



## The transparency paradox: Could less be more when it comes to trust?

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**David Mallon:**

Welcome back to Capital H, the podcast where we explore the latest trends and developments to make work better for humans and humans better at work. I'm your host, David Mallon. I'm a managing director in Deloitte's Human Capital Practice in the US, and I'm chief analyst for our Insights2Action, Human Capital Research and Sensing team.

Today, we're going to dive into another trend from Deloitte's 2024 Global Capital Trends report, the Transparency Paradox. Now, of course, trust matters. It's important, it's the unseen glue that holds relationships

together, whether that's organizations, workers, communities, it allows us to find common ground, to flourish.

Trust between workers and organizations has potentially never been more important, but it's also never been harder to build and sustain. Greater transparency is often held out as something that helps organizations build trust, but it can also erode it.

So, the question becomes, what considerations should leaders keep in mind to ensure that transparency is actually helping and not hurting trust?

I have two segments today. In the first, my colleague Jason Flynn is going to sit down with Calder Flynn. He is vice president and head of human resources at M&T Bank, and Mike Bobek with Orgvue.

They're going to have an insightful discussion on how organizations like M&T Bank and Orgvue navigate this transparency paradox, striking a balance between increasing transparency and yet, maintaining trust.

And after that, we'll do our leader round table. But first Calder, Jason and Mike, take it away.

**Jason Flynn:**

Hello, and welcome to the Capital H Podcast, my name is Jason Flynn. I'm a principal in Deloitte's workforce transformation practice and one of the lead authors of our 2024 Global Human Capital Trends report.

I'm joined today by two guests, Mike Bobek from Orgvue and Calder Flynn from M&T Bank. Calder and Mike, welcome to the Capital H Podcast, can you each introduce yourselves to our listeners?

**Calder Flynn:**

Happy to. My name is Calder Flynn, I'm a director at M&T Bank Corporation based out of Buffalo, New York, and I am the head of our organizational design and effectiveness practice and have previously spent time within our finance organization and in human resources, compensation and total reward space.

**Mike Bobek:**

Thanks, Jason. Great to be here today. So, Mike Bobek, I manage our strategic partnerships at Orgvue. So, for those that don't know Orgvue, it's a platform that really helps companies of all shapes and sizes spot workforce risk and manage all types of workforce change.

So, prior to this role, I led our professional services business but most of my career was spent as a consultant always dealing with large-scale transformation projects where this topic we're talking about today—trust and transparency—has always been really critical in helping companies guide their businesses through periods of change.

**Jason Flynn:**

Alright, thank you both and as Mike alluded to today, we're going to be discussing what I thought was actually one of the most thought-provoking trends from this year's 2024 trends report it was titled: The Transparency Paradox, could less be more when it comes to trust.

As we dug into this year's research, the issue of trust came through really strongly. What we saw is that this traditional view that greater transparency leading to greater trust was not always holding true for a number of reasons. In this trend, we really dig into all the considerations leaders should keep in

mind to ensure that transparency is helping to build trust with the workforce and not hindering it.

Mike, I'd like to start with you. From your perspective, why is this topic so important in the current world of work?

**Mike Bobek:**

I think firstly, Jason, it's important to recognize that trust is really the foundation for any relationship and teams that are successful. So, if you think about the relationships you have, whether it's a personal relationship, a client relationship, relationship with your line manager, direct reports, or even in sports, if you aren't open, honest, transparent, and have earned each other's trust and respect, that relationship isn't getting very far.

So, Michael Jordan had the famous quote, "Talent wins games, but teams win championships." And I don't think any team has really ever won a championship without having a high degree of trust as a core trait of that team.

So, what's interesting is the stakes are probably higher than they've ever been around this topic of trust right now.

And from my perspective, one of the trickiest parts in all this in the corporate setting is how do companies create an environment of openness and sharing while also managing the sensitivity of topics that might be deemed defensive or polarizing.

And then also what's tricky is the pace at which new technology is starting to become available and starts to consume data that some workers might deem private.

But all that being said, we do know that organizations that are deliberate in managing trust and focusing on transparency as a core value across their business see the benefits. And I wrote down a couple of stats that I saw in the trends report that I thought were particularly helpful.

Specifically, workers in high-trust companies are 50% less likely to leave, 180% more likely to feel motivated, 140% more likely to take on extra responsibilities, and those

organizations are two times more likely to achieve their desired business outcomes. So, we know based on the data that the business case is clearly there for companies to focus on this as a key priority.

