THE

Four Factors

OF

Trust

HOW ORGANIZATIONS
CAN EARN
LIFELONG LOYALTY

Ashley Reichheld with Amelia Dunlop

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Praise for *The Four Factors of Trust*

"Great Place to Work has measured trust by surveying over 100 million working people over the last 30 years. Without trust there is no engagement, satisfaction, loyalty, or happiness. In this book, Ashley and Amelia have built a trust bridge between the employee and customer experience that will create a durable outsized competitive advantage that benefits organizations and humanity."

—**Michael C. Bush,** CEO, Great Place to Work

"It's no secret that trust is on the decline around the world. Yet trust remains more important, even vital, than ever before. It is, in fact, the one thing that changes *everything*—a force-multiplier for inspired performance and greater well-being in everyone around you. Whether you're in the C-Suite or on the factory floor, you can lead in creating and extending trust to others. Ashley and Amelia's terrific book will show you how."

—**Stephen M. R. Covey,** author of *New York Times* and No. 1 *Wall Street Journal* bestsellers *The Speed of Trust* and *Trust & Inspire*

"*The Four Factors* has cracked the code on trust. This dynamic team articulates the critical role cyber plays in both securing and recovering trust, bringing to life the challenges faced by cyber alongside pragmatic suggestions to ensure a measurable, predictable, and actionable approach to building trust."

—**Dave DeWalt,** Founder and Managing Director, NightDragon

"Trust is easy to destroy—and too many of us believe that it's hard to create. But in fact, a deeper understanding of trust shows this to be wrong. *The Four Factors of Trust* provides data-rich, actionable solutions. If you want to build a fearless organization with long-lasting trust and loyalty—for consumers and employees alike—this book will show you how."

—**Amy C. Edmondson,** Novartis Professor of Leadership and Management, Harvard Business School, and author of *The Fearless Organization*

"Trust is one of the most critical—and essential—issues facing organizations today. With trust, anything is possible. Without it, everything is difficult. *The Four Factors of Trust* reveals a new, research-based framework and measurement tool for earning trust from customers, employees, investors, and other stakeholders. Reading these groundbreaking insights, and showing respect, patience, and commitment, will be invaluable for CEOs and frontline supervisors throughout any organization."

—**Henrietta Fore,** Chairman of the Board and CEO, Holsman International

"I often say that strong trust is forged from positive, consistent experiences first imagined through high expectations. With the stellar team, deep data, and helpful anecdotes that have shaped this book, I certainly expected to experience a helpful toolkit for evolving trust and I was not disappointed. I trust that any reader equally keen to elevate and evolve their brand will be delighted."

—**Suzanne Frey,** VP of Product and Chief Privacy Officer, Google

"We all know the importance of trust, but few of us really understand how to earn it. Thankfully, Ashley Reichheld and Amelia Dunlop are here to help. In this remarkably readable, well-researched, and actionable book, they reveal what it takes for individuals and organizations to establish reliability, transparency, capability, and humanity."

> —**Adam Grant,** author of No. 1 *New York Times* bestseller *Think Again,* and host of the TED podcast, WorkLife

"Today's winning companies put people and purpose first. Creating trust within a company is a critical component to being successful in that endeavor. In *The Four Factors of Trust,* Reichheld and Dunlop share with clarity and brilliance the best practices for gaining trust, and even share the methodology you can use to calculate your organization's 'trust score.' This powerful book is an essential tool for everyone working on transforming an organization."

> —**Hubert Joly,** senior lecturer at Harvard Business School, former Chairman and CEO of Best Buy, and author of *The Heart of Business: Leadership Principles for the Next Era of Capitalism*

"What drives trust, and how do the most trusted organizations earn it from customers and employees? The answer is more complicated than you imagine. Deloitte's Ashley Reichheld and Amelia Dunlop unravel the mystery, and make building trust simpler, in this vital and pragmatic book."

