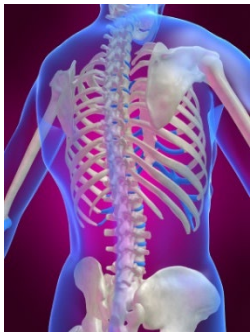


Building Higher Trust 117 Trust and Transparency

by Bob Whipple, MBA, CPTD



Trust and transparency are intertwined. In my leadership classes, we often get into a debate about trust versus secrecy. Conventional wisdom advises leaders to be more transparent to improve trust. In this brief article, I will share a more balanced viewpoint.

First, let's deal with an obvious fact. It is not **always** good to be transparent. If you blurted out every thought floating around in your head, you would have a difficult life. For leaders, the issue of transparency is a major concern from a legal perspective.

Sometimes being transparent is against the law

Suppose a leader is contemplating an action that will have a material impact on the organization's value. It is against the law to divulge the information until the action has been formally announced. In a merger, you could end up in jail if you are transparent too early.

More transparency is better than less

In most situations, being more transparent is the best philosophy to build trust. The best approach is to be as open as possible with people when discussing future changes. Let's look at some of the conditions that make leaders hesitant to be transparent. I will try to dispel some myths here.

1. **Worry about sabotage.** If the news is not good there is concern. Think of a layoff as the example here. Once people know their job may be in jeopardy, they may act out in ways that hurt the organization. The truth is that most people can handle bad news if it is offered in the right way and at the right time.
2. **Spoiled relationships.** Sometimes the news will focus on an individual or specific group. In that case, sharing the information may lead to open warfare between those individuals. Hoarding the information only makes the damage worse when the truth comes out.

3. **Leaking out too much process knowledge.** Sometimes the nature of the information would provide the competition an advantage if they knew what was about to happen. That is a legitimate concern if it is real.
4. **Suppose plans are embryonic.** Sometimes a planned action may not be carried out for several months. There is an incubation period where you need to study different options. If potential changes were shared too early, it would add confusion to the decision process.

Rule of thumb to link trust and transparency

When leaders are contemplating a “gag rule” they need to think twice. If they are not sharing something they know to be true, a flag should go up. Think through not only the short-term implications of withholding information but the long-term as well. There will be exceptions, but the majority of times it is better to share the information. Share it with sensitivity if it is troubling information but don't hide it.

Conclusion

Trust and transparency normally go hand in hand. Make sure your decisions to withhold any information are thought through carefully. It can be a delicate balance. The best policy is to display trust by being transparent with your people.

Bob Whipple, MBA, CPTD, is a consultant, trainer, speaker, and author in the areas of leadership and trust. He is the author of *The Trust Factor: Advanced Leadership for Professionals*, *Understanding E-Body Language: Building Trust Online*, and *Leading with Trust is Like Sailing Downwind*. Bob has many years as a senior executive with a Fortune 500 Company and with non-profit organizations