**Jason Flynn:**

Absolutely, thanks Mike. I mean, I think you nailed it in terms of a lot of what our research this year shows—certainly understanding that relationship between transparency and trust, and in particular how that's coming to life in this very dynamic worker organization relationship, has just never been more important.

We found that 86% of the workers surveyed and 74% of the leaders we surveyed said an increased focus on trust and transparency was critical or very critical to their success. So, in that regard it was the most critical trend that came through in this year's report. Building on that, Calder, what are you seeing as some of the main issues that workers are facing around transparency and trust? And what are the issues that organizations are facing?

**Calder Flynn:**

Great question Jason. And I think we're operating in an environment where the way we work is becoming increasingly digitized and that leads to the opportunity to track so much more than our workers really had to deal with historically.

So, in an environment where so much tracking can be prevalent across an organization I think there's always a concern across our workforce about how specifically is the data being used? What does it say about individual performance? Can I trust management to make sure that they're monitoring the output and the effectiveness or process rather than the individual?

And ultimately how that gets organized and used requires a real balance, I think, between the way that managers install and maintain their management systems and the way that they bring employees into the fold to understand what's required of them, how the information is being used, and ultimately align both the enterprise and the worker towards a common outcome in the performance of the organization.

There's also with so much information available a high degree of overload that exists. Managers want to track more and more, they want to have more data and ultimately the way that gets collected can take away from the effectiveness with which workers can deliver on what's being asked of them.

And that's before you start introducing fears that exist specifically around AI, which could lead to significant reduction in the belief there's a human-centric decision-making process in place across the organization, or something that would potentially suppress the value that employees ultimately bring around the creativity with which the process gets engineered and the work gets produced and it becomes a risk avoidance mechanism more than anything else.

Conversely, from a management perspective, there's always going to be a balance between the degree of transparency that an organization needs and the privacy that needs to exist for the employees to operate effectively.

And we measure many things, but from a human capital perspective engagement is one of the metrics that we constantly monitor. And more and more we see concerns around privacy and the way that information is being used showing up as a concern across employee bases.

So, when we're thinking as an organization around work effectiveness, how you balance the right depth of data collection with the right guidelines and governance around the way that it's monitored, I think ultimately impacts the way that you can measure and calibrate the performance of your organization while maintaining that high degree of engagement across your employee base.

So, a couple of potential concerns that I think that myself and others tend to see, there's so much available information and the way in which you collect it ultimately the reliance that you have on the data over the interaction with the workforce, there's all considerations that I think have to be at the forefront of any of these conversations when you think about what's the right degree of transparency that an organization

needs to maintain to achieve its target performance.

**Jason Flynn:**

Thank you, Calder. I know one of the things we highlight in the chapter is how fundamentally the role of transparency has changed within the organization. It historically used to be more of a one-way street, management setting objectives and priorities, pushing those down. But now, as you said, everything and anything can be made transparent in the kind of worker organization relationship, it's really changed things.

One of the things maybe that we can maybe dig into a little bit more, and you started to certainly touch on it, we're continuing to see this accelerated rate of using technology, and it's changing the world of work. We've got AI and GenAI capturing all the headlines, but there's lots of different technologies that are impacting workers and work these days. And all those come with some degree of implication for trust and transparency.

Mike let's go back to you. What roles do you see emerging technologies playing in the future of transparency and trust in the workplace? And maybe you have some examples from what Orgvue is seeing or doing around this topic.

**Mike Bobek:**

Thanks, Jason. So, two parts to your question, and the first is around the role that technology plays in building transparency and trust, and as someone that works in the software space and really anybody, even Calder would agree, he mentioned some of this already, is there's more technology than ever.

Forget about AI for a second. The amount of it that companies are investing in—new technologies that consume different types of data, creates more opportunities to aggregate data and different types of data, but there's also more opportunity to mishandle that data.

So, it's something that can create legitimate concern for not just the workforce, but for a company's constituents. And from an employee perspective, many times as a company takes on new technology, they

might associate that new technology with an attempt to drive greater productivity.

Some might equate it to changes or potentially loss of jobs, but if we get specific and talk about the technologies themselves that are arriving in the corporate setting, it's a little bit easier to emphasize how the technology can actually help build the trust.

So, some examples, one we use every day are the real-time collaboration and feedback platforms. Those help us facilitate more open and immediate sharing of information, which really now has become the norm for how individuals communicate at work and even on their phones—which wasn't the case pre-pandemic.

The one that gets the most attention is responsible use of AI, which we know can be pointed at a lot of really good things like analyzing where there might be bias in say, hiring or promotions or predicting issues within the workforce, and offering insights proactively to help individuals take action.

