defined on models of bureaucratic control in which members of an organisations followed rules that determined and predicted their conduct. Bureaucracy instils the necessity for rule-following, identifying and punishing those that do not follow the rules (Grey and Garsten, 2001). In this scenario trust is defined by the extent an employee could be relied on to follow rules.

Later definitions are quite the opposite. In those, trust is related to an expectation of benevolence or consistent behaviour, a willingness to be vulnerable to the acts of others (Blunsdon and Reed, 2003).

As employees we look up to our leaders and the organisations we work for, and base our level of trust on how both react to external challenges: the oil spill, the bullying co-worker, inappropriate workplace behaviour or a significant downturn in business. If their response aligns with our own personal values, trust is established.

Trustworthiness is argued to provide a number of advantages to organisations and their members including:

_Lowers transaction costs within organisations (Williamson, 1993; Creed and Miles, 1996)

_Motivates individuals to work towards collective rather than individual goals (Brann and Foddy, 1987; Tyler and Degoe, 1996; Mishra, 1996)

_Inculcates acceptance and deference to organisational authority (Tyler, 1993, Arrow, 1974)

Research to date has focused on the attributes of individuals that lead to differences in the disposition to trust and the characteristics associated with trustworthiness.

However, trust is not just a relationship between the truster and the trustee; it is subject to organisational context. In a workplace there must be provisions for technology and other factors like Human Resources Management (HRM) practices, workplace age and size, and not only the technical and social aspects of work organisation.

In considering a workplace context we often use the term ecology, in many ways a workplace is similar to rainforest ecology where each part is dependent on the other. The spaces we occupy, the people that inhabit them and the technologies that support them can no longer be viewed in isolation.

A change in one will have a ripple effect on the others and all play a key role in shaping the level of trust within an organisation.



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Research Team

The Trust research is the result of a collaborative effort between three parties.

Geyer, a design practice specialising in the development and implementation of strategy and design solutions for workplace, retail, education and hospitality environments.

The Swinburne University of Technology Faculty of Design and the Great Place to Work Institute — Great Place to Work® is a global research consulting and training firm that identifies, creates and sustains great workplaces by developing high-trust workplace cultures. Their ongoing research and unparalleled database of the world's best workplaces enables them to share insights through publications and online resources around the world.

Each member of the team brought a unique skill to the research consortium.

Swinburne University's contribution of academic rigour and a robust process for developing and undertaking projects of this nature ensures the research is conducted ethically and on par with the best of academia.

Geyer brings over 35 years of industry experience and the 'so what' factor e.g. how should this information be practically applied in your workplace.

And finally, Great Place to Work offers their Trust Index Assessment tool which the entire project is built on.

Fertilizer #4 was authored and published by Geyer. If you would like any further information or details regarding Geyer's research initiatives, please contact laznavoorian@geyer.com.au

Literature Review Snapshot

Trust is strongly linked with productivity.

High trust environments align with personnel involvement, commitment, and organisational success. All successful business relationships – managerial, operational or support - necessitate trust (Serrat, 2009).

Trust is grounded in perceived dependability; we actively choose to trust those that we consider to be reliable. The act of trusting involves 'assessing probabilities of profit and loss, calculating expected utility based on (past, current, and expected) performance, and concluding that the party in question will behave in a predictable manner.' (Serrat, 2009)

According to Peter Drucker, 'leaders who work most effectively never say "I." And that's not because they have trained themselves not to say "I." They don't think "I." They think "we"; they think "team."

A lack of trust can produce such detrimental results as: toxic cultures (office politics); dysfunctional working environments; redundant hierarchies

(excessive layers of management, overlapping structures); punishing systems (complex and cumbersome policies, rules, regulations, procedures, and processes); poor company loyalty; decreased commitment; disengagement; low productivity; intense micromanagement; militant stakeholders; high employee turnover; and fraud (Serrat, 2009).

An organisation's ability to foster trust, in order to maintain strategic partnerships between all employees, is now a critical competence (Lewicki, McAllister & Bies, 1998). The characteristics of trust have also been widely explored. Personal trust is linked to cooperation, performance, and quality of communication in organisations (Whitener, Brodt, Korsgaard, & Werner, 1998).

Human resource consultant David Bowman suggests trust building behaviour involves the following five elements: establish and maintain integrity, communicate vision and values, treat all employees as equal partners, focus on shared goals and do what is right regardless of personal risk.

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Our Hypothesis

Our hypothesis was that organisations returning a high trust index on the Great Place to Work tool might share some specific attributes in their workplaces. We assumed those might be:

- _More casual spaces
- _A higher percentage of open plan workspace
- _A greater variety of places to work within the environment
- _Space likely to be allocated on task rather than status
- _Dedicated areas for social interaction, breakout areas, embellished lunch areas, etc
- _The environment will communicate the organisation's values
- _A highly ergonomic workplace
- _Distribution across fewer floors
- _Visual connectivity between employees.

The intention was to prove causality. Causality is one of the strongest statements one can make in research. However, to claim that one thing causes another, three requirements must be met: correlation, time order and lack of rival explanation (Janes, 2001). Interestingly, the difficulty of proving these requirements (in research) increases in the same order.

— Correlation

A method was developed to allow correlation between the GPTW survey and our survey which focused on space attributes.

— Time Order

Satisfying the second requirement of time order proved to be more problematic. When claiming one element, A causes another B, A must precede B. In this case it is not impossible to state a great office design lead to a higher trust index, nor could the claim be made that a higher trust index provided organisations any special

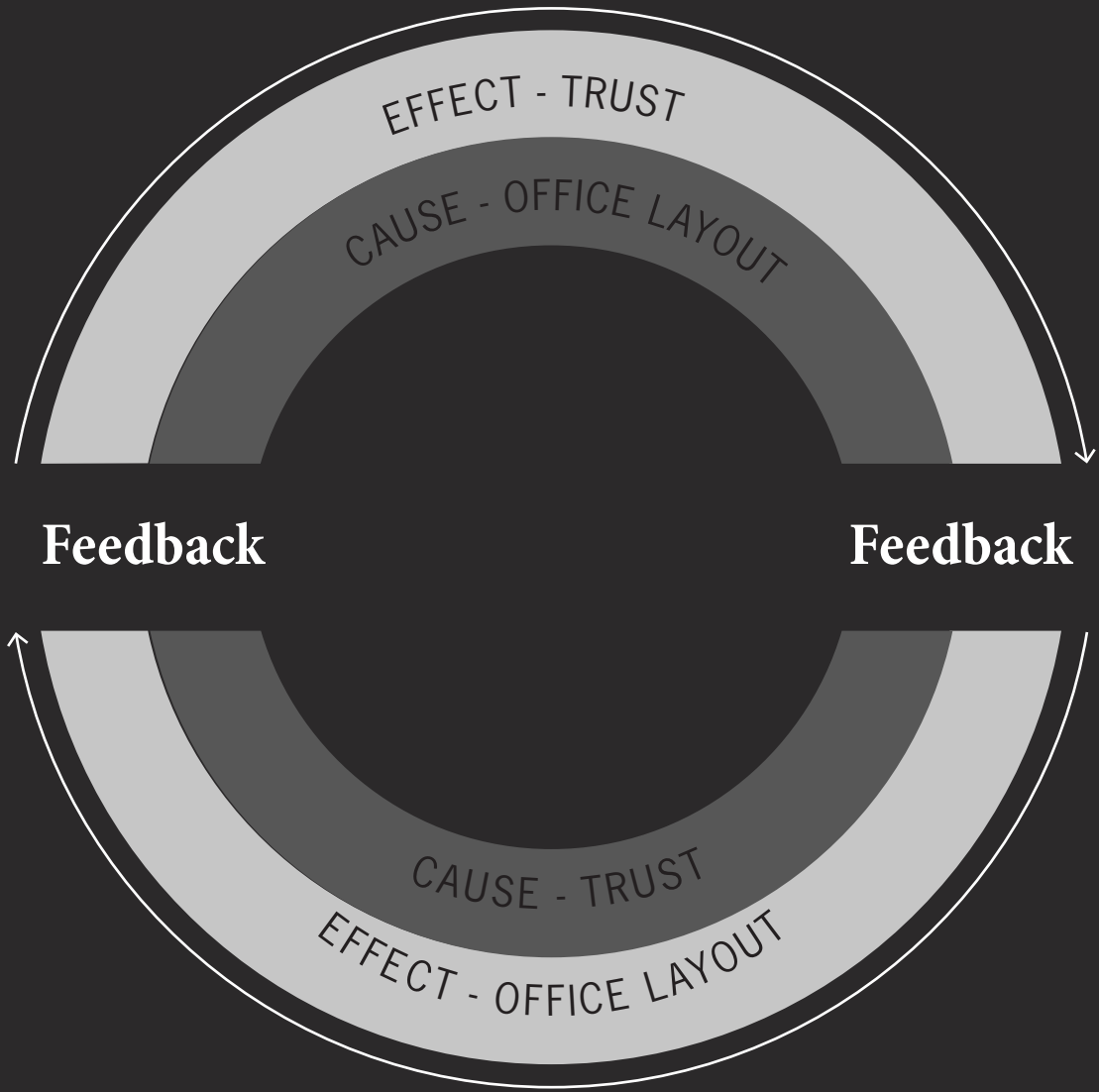
liberties to implement something unusual in their office design. As is illustrated in the diagram opposite, the more likely case is that trust level and office layout enter into a feedback loop with each taking turns influencing the other, making it impossible to establish cause and effect.

