

The Dynamics of Public Trust in Business – Emerging Opportunities for Leaders

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Objective:

- To investigate the current state of public trust in business and provide business leaders with knowledge on which they can base decisions and actions
- To provide a basis for dialogue on public trust

Methods Used:

Trust Panel discussion with senior corporate executives; academics, consulting, and association thought leaders; representatives from investor, employee, and other stakeholder groups; NGOs; the media; and business organizations.

Key Findings:

“Public trust in business” roughly describes the level and type of vulnerability the public is willing to assume with regard to business relations. Today, a large portion of the public believes that the majority of its vulnerability in business relationships is not voluntary but results from a sizeable power imbalance that enables executives and companies to assume far less risk than the average person. Today’s low levels of public trust may represent opportunities for game-changing solutions; however these opportunities are the flipside of many new threats.

To capitalize on opportunities and address these threats, leaders must develop a keen practical understanding of these three core dynamics of trust:

1. Mutuality – that is based upon shared values or interests
2. Balance of Power – where risks and opportunities are shared by parties
3. Trust Safeguards – that limit vulnerability in the context of power imbalances

*Firms and their leaders need to understand these questions:

- How does public trust in business impact my firm or my sector?
- Which trust configurations matter most to my firm or my sector?
- How does public trust in business impact how regulators think about business?
- What drivers are most likely to affect trust in my company with respect to various stakeholders?
- What business outcomes are connected to various types of trust or distrust and to the actions of mediating institutions?

Recommendations:

- Create a set of values that define and clarify what your enterprise and its people are at root, and work to ensure that these values are adhered to consistently across your enterprise
- Build and manage strong relationships based on mutual trust with mediating institutions
- Embrace transparency

- Work within your business sector to build trust in the sector
- Re-invest in the trustworthiness of your firm by making a commitment to enhance the core contribution that the firm makes to society

Conclusion:

The general distrust of business hurts all companies, and, indeed, all participants in the global economy; there are concrete actions that can be taken to address and improve public trust in business, and the time has come for vigorous exploration of the relatively uncharted territory of public trust in business.

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