So, where Orgvue fits into all that Jason, to answer your second question is it's really a technology that supports employees and leaders managing workforce-related decisions, and then enabling the implementation of change initiatives that in some cases might impact a large population of people. So, I'll just talk briefly about what I mean around that.

So, ultimately there's two areas where Orgvue plays a role in enabling transparency across our customers. The first is we provide what we refer to as a digital twin of the organization and the second is managing these change events, as I talked about.

So, why is this concept of a digital twin so important? Well, first all that data that typically sits in a transactional HCM system, can't be visualized in an engaging way and is typically limited to data that's associated with standard employment records.

So, to really understand how your organization is performing and operating, you need to understand not just who reports to who and what the labor cost is and my workforce, but you want to understand things like what skills individuals

have, what work is performed, the mix of employees and contractors in my workforce.

And if you have all that data and you've got external data, you can begin to spot areas of risk based on the supply and the demand for talent within your business and in the market.

But what you really need is a way to engage and aggregate all of this data and then light up a map that pinpoints where you might have risk or opportunity that could be addressed. Be it through actions associated with pay equity, engagement of the workforce, rethinking capacity, how work gets allocated, all of that.

And then if we think about how change events get managed, and these could be anything from acquiring a new business to investing in technology to growing in certain markets. But anytime there's any type of organizational change, these are some of the most nerve-wracking moments for employees and leaders across the business.

We're trying to think about, "How's this going to impact my role, my job, how's it going to impact the organization that I'm responsible for?" We're often managing sensitive data in those times as well, which creates risk for the organization and for employees.

And what we really need in those cases is a way to protect the data, but also a way to involve the teams in the decision-making process. So, you need a rigorous set of security controls that individuals that are engaging with this information can only see the information they're supposed to in a planning process. And you also need a safe, secure collaboration space where you can analyze, model and evaluate the potential impacts of these changes.

So, in summary to your question, Jason, I would say really everything we do as a company and a product is trying to help solve the age-old challenge of 70% of business transformations fail.

And we believe that you can improve the odds of success by one, being able to see your organization, because if you can see it, you can understand it and if you can understand it, you can take action. Number

two, by protecting the data during periods of change and therefore reducing data privacy risk. And number three, organizations that promote collaboration during these periods of time tend to move faster and make better, more informed decisions around the workforce. So, really all these things are ingredients to how you can create trust and transparency during periods of change of uncertainty.

**Jason Flynn:**

Thanks, Mike. That's really fantastic appreciate all the examples and all the different ways Orgvue can play a pivotal role in terms of helping this very tricky trust and transparency issue everybody's dealing with right now.

Calder, I'd like to go to you to talk through maybe some other examples of building trust through transparency and maybe, what have you seen as some of the best practices for integrating transparency and privacy as organizations look to build that trust factor?

**Calder Flynn:**

Jason, I really like what Mike had to say about how you can use data and visibility to be able to shape and transform an organization. I think there are some prerequisites that have to exist for you to be able to put the right guideposts around what transparency means as an organization, and then ultimately how you bring your employee base into the fold so that you can actually achieve that level of trust.

So, in my mind, some of the things that really-high-performing organizations do very well is they invest in a data foundation. And having a data foundation is more than just the repository through which you can access the information.

It's bringing standards around consistent definition and metrics that are used across the organization so that there's a common consumption layer that management and employees can understand and use to be able to have a common language around what it means to measure and how the information is being used. And to build that, you need governance.

And oftentimes what I've seen is that governance as an afterthought really saps effectiveness. It becomes what detracts from effective process and delivery. And so, really strong-performing organizations will invest in both.

And in doing so, they can create a high degree of engagement because there is a common ground on which the conversation around what data is being created, what it means and how it's being used can lead to both the organization measuring the right drivers of performance and also the employees understanding what it means and where their role is within that measurement process.

So, where it falls short: in an environment in where everything is labeled as confidential, where data is being used as a got to or in instances where you have access to information without the right context around it leads to a really ineffective dialogue between the organization and it detracts from trust in a meaningful way.

So, there's a number of things that we've done to try to really think through what's the right classification of data and what's the right type of data that's meaningful for both management and employees.

And a couple of the examples that really stand out to us are what are the common management systems, the metrics produced on a regular basis, that we're using to be able to explain performance at different altitudes throughout the organization.

And making that available and consistently produced in a way that's accessible by the entire population,, management and nonmanagers is an important consideration. But also, being able to think through how the data can be used to really help and engage the employee base is really helpful as well.

