



Restoring trust in government

Insights in depth: The future of government

In the United States, trust in government is at near- historic lows. The authors of The Power of Trust discuss why that's a problem, the former chief veterans experience officer, Tom Allin, reveals the Department of Veterans Affairs reengaged its constituents to rebuild trust.

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TO Trust. It's easy to lose and much, much harder to win it back.

SFX *Montage of sentence fragments of people talking about random breaches of trust in personal relationships...*

TO But what happens when the breach is bigger and messier? When it involves your company?

SFX *Montage of sentence fragments mentioning business crises*

TO Or bigger yet... the government?

SFX *Montage of sentence fragments mentioning mentioning the lack of trust in government is the highest it's ever been*

BC There's a very big distinction between trust in capital-G government and the lowercase government.

TO That's Bruce Chew.

BC I'm a managing director with Deloitte and spend half my time as the Federal Researcher Leader for Deloitte's Center for Government Insights. Trust, you know, is always at play in government. There's the fundamental, "I'm running for office. You should trust me, not my opponent."

TO That's lowercase-G government.



- BC** But what we're really talking about here is the trust in the institution of government.
- TO** That's capital G, and after decades of decline it's near historic lows in the US. A Pew Research Center study in August 2020 found that just 20% of adults said they trust Washington to "do the right thing" always or most of the time.¹ Bruce's team at Deloitte conducted its own survey of 4,000 Americans and found that when you dig a little deeper, the story gets more nuanced. Trust in big-G government is low, but people seem to regard individual agencies more favourably.
- BC** There's a lot going on there and a lot to unpack in that. At one level, it's about your experience. If the IRS sends me my tax refund consistently, year after year, I build up trust that they'll do that. But there are more dimensions to trust than just ones I experience. The government has my identity and data about me. Do I trust them to keep that safe from a cybersecurity point of view? Do I trust what they're going to do with that beyond what I may have sent it in for?
- TO** The good news is even when trust is breached, it can be rebuilt ... if leadership handles it properly.
- TA** I saw Bob McDonald on 60 Minutes. He'd just been named the secretary for the Department of Veterans Affairs. And I reached out to him wanting to become a part of that journey. I just said to him, "Give me something, give me something to do to help you."
- TO** That's Tom Allin. He spent 40 years in the restaurant industry, 20 of it overseas, including serving as the first president of McDonald's in France. What isn't in his official bio is that Tom grew up in a military family. His grandfather, father, and older brother all attended West Point. Tom had a draft number during Vietnam, but wasn't called.
- TA** I felt guilty.



- TO** But Bob McDonald gave him a second chance. In 2014, he asked Tom to become the first chief veterans experience officer at the Veterans Affairs department.
- TA** And it felt like I was back with my tribe when I was with the employees at VA because we were all using a similar language and focused on a common mission: one team, one fight. It felt like something that I really wanted to do and needed to do.
- TO** And the VA really needed someone to do it. It was facing a scandal. Hundreds of thousands of veterans were waiting up to six months to get an appointment.² News networks reported that at least 40 Army vets died while waiting for care.³
- TA** It was kind of a crisis time when Bob McDonald came in. I think that it had shaken the agency and I think that allowed some of the things that we are working on to be heard. Because I think there was an understanding that we needed to do a better job in terms of how we could serve the veterans and make it easier for them to access their benefits.
- TO** As the new CXO, Tom's job was to figure out the pain points and fix them. He spent months talking to veterans to understand what was going on.
- TA** The worst experience was one where a veteran had to click 17 times to find a PDF file, which they then had to download, print, fill out by hand, and mail. And clearly, that's not the type of experience we're looking for. When people are going online, the goal is to get something done. And we really hadn't set up the web page for them to take care of their benefits, change of address, appointments for health care. So that was something that we tried to work with veterans to understand what their needs were and how could we change the web experience so they could actually get things done. The other thing was that there were so many different web pages. There were over 500 veteran-facing web sites. And so we were collapsing them into one where they could get everything done on one website with one ID, one password, one sign-in, instead of having to sign in to all the different web pages that they had before.
- TO** Part of re-engineering the processes was understanding where the breakdowns occurred. And part of that is measuring the customers' experience—which the VA was doing, but...



- TA** The problem was what they were measuring was not important to the veterans. For measurement to work, it needs to be accurate in terms of what's important to the customer. It needs to be timely in that you're getting information back soon enough that you can do something, and it needs to be actionable. And a lot of what VA was doing at the time were very long surveys that would get back to the medical centre so late that there was nothing they could do about it. There was an expression called *shelfware*, because they would just put this up on the shelf. Our goal was to try to understand how can we measure in real time on an experience?
- TO** They sent emails to veterans who'd gone through the appointment process. They asked a simple question: Did you get the appointment when you needed it? They also measured at the agency level. The VA is required to come up with an agency priority goal.
- TA** Which was a pretty difficult task for an agency as large as VA.
- TO** They decided on the statement, "I trust VA to fulfill our nation's commitment to veterans."
- TA** And that really set everything, because if they have a trust in VA, then they know that they're getting the care and the benefits and the service that they expected, that they've earned with their service.
- TO** They then added three other statements: "I got the care service I needed." "It was easy for me to get the care service I needed." And, "I was treated with respect."
- TA** And we would send out over 200,000 emails each quarter to veterans who had used the VA that quarter with those statements: the purpose, the effectiveness, the ease, and the emotion. And that really changed how the agency viewed itself. The response to the trust question became kind of the agency share price: how are we doing? Each quarter we got a percentage of those who agreed or strongly agreed with the trust statement. It became something that people were really looking forward to each quarter: how are we doing? How are we getting better? And it's improved. It's actually still being used today at VA.