> —**Daniel H. Pink,** author of *New York Times* bestsellers *The Power of Regret* and *Drive*

"Read this important new book so you can help your organization measure and manage trust—one of the most vital ingredients for building relationships that are worthy of loyalty."

> **—Fred Reichheld,** creator of the Net Promoter® Score and System, and author of *Winning on Purpose: The Unbeatable Strategy of Loving Customers*

"Reichheld and Dunlop have crafted a compelling data-driven narrative that delves deep into the intricacies of trust. Packed with rich case studies, this book breaks down the complexities of what it means to build trust as an organization with wisdom and humor. Don't miss it."

> **—Sandra Sucher,** Professor of Management Practice at Harvard Business School, and author of *The Power of Trust*

"Nothing is more important to business success than building trusted relationships with all your stakeholders. Every organization can benefit from reading *The Four Factors*, a thoroughly researched, comprehensive guide for creating a deeply rooted culture of trust."

> **—Amy Weaver,** President and Chief Financial Officer, Salesforce

The Four Factors of Trust

How Organizations Can Earn Lifelong Loyalty

Ashley Reichheld with Amelia Dunlop

WILEY

For our families

Introduction

Learning to ride a bicycle is an act of trust. We trust that pumping on the pedals will create enough momentum to carry our weight forward. We trust that whoever is encouraging us will hold on to the back of our seat just long enough for us to gain confidence. We transform ourselves into a person-who-knows-how-to-ride-a-bicycle from a person-who-does-not by trusting the people around us, trusting the two-wheeled machine, and trusting our own ability. And then we feel the sweet thrill of accomplishment just long enough to ride our brand-new red bicycle into the rosebush, whose thorns break our fall. Our lives are full of moments where trust is easily given, even more easily lost, and then painstakingly rebuilt, sometimes at great cost.

As leaders, we have seen this cycle play out too often in organizations where trust is quickly given and quickly lost. It turns out that humans are effortlessly good at losing trust and really bad at rebuilding it. We know this from personal experience, but more on that later.

This is a book about building trust. We are passionate about the topic of trust because it creates the types of relationships we want to build, the type of organizations we want to belong to, and the type of world we want to live in.

> ***We are passionate about the topic of trust*** *because it creates the types of relationships we want to build, the type of organizations we want to belong to, and the type of world we want to live in.*

We aren't going to try to prove to you that trust matters. We *trust* that you get that already from your own personal and professional experiences where you have gained and lost trust—where you have fallen off and gotten back on

your own red bicycle. Instead, we want to offer something different. We want to offer clarity about what you can actually *do* to build trust as a leader for your organization, and the impact that can have on other stakeholders in society.

> ***Our goal is to help leaders measure trust, predict trust, and act in ways that build trust because we believe that trust is the path to loyalty.***

There are as many ways to measure trust, benchmark it, score it, and put it on an index as there are definitions of what trust actually is. There are measures of social trust, customer trust sentiment, and trust that makes for good public relations campaigns, to name a few. Pew, Edelman, and Gallup are all noteworthy institutions that have studied and written about the loss of trust. We'll share some of their conclusions too. However, much of what has been written previously looks through a rearview mirror to help explain why trust broke down *after the fact, after the bicycle rider landed in the rosebush*. Our aim is to help organizations to move *forward*.

We wanted a measure that was both meaningful and actionable in approaching how trust impacts human behavior—something that would help leaders of organizations not just to understand trust, but to build it leading to positive outcomes. We couldn't find that measure, so we created our own.

Whether you are reading this because you are curious about the topic of trust, you are a leader in an organization wrestling with how to grow trust with your customers or workforce, or you are an academic deeply committed to the field of trust, we hope that you walk away with an understanding of the following:

- The components of trust, what we call the Four Factors, are correlated with measures of loyalty, including Net Promoter Score (NPS), and are the path to building loyalty. You can—and should—measure trust with customers as well as workers.

