8 ways to boost trust and transparency in your organization

When employees and customers trust leadership, a company performs better and is better able to weather crises. Here's how to up your game.

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When Insomniac Games increased its workforce by 150 percent over two years, a challenge emerged.

Insomniac, a small Southern California company, had placed a high premium on open dialog when there were just 50 employees. How, though, could it ensure communication and commitment to company goals as the workforce ballooned?

The secret was building trust, says Ann Nadeau, chief people officer and marketing officer at Great Place to Work, which put Insomniac on its list of top companies.

Insomniac's trust and transparency initiative led to a 32 percent drop in benefit costs and a 53 percent increase in employee job referrals, Nadeau says. Knowledge sharing has increased by 79 percent, and studio morale and productivity is up by 16.

To improve trust, start now, not when your company is in crisis, says Todd Johnson, president of Kollective. "The more equity you build with your employee base," he says, "the better you will weather any kind of crisis."

Businesses are beginning to wake up to this idea, just as trust is cratering worldwide between the public and institutions of all kinds—businesses, governments, news media outlets and non-governmental organizations, according to the 2017 Edelman Trust Barometer.

"What we found is that globally, 53 percent of the population believes that the system is not working for them," says Tonia E. Ries, executive director of Edelman Square, which includes the annual barometer. "That's a pretty alarming number."

How, then, to turn the trust gap around? Here are some ways:

1. Do the right thing.

Trust-building isn't an exercise in spin. For an organization to achieve its goals, people must have faith in the leaders to have their best interests at heart, Ries says. Edelman reports that the top five trust-building attributes are these:

- Treat your employees well.
- Offer high-quality products and services. ("Do what you do well," explains Ries.)
- Listen to your customers.
- Pay your fair share of taxes.
- Use ethical business practices.

In short, don't just manage your reputation; do the right thing. "Everybody's trying to figure out the best way to spin something instead of trying to figure out the best way to tell the truth," says Johnson.

2. Clearly explain your financials.

When communicating to employees about financials, many organizations recycle information from their shareholder calls, says Kollective's Johnson. Bad move.

Do your staffers understand what a "dilutive acquisition" is, let alone grasp how that relates to their day-to-day responsibilities? Do they understand why you acquired that company in Latin America or closed all those stores?

What are the key metrics you are communicating to stakeholders, and what must happen in the company to execute on that? Explain in plain English, not business-speak.

"Help people understand day to day what the strategy is and how it impacts the announcement that the company is making externally," Johnson says.

3. Solicit feedback.

Insomniac instituted a variety of programs to foster transparency, Nadeau says. Among them are Ask Me Anything events, during which employees can pose questions about the company and its culture. The executives answer every question, and the chief executive even affords everyone the opportunity to meet with him one on one.

The company also shares information through an internal email called "Daily Decisions." The CEO does walk-arounds in each department whenever there is a major announcement.

"A CEO who recognizes he or she has a leadership responsibility to authentically build trust sets the stage and models the behavioral changes needed for better relationships and communication on the executive team," Nadeau says.

4. Survey your employees on decisions that affect them.

McCormick & Co., the spice and flavorings company, conducts a major internal survey every two years, says Scott D. Robinson, senior manager of corporate communications. The purpose is to find out employees' views of the organization and their managers, how they like to work and what they'd like to change.

"Our managers, our team, really take the survey to heart and really try to implement changes based on that feedback," Robinson says.

It doesn't stop with the big surveys, however. McCormick frequently conducts quick polls through tools such as SurveyMonkey. Several internal surveys have queried staffers about a new

corporate headquarters slated to open next year, asking how they work and what features the building should contain.

In one instance, McCormick brought in an assortment of office chairs for people to try out, and then polled them on which they'd prefer for the new building.

5. Be transparent about decision-making.

Face it: Important decisions usually are unpopular with *somebody*. You won't get around that by hiding the process as if it were a top-secret diplomatic negotiation.

"People want to know who's in the room, and what was the process?" Johnson says.

Being open about the process shows employees that you put enough effort into making a good decision. Johnson tells of a prior company, where a division boss rounded up the management team and said, "We aren't leaving until we have a unanimous decision on what we are going to do."

After nine hours, six large pizzas and lots of diet Coke, the team made up its mind, he says. At an all-hands meeting the next day, managers explained the plans and how the decision was reached. There was no second-guessing. "We were in it together," Johnson says.

6. Show that you're human.

It's understandable that some executives are reluctant to reveal their personal side to masses of people they might not have met, but there are benefits to taking this risk. Executives who have talked about how they lost a parent or spouse reveal a deeper aspect of their lives, Johnson says.

Even telling employees about a vacation you took can break down barriers—as long as it's not as highfalutin as that helicopter trip to the Swiss Alps. Better to let them know about your family reunion in Podunk that spanned four generations.

All this communicates a message: "These are really people," Johnson says. "They're not just suits that show up and talk like robots."