— Lack of Rival Explanation

Proving a lack of rival explanations was even more challenging. As previously discussed, organisational trust is a combination of many factors: work processes, organisational age, size, etc. Therefore, given we already know a higher level of organisational trust cannot be contributed to workplace design alone, it is impossible to isolate the contribution of other influences. As such, the purpose of the research evolved from attempting to prove other rival explanations did not exist, to a quest for greater awareness of the role that design plays amongst them.

The mix and weighting of contributing factors will be analysed and correlations grouped into clusters. The opportunity may arise to identify new contributing factors, as well as challenge existing ones. As in the previous time order criterion, arguments will be discussed and presented within the context of the literature to gain understanding and inform the proposed model. As anticipated the study can only identify correlation and thus causality may not be claimed.

However, discussing results under a causality paradigm allows for the development of a framework that incorporates space in the existing models used to study the impact of space on organisational trust.



Trust level and office layout feedback each other to the point that it is impossible, or irrelevant to establish cause and effect.

There is a lack of research that explores the relationship that might exist between the physical environment and organisational trust. This research initially aimed to prove causality between the spatial attributes of a workplace and the level of organisational trust present.

Research Context

Workstyles are evolving; many no longer require employees to be physically present in a building.

It is these highly mobile workstyles that are of particular interest, especially since they are no longer confined to tech savvy companies and are being adopted by mainstream professional organisations around the globe.

What drives their success and how can we build trust with people we can't see every day? What role, if any, does the physical environment play in establishing and maintaining organisational trust?

Today trust is recognised by many organisations as a strategic and critical competence, viewed as an important contributor to personal interactions, acceptance of new technologies, work processes and new ideas that affect workplace performance. Despite its importance, most existing research on organisational trust comes from a business, management or psychological perspective.

There is a lack of research that explores the relationship that might exist between the physical environment and organisational trust. This research initially aimed to prove causality between the spatial attributes of a workplace and the level of organisational trust present.

We had hoped to achieve this by testing hypotheses relating specifically to space and trust, emanating from the overarching concept that the physical environment effects the building of trust in organisations.

However, for reasons explained above, through the research we recognised that causality would more than likely be impossible to prove.

As a result, the goal of the research evolved to improve our understanding of the role design plays in fostering and maintaining organisational trust; developing our understanding of people's relationship with space and how workplace design can be improved by promoting attributes that foster trust building and reducing those that hinder it.

Research design & methods

This Trust Research has two objectives. The first is to develop a model to include space as a contributing factor in the development of organisational trust.

Second explores the possible relationship between space attributes and the building of organisational trust. The goal is to explore the impact of office design on organisational trust.

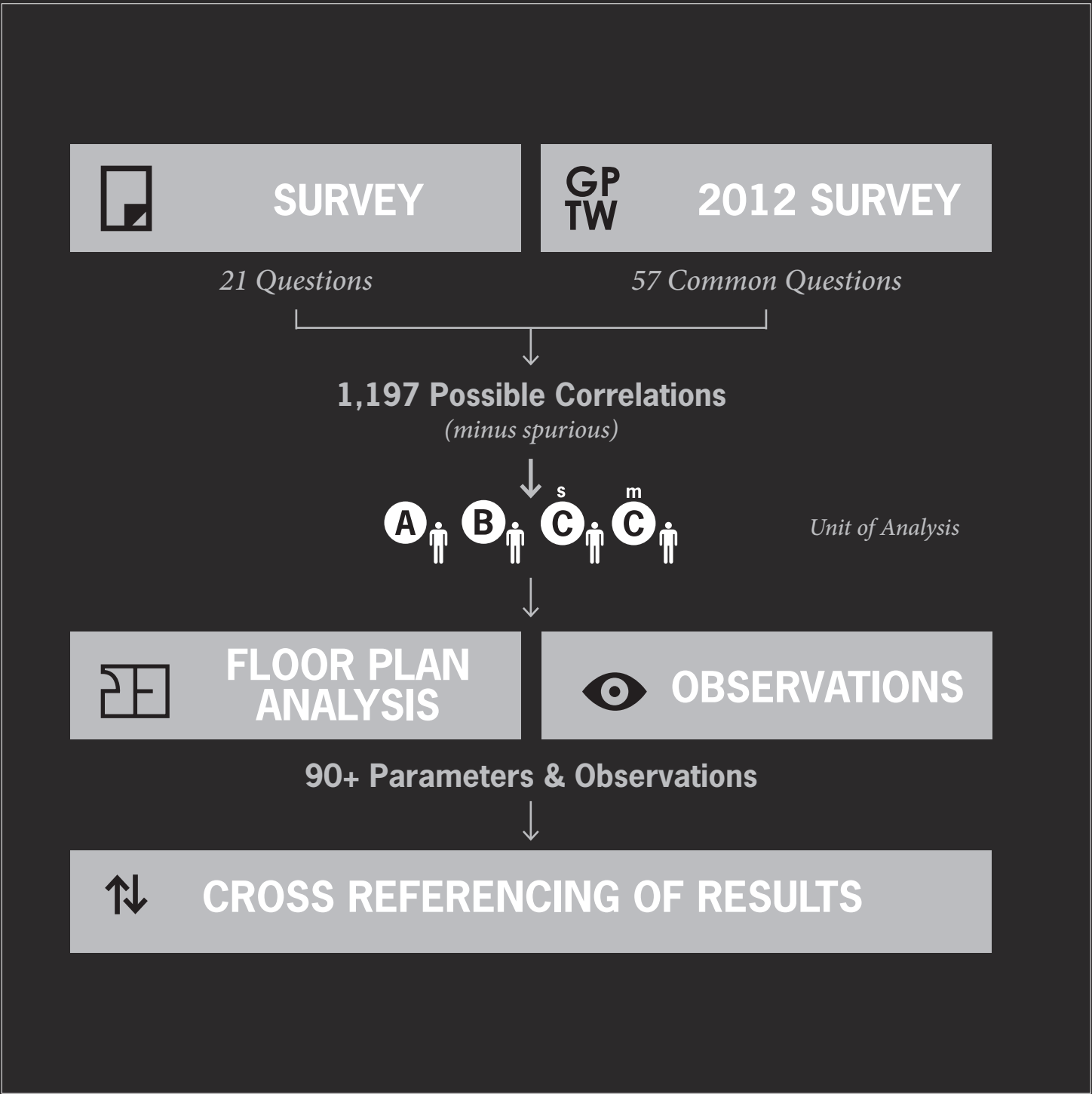
Data supporting this research was collected in 2012 through two surveys, physical observations of workplaces, and an analysis of participating companies' floor plans.

The research uses the results of the 2012 Great Place to Work survey as a starting point. This survey provides a measurement tool that uses five dimensions to evaluate whether a company is a 'great place to work'. Notably, three of the dimensions: credibility, fairness and respect relate directly to trust. Consequently, the survey results were sorted to isolate those areas that relate to the research topic.

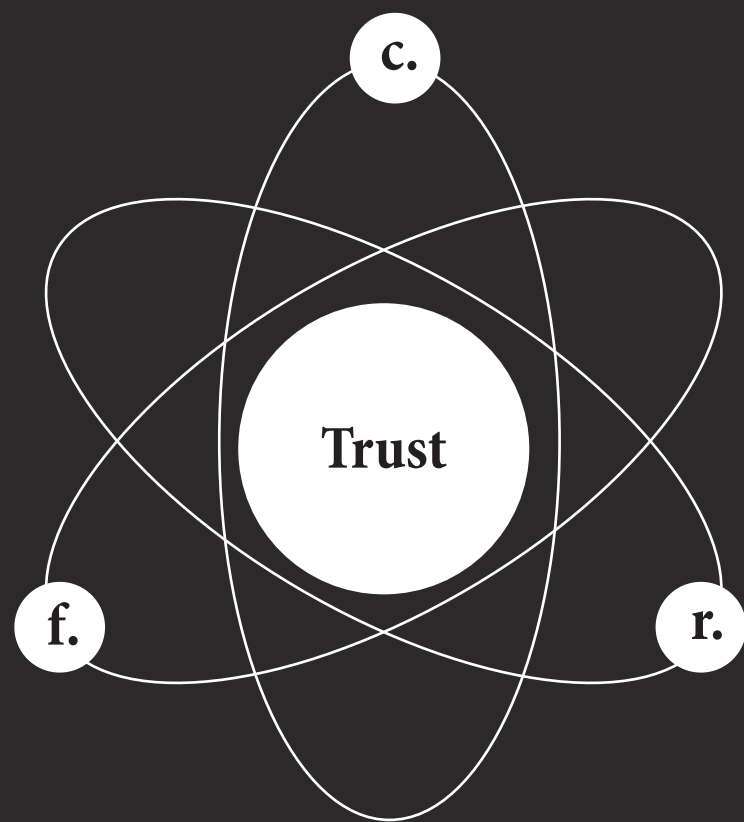
Of the 141 companies in Australia that took the GPTW survey in 2012, we engaged with three of them. One company had two office locations, in Melbourne and Sydney. Results considered both the company's aggregate scores, as well as the responses of each individual who participated.

