

Building Higher Trust 58 Be Transparent

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It is well known that transparency is a key issue in creating a culture of high trust. Many groups struggle with this concept because it is not always smart to be transparent. Sometimes it is even against the law. Creating an expectation or value that “we will **always** be transparent” is not possible.

This brief article looks at some of the issues around transparency and offers leaders some guidance on how to handle this enigma.

Lean in the Direction of Transparency

Many organizations have a misguided policy that sharing information with the workforce is to be avoided due to the dangers involved. Yes, there are situations where information cannot be shared, but the majority of times being open with employees will pay off. Let’s look at some specific examples of the conundrum and offer some guidelines.

When it is Illegal

If your organization is contemplating a merger or acquisition or some other action that will have a material impact on the valuation of the entity, it is illegal to disseminate that information until it is public knowledge.

You can go to jail for divulging information that is not ready for public consumption. If workers inquire about a rumor they heard that your firm merging with another one, you must reply, “We cannot comment on issues of this nature.”

An Impending Lay Off

Suppose you are considering a downsizing due to a low volume of work. Workers would like to know as soon as possible in order to plan their lives. If the information is preliminary, you would do more damage than good by making the information available to everyone.

However, once you have some concrete plans for the future, it is a good idea to share that information with those people who may be impacted, even if you have not selected who has to leave. Many organizations withhold this type of information because they are afraid of sabotage. I believe that is a mistake.

A Change in Wages or Benefits

It is better to announce these kinds of policy changes as early as possible. The reason is that the rumor mill will pick up on the potential changes, and you will have to deal with the imagined consequences of the change, even if they are worse than the actual impact.

A Change in Leadership

It is always better to announce a potential change in leadership as soon as it is known who is leaving and who the replacement will be.

The General Rule

A policy of openness is a better plan than a policy of withholding information. People are much better at coping with the negative impacts of a change than they are tolerant of being kept in the dark. Being more open leads to higher trust in leadership and that creates higher engagement and productivity.

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