7. Start a conversation.

Customers increasingly expect companies to take a stand on issues, Ries says. She cites a campaign in which the Japanese beauty giant SK-II produced a video on what were known as "left-over women" in China—those who hadn't married by age 27.

“They say, ‘Let’s have a conversation about this, and let’s do it in a way that maybe is going to change some minds and some opinions,’” Ries says.

To pull off a controversial campaign, however, you must have superb social monitoring, so you can back off if there’s a misfire.

8. Spotlight staffers.

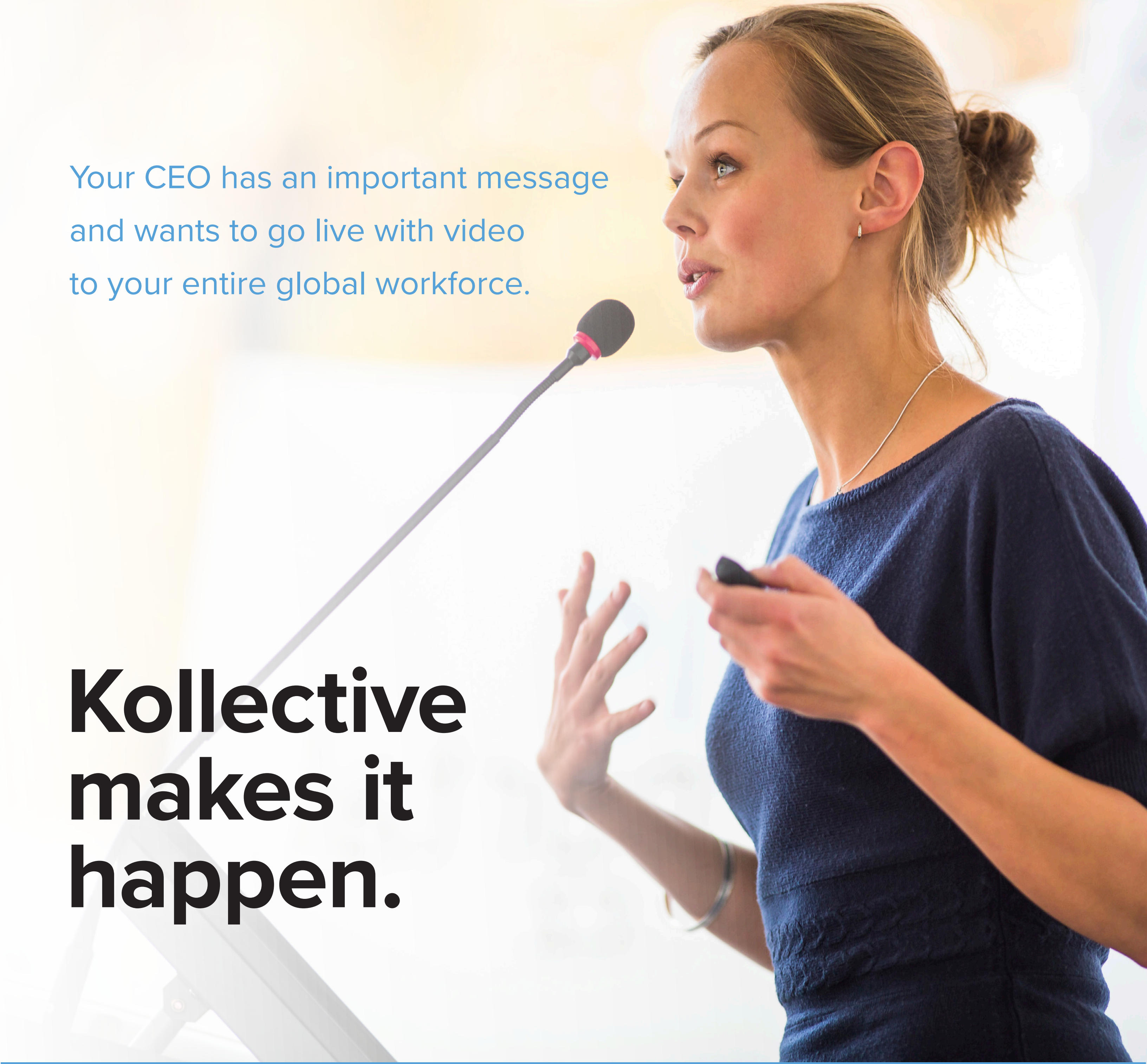
Produce videos featuring ordinary employees. One company highlighted a Tokyo-based staffer who commuted two hours to work every day from the small farm where she lived with her husband and in-laws, Johnson says. This created a sense of connection to teams in the U.S., Europe and India, where employees also had long commutes.

The video also showed how she had helped a customer in Japan properly shut down a system after an earthquake to prevent data loss from the day’s analytics run.

The benefits are proven: Financial returns are better for companies that create an environment of trust that treats people fairly and maximizes the human potential of every employee, Nadeau says.

To reach their potential in today’s market, enterprises must develop a modern communication strategy that engages employees in frequent, face-to-face open dialogue.

“Why doesn’t every CEO make this a top priority?” Nadeau wonders.



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