

Workplace Upheavals Are Inciting Employee Mistrust

A FORMER FINANCE-DEPARTMENT employee of a multinational manufacturer recalls the day his trust in his employer was shattered.

A devastating earthquake in Turkey had killed and injured thousands of people. He and his co-workers were panicked because they couldn't reach fellow employees there. At that time, he overheard his boss of three months telling the finance manager to revise sales projections for Turkey downward because they were likely to suffer -- sales that accounted for only a fraction of 1% of the company's total.

"Ten thousand people, including possibly some of our own employees, were missing or dead, and she was worried about hitting sales targets," says the employee, who asked that his name not be used because he fears retaliation. "I gave my notice the following week."

Management gurus pretty much agree that trust in the workplace has been eroding since the 1980s, largely due to the layoff and acquisition binges and the accelerating pace of change. A study of 1,800 workers by Aon's Loyalty Institute, Ann Arbor, Mich., set for release Wednesday, says more than one in eight, or 13%, of U.S. workers distrust their employers on the most basic level -- that is, they don't feel free from fear, intimidation or harassment at work. Watson Wyatt Worldwide, Bethesda, Md., found in a study of 7,500 employees that only half trusted their senior managers.

NOW THAT IT'S GONE, many workplace experts are waking up to how important trust is, especially in a tight labor market. The Aon research shows that trust is such a basic requirement that without it a company's other benefits and programs won't raise employee commitment very much. Watson Wyatt also found a correlation between trust and profit. Companies where employees trusted top executives posted shareholder returns 42 percentage points higher than companies where distrust was the rule.

A common view among managers is that it's unwise, impractical or impossible to try to cultivate trust amid nonstop change and reorganizations. But that's a misfire, says the Loyalty Institute's David Stum. "The American worker knows quite well that change is never-ending. How it's handled is what can lead the worker to be secure or insecure." The basic question, Mr. Stum says, is, "Do I trust my company to be fair and honest as it goes through changes?"

Based on my mail, it's the small gestures that often matter most to employees. The rules for building trust at work are actually pretty simple -- the kinds of things we try to teach kids in elementary school. Dennis and Michelle Reina, co-authors of the 1999 book, "Trust & Betrayal in the Workplace," cite such behaviors as respecting others, sharing information, admitting mistakes, giving constructive feedback, keeping secrets, avoiding gossip and backbiting, being consistent and involving others in decision-making.

A former operations director for a Virginia aircraft-maintenance concern recalls a particularly harsh violation of the "tell-the-truth" maxim. He first caught wind of it on a tip from a friend in human resources: "You should ask to see your confidential personnel file." He did, and discovered to his alarm

several memos from his boss blaming him for problems he didn't believe he had caused. When the operations director began filing rebuttals, his boss flew into a rage -- not at his supposed poor performance, but at the person who had tipped him. The operations director soon left the company.

TRUST IS RECIPROCAL. To paraphrase Henry Stimson, FDR's war secretary and a famed diplomat, the surest way to make employees untrustworthy is to distrust them, and to show it. Bart Rhoten says his former employer, the credit-card unit of a banking concern, forbade after-hours or weekend work unless a supervisor was present. "They thought we'd sit around racking up overtime and eating doughnuts," he says -- even though employees' in-baskets were visibly jammed with backed-up work. The company also fired people for returning late from lunch and never promoted from within. The atmosphere of mistrust so demoralized workers that annual turnover in the 300-employee unit soared to 400%, says Mr. Rhoten, now a senior consultant for another company.

Betrayal has a powerful emotional effect, Ms. Reina says. It can cause employees to withdraw or to vent frustration and anger on their families. Often, family members will blow the whistle. "The cost becomes so high at home that a spouse or child may say, 'Hey, we can't take this any more.' "

Some companies are consciously taking steps to build trust. SRA International, a Fairfax, Va., systems consultant, requires all 2,000 of its employees to take mandatory training on respect, fairness, ethics and honesty.

For employers with patience, the payoff is worth the effort. The Reinas, organizational development consultants in Stowe, Vt., tell of a manufacturing plant in a small New England town where managers had to lay off 100 of 420 employees. They held meetings to share information. They hung out on the shop floor on all three shifts to answer employees' questions and to hear their worries. They set up outplacement centers and invited other employers to the plant to meet their people.

Not surprisingly, Ms. Reina says, when jobs opened up again at the plant, more than 80% of the layoff victims came running back.

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