Let the Healing Begin

After a scandal-plagued year, can meetings restore employees' trust in senior management?

THIS YEAR HAS NOT BEEN A good one for corporate America's image. Companies such as Enron, WorldCom, and AOL, once the darlings of Wall Street, saw their names tarnished in the headlines amid allegations of dishonesty and improper accounting. Even Martha Stewart, with her self-cultivated squeaky-clean image, found herself embroiled in an insider trading scandal.

In the end, it was senior management that took the heat, and rightfully so. As cases were investigated, it became clear that many executives had shown a surprising disregard for their shareholders and employees—not to mention basic business ethics—in their decisions. At the same time, the media has exposed how many CEOs have walked away with embarrassingly rich retirement packages after leading their companies and investors into financial ruin.

It's not surprising, then, that Americans' confidence in business leadership has hit a low. A survey by the St. Louis-headquartered consulting firm Watson Wyatt found that fewer than two out of five people trust senior leaders at U.S. companies. Only 63 percent said they believe their own companies conduct business with honesty and integrity, a five-percent drop from 2000. Fewer than half said they have confidence in the job being done by their own managers.

Bob Root, managing director of Orion Learning International, a team-building facilitator in Gambrills, MD, says he has seen more demand for his programs over the past year in light of recent events. "People have a sense of concern not only because of the state of the economy, but also for their own job security," he says. "The recent scandals only increase the need for more dialogue."

But those seeking out trust-building programs aren't only from companies whose names are in the headlines. "I don't think any company is exempted from this issue," says Bill Lampton, a workplace consultant in Gainesville, Georgia. "Workers are reading the papers, and when they see some of the dishonest statements made by [Enron executives], they think, 'If this can happen there, it can happen at my company, too.'"

If employees are losing faith in corporate leadership, what does it mean for the future of American business? Experts agree that lack of trust can have significant effects on productivity and cause even the most expertly planned business initiatives to fail. Clearly, it's time for companies to consider addressing issues of honesty and integrity. The solution, many say, may be found in bringing employees and managers together in the
right setting-through meetings.

A Change of Venue

When trust is waning, a change of scenery can have a positive effect on rebuilding employees' confidence in the company. Ellen Brett, a team leader and senior director at pharmaceutical company Pfizer in New York City, says that off-site team-building activities help establish trust and advance communication. "By committing time to an off-site function, I'm showing our people the level of investment that I'm putting into them," Brett says. Although Brett has taken her team on excursions such as a two-day sailing event in Annapolis, MD, her most recent team-building effort was a simple, low-cost trip to New York's Central Park, in keeping with tightening budgets at her company. She says that in addition to building trust, the off-site activities affect productivity as well. "We get a level of results that I'm not sure we'd be able to get if the investment in employees and communication wasn't there. I think their loyalty comes from knowing that their work is valued and how it fits into the bigger picture at the company."

Again, senior executive participation is especially helpful at any such gathering. "Often, there's a sense that there is an elitist group of senior management that moves in a different world than the rest of the worker bees," Root says. "By having management participate in activities along with employees, it encourages communication on equal footing, which can be extremely reassuring." Root recommends community service as an activity to bring together management and employees, especially programs such as Habitat for Humanity that require cooperation and problem-solving.

However, just because a program is designed to build teams or facilitate communication doesn't mean it will have a lasting effect. "A lot of team-building programs are very cosmetic," says motivational guru Stephen Covey. "It's a lot like cotton candy—it tastes good, but doesn't nourish the organization in a way that allows it to explore its deeper issues." Covey also emphasizes the role of senior management: "The more they're visible, accessible, and vulnerable, the better it is," he says. "But if they do some kind of sideshow that's intended simply to look good, that won't work." What's more, Root recommends combining any activity with a dialogue session that permits the discussion of any issues that are on participants' minds.

Given that most companies are cutting their travel and meetings budgets, is it necessary to bring every employee off site for a meeting solely to rebuild trust? Probably not, although holding such meetings away from the office has its advantages. "You want to be perceived as being sincere, not just as taking five minutes after work or during a break to talk about an issue," says Ross Reck, a management consultant based in Tempe, AZ. "It's nice if you can get away from the office to have a meeting, especially if there will be events like receptions where managers can mingle with employees informally."

For this reason, if building trust is the goal, all employees should be invited to meetings when possible. Especially when holding off-site meetings, when only certain departments or ranks are involved, it risks alienating those not participating. Amid difficult economic times, if the boss gets sent to a management retreat in a resort destination, it's likely to arouse resentment among subordinates.

Front and Center

The best way to establish trust throughout an entire workforce is to make senior management visible and accessible, experts say. "There are very simple things that companies can do to say, 'Our people aren't crooks,'" says Reck. "Meetings are an excellent way of conveying that you're a credible, decent person with good values. The basic mandate is for high-ranking officers to get out and circulate among the employees."

