

THE TAKEAWAY

Workers' distrust in a firm and their own exhaustion can go hand in hand.

made meeting obligations more difficult. As organizations try to accommodate the needs of their workers, particularly caregivers, they're stoking a growing sense of inequity that fuels further distrust, says Mark Mortensen, an associate professor of organizational behavior at INSEAD. Then there is the matter of widespread fatigue. "People are fried," Mortensen says. "There is no question that willingness to trust changes depending on how much we have in the tank."

A year into his study, van Zoonen says, the trust free fall reached a plateau, where it's sat stubbornly ever since. Along with trust, the Dutch researcher is tracking well-being. Not surprisingly, the two run

parallel. As any business leader knows, employee skepticism brings down morale, productivity, and innovation—and increases attrition.

Many corporate heads have their sights set on ending the Trust Recession in 2022. Humor, vulnerability, and sincere intentions will go a surprisingly long way in that effort. Most important, though, is reciprocity. Experts say leaders—from managers to the C-suite—should start by reinforcing their own trustworthiness and giving others the benefit of the doubt. "What will make me trust you more is knowing you trust me," Mortensen says. "If leaders show they trust their employees, they will get that trust paid back." ▀

STRATEGY

BY LISA RABASCA ROEPE

A Pat on the Corporate Back

PLANNING A MILESTONE ANNIVERSARY celebration after 50 or even 100 years in business seems like a simple task. What could possibly go wrong when a successful company congratulates itself on a job well done? Plenty!

Corporations have been celebrating milestone anniversaries for decades, but as any brand or PR specialist will point out, these events have become much trickier propositions in recent years. Everything from the ongoing pandemic to a deeply divided political world to the Great Resignation has forced firms to change tactics in order to avoid a public black eye.

"It used to be very simple," says Bruce Weindruch, founder and CEO of the History Factory, a Washington, DC-based marketing agency that has been helping companies plan anniversary



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THE TAKEAWAY

The importance of leaders being authentic just keeps growing.

campaigns since 1979. Back then, he says, “everyone wanted to have a party, a book, and lots of balloons.” Today’s anniversary campaigns need to be authentic and honest, and have a greater sense of purpose—perhaps even including a charity component that gives back to the community or customers, Weindruch says.

Any celebration needs to enhance the customer’s connection with the organization or brand, says Kate Shattuck, a Korn Ferry senior client partner who coleads the firm’s Impact Investing practice. Otherwise, the firm risks harming the brand and alienating its customers, employees, and potential job candidates. If the celebration feels authentic, it can also help employees tie their work to the company’s core mission, Shattuck says.

“The campaign can’t just be one big pat on the back,” says Divina Gamble, Korn Ferry’s office managing partner in Washington, DC, and sector coleader of the firm’s Nonprofit Philanthropy and Social Enterprise practice. The celebration should honor those who helped the company succeed—partners, the local community, shareholders, customers, and employees, especially workers on the front line and at lower levels, who often aren’t recognized, she says.

Smart firms today take a hard look at their corporate history to unearth any potential liabilities from the past. “Companies have to be especially careful about how they define their history in this new evolving world,” says Richard S. Marshall, global managing director of Korn Ferry’s Corporate Affairs Center of Expertise. Reflect on how the company’s history fits into the current moment while also providing a meaningful look at aspirations for the future, he says.

Many companies fall back on invoking nostalgia in their campaigns because it provides comfort, especially at a time of uncertainty. But even a sentimental campaign message can backfire if it isn’t in tune with the current thinking around racial inequity, social unrest, and the ongoing pandemic. “Companies need to make sure that if they’re invoking moments of comfort, those messages aren’t tone-deaf,” Shattuck says.

Should a firm just drop its celebration altogether? The answer, say most experts, is no. Observing milestones can improve morale—and ignoring them can backfire if people are expecting them. “Ignoring a big anniversary could send the wrong signal to your employees, customers, and stakeholders,” says Weindruch. ▀

WHAT’S ON THE NEXT BOARD AGENDA

1

DIVERSITY

Expect stakeholders to be even more focused on inclusion, with the anniversary of the George Floyd killing and Hispanic Heritage Month.

2

INFLATION

The year has seen the highest inflation rate in 40 years. Does your executive team expect to pass along costs, shrink profit margins, or something else?

3

STOCK PRICE

This year’s market slide could be a harbinger of things to come. Should the board take action to try to boost declining share prices?