- Trust leads to meaningful financial outcomes for organizations.

- We can both predict trust based on actual behaviors and predict those behaviors based on trust scores.

- Using these predictions, we can take concrete steps towards building the trust we so badly need in our organizations and society at large.

In the fall of 2018, we were both part of a leadership team that set an aspiration to Elevate the Human Experience (EHX or HX for short). At the time we thought the aspiration was lofty and undefined, but worth striving for. Now we believe that we elevate someone's experience when we acknowledge their intrinsic worth as a human and do everything in our power to help make their experience just a little bit better. We knew from the very beginning that you can't elevate anything if people don't trust you. If we could understand what builds trust, we could create individual experiences for customers, workers, and partners that increase trust and create better, elevated experiences over time.

We have spent hundreds of hours and millions of dollars with our research team studying *one question*:

How do you build trust?

We conducted almost two dozen in-depth interviews with trust experts. We have collected over 200,000 survey responses with customers and workers across nearly 500 brands. We conducted in-depth focus groups with fifty

workers—with a particular emphasis on female workers and hourly/gig workers. We have spoken with organizational leaders who have excelled at building trust. We have worked with organizations directly to help them on their journeys to build trust. And we have studied famous and not-so-famous stories when trust was won or lost. We wanted to know: Why do customers trust a brand and become loyal to it? What actions make trust endure through difficult times? How do we build a culture of trust from the inside out, starting with our own workforce? What are the tangible long-term benefits of that trust? But first, before we get to these questions, let's define what we mean by trust.

What Is Trust?

Most people fall back on the "I know it when I see/feel/hear it," definition of trust. Or people cite a specific moment when they felt trusting. Even if you can't "see" trust, its presence or absence drives so much of the difference between a good experience with an individual or an organization and a bad one.

Here is how we have come to define trust: Trust is the promise of a meaningful, mutually beneficial relationship between two or more people. At a fundamental level, trust is what happens, or doesn't, between people and between organizations made up of people. And, critically, trust is the essential bond an organization has with all its humans—customers, workforce, and partners.

Trust is the promise of a meaningful, mutually beneficial relationship between two or more people.

Trust is built in moments of vulnerability. Sandra Sucher, a Harvard Business School professor who has published widely on the topic of trust, describes trust as the

"willingness to make yourself vulnerable to the intentions and actions of others."[1] Most organizations and leaders seek to replace vulnerability with contracts, detailed terms and conditions, and other processes and legal vehicles for ensuring target outcomes are met. The less we trust, the less we are willing to make ourselves vulnerable, the more legal replacements we need and the more complicated our lives become. Customers and workers are subject to these contracts, and the balance of power sits with the organization, rather than with the individual. This makes trust for the individual even more important.

In business, trust means people engage an organization with a sense that their interests are being honored alongside the organization's interests. For example, customers believe the software they download from a trusted organization will be safe; when they download software, they are making themselves vulnerable (to malware, hacking, or unwanted apps) but trust—driven by previous experience—makes this choice more straightforward. Workers trust that their relationship with their organization means they'll be respected and appreciated *in addition* to being paid. Thus, they make themselves vulnerable psychologically and financially because they trust the organization to act in their interests as well as its own.

Trust always comes down to a relationship, no matter how fleeting. Some relationships are transactional. Others endure. It can be the relationship we have with ourselves (as in, I trust my future self to make good decisions). It can be the relationship we have with a single person, such as a colleague at work. And it can be about the relationship we have to entire groups of people in an organization.

Because people bring their messy human selves to work, lack of trust in one relationship affects trust in another. In

this way, trust in our relationships impacts our general outlook on life. We see this in the effect intimacy has on trust. For example, the data from our research show that workforce participants overall trust "my employer" more than "business in general."[2] It's easier to understand something, and create a positive relationship with it, when you are close to it.