In addition to the GPTW survey, the project team administered a second Research Survey to participating organisations that specifically addressed the attributes of their physical environments. Between the 57 common questions on the GPTW survey and the 21 questions in the Research Survey, there is a possible 1,197 correlation points.

Additional data collected from organisations included unobtrusive site observations of their workplaces and floor plan analysis, which provided over 90 additional parameters. Finalising the analysis of this large body of data and cross referencing the results is a significant undertaking. This report represents the first of what may be multiple waves of analysis.



GPTW Survey



Credibility
Respect
Fairness

The research in this report has been built on the work done by the Great Place to Work Institute’s ‘Best Companies Initiative’.

GPTW recognises leading workplaces in more than 45 countries worldwide. Their data captures the views of over 10 million employees and forms the world’s largest and most respected study of workplace excellence and people management practices. Great Place to Work’s method is recognised as rigorous and objective, setting the standard for defining great workplaces for business, academia and government use.

The findings are published annually in prestigious media channels across the globe including BRW Magazine, Fortune, Handelsblatt and Le Figaro Économie.

They represent the definitive employer-of-choice and workplace quality recognition any company can receive. GPTW has developed a Trust Index © Assessment & Employee Survey that measures organisational culture across five dimensions.

Three of those relate directly to the level of trust in organisations. These, and the nine sub-dimensions associated with them, are the foundation for the research.

The three dimensions relating to trust and their sub-categories are as follows:

—CREDIBILITY

- _Two-Way Communication - the extent to which communication between management and employees is effective.
- _Competence - management’s leadership and people management capabilities.
- _Integrity - leadership’s commitment to high principled standards and leadership’s ability to take actions based on these standards.

—RESPECT

- _Support - the provision of training opportunities, resources, and equipment.
- _Collaboration - the quality of interactions and cooperation between employees and management.
- _Caring - the extent to which managers show an interest in people’s well-being.

—FAIRNESS

- _Equity - the degree to which there is balanced treatment for all people in the distribution of intangible and tangible rewards.
- _Impartiality - employee perceptions of the degree to which management avoids favouritism.
- _Justice - the extent to which employees perceive that management promotes inclusive behaviour, avoids discrimination and is committed to ensuring fair appeals

Research Survey

***The research findings have been compiled into three stories aligning to topics deemed to provide the greatest meaning and value to organisations.**

In addition to the results of the Great Place to Work Survey, a separate Research Survey was developed that added specific questions relating to space, and linked the trust dimensions listed on Page 19 with space parameters. The research team identified which sub-dimensions would be linked and focused on only those that could be related to the physical environment.

The Research Survey was distributed to the three participating organisations A, B and C using an online survey software. The survey opened on 11.10.2012 for organisation A, 10.10.2012 for organisation B and for organisation C 22.10. 2012. The survey closed for all organisations on 20.11.2012. The respondents' breakdown as shown opposite.

The GPTW survey requests participants respond to each survey question using one of the following measures:

1. Almost always untrue
2. Often untrue
3. Sometimes true / Sometimes untrue
4. Often true
5. Almost always true

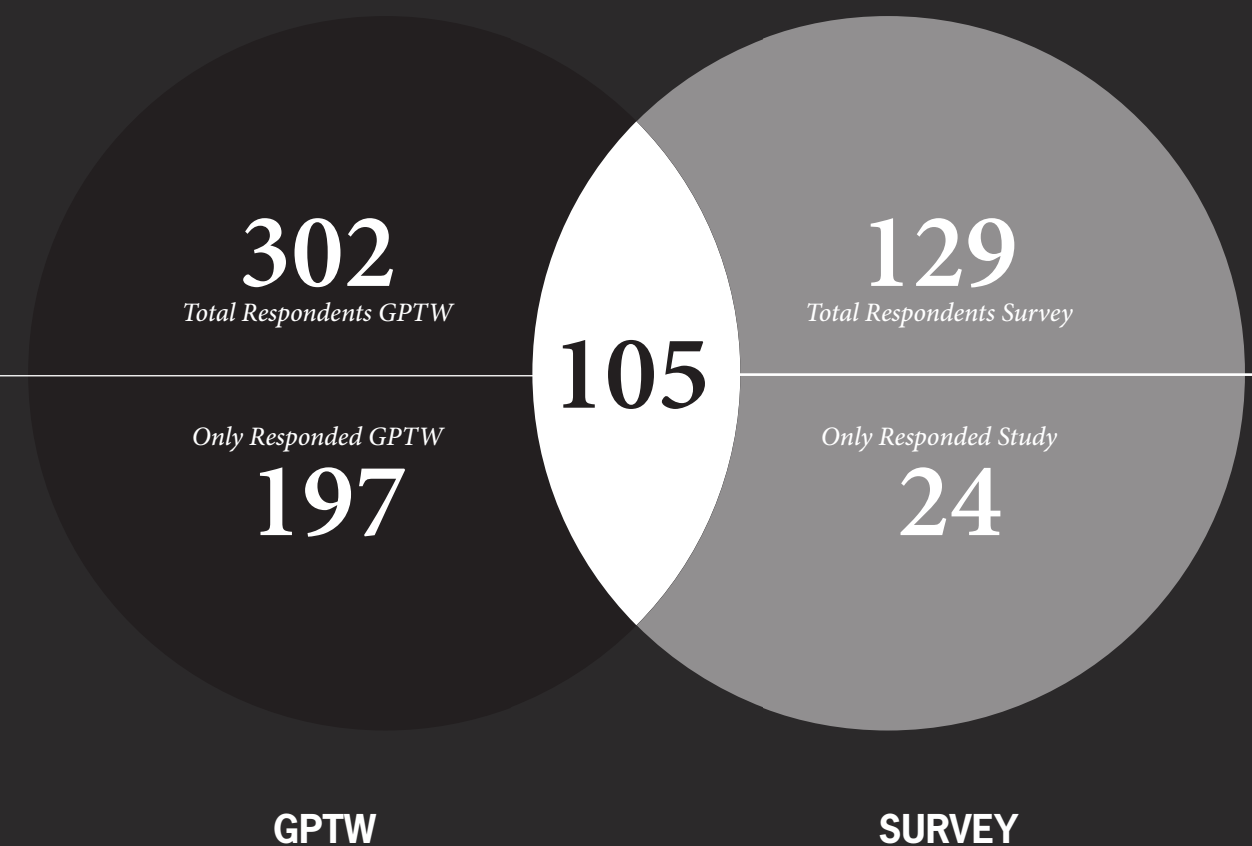
Individuals and organisations providing a response of 5 (almost always true) in questions contained in the dimensions relating to trust (credibility, fairness and

respect) were considered to reflect a high degree of trust in their workplace. Conversely, responses of 1 indicate a lack of trust. This framework of analysis was applied to the four participating workplaces from three organisations.

The trust index of each of the three participant organisation was identified using the survey scores from the GPTW survey. Organisation A ranked 54 of the 141 organisations surveyed Australia-wide. Organisation B ranked 125 and organisation C ranked 137. Consequently, organisation A is considered to be the most trusting, organisations B NSW and B VIC are moderately trusting and organisation C is the least trusting.

Workplace observations were conducted for each of the four workplaces, consisting of both a tour and informal time utilisation study. The results were cross referenced with floor plans of the workspace to ensure accuracy, observations served to identify specific workplace characteristics.

At this point the research analysis has been limited to correlation of the two surveys. Even though additional data was captured using observations and floor plan analysis, it has proven to be inconclusive and cannot provide sound statistical analysis and has therefore not been incorporated into the findings at this time.