A memo from the CEO about business strategy that is e-mailed to employees may not even be read by most, but putting the CEO in front of a live audience gets more attention, and is more likely to convey sincerity and honesty. "Watching the body language of a leader and his tone of voice conveys much more than words on paper or on screen," Root says.

Lampton says that in a climate of distrust, companies should make additional effort to bring senior management in front of all employees through meetings. "Anytime there's a crisis, the worst strategy is withdrawal, becoming invisible and pretending people aren't affected by it." He applauds John Sidgmore, who took over as CEO of debt-ridden WorldCom in April. The day the company declared bankruptcy, Sidgmore appeared on the Today show to address the issue, admitting that the company had been mismanaged and apologizing for the ethical mistakes made in the past.

Such a strategy should also be used within businesses, Lampton says. "Management needs to speak
directly to employees, in person, making reassuring statements about the value and direction of the organization, but also leaving time for informal dialogue,” he says. “For example, the CEO can host a breakfast where people can come and ask questions in an unintimidating atmosphere.” Fielding questions this way prevents a well-known problem in corporate culture-fueling the rumor mill. “Most humans make up stuff that's ten times worse than it ever could be, and if management doesn't combat this, trust will inevitably decline,” Root says.

Sue Tanisawa, human resources director for Adlink, a cable advertising company in Los Angeles, encourages communication by holding quarterly company meetings in which employees can speak directly to senior executives. “Our CEO outlines what's going on in the organization-new initiatives and hot topics for us-then answers questions,” she says. “It helps people feel involved in the process and see the future of the company.” With 115 employees, Adlink can bring all of its staff into a venue at once.

Ed Thorny, a meetings and leadership development facilitator in Lakeville, CT, says that the type of dialogue that happens during such a meeting determines its success. “It depends on how much people open up and engage in candid dialogue,” he says. “It's a matter of good, clear, timely communication.” In an era where communications teams carefully craft every corporate statement released to the public, it's also important for senior executives to avoid seeming as if they are mouthpieces for corporate "spin." Speaking off the cuff in response to audience questions can be more convincing than reading a prepared speech, Thorny says.

Of course, it's also important that executives be forthcoming and completely honest while addressing employees. "There's no longer such a thing as a little white lie," Lampton says. "Managers had better answer questions in a straightforward manner, because if you hedge or give misinformation, that's going to backfire with tremendous repercussions."

Finally, managers should realize that building trust can't happen through one event. "Our experience is that once trust is questioned, to rebuild it is truly difficult," says Tony Dottino, president of Dottino Consulting Group in Old Tappan, New Jersey. "It's not a one-time project." Meetings are an essential component of the solution, but they must be combined with other channels of communication, and senior executives must be sincerely committed to meaningful dialogue with their employees.

With more and more companies coming under investigation for potentially illegal behavior, businesses that want to ensure employee confidence should act sooner than later. In this climate, some would consider corporations to be guilty until proven innocent-that's the challenge that executives must now face, and one where planners can help.

**INTEGRITY ON THE DECLINE?**

According to one survey, fewer than two out of five people trust senior leaders at U.S. companies. Meeting professionals voice a similar lack of confidence in corporate leadership. In an online poll conducted by Meeting Professionals International, 89 percent of respondents admitted that recent accounting scandals had affected their confidence in the business community, although only five percent were less confident in their own companies.

Is this a knee-jerk reaction to a few high-profile incidents, or are corporate ethics on the decline? Here's an interesting argument for the latter: When Starwood Hotels interviewed 401 top executives who golf, 82 percent admitted they cheated at one time or another. So if they cheat on the course, do they behave unscrupulously in the boardroom? Perhaps-72 percent of those same executives said they believe an individual's business behavior parallels his or her golf behavior.

**good, honest meetings**

To create a meeting that restores confidence:

- **Involves senior management.** Seeing an executive deliver information about the company in person conveys a greater sense of trust than reading a corporate memo. In fact, many employees expect senior managers to be the deliverers of news. "If they delegate this down, they're abdicating and ought to be shot," says Bob Root, managing director of Orion Learning International, a team-building facilitator in Gambrills, MD.
• Encourage dialogue. "Town hall" sessions in which employees can voice their concerns and senior executives can field questions are more comforting to employees than a prepared speech.

• Include everyone. The typical attitude toward meetings is to trim the size down to only those who play a decision-making role. When building trust, though, it's preferable to include everyone possible.

• Create a comfortable environment. Have a reception or coffee break in which participants can mingle and talk informally to managers. Encourage a setting in which executives and employees can converse on equal footing.

PHOTOS (COLOR): Creating a meeting that restores confidence

By Mark McMaster

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