

Edelman, 2019a

2019
**Edelman
Trust
Barometer**
EXECUTIVE SUMMARY



2019 Edelman Trust Barometer

The 19th annual trust and credibility survey. Research conducted by Edelman Intelligence, a global insight and analytics consultancy.

Methodology

Online survey in 27 markets

33,000+ respondents total

All fieldwork was conducted between October 19 and November 16, 2018

General Online Population

- Ages 18+
- 1,150 respondents per market

Informed Public

- Represents 16% of total global population
- 500 respondents in U.S. and China; 200 in all other markets
- Must meet four criteria:
 - Ages 25-64
 - College-educated
 - In top 25% of household income per age group in each market
 - Report significant media consumption and engagement in business news and public policy

Mass Population

- All respondents not including Informed Public
- Represents 84% of total global population

2019 Focus on Employer-Employee Relationship

55% of global general population are full-time or part-time employees (but not self-employed)

Oversample of employees of multinational companies: 500 respondents per market

On the cover, from top right: Andres Manuel Lopez Obrador, President of Mexico, speaks at his inauguration; Manuel Velasquez/Getty Images; President-elect Jair Bolsonaro at a ceremony confirming his election victory in Brazil; Andre Coelho/Bloomberg via Getty Images; Teresa May, Prime Minister of the United Kingdom, at a European Union leaders summit in Brussels; Benjamin Jasper Juinen/Bloomberg via Getty Images; 'Yellow Vests' demonstrators in Paris; Florence Chesnot/Getty Images; Elon Musk, founder and CEO of SpaceX; David McNew/AFP/Getty Images; Women take part in a 'women's wall' protest in Kochi in southern Kerala, India; iAFP/Getty Images; Germany newsweekly magazine Der Spiegel admits fabricated reporting; Morris Matzelner/Getty Images; Les Moonves, former president and CEO of CBS Corporation; Chir's Farina/Corbis via Getty Images; Arif Naavi, former CEO of Abraaj Capital Ltd.; Vivek Prakash/Bloomberg via Getty Images.

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Trust Is Tangible



Antoine Harary
Global Managing
Director,
Edelman Intelligence

Introducing the Edelman Net Trust Score

Over the last 19 years, the Edelman Trust Barometer has detected and documented some of the largest opinion shifts shaping the world.

We have observed that the state and dynamic of trust in institutions was in many ways predictive of larger societal, economic and political changes to come.

Building on the conviction that trust is predictive in nature and converts into tangible realities, we initiated a comprehensive and global effort to augment the science of trust on a global scale. This 18-month process, conducted in partnership with leading academics in the field of trust and reputation, including Professor Daniel Diermeier of the University of Chicago, resulted in considerable progress in our understanding of what makes trust such a powerful asset for organizations, how to measure it accurately and demonstrate the true value it brings.

For example, we found that the power of trust as a key indicator is very much connected to its forward-looking nature and strong

connection to risk. Unlike reputation or favorability, which are backwards-looking metrics, trust implies a dynamic projection – it is a bet that stakeholders place, trusting that the organization will deliver against their positive expectations.

We also advanced the understanding of the process that leads people to trust an organization or not (Fig. 13).

One of the most significant outputs of this R&D effort is the Edelman Net Trust Score, a simple metric that can be used by businesses and organizations to monitor the state of their trust capital across countries and audiences. The score is comprised of an analysis of how stakeholders answer a simple question: To what extent do you trust the organization to do what is right?

We analyze the answers by looking at the share of respondents who express High, Medium and Low Trust.

Beyond its simplicity, we have found strong evidence that this score operates as a predictor of the resilience of a business or organization through adverse events. We also are measuring significant correlations between High Trust

and stakeholders' goodwill in the form of higher levels of loyalty, recommendation and endorsement, all contributing to giving High Trust companies a significant competitive advantage.

Finally, we are observing fascinating parallels between the level of trust a company enjoys and its long-term performance in the marketplace and on the stock market (Fig. 14), findings we are continuing to strengthen and document.

Trust is a critical asset for any organization, and as such, it needs to be protected, promoted and managed to improve the chances that an organization will succeed in the long term.

THE FOUR DIMENSIONS OF TRUST

FIG. 13

Ability: The perception that the organization is good at what it does

Integrity: The conviction that it is honest

Dependability: The expectation that it will keep its promises

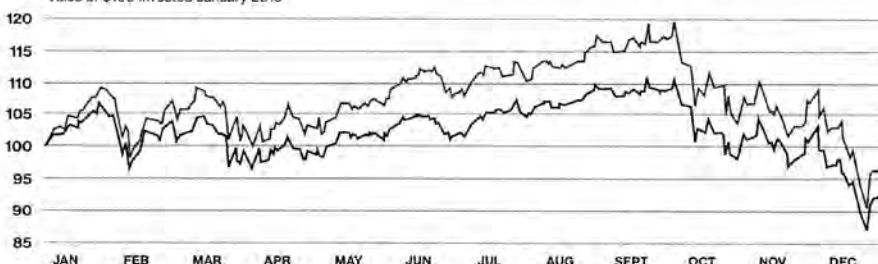
Purpose: The sentiment that it is trying hard to have a positive impact on society

HIGH TRUST COMPANIES OUTPERFORM THEIR SECTOR

FIG. 14

Stock performance of 31 high trust U.S. companies, compared to a weighted sector average
Jan 2018 – Dec 2018

Value of \$100 invested January 2018



— Stock price index – High Trust companies average

— Sector index

High Trust companies outperformed their sector by an average of

5%

January - December 2018

About Edelman

Edelman is an independent global communications firm that partners with businesses and organizations—long-established and just-emerging—to evolve, promote and protect their brands and reputations.

Our global network comprises 6,000 practitioners in more than 60 offices whose work spans brand, reputation, digital, and advisory and is powered by analytics, planning, creative and media relations.

Among our many honors are the Cannes Lions Grand Prix for PR; the Holmes Report's 2018 Global Digital Agency of the Year; Advertising Age's "Agencies to Watch 2018;" and, five times, Glassdoor's "Best Places to Work." Since our founding in 1952, we have remained a family-run business.

Edelman owns specialty companies Edelman Intelligence (research) and United Entertainment Group (entertainment, sports, lifestyle).

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