Story #1

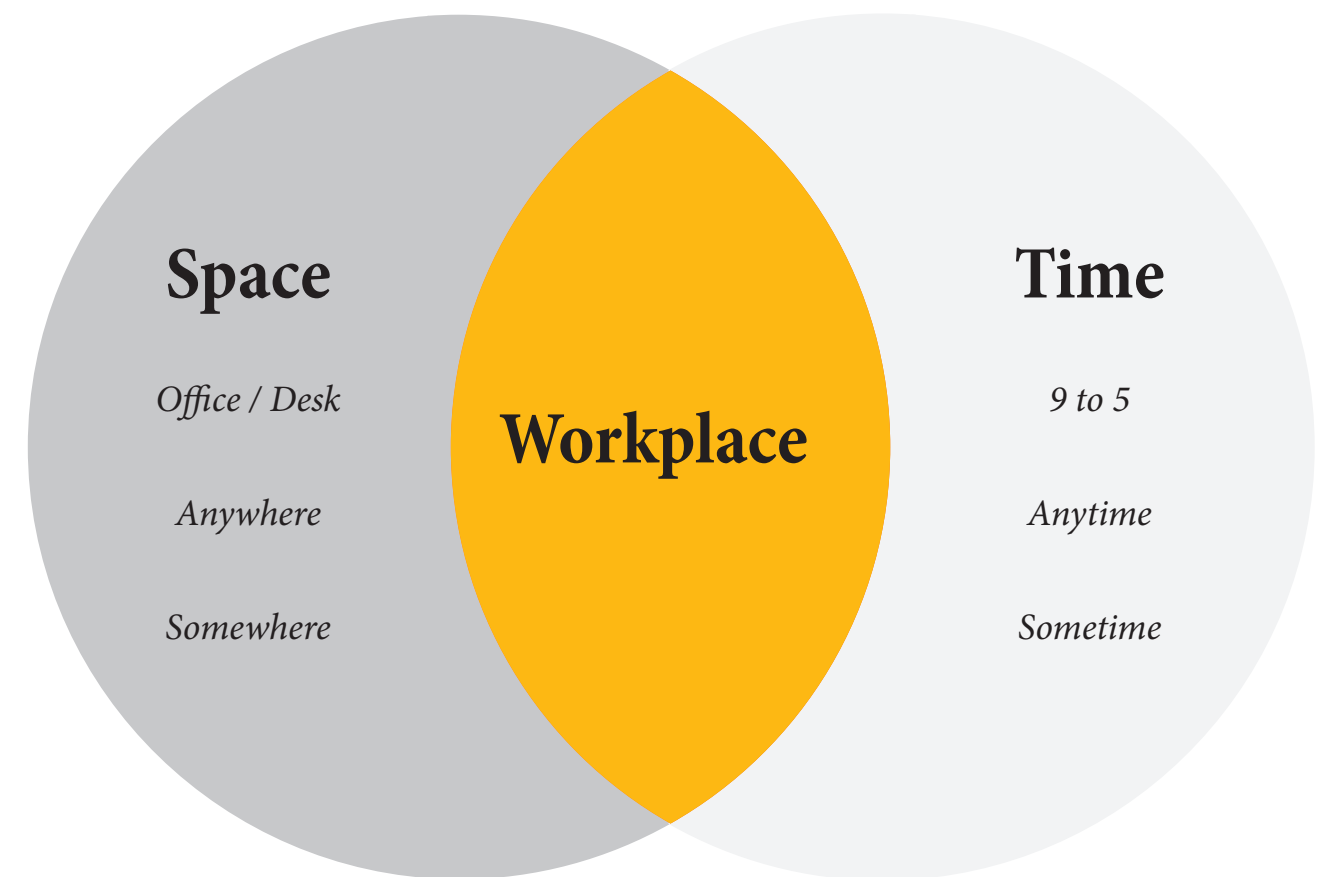
“Workstyles have changed in large part due to shifts in economic and social influences; in addition, the technologies used to support work and the attitudes and expectations of workers have similarly evolved.”

Traditional definitions of the workplace identified work as occurring in a specific place, generally the office, and at a specific time, most likely 9 to 5. In the evolved workplace, it is quite possible to work anywhere at any time.

This creates a quandary, anywhere and at any time is not entirely useful to business leaders and workplace designers, people need to work somewhere and at sometime.

Time & Place

Your time suits my time
Anytime suitable, anywhere here
Got to see your face



Story #1

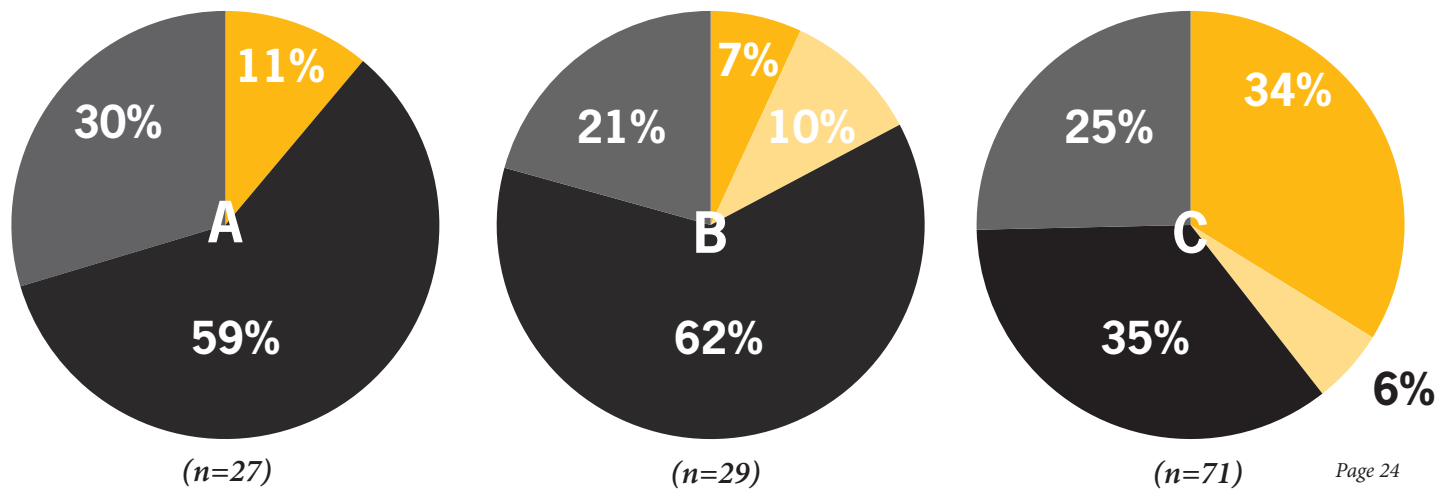
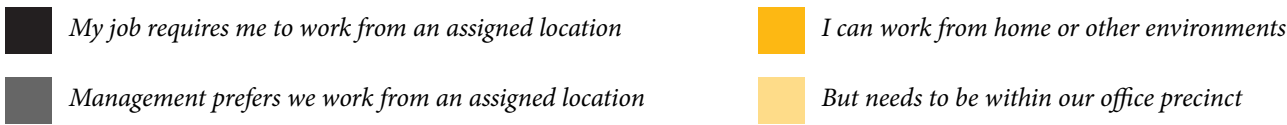
“Workstyles have changed in large part due to shifts in economic and social influences; in addition, the technologies used to support work and the attitudes and expectations of workers have similarly evolved.”

This story begins with two questions intended to build a greater understanding of our perceptions around time and space, and the impact each has on organisational trust.

This first question asked in the Research Survey — **DO YOU HAVE THE FREEDOM OF CHOOSING YOUR WORK LOCATION?**

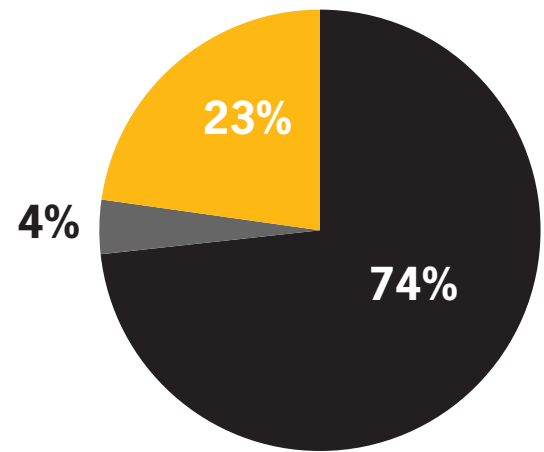
The amalgamated response from the three participating companies was that 47% qualify working anywhere is not possible due to the requirements of their job, and 25% say mobility is blocked due to management preferences.

Only 23% have the ability to work from home or other environments.