We trust a friend to consider our interests, treat us fairly, and offer respect—behaviors that honor our **humanity**. We trust an organization can deliver its promised products or services—we call this **capability**. We trust someone at work to be straightforward and honest, which means valuing **transparency**. And we trust the brakes on our bicycle will work as well today as they did yesterday, a kind of trust driven by **reliability**. We call humanity, transparency, capability, and reliability the *Four Factors of Trust*. We depict them as intertwined in an infinite loop, because each factor relates to the others and trust overall is only as strong as the weakest factor. (See Figure I.1.)

Taken together, these are the Four Factors that help us build trust before it is broken, and especially after it is broken.

Humanity and Transparency signal intent; Capability and Reliability signal competence

HUMANITY

INTENT

CAPABILITY

TRANSPARENCY

COMPETENCE

RELIABILITY
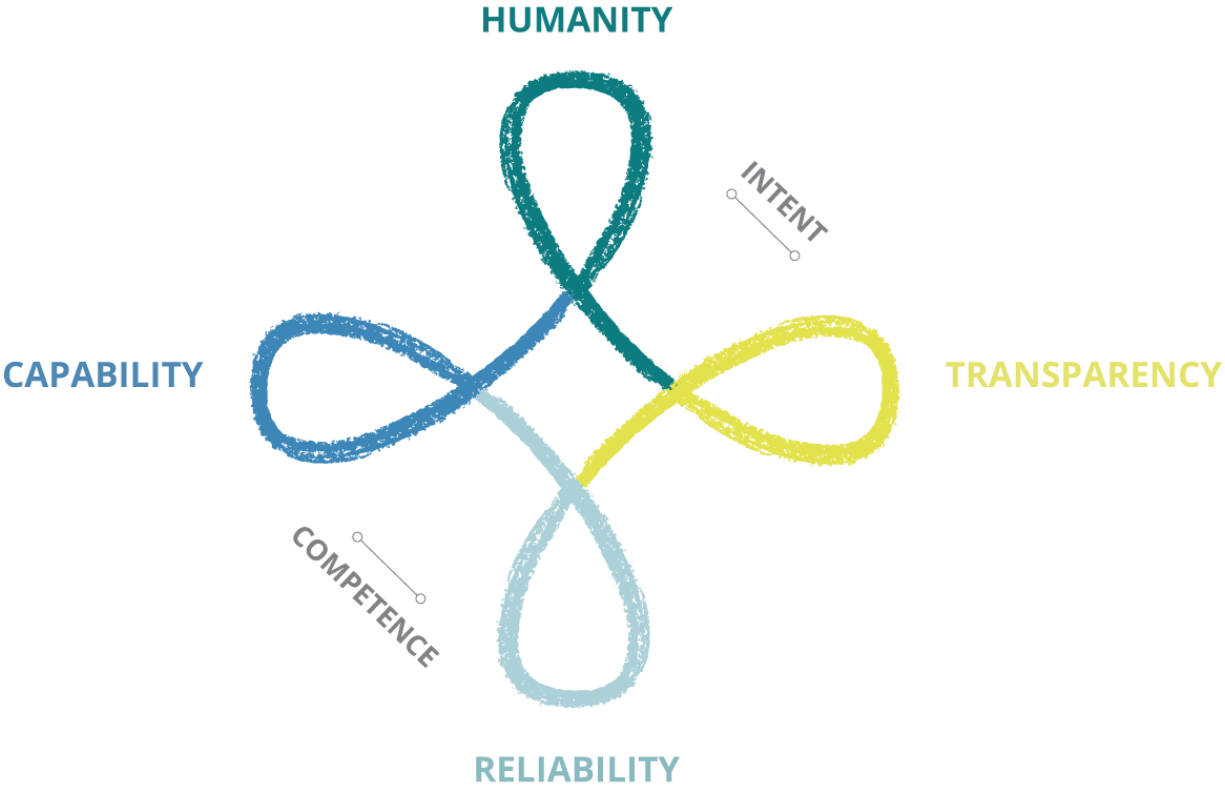
Figure I.1

Who Are We to Write a Book on Trust?

