

Rebuilding after the storm

Key tenets on organizational communication
from the 2009 Mid-Year Edelman Trust Barometer



Is the economy really coming back? Everyone's got a prediction, and people who never before cared about consumer confidence or new housing starts now track such indicators with near-obsessive devotion. While no one can say for sure if the economy's on the rebound, a special mid-year Edelman Trust Barometer study has revealed that, at the very least, trust in business is on the rise after bottoming out in January.

"Trust in business is on the way back, but we're still in the middle of the game," said Edelman CEO Richard Edelman. In the U.S., nearly one-half of informed publics (48 percent) trust business to do what's right, up 12 points from just 36 percent at the beginning of 2009. The technology sector is the most trusted, followed by biotech/life sciences. Even the embattled automotive and pharmaceutical industries have posted gains as well. ([Click here for the full study results.](#))

Why are people beginning to trust business again? Perhaps not surprisingly, respondents most frequently cited "repaying bailout money" (81 percent), but close behind that were

two internally focused actions: “reducing CEO and executive pay” (80 percent) and “firing non-performing management teams” (78 percent). Such changes can help restore trust, but they can also disrupt business continuity if not addressed within an organization.

Moreover, business still has a long way to go: In the U.S., only 30 percent describe the overall reputation of large, multinational corporations as good or excellent, compared to the 52 percent who deem it fair or poor. Leaders clearly have their work cut out for them, as they must actively work to rebuild trust internally and externally while also making money.

To that end, here are just a few considerations for managers and organizational communicators:

- 1. Make employees a priority audience for communication.** In the mid-year Trust Barometer, respondents cited a company’s own employees as the CEO’s second-most important stakeholder group, behind only customers and ahead of investors, local communities, government and society as a whole. This means that people generally expect leaders to make decisions while keeping the interests of their own employees in mind. In many companies today, that may well be an unrealistic expectation, where seemingly each month brings another round of layoffs with the need to preserve profits (and thus, shareholders’ interests) cited as the rationale. Nonetheless, leaders should at the very least exhibit respect for their employees by demonstrating shared sacrifice, outlining how decisions are made and simply taking the time to communicate.
- 2. Demonstrate how you value employees.** A company doesn’t have to eradicate global warming to gain trust; in fact, some of the most effective actions it can take are much closer to home. The mid-year Trust Barometer found that the single-most important thing companies can do to rebuild trust is to treat employees well, ahead of producing quality products/services, solving major global problems and even creating shareholder value. It’s critical for a company to demonstrate how it values its people in ways that go beyond just the tangible aspects (namely, compensation and benefits.) While many firms are still operating under hiring freezes, the most forward-thinking ones are making sure they’re well-positioned to charge ahead when the economy rebounds, particularly by retaining essential employees and attracting those who will speed their growth. This could be a good time for companies to reevaluate how they position themselves as employers. ([Click here for nine insights on employer branding.](#))
- 3. Step up manager communication by paying attention to the small things.** In the study, 91 percent of respondents flagged “communicating honestly and frequently” as one of the top ways a company can rebuild trust. In uncertain times, getting leaders out there – walking the halls, stopping to say hello to employees in the hall or simply eating lunch in the company cafeteria – require little real effort but can amplify trust, even when there’s little new information to share.

A long road back

The relationship between many employees and their companies has been tempestuous at best in a year brimming with layoffs, financial bailouts, executive compensation outrages and labor disputes. But leaders can and will rebuild trust with their employees, provided they take the time to do the small things right - starting with communication.

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