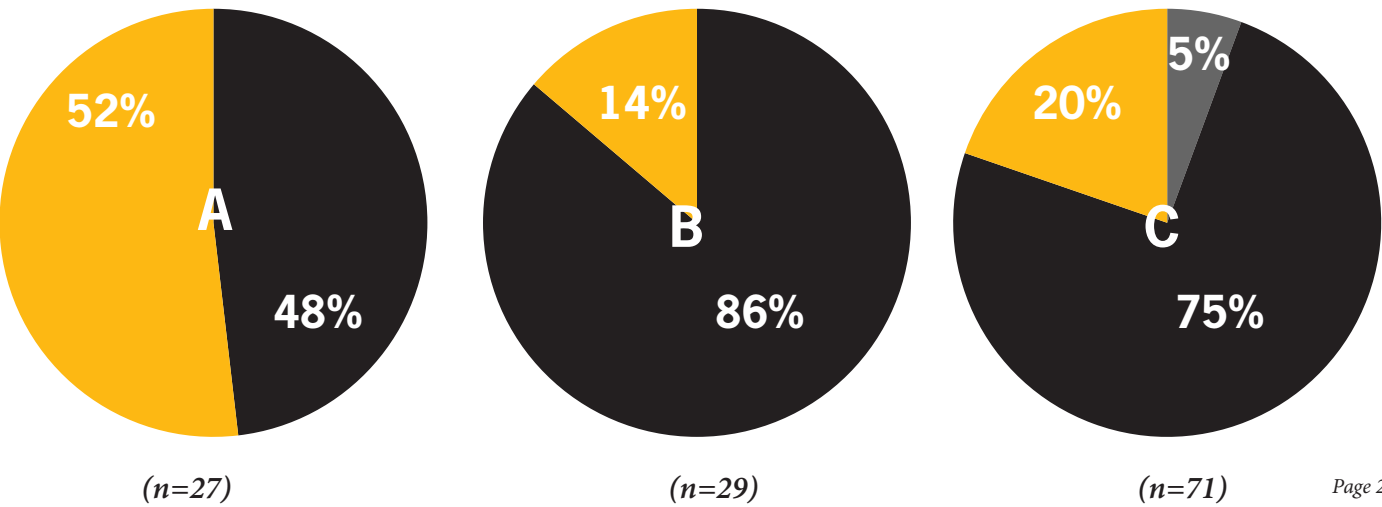
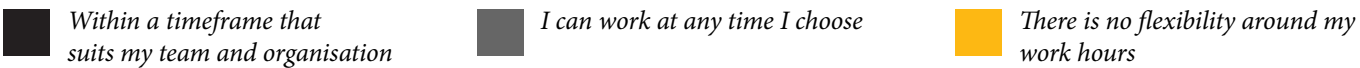
“Trust appears to be a solvent and glue. We want to be trusted to do our work at any time and place, but recognise that to build that trust we need to come together at specific times and places.”

The second question delivered the following responses — **DO YOU HAVE THE FREEDOM OF CHOOSING YOUR WORKING HOURS?**



77% said yes, but qualified their working hours need to be within a timeframe that suited their team and organisation. 23% reported no flexibility in working hours. It is interesting to note that the findings from the first question are nearly in exact opposition to the second question; 72% have no freedom over their work location while 77% do have some freedom of when they work. These findings were then correlated against a question asked in the Competency dimension of the Great Place to Work Survey – Management trusts people to do a good job without watching over their shoulder.

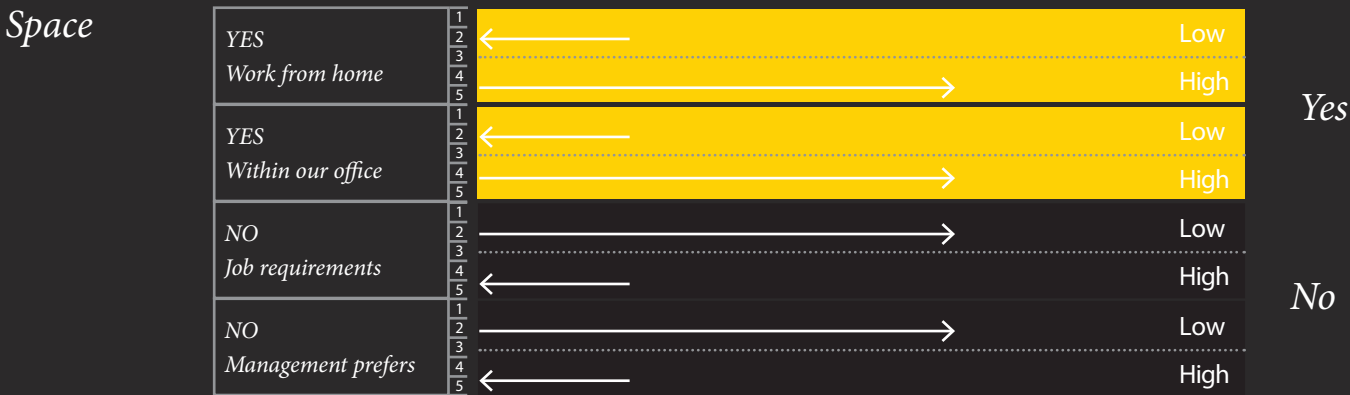
Analysis was undertaken on the 79% of respondents who displayed a high level of trust in their company (those that answered the above question with a 4 – almost always agree, or 5 – always agree ranking). It was assumed that those with a higher degree of trust would allow greater flexibility around time and space, as demonstrated by their answers to the two Research Survey questions.



Story #1

Hypothesis —
Those registering high trust in their organisation would have the freedom to choose where they worked and when they worked.

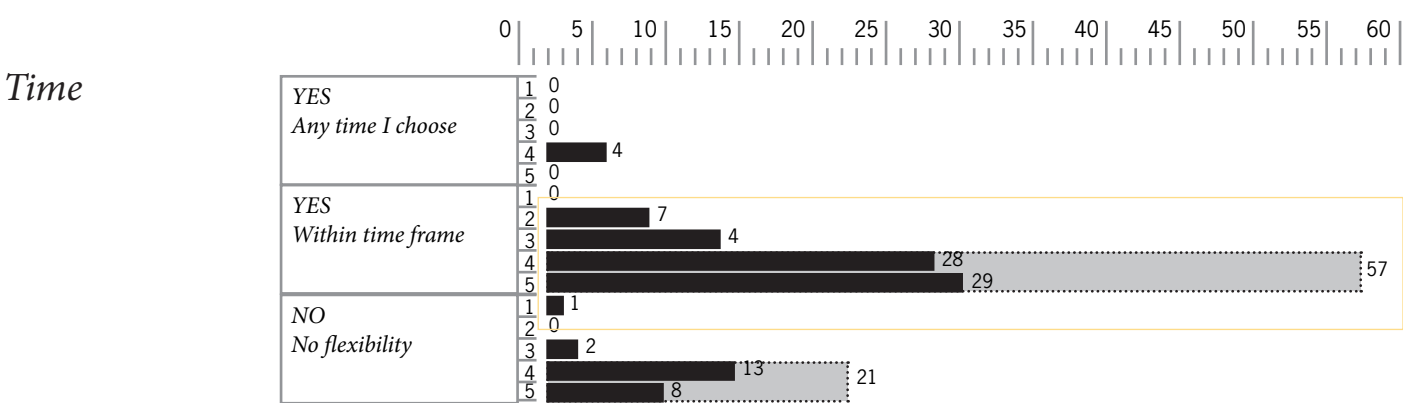
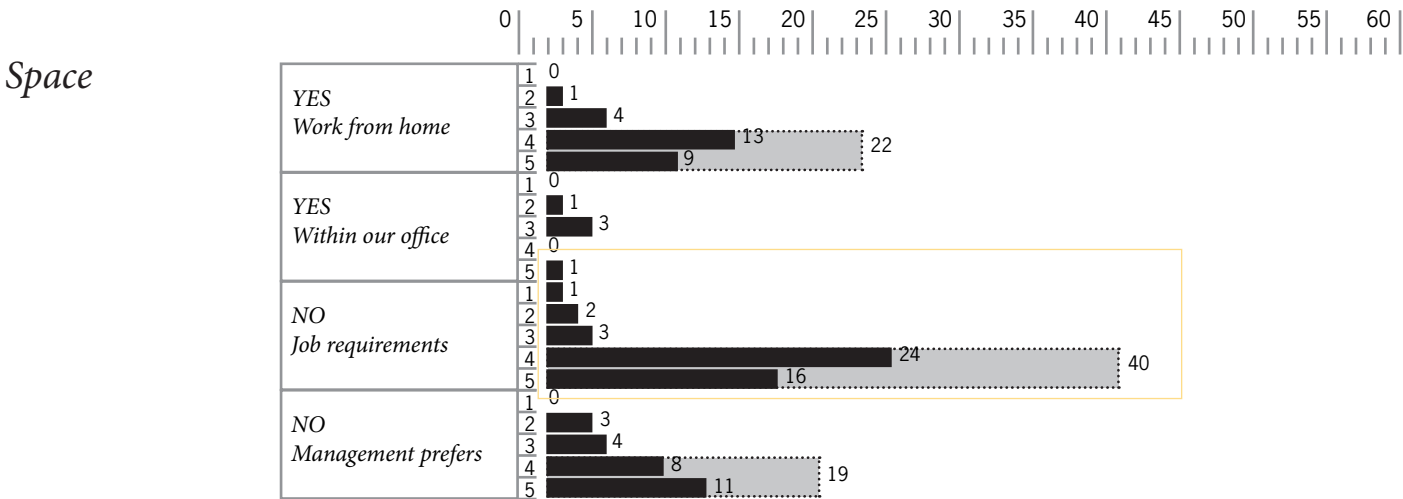
The hypothesis



Story #1

Result— The opposite was true.
Those registering high trust in their organisation reported they did not have the freedom to choose where they worked, but did report a qualified yes to having the ability to choose their work time.

The result



Story #1

“Trust appears to be a solvent and glue. We want to be trusted to do our work at any time and place, but recognise that to build that trust we need to come together at specific times and places.”