- TO** In 2014, when Tom Allin started with the VA, just over half of veterans agreed or strongly agreed that they trusted the VA to fulfill our nation's commitment to veterans. By 2018, that was up to the mid-seventies. And today it's even higher. It's no surprise that Tom would compare these ratings with share prices, because Tom modelled his process at the VA on how chief experience officers in some very large private sector companies approached their job. Government can learn a lot of lessons from the private sector... and our next guests have been studying just that.
- SG** I love our origin story because I think it really just encapsulates trust on a micro level.
- TO** That's Shalene Gupta. She's a research associate at Harvard Business School and co-author of the upcoming book, *The Power of Trust*.
- SG** I had worked at a bunch of different organizations before, and there's a hierarchy in business. You don't necessarily go up to somebody and say, "Hey, do you want to recast something that you've been working on for the past seven years?"
- TO** But that's exactly what she did, not long after she started working with Sandra Sucher. Sandra's a professor of management practice at Harvard Business School.
- SS** I had been studying smaller topics under trust, especially layoffs and restructuring, but also diversity, equity, and inclusion. And then one day, Shalene and I were in a hotel in Tokyo where we had been researching a case. I was supposed to write a book about layoffs. And Shalene said, "You know, I think you're on to something bigger than layoffs."
- SG** During the brief time that I had started working for Sandra, I had just started to trust her. And I know that sounds corny, but from the get-go she showed an enormous amount of care for me. She listened to my ideas and I felt immediately that it would be safe if I just said, "Hey, you know, I think your research is great. I love it. But I think there's a different angle to this story."



- TO** That “trust fall” resulted in a partnership and the new book. Sandra says there are some basic building blocks of trust.
- SS** One is just competence. You’re not going to trust someone if you don’t think that they’re capable of doing what they say, and that you can rely on them to do it. So when Shalene said, “can we push this harder and further,” it was like, okay, she’s been a journalist.
- TO** For Fortune magazine.
- SS** She was a Fulbright scholar. I get it, you know? And so let’s see what we can do.
- TO** But competence alone isn’t enough.
- SS** We care about the motives of the people or organizations, meaning, “Do they care about others’ interests as well as their own?” We care about the means, meaning, “Do they treat us and others fairly?”
- TO** And most important, she says...
- SS** Do they hold themselves accountable for the impact, the real, on-the-ground, everyone-can-see-it impact of their actions, whether they intended them or not. Because lots of companies are pretty good at saying, “I intended to do this. Look how great I did,” but not so great at saying, “OK, here’s my impact on the climate. Oops, sorry about that. Here’s my impact on racial equity in the fight for equality. Hmmmm... Not so good about that either.” We judge more broadly than just the domain in which a company works. That’s why we think about this second category of attributes as being in a moral domain, beyond competence.



TO And that's where it can get tricky... when a company or a company leader doesn't own up. There are plenty of examples of PR disasters, but Sandra and Shalene like to point to one example—the gold standard—for recovering from a breach of trust.

SFX *Fade up music ... something rhythm driven, intense ... under the next SFX*

SFX *Montage of archival news reports from Tylenol poisonings in 1982.*

TO It's 1982 and people in the Chicago area are getting sick after taking Tylenol. James Burke is the CEO of Johnson & Johnson, which makes Tylenol.

SS And he's just gotten word that five people have died from cyanide put inside Tylenol capsules.

TO Immediately, Burke starts talking to the media.

SS Because he realized that this was a public health issue and that they were better equipped to get the word out about the fact that there was a risk of people taking Extra-Strength Tylenol.

TO A few days later, he flies down to Washington to meet with the heads of the FBI and the Food and Drug Administration.

SS He said that he wanted to create a nationwide recall. They told him they didn't want him to. They were afraid, with Halloween coming up, that there would be copycat incidents and that he would be feeding the ego of the person who did this. He said that they understood that it was, in the end, his call to make.



TO There was a recall. But it didn't end there.

SS The FDA required one seal. Johnson & Johnson created a manufacturing process for three seals. And then they went on TV to show people what it was that they had done. And then they offered coupons and money back to people who would replace their unsafely packaged Tylenol with a packet of newly, safely made Tylenol to go forward with. And the combination of all these things is they had almost lost the entirety of their market share, and within a year they had gained it back.

SG Repairing trust isn't just a one and done. It's actually a three-step process.

TO Apologizing, accountability, and long-term trust repair.