So, having a well-established skills inventory that can be used to really not only talk through what the work is but (also) what's required to do the work effectively starts to create opportunity and foster trust in the sense that the organization wants to help our workforce be as effective as possible to deliver their individual performance, deliver against their individual performance targets

and achieve the outcomes the organization is wanting to achieve.

And then ultimately, how do we talk about the work in a common way? So, what are the activities that make up the work of an organization? There's a lot of places that I've been that think in terms of value chains as a mechanism of measurement and visibility. And that's one of the tools that can be really productive in terms of thinking through the way that you render visible a lot of what's happening and bring all of those different data points together so that an effective trusting relationship between the workforce and the management team can be produced.

**Jason Flynn:**

Thank you for sharing those examples. Having an open dialogue with the workforce around this transparency and privacy issue is important in setting that foundation.

And then from there, once you can start to see how the data's being used and what it's being used for, and everybody has a clear view of that, that really changes the game and makes for a much more effective environment. It sounds like that's certainly ringing true with what you're doing there at M&T.

This has been a great conversation, Mike and Calder, I really appreciate it. Any parting thoughts on this topic you'd like to leave our listeners with? Maybe Calder we'll start with you and then go to Mike.

**Calder Flynn:**

What I would share is that in the topic of transparency trusts, the winners are the first movers. So, there's an opportunity to be proactive here and showcase what it is that an organization is trying to achieve, how it's using the data. And that's a great first step to bringing the workforce into the conversation and fostering the level of trust that's necessary for organizations to achieve what they want to do.

**Mike Bobek:**

And I would just add to that, I mean, I really like what Calder was saying around preparing the data foundation. And if I think about the pace of change, the pace of change has always been great, but in terms of the pace of change of getting new technologies in the market that's probably as fast as it's ever

been, right? So, the companies are going to be better set up to deal with this, any stage of perpetual preparation, when they've got a good data foundation in place and they've got capabilities internally that can manage that change.

The last thing I would just say is that foundationally, anybody that's thinking about trust and transparency in the business world, it doesn't happen because you've delivered a project or initiative called "trust and transparency." It happens because there's specific behaviors that you've installed and you're being consistent in how you show up with your teams and your colleagues and your communities.

So, the focus really needs to be on being intentional with those actions, your investments in technology and all the change management that goes around it.

It's not about getting a playbook nailed necessarily, it's more about instituting a culture of trust and transparency. And I think Jason, a lot of the data in the trend report suggests that if you can do that properly, that there's a pretty clear return.

**Jason Flynn:**

Great final thoughts there for sure. I mean, there's no silver bullets here, this is all about that culture of trust and transparency you talked about enabling that and everything you do. So, thank you again Mike and Calder really appreciate you taking time to be with us today and sharing your stories and examples.

And to our listeners, please stay tuned, we'll have some more thoughts coming on this topic from some of my other colleagues here at Deloitte. Thanks for listening.

**David Mallon:**

Many thanks for Calder, Jason and Mike. And now, our roundtable; where we dive deeper into this question of the transparency paradox. I'm joined by a few of my Deloitte colleagues and co-authors of this year's Global Human Capital Trends report. We're going to talk about these complex dynamics around trust and transparency, especially in the relationship between workers and organizations. With that, let's get started.

Welcome back. I am joined by two of my Deloitte colleagues, Jason Flynn and Nicole Scobel-Williams.

Jason is a principal in our US workforce transformation practice, and he's one of the lead authors on our 2024 global leader for future of work. And Nic is Deloitte Global leader for future of work and she's a partner at Deloitte Tohmatsu Consulting based in Japan. She's also one of my fellow authors on this year's study. Nic and Jason, thank you both for joining me today.

**Jason Flynn:**

Thank you.

**Nicole Scobel-Williams:**

Thank you so much. Wonderful to be here with both of you on this exciting topic.

**David Mallon:**

Nic, we're going to start with you. In the introduction for this past year's report, we raised this notion that maybe trust is a better measure of that relationship between organizations and their workers, maybe better than engagement. Why is this concept of trust so important?

**Nicole Scobel-Williams:**

Such an important question, David, and I'm so glad that this is where we're starting. As many traditional boundaries of work and the workplace continue to erode, trust, perhaps even more than culture, is emerging as a tie that really binds, a means to keep the organization cohesive and mission aligned, especially as we see organizations grapple with those questions around what defines a job and how a workforce should operate in a boundaryless world. Trust can create a common foundation for decision-making. And we are seeing several trends today that are really putting trust in that worker-employer relationship at risk—whether it is the rise of misinformation, risks to digital security and data privacy, turbulence related to outsourcing, mergers, and of course those lightning-fast advancements in Generative AI and other forms of automation, all leading to distrust among workers.

