

Trust & Accountability

Trust in its purest form is based on faith and confidence in the loyalty and veracity and integrity of someone or something without examination. Such blind faith is rare. In most instances, trust is built on a foundation of examined experience. Nonetheless, it is assumed that the bridge will bear the weight of a stream of cars or a train. It is assumed that those entrusted with responsibility will tell the truth, and do their best to honorably fulfill their responsibilities. Those assumptions are the same for the manufacturer of the steel trusses that hold up the bridge, as it is for elected officials, for corporate CEOs and Boards, for investment banks and mutual funds, and of course they are true for those who run charitable and non-profit organizations.

At its deepest level, trust revolves around the axis of love, will and power. While we may not love, nor need to love, those that we trust there is an element within trust that comes close as when we give or commit ourselves, our affairs, our security, into the hands of another. Trust is also a kind of transaction where we yield our control over something and in the process transfer will and power to another. That, of course is what makes us vulnerable. That is why we are so angry and frustrated when our trust is violated.

The erosion of trust within the American society has been well documented long before the corporate and investment banking scandals of the last two years. As a society, we no longer trust the way we once did government and politicians. To prove it Americans have been voting with their feet by not entering the voting booth. We no longer trust the evening news, and even advertising, the calling card of our robust consumer economy, has diminishing returns due to increased consumer cynicism. There are many implications to what must be viewed as a crises in trust throughout society, but the one pervasive result is that no person, no organization, no institution, no established leadership, no community of interest, no matter how distinguished or revered, is beyond examination. Perhaps that has always been true in a country where pluralism and a cacophony of multiple voices, has been the norm since inception. Nonetheless, I wonder if we have managed to arrange, among the legacies we are passing on to our children the death of trust.

We earn trust based on what we make, what we do, what we say, and how others perceive our motivation. A central question is- Are our actions based on self-interest, or by a desire to serve others? Reputation and trust are intertwined, and the appearance or innuendo of impropriety can destroy trust. While subjective, trust is also grounded and based on substantive action and performance. To be trusted requires appearance and substance to be joined and then communicated. Trust can be earned organically, word of mouth, literally so when a farm stand has been selling the best tasting corn in town for 20 years. Today's communication networks can influence reputation with astounding speed, witness the way in Vermont's Governor Dean's presidential campaign came out of

nowhere based on the success of a massive email campaign. It is just as true that the same confidence can evaporate as suddenly as appeared.

When trust is lost, and a person or organization, company, product or political party falls from grace, it is very hard to regain. A hospital, on whose board I sit, had two tragic and highly publicized maternity deaths in the mid-90s. The experience shook the institution to its roots and it took an enormous effort, a great deal of expense, and years to repair the damage, which fortunately it was able to do.

We know that trust enters into philanthropy and the operation of charitable organizations in many ways. We know through surveys that donors are significantly influenced by "trust that the organization will use the money wisely." (1). Foundations support non-profit organizations based on confidence in both the leadership and the efficacy of the program. NGOs often have great difficulty earning the trust of the indigenous communities in which they work. Trust is a condition precedent for an organization to attract and retain clients, patients, and patrons. Trust is a two-way street, and even those who come bearing gifts have to earn trust. The Trojan Horse may be the oldest and most well known story of how a gift literally contained a two-edged sword. Gift giving is not without its risks - for example there are sometimes unintended consequences and there is always the possibility of breaking the first rule of life, and philanthropy, which is 'to do no harm'.

Trust and accountability are integrally connected but accountability is not an abstract concept. Accountability is the term used to determine if one's actions live up to the expectations of those who perceive themselves to be stakeholders. Communities of interest, which include both direct and indirect stakeholders expect, require, and even demand, accountability. Another way of looking at accountability is asking if 'the piper has been paid'. Defining whom the 'piper' is, and what responsibility is owed to which constituencies, is often complicated. Fulfilling those expectations is even more difficult because beliefs and points of view vary enormously and sometimes conflict. A Community Development Corporation proposal to build a supportive housing project for mentally ill homeless people will engender a wide range of response from direct abutters to the site, donors and state agencies and lenders financing the project, investors purchasing tax credits, the City Councilor representing that neighborhood, the Mayor of the city, the advocates for the homeless, and those citizens who want to occupy the housing. Each party at interest would have their own definition of accountability and that is always the case.

While transparency is one means or tool to assess accountability, we live in an era where the public's right to know is an expectation that extends into areas that previously were presumed to be none of their business. Being open and accessible, and communicating clearly has become a new and unfamiliar imperative for all philanthropic organizations - even for those who do not wish to do so.

Trust, and trustworthiness, old-fashioned motherhood and apple pie words, that have taken on a new meaning.

1. From a 1996 TPI survey of high net-worth individuals for Bankers Trust Company (now Deutsche Bank) that found that "trust that an organization would use the money wisely was the biggest influence on their level of giving."