Those registering high trust in their organisation reported they did not have the freedom to choose where they worked (59 of the respondents), but did report a qualified yes to having the ability to choose their work time (57 respondents).

Similar results were delivered when comparing questions from the other GPTW survey dimensions relating to corporate image, community, caring and collaboration.

The correlation of the two Research Survey questions against the GPTW statement concerning community, there is a “family” or “team” feeling here – produced high trust rankings amongst individuals delivering yes results on location, and very low trust rankings for those with no results around time.

The GPTW statement concerning Caring, people are encouraged to balance their work and their personal life - and the statement on Collaboration, management involves people in decisions that affect their jobs or work environments, both delivered similar results.

What does this mean in the workplace?

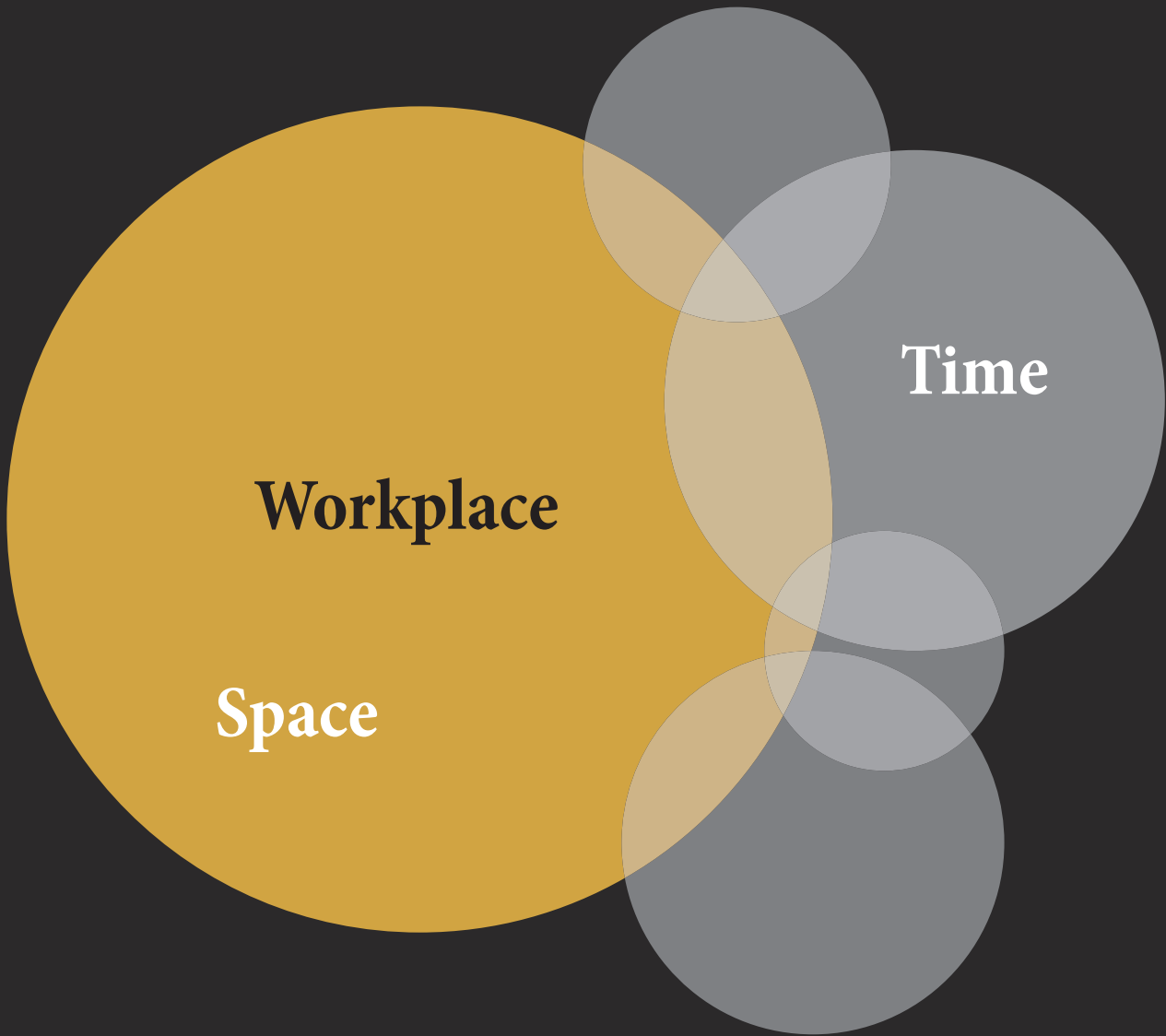
1. TRUST APPEARS TO BE A SOLVENT AND GLUE

We want to be trusted to do our work at any time and place, but recognise that to build that trust we need to come together at specific times and places.

2. ORGANISATIONAL TRUST IS IMPACTED LESS BY TIME THAN PLACE

We support offering the ability to work anytime, as long as it suits others in work teams. Our level of trust drops when we consider allowing employees to work from anywhere.

3. “THE OFFICE” PROVIDES THE NECESSARY ‘SPACE CUES’ THAT ALLOWS PEOPLE TO UNDERSTAND THE RELATIONSHIP BETWEEN TIME AND SPACE.



Trust appears to be a solvent and glue
Organisational trust is impacted less by time than place
The office provides the necessary space cues

Size & Quality

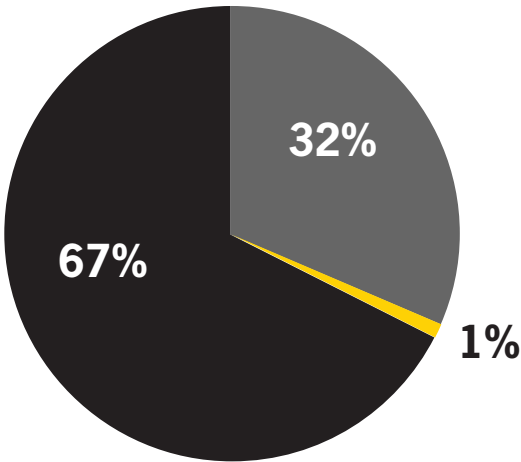
Quality is King
Don't care much about size
I like my smart phone

Story #2

“Organisational trust will be jeopardised if the manager is given a higher quality workspace. This makes sense, why would a manager’s back or eyesight be more important than an employee’s?”

This is a story about equality, impartiality and justice. It begins with the Research Survey question — **IN YOUR ORGANISATION THE WORKSPACES OF MANAGERS HAVE BETTER ERGONOMICS, FINISHES AND FUNCTIONALITY, NO DIFFERENCE OR A LOWER STANDARD THAN THE RESPONDENT?**

The amalgamated response indicates 67% report no difference in the workspaces of managers, with 32% reporting managers had a higher quality workspace.

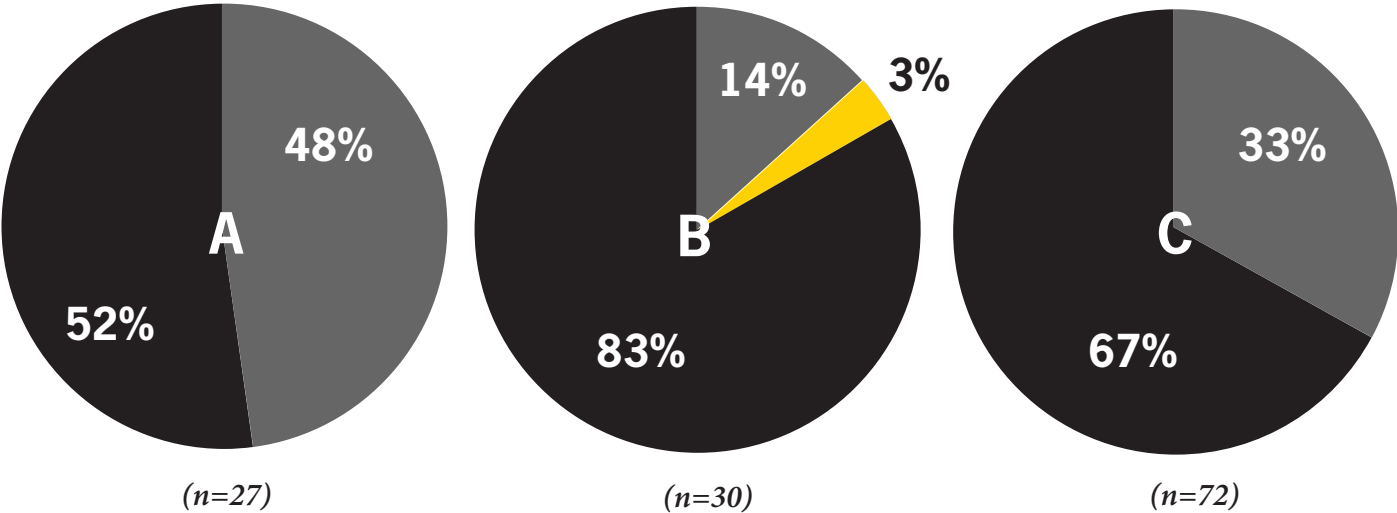


The workspaces of managers have better ergonomics, finishes, location or functionality

There is no difference in the quality of workspaces based on hierarchy

The workspaces of managers have lower ergonomics, finishes, location or functionality

When this was analysed across the three organisations individually the responses are more interesting.