**David Mallon:**

So many of these challenges to trust you're talking about are just about the flow of

information, sort of what's going back and forth between workers and organizations. And that is about transparency, which is as the name on this chapter that we're talking about in today's episode is all about, there's a paradox to transparency. We, intuitively want openness in our relationships, but yet transparency, paradoxically, is presenting a thorny set of challenges to this worker-organization relationship. Why is that?

**Nicole Scobel-Williams:**

Yes, David, we see transparency commonly thought to be a key driver of trust. The idea that more transparency equals more trust has become a truism, but it isn't that simple. The relationship between trust and transparency is much more complicated and nuanced. And the details really matter. Details around what is being shared, who is doing the sharing, why, and for what purposes is that sharing happening. Where there is already a strong sense of trust, transparency can reinforce that trust if both sides approve of what's being shared and how that information will be used. But so often today, that transparency is imposed, such as when organizations and leaders are collecting data on the whereabouts and moment-to-moment activities of the worker, often without the worker's explicit approval. Or when workers share their data on their work experience or remuneration in social media. Or when governments require certain types of transparency through regulation.

Of course, in the right context, transparency is such a powerful way to build and reinforce trust. Eighty-six percent of leaders that we surveyed in our 2024 Global Human Capital Trends research told us that they believe the more transparent the organization is, the greater the workforce trust. Our research also revealed that both executives and workers rate this trend as the most important to their success, both now and in the next three years. But when you consider all of the dynamics at play around these trends, it's not surprising that we had only 10% of our respondents in our research this year say that they are making meaningful progress and doing great things in addressing this transparency paradox.

**David Mallon:**

So Jason, bringing you in. Is there something different about today's world, today's

workplaces that's driving this issue of transparency to the forefront? I mean, what are we being more transparent about?

**Jason Flynn:**

Great question, David. And I think to me, as we got into the research and looked through this, the big thing, and Nic alluded to it a little bit is the nature of transparency has fundamentally changed. Historically, it really was that one-way street. Where the organizational, leaders were sharing information down and that trust was built through being more transparent. Now with digital advances and technology impacting work in so many different ways, and down at the team level, at the work level, that's really changed that dynamic. And it's so now very much a two-way street because, in essence, every element of the work can now be made transparent at any time.

As workers are increasingly interacting with smart machines and other advanced technologies, there's an ever-expanding trail of data that comes out of that. And it can be used by the organization for a variety of purposes and at a pretty-low cost. So, some of those examples where we're seeing this advances in, types of information and data being used, certainly workers' time at their keyboards, their keystrokes we see things like voice analytics being able to look at a worker's emotional tone while interacting with a customer. We have organizational network analysis tools that can understand and look at worker behaviors and how they impact things like culture and belonging and inclusion.

And finally, we have an advent and just proliferation of wearables on the production floor, if you will, or the retail floor. Every element of that worker and organizational relationship can now be exposed and be very open. If responsibly managed the ability to use this new data really creates an immense number of great opportunities to unlock human performance. But as Nic alluded to, certainly there's a significant potential for misuse. So the privacy breaches, surveilling your employees without them knowing, evaluating and watching the work too closely, if you will.

So again, there's certainly very much a risk at play here and finding that sweet spot is really

where the trend gets into this year. I think the one last thing I'd say, and it really came out of our quantified organization research last summer. Workers and organizations are surprisingly aligned that there's a lot of positive value to be extracted from getting this right, from using these new sources of data in positive ways that there's a whole lot of value to be unlocked around worker performance and satisfaction, and safety, career development. So there is a huge amount of upside here.

**David Mallon:**

I think the key word here that we've all used a few times, and I used it in my opening question, is relationship. Of course, in a healthy relationship there's trust, and that trust is usually built on dialogue, on finding balance in the back and forth that is relationships. It makes sense that would apply to transparency as well. And it sounds like there's some key benefits that both of you are pointing to for both organizations and workers to have that dialogue, to sit down and have a chat about transparency, to focus on striking the right balance between transparency and privacy in service of greater trust, in service of a stronger relationship.

Two, that I think bear out, one is that this can lead to better human outcomes for the workers—in the conversations that would ensue related to what information is shared and how it's gonna be used and so on. But it's not just about the organization too. The organizations are made up of people, and this dialogue actually can help elevate trust and confidence in the leaders, the people, the humans who are leading the organization and their decisions as well. So in both of those contexts, let's dive into some examples to drive the trend home. Nic, what real-world cases can you talk to?