At this point, you are probably wondering: Who are we and why should you trust us? Good question. Ashley and Amelia (the "we" in this book) are trusted friends, colleagues, and collaborators who share a vision and a passion for elevating the experience of being human. We are both principals at Deloitte, the world's largest professional services organization, wives, and mothers. Neither of us are academics. Ashley has a degree in social psychology and gender studies. Amelia has degrees in sociology, moral theology, and business. Ashley's superpower is her curiosity and drive to solve problems, especially in the face of adversity. Amelia's superpower is her authenticity to show up with equal parts head and heart. When she is not at work, Ashley is most likely to be found with her partner and twins, building Lego at home or in her workshop, building the next pirate ship sandbox. Amelia is most likely to be found with her husband and three children on some new adventure or "experience," learning to parasail in Key West or fly fish in the river delta that divides Argentina from Uruguay.

For Ashley, experience is literally in the family, as she is the niece of Fred Reichheld, the author of *The Loyalty Effect* and the creator of the Net Promoter Score (NPS). For Amelia, best-selling author of *Elevating the Human Experience: Three Paths to Love and Worth at Work*, her journey has led her to explore the issue of human worth and love in the workplace. Together, Ashley and Amelia believe that while it is hard to do business without trust, it's *impossible* to elevate the human experience without it.

It's no secret to our teams that we started out on the wrong foot, with what we now would call a "trust deficit." We simply did not see things the same way and had different working styles. Ashley tends to approach her work with

unbounded energy and enthusiasm, often back at her laptop at 6 a.m. working on the next challenge. Amelia feels and thinks deeply and needs space away from her laptop (preferably in the sun) to reflect and come back with a fresh perspective. Early on, well before the idea of ever collaborating on something as significant as a book on trust came about, Amelia felt that Ashley would push her too hard when she needed more time to breathe (picture a series of enthusiastic texts and emails in the morning before coffee). Ashley felt at times that Amelia was unavailable and frustratingly disengaged (picture those texts and emails going un-responded to for a day or more). Looking back on it, our working styles resembled a yin-yang or left brain–right brain duality.

While neither one of us can point to the exact turning point, both of us agree that building trust took showing up **reliably**, communicating with each other **transparently**, and demonstrating our **humanity** in ways that showed vulnerability. We never doubted each other's **capability** in the workplace, so there was a base of confidence in our skills as professionals. The story of our personal relationship is one of using the Four Factors of Trust to build a more trusted and enduring partnership and friendship. And while we work on it every day, it has led to this collaboration and this book.

Why Should You Care about Building Trust as Much as We Do?

There are three reasons why we believe you should care about learning how to build trust as much as we do:

- No matter how you measure it, trust is at an all-time low.

- Building trust is one of the most powerful ways to shape human behavior and elevate experience.

- Building trust leads to meaningful, long-term results.

The stakes for understanding trust have never been higher. Trust is on the decline. People today are less trusting of business, government, and brands and their products or services than they were twenty years ago.[3] What's driving this decline? Polarization in politics, social dislocation, changes in economic status, disruption in working life, the toxic side of social media, and reduction in social capital— all these forces have conspired to create suspicion and distrust.

High-performing organizations already know that building trust drives human behavior and leads to better outcomes. NASA focuses on humanity by sending their astronaut teams into the wilderness to struggle together, to be vulnerable together (to each other, to the elements), and ultimately to achieve together.[4] By forcing early and extreme vulnerability, NASA has learned that trust can be forged quickly and deeply, a requirement for ensuring teams work well when orbiting the planet 254 miles away from any other human beings.