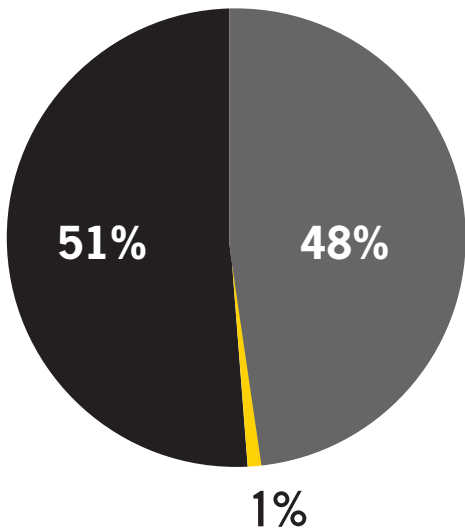


Story #2

“We cannot definitively draw a conclusion that high trust organisations and larger workplaces for managers go hand in hand, but find the difference intriguing.”

Company A, which had the highest trust index, noted 52% believed there was no difference in quality of the reporting manager’s workplace compared to Company B, the lower trust organisation where 83% cited no difference. This study does not provide the ability to analyse whether the large discrepancy in workplace quality is the result of greater or lower trust, nevertheless it is interesting. The Survey then asked a similar question about size — **IN YOUR ORGANISATION MANAGERS HAVE BIGGER, NO DIFFERENCE OR SMALLER WORKSPACES?**

The amalgamated response here was unremarkable, with 51% noting no difference and 48% claiming managers had larger workspaces.

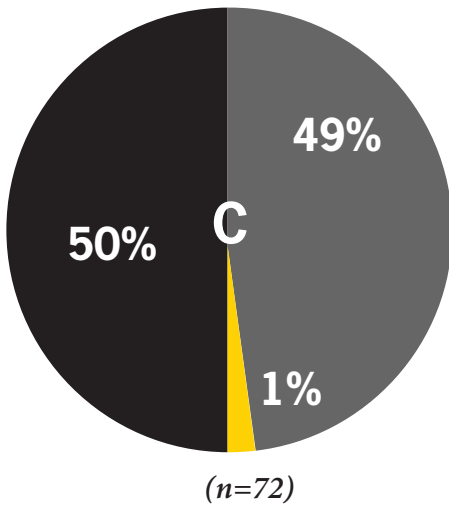
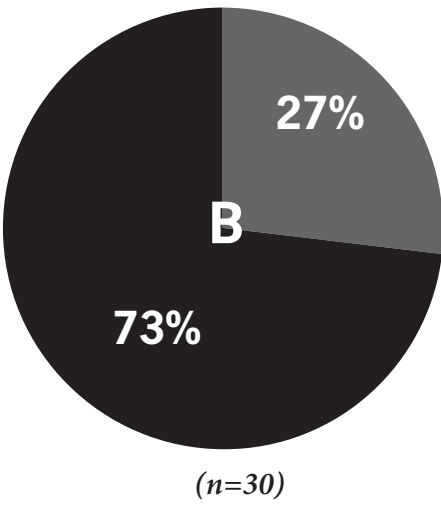
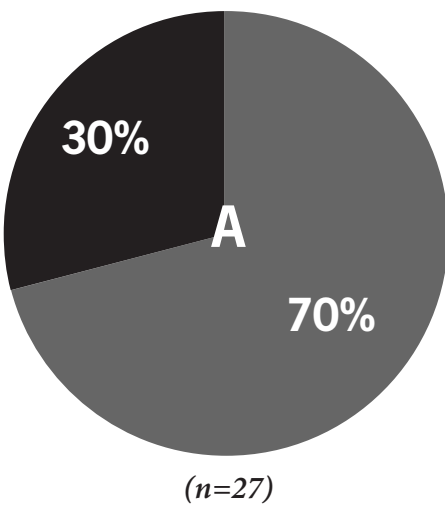


Managers have bigger workspaces

There is no difference in the quality of workspaces based on hierarchy

Managers have smaller workspaces

Once again, when the analysis is reviewed by individual organisation, the story gets more interesting.



In the high trust organisation A, 70% report managers have a larger workspace than regular employees, compared to only 27% in the low trust organisation.

We cannot definitively draw a conclusion that high trust organisations and larger workplaces for managers go hand in hand, but find the difference intriguing.

Similar to the correlation performed in story one, these results were compared to questions relating to physical environment in the selected dimensions of the GPTW survey. Using the statement —

I AM TREATED AS FULL MEMBER HERE REGARDLESS OF MY POSITION

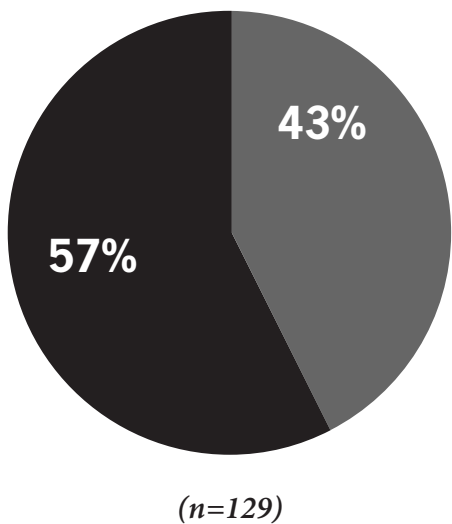
82% of the 105 responses were in the high trust (4 & 5) categories. Of those, 59 or just over two thirds, indicated there was no difference in manager’s workspace quality. Responses indicating whether a manager’s workspace size was larger or the same were nearly equal.

The Research Survey asked a similar question about technology —

I HAVE MORE ADVANCED, NO DIFFERENCE OR LESS ADVANCED TECHNOLOGY.

When this is correlated against relevant questions in the GPTW survey - I am treated as a full member here regardless of my position and I am given the resources and equipment to do my job - results fall in the middle. This implies there is greater impact on organisational trust when technology is not equitably allocated.

The least impact to organisational trust comes when a workplace size is different, the greatest impact comes for an inequitable allocation of quality.



Management have more advanced technology

There is no difference in the quality of technology

Management have less advanced technology

Story #2

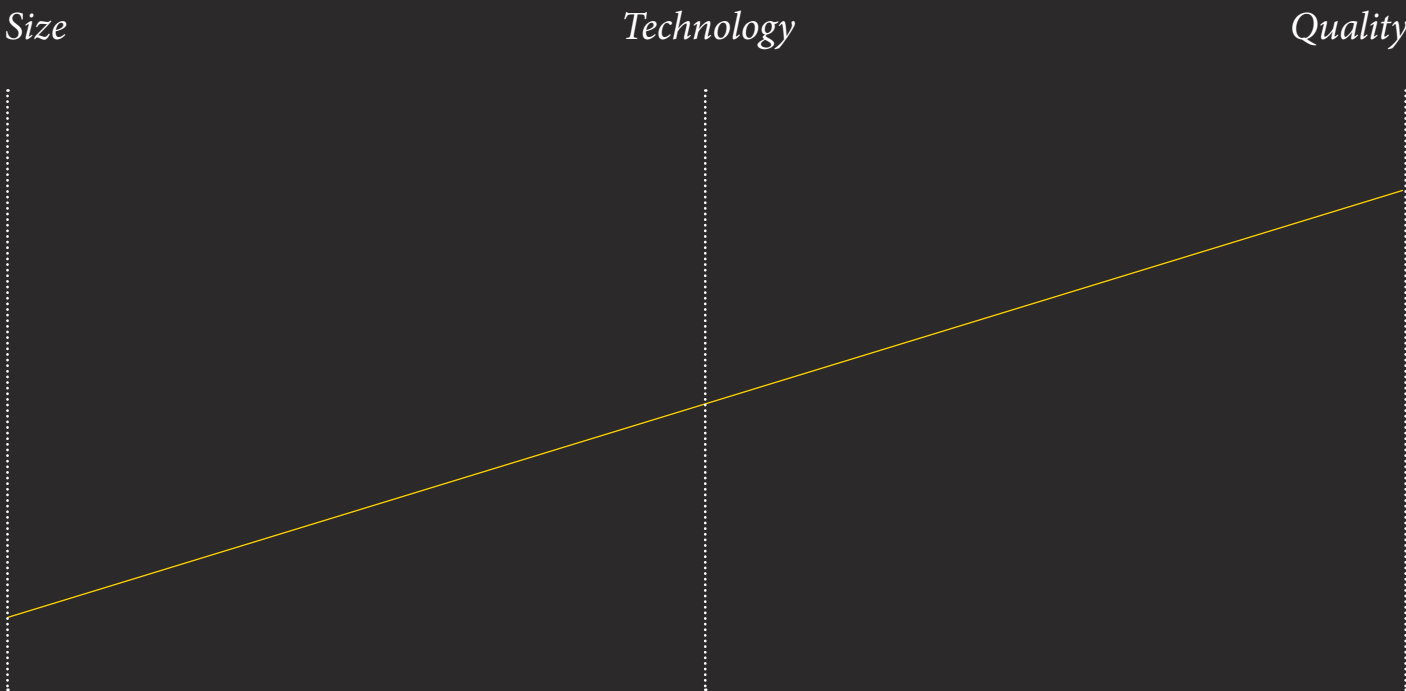
“Employees understand if their manager has a larger work setting and perhaps a more powerful computer, but organisational trust will be jeopardised if the manager is given a higher quality workspace.”