**Nicole Scobel-Williams:**

Oh, there are so many examples here, David, that, that we could share. However, one of my favorite examples that I think also highlights how deeply connected all of the trends that we're exploring this year's report are, is how MetLife has significantly improved both those human outcomes that you just mentioned and business outcomes by prioritizing transparency and trust in deploying AI-powered coaches in their call

centers. Now these AI coaches are analyzing voice interactions, real time between the call center agents and customers. They're giving that real-time live coaching to the agents. They're providing insights into the emotional tone, the sentiment of the customer, along with information about the customer's whole interaction history with MetLife, offering suggestions to help the agents adjust their tone, language, empathy levels, really enabling and elevating these more authentic human conversations to help effectively address what the customer is seeking support for.

Now, importantly, the approach to implementing these AI coaches has been absolutely grounded in transparency. They openly communicated the purpose of using these AI coaches to enhance performance and ultimately improve those customer outcomes. All of the workers were given the opportunity to have their questions, their hopes, their fears addressed. And this transparent approach really fostered that trust, that confidence among the workforce, understanding that the AI coaches are there not to replace, but to empower them, to make them better at their work and make their work better for them. We have the agents, with increased job satisfaction, they feel more empowered and supported with those real-time coaches there to support them.

Now, importantly, and this is one I love, the enhanced human capabilities of those agents. With that real-time feedback and prompting, the agents are fine-tuning those human capabilities—their empathy, their attentive listening, their ability to quickly problem-solve in the moment. Then we've seen reduced stress in those agents where they're feeling less pressure to have to perform perfectly in the moment, they're feeling reassured that those AI coaches can catch where they may have missed something in the tone or missed something in the history log of what the customer has previously raised and had support for.

And then of course, we've seen the improved business metrics. Call duration times have decreased. The percentage of issues being resolved during the first call have increased. And overall customer satisfaction has increased by 30%. So I think it's a wonderful

example highlighting how prioritizing trust and transparency has elevated those human outcomes for the call center agents, which has had that multiplier effect on the customer and business outcomes that are being achieved.

**David Mallon:**

Yeah, I really love the example. And to that last point, I love how it is an example also of what we mean by human performance and that human outcomes and business outcomes are, one multiplies the other. They're not an either/or, they're not in conflict with each other. And I think that's tremendous. A follow-on question to that though, and I've noticed a common question I get from audiences when I speak about this year's research, perhaps you have as well, is that especially for something like transparency, there is a kind of common wisdom or perception that different parts of the world may value it in different ways, more or less of it, whether it's seen as desirable or not, what have you, it plays out differently in different parts of the world. First off, is that true? Given that you reside in Asia, how does this trend play out specifically in that geography? What actions are organizations doing differently? How's it showing up differently?

**Nicole Scobel-Williams:**

My favorite topic to talk about, David, how the trends are playing out differently across our different geographies. And I often find it helpful—especially when we're talking about transparency paradox—to give two countries just to help with compare and contrast. So let's have a look at Japan and Australia, just for example purposes. Now in Japan, senior already plays a very important and powerful role in all aspects of business and work, which creates unique opportunities and challenges for prioritizing trust and transparency. For example, in Japan, the lag in organizational efforts to meaningfully progress the DEI agenda has been widely recognized. Now at the heart of some of the challenges there have been the inability for organizations to capture the DEI data that is needed to be able to understand and respond to all of the unknown and unmet needs across the different intersectional communities existing right across the organization.

And psychological safety is frequently raised as a primary concern. Layering on top of that, a business culture where work and personal life is expected to be kept very separate. Every day in my discussion with clients and audiences, I hear the same thing. "This is not a technology problem, this is an issue of trust and psychological safety. We have the technology, we have the data processes, but we cannot get our workers to opt in, to participate, to trust us to disclose that DEI-related data." But for Tokio Marine Insurance, for example, we have seen a CEO-led campaign to enhance data collection efforts, really focusing on those commitments to trust and transparency and worker engagement yielding very impressive results. The CEO personally focused on addressing all staff, emphasizing the why, why is capturing this DEI data so important? How is the company aspiring to use that data to make work better for their people and their people better at work, ensuring their workers that the data is being captured safely, confidentially, being protected in their workday portal?