SG Organizations can shy away from apologizing because there's a tendency to think that if you apologize, it's tantamount to admitting guilt. But there are actually studies that show that an apology reduces litigation. It's actually in a company's best interest to put out an apology quickly. Over and over again, companies fail to think about the long-term consequences in terms of legal bills, loss of employee trust, the inability to actually safely come to market with new products. And they really underestimate how much the world has changed. We want people to know if they find after they've had a breach that they start actually challenging the people who bring data that doesn't confirm what they're hoping to hear, or if they cut off pursuit of inquiry about what it is that could go wrong inside an organization, if they demonize people who are trying to actually open them up to things that could be going wrong, that's going to lead them down a path which is not going to end well with respect to their ability to think objectively and dispassionately about how much their world has changed and how big they need to recover in order to get back where they were.

TO Okay, so by now you might be saying to yourself, "This is supposed to be an episode about trust in government. Why so much talk about Johnson & Johnson and other corporations?" Well, in some ways government agencies are pretty similar to the companies that we interact with on a daily basis. Bruce Chew's team at Deloitte has broken down government agencies into six archetypes.



- BC** We think of these as sort of along a spectrum, and at one end there is the retailer. Parts of government are a true retailer. You know, the museum shop at the Smithsonian is a retailer. But there are whole agencies, like the Postal Service, where you can choose a competing alternative. At the other end, you have the regulator and law enforcement. And other agencies are in between. So we have retailer-like, which is—take getting your passport. Getting a passport is not a true retail option. In other words, I can't get it from multiple sources, but it has many of the characteristics of retailing. And you can sort of look along a spectrum from one end to the other.
- TO** And what's interesting is in that survey of 4,000 Americans that Deloitte did, respondents had the highest level of trust in the retailer and retail-like agencies. Why does that matter?
- BC** Take the driver's licence, trust is important so that people opt into the system. We don't want people driving around with an expired driver's licence. If they don't trust what the government's going to do with my information, that can undermine the mission of the whole organization.
- TO** The next archetype is innovator. Think the National Institutes of Health or NASA.
- BC** Trust is a key component of innovation. One of the challenges government has is, unlike the technology industry where if I come up with new innovation I can rely on the innovative-oriented part of the population to buy my product and maybe I don't need to worry about the rest, in government, we have to think about all of the constituencies, and not everyone is warmed to innovation. So trust plays a critical role for these organizations in building the adoption of innovation.
- TO** Some government agencies are educators.
- BC** I'm going to choose the food pyramid as an example, which we're all quite familiar with. That's an example where the FDA is acting as an educator to try to shape behaviours to healthier behaviours by communicating information. What comes with that is two questions. One is, are you doing it effectively? There's the competence question: Are



people able to act on that in an effective manner? But the other [question] then comes to the intense side of the equation: If you're trying to affect my behaviour, why are you trying to affect by behaviour? The educator branches of government, some of them are collecting data just to collect data, because it's important we have information for decision-making purposes. But often those decision-making purposes have particular political ramifications, or the reason we're collecting the data or sharing the data is to shape behaviours. And so, again, I think although we're now several steps removed from the retailers' space, many of the things we look at in the retail space about the customer interface, about human-centred design, about "How do I convey this in a way that people will be accepting of it and trust the message I'm trying to convey"—I think all of that is quite relevant here.

- TO** Bruce says trust is trickiest in the last two types of agencies: regulators and enforcers. In the survey, regulators fared better than enforcers because people tend to believe that certain regulations are there to protect them.
- BC** Enforcement takes on a little different colour, particularly in light of what's been covered in the media today, in the current situation for law enforcement. And so I think what's necessary for these two groups to move the needle on trust, if you will, to improve trust, is distinct from the others in a way. And there's more ground to make up, particularly to the enforcement side.
- TO** Let's pull this thread all the way through. Trust is hard to build and easy to lose for both corporations and governments. But government has a unique role in the ecosystem.
- BC** It is at the centre of building trust for all of the institutions in America. The regulation helps to create trust in the organization. The businesses that are regulated—safe highways helped create trust in travel. The FAA helps create trust in air travel. And so it ripples out into the economy. In a recent Deloitte survey of CEOs asking them, "What's the number-one priority you would have for the Biden administration?", number one was building trust in government, which surprised me in the midst of COVID and the economic turmoil, for them to actually have that as their number one shows how trust really is at the centre of what America needs to function.



TO That's Bruce Chew, Federal Research Leader for Deloitte's Center for Government Insights. We also heard from Sandra Sucher and Shalene Gupta of Harvard Business School. Their new book is *The Power of Trust: How Companies Build It, Lose it, Regain It*.

That's all coming up on Insights In Depth: The Future of Government. Follow on your podcatcher of choice, and check us out at www.deloitte.com/insights.

You can also connect with us on Twitter at @DeloitteInsight. I'm on Twitter at @tanyaott1. I am Tanya Ott. Have a great day!

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1. <https://www.pewresearch.org/politics/2020/09/14/americans-views-of-government-low-trust-but-some-positive-performance-ratings/>
2. <https://www.washingtonpost.com/news/the-fix/wp/2014/05/21/a-guide-to-the-va-and-the-scandals-engulfing-it/>
3. <https://www.cnn.com/2014/04/23/health/veterans-dying-health-care-delays/index.html>