How Much Should You Tell Your Employees?

Transparency, like most things, is best done in moderation.

April 8, 2019 4 min read

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There is a lot of talk about transparency of leaders and companies, but how transparent should you be? In many cases, if your team is armed with all the facts, then they can better execute in their role and help drive the company forward. On the flip side, sharing too much information can be distracting and even detrimental to company culture and employee engagement. So where do you draw the line?

The benefits of transparency

There are many benefits to being transparent, and one of the most pertinent is that of trust. Trust cannot be cultivated if transparency is not something which flows from the top tiers of the organization. If you commit to transparency, it has to be something which everyone takes seriously; otherwise, that trust will be lost. Without trust, it can be difficult to motivate your staff to take risks and even tougher to empower them to make the best decisions for your business.

In a transparent organization, your team will feel valued because they're more likely to be involved in the decision-making process. They'll be kept up to date and not left to wonder about the whys or whens. Staff turnover will be reduced, and profits will grow if productivity increases. Even when things go wrong, the entire team can work together to

resolve an issue. Many hands make light work, especially when everyone is working on the same page.

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Keep transparency in context

While you may wish to maintain a culture of transparency, keep in mind that no one person needs to understand everything to do their job well. There’s no point in overloading a new junior employee with all the facts that a staff member of 10 years understands. It’s too much information for anyone to handle at once, and it’s likely not necessary for them to carry out their role effectively. Your staff can easily become misinformed and unnecessarily stressed about things that don’t concern them in the first place.

Making high-level information such as financials, salary information or business projections available to your employees is considered risky by some. However, many business leaders believe it demonstrates openness and equality. If you want to cement team trust and reinforce your commitment to transparency, this may be a path to consider.

Take social media management company Buffer as an example. They operate on a transparent salary formula, and they’re not afraid to share the full salary details of current team members. This takes the unknown out of hiring and sets expectations among team members while leveling the playing field for those looking to grow within their roles.

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Maintain a middle ground

You can successfully operate a transparent company without revealing everything. Transparency isn’t an all or nothing scenario. Find a comfortable middle ground that works for you,

your leadership team and your employees. Keep an open door policy in which team members have the ability to ask questions – even if the topic isn't something you can provide immediate answers to. As an employee, there's nothing worse than wondering where you fit into an organization and how you can make a difference. Make sure your team knows that communication is key.

Strive to work as a team

At the end of the day, you want to ensure that your team can work together collaboratively. If everyone is on the same page, you and your employees can operate alongside each other to reach your mission and company goals. Studies show that nearly 80 percent of engaged employees have trust in their leadership and their vision. With solid employee engagement and a highly collaborative work environment, nothing is off-limits.

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The first steps to transparency

If your goal is to increase your transparency among leadership, it needs to be communicated from top to bottom – and back up again. It's a two-way street with information being passed around as necessary. And, most importantly, it needs to be seen as a company-wide priority by everyone for habits to change. You may need to consider new technology to enable the effective dissemination of information throughout the organization so everyone can stay in the loop.

Gone are the days of companies pretending like they know it all. Companies make mistakes, and honesty will only serve to deepen your employees' trust and commitment to your vision

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