And the CEO's commitment and messaging has really resonated. We have seen them go from almost 0% of workers sharing this DEI data to, within a matter of weeks, over 80% of workers opting in and sharing. Anecdotally, we're now seeing that all workers, a hundred percent are providing that. So really seeing the impact of using that senior already dynamic to drive that trust and transparency. Now in Australia, a little bit different. In Australia, the dynamics around trust and transparency are particularly fascinating, given that in general the business culture in Australia is one that really fosters and encourages open and two-way dialogue between workers and employers. But despite this, the signals suggest that there is a significant trust deficit right now in the worker-employer relationship. We are seeing what we often refer to as productivity theater, with 50% of workers in Australia saying that they feel they need to overcompensate when they are working from home to show that they are serious about their work, making sure that their online green light is green, for example, on their collaboration platforms.

Interestingly, I would suggest this may also be connected to the fact that the research

shows Australia has the most productive workers in the world, but they also appear to be the most burned out. If we then consider the impacts of AI on trust in the worker employer relationship in Australia. Of 15 countries that were recently surveyed in a workday study, Australia was found to be the country with the highest level of skepticism around the use of AI, with 60% of respondents harboring concerns about the trustworthiness around AI, and more than 30% doubting that their organization is prioritizing work interests over their own organizational interests when implementing AI. But just like Tokio Marine, we do have the Australia graphic design platform company, Canva, placing unwavering interest and emphasis on transparency and trust building with its workforce.

At Canva, from day one, every new employee is immersed in the company's investor deck, ensuring transparency right from the start. They're obsessed with openly sharing the company's purpose, vision, goals, financial performance, product road maps, wanting to make sure that everybody is aligned and committed to the same mission. They use regular all-hand meetings, making sure they've got that platform for open communication. They truly believe that workers can only make the best decisions and only do their best work for their customers and their business if their workers are fully informed of all aspects impacting the company and its operations. They want all workers to operate with a strong sense of context, relevance and value. So David, I know that we've just touched on two countries, but I trust it gives our listeners some insights around the dynamics at play across different countries that are so important when we are thinking about how we tackle this transparency paradox.

**David Mallon:**

It's amazing because it shows that yes, these things play out in such different ways in these different markets, but yet, the sort of singular power that still trust and transparency have across all groups. Jason, any similar examples from the US or elsewhere in the globe you've seen with clients? And particular what sort of actions really stand out that have been successful in implementing this balance?

**Jason Flynn:**

Yeah I mean, absolutely a lot of the themes that Nic alluded to certainly apply and we're seeing those play out in US and around the globe. Three of them that come to mind that I'll just hit on here quickly. So one that I really like, and it's akin to the MetLife example but it's a US automotive supplier, and they set out to use AI-enabled video analytics to really review activity on the plant floor. So a frontline worker application here.

The company written didn't do this unilaterally. They brought the workers into the conversation and planning for the effort. They certainly had some desired outcomes in terms of improving efficiency, but they also went into this very much wanting to look for ways to reduce worker fatigue and improve worker well-being, and reduce safety incidents. So, workers were aware of the video analysis that work was gonna be done. They knew when it would happen, and they were also brought in to provide input and review some of the analysis and provide some of their thinking into the process. So the results at the end of the day were compelling. The organization saw an improvement in productivity, they saw a reduction in safety incidents.

And I think the real keys to success there are, again, being open with the workers that this was gonna happen, bringing them into the dialogue, and being clear that there was real value that they were gonna see come out of this in terms of their well-being and safety. So again, a little bit similar to the MetLife example where if you bring the worker along the journey, they're very much willing to give this data if they see something in it for them.

I think one other set of examples is in this area where there's not necessarily always gonna be clear and obvious worker benefit, but there's still some value to be achieved. So the thing that comes to mind here is organizational network analysis. And we're seeing more and more organizations use these kinds of tools to look across, the organization and see how work is happening, where there's opportunities for better teaming and less friction.

In the trends report, we had a global health care provider who went into one of these org network analysis. They looked at worker

communication and collaboration data and all the stuff you do there. There again, they're set out on this journey very much with a focus on the organizational side of this. They were looking to really optimize cross-functional teaming, really improve decision-making and speed. Of course, there are some related benefits there, of course, for the workforce if they start to feel better about the work, and how it's happening and the culture. But again, it was more focused on that organizational side. And I think in light of that, what the organization did is, they didn't do this, again, stealthily. They let people know about it and they gave folks a chance to opt in. "So if you're interested in participating, here's what we're gonna do. Do you want to be a part of this?" So they gave them some choice. They also made it clear about how the information was gonna be used and then the data that was analyzed was all aggregated, and so the privacy issues were removed by the way the data was gonna be used.