What this means:

1. Allocation of resources, in this case the size of one's space and the technology offered, are still somewhat hierarchical, and
2. Inequitable allocation of work setting size and technology could impact the level of organisational trust.
3. Allocation of a higher quality workspace had the highest effect on organisational trust.

Therefore, if you had \$100 to spend, this research would direct you to not scrimp on the quality (in this case we use quality to describe ergonomic and lighting, not material choices) of the workspaces you deliver.

Employees understand if their manager has a larger work setting and perhaps a more powerful computer, but organisational trust will be jeopardised if the manager is given a higher quality workspace. This makes sense, why would a manager's back or eyesight be more important than an employee's?



Likely ‘Negative’ impact on Trust Index

Allocation of resources (SPACE & TECHNOLOGY) is still hierarchy dependent and this could have an impact on trust.

Leadership

Leadership drives change
Workplace and strategy alone
Impact bugger all

Story #3

“Older styles of dictatorship type models where trust was earned by subordinates following rules have been replaced by models of leadership. Today, trust is created by people’s understanding of the rules, not the following of them.”

As mentioned at the beginning of this report, our definitions of trust have evolved. Older styles of dictatorship type models where trust was earned by subordinates following rules have been replaced by models of leadership. Today, trust is created by people’s understanding of the rules, not the following of them.

It is no surprise that the Trust Research indicates how a leader implements something is as important as what is implemented. That is to say that strong leadership is a powerful space activator; if a leader strongly endorses a change in the business and then further emphasises that by doing it themselves, they will have many followers.

As workplace designers we would love to steal the quote from the movie Field of Dreams and tell you “build it they will come”. But unfortunately the best workplace strategies, or outstanding workplace designs will fall flat without leadership endorsement.

Literature Review

Trust is broadly acknowledged in existing discourse to be a critical competence for organisations in the 21st Century. In the year 2000, it was noted that trust in organisations was at an all-time low (Karl, 2000) and that 56% of non-management employees viewed a lack of trust as a problem in their respective organisations (Morris, 1995).

Many now consider an organisation's ability to foster trust as a critical competence. This notion is further highlighted in the Edelman Trust Barometer (2010) which indicates that for the first time, trust and transparency are more important to corporate reputation in the United States than the quality of products and services. We can only surmise that Australia is similar.

The ability to maintain trusting relationships is significant in respect to the growing popularity of flexible working; it has become necessary to maintain relationships with colleagues that we communicate with face-to-face only briefly and we are forced to formulate trust more quickly than ever before, sometimes those bonds must be created virtually.

Most theorists agree that trust is both an emotional and a rational act. Emotions associated with trust include affection, gratitude, security, confidence, acceptance, interest, admiration, respect, liking, appreciation, contentment, and satisfaction. In addition, there are different intensities of trust, which vary according to why trust is granted and why it is accepted (Serrat, 2009).

There are different categories of trust; Roderick Kramer identifies six:

- _Dispositional trust - based on an individual's personality
- _History-based trust - formed through interactions over a period of time
- _Third-party dependent trust - based on mediated information (such as gossip)
- _Category-based trust - dependent on membership of a group or organisation
- _Role-based trust - based on the known skill of an individual; whether they are likely to be able to perform a task
- _Rule-based trust - stems from policy and procedure; the assumption that people will behave a certain way out of obligation.

The characteristics of trust have also been widely explored. Personal trust is linked to cooperation, performance, and quality of communication in organisations (Whitener et al.). Others, such as Serrat, suggest credibility is the key attribute of trust involving four sub-attributes: integrity, intent, capabilities and results. In other words, achieving credibility, which underpins trust, is a combination of upholding moral and ethical principles, maintaining transparency, developing relevant skills and delivering measurable contributions.

Behaviours that build trust have also been debated. Human resource consultant David Bowman suggests trust building behaviour involves five elements:

- _Establishment and maintaining integrity
- _Communication of vision and values
- _Treating all employees as equal partners
- _A focus on shared goals
- _Doing what is right regardless of personal risk

Conversely, trust-reducing behaviour involves:

- _Acting and speaking inconsistently
- _Withholding information
- _Telling lies or half-truths
- _Seek personal gain
- _Being closed-minded

Development Dimensions International (DDI) produced a 'Survey of Trust in the Workplace' in the USA focusing on interpersonal relationships between peers and leaders. A total of 57 organisations were surveyed, totalling 1,108 individual respondents.

The top trust-building behaviours that were nominated as the most significant in DDI's survey were:

- _Communicates openly and honestly, without distorting information
- _Shows confidence in my abilities by treating me as a skilled, competent associate
- _Keeps promises and commitments
- _Listens to and values what I say, even though he or she might not agree
- _Cooperates and looks for ways in which we can help each other.

The top-five trust reducing behaviours in DDI's survey results were:

- _Concerned with one's own welfare more than anything else
- _Sends mixed messages creating confusion as to where he or she stands
- _Avoids taking responsibility for action ("passes the buck" or "drops the ball")
- _Jumps to conclusions without checking the facts first
- _Makes excuses or blames others when things don't work out ("finger-pointing").

Intuitively we know why trust is important to businesses but Serrat clearly makes the point in his research by noting that business processes are conducted via relationships between interacting parties and working well together requires some degree of trust. All successful business relationships – managerial, operational or support - necessitate trust.

Who is responsible for building trust is also an ongoing mode of enquiry. Some suggest that earning, developing and retaining trust in the workplace is the responsibility of each member of an organisation. Yet, most researchers have focused on trust as a key leadership competency. Leaders have the power to cultivate trust and sustain it in their organisation.

According to Peter Drucker, 'leaders who work most effectively, never say "I." Not because they have trained themselves not to say "I." They don't think "I." They think "we"; they think "team." They understand their job to be to make the team function. They accept responsibility and don't sidestep it and ensure "we" gets the credit. This is what creates trust, what enables you to get the task done.'

The ways in which leadership, in particular, may effectively grow, extend, and restore trust as defined by Serrat include:

- _Translating the organisation's vision
- _Following and supporting the organisation's values
- Providing a positive and enabling work environment
- _Promoting performance
- _Adopting a consistent and honest approach to compensation

Literature Review

Trust is linked with productivity.

Researchers like Serrat align high-trust environments with elevated personnel involvement, commitment, and organisational success. Specific business advantages cover all aspects of a business’ operation, including: increased value; accelerated growth; market and societal trust; reputation and recognisable brands; effortless communication; enhanced innovation; positive, transparent relationships with personnel and other stakeholders; improved collaboration and partnering; fully aligned systems and structures; heightened loyalty; powerful contributions of discretionary energy; strong innovation, engagement, confidence, and loyalty; better execution; increased adaptability; and robust retention.

On the other hand, Serrat argues a lack of trust can produce detrimental results such as: toxic cultures (office politics); dysfunctional working environments; redundant hierarchies (excessive layers of management, overlapping structures); punishing systems (complex and cumbersome policies, rules, regulations, procedures, and processes); poor company loyalty; decreased commitment; disengagement; low productivity; intense micromanagement; militant stakeholders; high employee turnover; and fraud.

A further pool of research focuses on the source of trust; where it comes from and what fosters it. It has been suggested that trust is grounded in perceived dependability; we actively choose to trust those that we consider to be reliable.

According to Serrat, the act of trusting involves assessing probabilities of profit and loss, calculating expected utility based on (past, current, and expected) performance, and concluding that the party in question will behave in a predictable manner.

Regaining trust is another popular topic, especially during the post-GFC recovery. Rebuilding trust involves the following steps:

- _Observe and acknowledge what happened
- _Allow feelings to surface
- _Get and give support
- _Reframe the experience
- _Take responsibility
- _Forgive yourself and others
- _Let go and moving on

Although trust has been explored from many angles by academic and business research ventures, there is a gap in the literature covering the role the physical environment plays in fostering trust.

Serrat suggests that it would be fruitful to explore the cultural contexts of trust. The physical environment is part of what shapes an organisation’s culture; hence it is relevant to extend the line of enquiry to the physical characteristics that foster trust.

A lack of trust can produce detrimental results — toxic cultures, dysfunctional working environments, redundant hierarchies, disengagement, high employee turnover and fraud”

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