And building trust drives results. We have seen in our research that customers who highly trust a brand are 88 percent more likely to buy from that brand again; 62 percent will buy almost exclusively from their trusted brand. And 79 percent of employees who highly trust their employer feel motivated to work (versus just 29 percent who feel motivated when they don't trust), and the majority of highly trusting employees (71 percent) aren't actively seeking other employment opportunities.[5]

What You'll Find in This Book

Part I: What You Need to Know About Trust

Chapter 1 introduces the Four Factors of Trust, including how they impact human behavior. We share a new measure for trust that organizations can use to understand what actions to take to build—or rebuild—trust.[6] We will also share how we tied trust to financial outcomes that matter most to organizations.

Chapter 2 examines some of the questions we wrestled with as we worked to create a more effective measure of trust. We talk about why expectations matter, how trust is fragmented, why trust is difficult to measure, and why it's so challenging to build.

Chapter 3 describes the link between trust and loyalty, and why you need to build trust to earn loyalty. We'll show you how to make choices to build trust, as well as where and when to take action when trust is threatened. We'll also share the story of how *The Wall Street Journal* intervened to build trust with their constituents.

Chapter 4 uncovers *how* winning organizations are winning trust, every day. We reveal the shared characteristics of the most trusted organizations and the relative importance of the Four Factors in different organizations. We illustrate data-based insights with stories of three different types of organizations who prove that building trust into a brand accelerates returns: "Humanity Leaders," like Cleveland Clinic; "Competence Leaders," like Energizer; and "Trust Winners," like Marriott International.

Chapter 5 will look at who still has work to do in the domain of trust. We will share data on the gap between how much brands believe they are trusted and how much their customers actually trust them. We'll also discuss the "Distrusted" cluster (brands with the lowest composite

trust scores) and "Ambivalent Neutrals" (those organizations that are neither trusted nor mistrusted). We'll discuss brands in the same categories like the WNBA and Edward Jones, which have been able to build trust while others struggle to do so.

[Chapter 6](#) examines the demographics of trust across workers and customers. We will discuss how lived experience—including identity—shapes trust, illustrated with stories from our own lives. We'll also share which customers and workers are more or less likely to trust, and how expectations and agency contribute to our willingness to trust.

[Chapter 7](#) illustrates the virtuous circle of trust that organizations can create with the humans that matter most to their organizations—their customers, workers, and partners. We'll share stories of how companies, like American Express and Delta, work together to build trust.

[Chapter 8](#) shares what we still don't know about trust, what we hope to learn next, and some of the things that surprised us along the way.

Part II: The "How-to" of Trust

[Chapter 9](#) outlines how you can get started building trust both as an individual and as an organization. We will share how we are personally growing as leaders incorporating trust into our leadership philosophies and how we are applying what we learned to our own organization.

[Chapters 10](#) through [15](#) are the how-to manual for creating and maintaining trusted relationships. These chapters will address challenges and principles for building trust at select organization domains, including:

- Executive Leadership

- Sustainability and Equity

- Marketing and Experience

- Talent and Human Capital

- Operations and Technology

- Cybersecurity

The **Conclusion** answers the question "How can trusted brands change the world?" It is our ambition to build trust to help organizations grow while also enabling them to elevate the experience of the humans they touch. We discuss who is accountable for building trust, and how trusted organizations can be a powerful force for good.

We know from personal experience that losing trust is easy and building trust is hard. We hope this book will give you practical guidance to help build trust in the individual and organizational relationships that matter most to you.

Notes

1. Sandra Sucher and Gupta Shalene, *The Power of Trust: How Companies Build It, Lose It, Regain It* (New York: PublicAffairs, 2021), 2.

2. Deloitte Human Experience in Uncertainty. Study. May 2020. 16,000 respondents: When asked to rank sources trusted to determine when it is safe to resume normal activities, 9 percent of respondents ranked their employer in their top 3 (as compared with 6 percent ranking local business in their top 3 and 4 percent ranking major business in their top 3).

3. "Public Trust in Government: 1958–2021," U.S. Politics & Policy, Pew Research Center, May 28, 2021,