

8-1-2006

## Building Trust in Local Community Organizations: Where Do We Start, and How Can We Make a Difference?

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### Recommended Citation

Barnes, J., & Haynes, S. (2006). Building Trust in Local Community Organizations: Where Do We Start, and How Can We Make a Difference?. *The Journal of Extension*, 44(4), Article 29.

<https://tigerprints.clemson.edu/joe/vol44/iss4/29>

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### Abstract

Trust is the glue that binds organizations and communities together. Building trust in local community organizations has been identified as a viable strategy for the economic development of organizations, communities, and regions. In this article, we identify how Extension professionals can begin working with local boards (of any type) to promote the building of trust among members. We develop the board member accountability and expectations (BMAE) tool, which can be used to more clearly identify new board member expectations. More clearly identifying board member expectations is one of many steps that local boards should take to build trust among members.

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## Introduction

For decades, social science research has emphasized that a positive relationship exists between trust among citizens in a local region and that region's economic performance or prosperity; citizens who trust one another exchange ideas, goods, and services within local community boundaries, all of which bodes well for local economic development (Granovetter, 1985; Putnam, 1993a; Coleman, 2002). Therefore, building trust in local community organizations represents a viable strategy for economic development (Putnam, 1993b). Trust, or social capital, refers to the mutual confidence that no party involved in the exchange of goods or services will exploit others (Cohen & Fields, 1999). That is, if citizens in a community hold each other accountable for their actions over time, a foundation is built that allows for the development of trust. Thus, accountability precedes the development of trust and the economic prosperity of communities (Holland, 2002; Knack & Zak, 2005).

But from a practical, Extension perspective, where do we start to work in local communities to build trust? And how can we make a difference in the development of trust at the local level? In this article, we propose that the process should begin by working with local board members who govern a wide variety of community organizations, such as hospitals, schools, chambers of commerce, agricultural cooperatives, and water districts. We propose that Extension professionals should begin work with boards for a simple reason: board performance affects the allocation of resources and therefore the structure of investment incentives in communities.

Board performance, however, depends on the presence of trust among members. Great, high-performance boards have members who hold each other accountable and, in doing so, create a foundation for relationships based on trust (Sonnenfeld, 2002). Board members who struggle for power and focus more on discussions rather than decisions at meetings are likely to spend greater

resources required for decision making. The result is the process of decision making, and the quality of decisions, becomes stymied. Simply put, great boards have members who trust each other, and trust serves as the glue that binds them together while they strive to improve the organizations in which they govern.

## **The Tool**

The easy task is to realize that building trust among board members is essential to effective decision making. The difficult task is deciding what should be the first step taken to help build trust. We recommend focusing on improving accountability for new board members and reinforcing the importance of accountability among seasoned members.

In what follows, we provide a list of 22 questions that every potential member should consider before joining any board--the board member accountability and expectations (BMAE) tool. Truthfully answering these questions can prevent misunderstandings (and potential conflict) among existing and new board members. These questions provide a beginning tool for improving accountability among board members. The fundamental key point is: the more clearly defined the expectations of board member service, the more clearly we can determine accountability, reduce conflict, and provide a relational foundation suitable to build trust among board members. The BMAE questionnaire tool asks each potential board member the following.

1. Do you have industry-specific experience that will help this board?
2. Do you understand what is expected of you in terms of attending meetings, involvement in the decision-making process, service on committees, and other responsibilities?
3. Do you understand the financial health of the organization?
4. Are you familiar with board member term limits and history of turnover?
5. Do you know of recent conflicts among members?
6. How familiar are you with the board members who currently serve?
7. Do you know the majority of current board members?
8. Have you read through the last 12 months of board minutes to understand some of the problems of the organization?
9. Do you understand the process for replacing board members?
10. Do you understand how the board evaluates its performance on an annual basis?
11. Do you understand how the board will evaluate your performance on an annual basis?
12. Does this board provide you with sufficient resources to improve your skills as a board member?
13. Does this board engage in meaningful strategic planning?
14. Have you read the strategic plan the board has produced?
15. Do you understand how often the chief executive officer or director of the organization has been replaced?
16. Are you expected to make any financial donations?
17. Would there be conflicts of interest if you join the board?
18. Were you asked to join this board without viewing by-laws?
19. Were you asked to join this board without understanding the day-to-day operations of the organization?
20. What is the personal cost in time and other resources you will have to devote to service?
21. Is there a new member orientation process that explains your basic responsibilities as well as liabilities for being a board member?
22. Have the board members been recently involved in any lawsuits for ethics violations or other infractions?

## **Conclusion**

Much of the social science literature on trust and governance supports building trust in local community organizations as a viable strategy for improving economic development of organizations and regions. If the social science research is correct, sizable economic gains await each organization, community, and region that invests time and other resources aimed at building trust. Extension professionals can begin working with existing boards using the BMAE tool (questions 1-22) (Barnes, Woods, Frye, & Ralstin, 2004). The tool can be used to strengthen accountability and build trust among members by reducing potential miscommunications about new board member expectations.

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