The approach was very effective. The organization started to identify some of those opportunities for collaboration and teaming that they were looking for. And the workers some of them chose not to participate, but those who did, went into it, eyes wide open and didn't have a fear about that data being used in a way that they weren't comfortable with. So again, that how you do this, how you communicate it, how you bring the workers into this dialogue is important.

And then the last one I'm gonna hit on is around pay transparency. And we're seeing that play out in jurisdictions everywhere. We have a number of states setting mandates around pay transparency. Certainly the EU has a directive in this area coming. This is really an interesting one because it's forcing organizations to really think about how transparent they want to be around pay, right? Which is one of those the most personal issues that, that we can all think about. And certainly one that draws a lot of attention.

And so what we're seeing organizations are of course having to meet these minimum standards out there. But as I work with some of my clients and see what they're doing, I think those organizations who are



choosing to go beyond that minimum level of compliance and finding ways to say more about their compensation practice, try to open up the black box if you will, there's a real opportunity to create trust with the workforce. If they feel better about the pay process, that they believe it's actually fair, they're gonna feel much better about their compensation rather than if they feel like it's happening in a back room and they don't have any idea how these decisions are being made.

So this is a space that's gonna play out. It's gonna be very front and center with employees. And I think those organizations who are purposeful in thinking about where they want to be transparent in more ways around pay are gonna really find some value there. And honestly, you need to recognize that workers can find this data out in the public domain, they're gonna form their own truth. So more organizations can take control of that messaging, I think there's gonna be a lot of value in and ability to create some more trust around a very sensitive topic.

**David Mallon:**

It does seem as much as we talk about this issue and we talk about in the context of organizations, but that last point I think is really important. Again, I'll come back to this notion of relationship. It's a challenge, trust and transparency in how it supports trust, it's a challenge to the two-way relationship. So both sides in that relationship have a role to play and sort of how this is worked out going forward. The workers are just as much part of how we will make this successful, and that we will grow trust within our organizations as a trend of what organizations should do, if that makes sense. To trend as much about what workers, how they should be approaching these sorts of questions and what they should be doing. With that, I think that will do for today.

Thank you both Nic and Jason for joining us. I'd like thank you for giving us a bit of your time and your perspective. But before we go, any final parting thoughts you'd like to leave with our listeners around trust and transparency? Jason we'll start with you.

**Jason Flynn:**

I think just to me it comes back to this idea of human performance that dominates the whole trends report. I think, to me, if you approach this with this lens that we need to be looking to amplify both the human outcomes and the business outcomes together, and you come into any decision you need to make around trust and transparency with that lens, I think that's what's gonna tee you up success. So like we said throughout this, if the workers are involved, if they feel like there's value for them, they're gonna be much more engaged and it's gonna be a really great way to build trust.

**David Mallon:**

And Nic—

**Nicole Scobel-Williams:**

Wow. Yeah, I mean I think that Jason has so beautifully articulated what is really important here. I think prioritizing, trust and transparency is no longer a choice. We need to recognize that there's a lot at stake as we've been hearing here today. There is no one size fits all. Again, we just keep hearing the importance of engaging the workforce, customers, listening to what's important to them and what they need, want and expect around transparency—and why. If we keep that as our compass, I think we're sure to be heading in the right direction to really strengthening that trust and enabling and elevating all of those experiences and outcomes for workers, customers, the business and even society at large. And again, as Jason has highlighted, creating that human performance magic through that multiplier effect of those human outcomes and business outcomes in a mutually reinforcing cycle.

**David Mallon:**

That sounds like a great notion to end on. Thank you all and thanks to you listeners for joining us.

That brings us to the end of today's episode of Capital H. Special thanks to our guests, Calder Flynn and Mike Bobek, as well as my Deloitte author colleagues who joined us today.

As we've explored, I think we all understand the importance of building trust and navigating and increasing focus on transparency, but we do have significant work to do with regards to what's transparent, why and how.

With the rapid advancements in technology around us and the wealth of workforce data at our disposal, organizations are a bit of a crossroads. Transparency can be a gold mine; it can be a big part of foster trust and driving positive outcomes. It can also be a landmine eroding trust, if not handled responsibly.

So, as we wrap up today's episode, we encourage you to reflect on the insights shared today and consider how they might apply to you and your organization.

Thanks for joining us, and we look forward to seeing you on future Capital H podcast episodes. If you want to know more about our Human Capital Trends research, you can find the full report at [deloitte.com/hctrends](https://deloitte.com/hctrends). Of course, let us know what you think about Capital H as well. Rate us on whatever service you find us, look us up at social media, we'd love to hear from you.

Thanks again, and we'll see you next time as we explore topics and trends that focus on putting humans at the center of work. Until next time.

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