



DRIVER REFERENCE GUIDE 5 OF 5

TRANSPARENCY REFERENCE GUIDE

The degree to which the organization makes its decisions, reasoning, and direction visible and verifiable. What to look for when diagnosing the driver, what to do when it needs attention, and what to avoid. Built for use in the field during the intervention period, not for reading once.

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THE DRIVER

5 TRANSPARENCY

The degree to which the organization makes its decisions, reasoning, and direction visible and verifiable

DIAGNOSTIC QUESTIONS

- *Is there something important happening in this organization that you feel you learned about later than you should have?*
- *When a significant decision was made recently that affected your work, did you understand why it was made?*
- *Where do you usually find out what's actually going on here; through official channels or through colleagues?*
- *When the organization is facing something uncertain or difficult, do you feel you're told the truth about it?*

WHEN THIS DRIVER IS STRONG

- Challenges and difficulties are raised and discussed in official channels before they circulate informally; the formal information environment is more reliable than the informal one
- Leaders explain their reasoning as a matter of course, not as a concession to demand; the default is disclosure, not disclosure-on-request
- Individuals learn about significant developments through official channels before they learn through colleagues, networks, or inference
- Uncertainty is acknowledged openly; leaders distinguish what they know from what they are working toward and do not communicate false confidence
- The absence of information does not generate anxiety, because people trust that if something significant were happening, they would hear it

WHEN THIS DRIVER IS WEAKENING

- Active parallel information networks develop, the unofficial version of events becomes more trusted than the official one
- Meetings and communications are polished but uninformative; they present conclusions without reasoning, decisions without context, and direction without acknowledgment of difficulty
- Individuals learn about significant developments through informal channels before official ones and stop expecting that to change
- Uncertainty is managed rather than disclosed, leaders present a coherent narrative even when circumstances are genuinely unclear, generating a credibility gap when reality diverges from the narrative
- People make consequential decisions, including decisions to leave, based on inferences they have drawn from what has not been said rather than what has been communicated

WHAT TO LOOK FOR

The emergence of parallel information networks. This is the most reliable signal of transparency erosion. When employees are getting important information through informal channels, through colleagues and rumor rather than through official communication, the formal information environment has been displaced. This displacement is rarely the result of intentional concealment. It most often reflects a pattern of late disclosure or incomplete communication that has trained people to seek information elsewhere.

The emotional quality of meetings and all-hands sessions. In organizations with strong trust in transparency, these sessions are genuinely informative; employees leave knowing more than they did before, including honest accounts of challenges and constraints.

In organizations where transparency is weakening, the same sessions become performative: professionally managed, carefully worded, and ultimately uninformative about anything that individuals actually want to understand. The gap between what was communicated and what was asked about in the parking lot afterward is a useful measure of the transparency deficit.

The latency between leadership and broader organization awareness. The questions worth asking are:

- *When the organization faces a significant challenge, is it communicated before it becomes visible or after?*
- *When a significant decision has been made, do people learn about it through official channels or through the informal network?*
- *When a problem is identified, is it raised publicly in its early stages or only once it has become unavoidable to acknowledge?*

Consistent late disclosure is a transparency signal, even when each individual instance of delay has a locally defensible rationale.

The organizational response to bad news. In high-transparency organizations, difficult information produces problem-solving. In organizations where trust in transparency is weakening, bad news produces political management, where the question is not How do we address this? but How do we manage the message?

The shift toward message management is one of the clearest signals that information is being treated as a reputational resource rather than as a functional input to organizational decision-making.

WHAT TO DO

Establish predictable communication rhythms. The most effective structural transparency intervention is not a single disclosure but a sustained cadence. When individuals can reliably expect an honest update at regular intervals on organizational direction, performance, and challenges, they develop a baseline trust in the information environment, which reduces the anxiety that uncertainty creates.

The format matters less than the reliability: A brief weekly leadership note that is always substantive is more trust-generative than a quarterly all-hands meeting that is always polished.

Communicate difficult news before the informal network does. The disclosure that arrives after the rumor has already circulated is structurally different from the disclosure that prevents the rumor from forming. The first requires the organization to deplete credibility in correcting a version of events. The second expends no credibility because the information arrived first.

The practical discipline is to ask, for every significant piece of information that leadership is managing, When will this become visible through channels we do not control? The answer usually sets the deadline for proactive disclosure.

Share not just the decisions but also the reasoning behind them. In most organizations decisions are communicated as outcomes. The reasoning behind them, the constraints that shaped the options available, the alternatives that were considered, the principles that determined the choice, is either not shared or is available only to those who ask.

Sharing the reasoning is not a communication sophistication exercise; it is a structural trust intervention. Individuals who understand the reasoning behind a decision that affects them can assess whether they would have made the same decision, and even when they would not have made that decision, they can assess whether the process was legitimate. That assessment is the basis of trust in transparency.

Create explicit mechanisms for surfacing what is not being said. In most organizations the information that leaders most need is the information that is not reaching them through normal channels. Anonymous and behavioral survey mechanisms provide one approach; leader-initiated skip-level conversations provide another.

The diagnostic conversation guide under “Quick reference cards” in this chapter provides a structured approach to surfacing what direct conversation is structurally unlikely to surface. The common element in all effective approaches is that they are designed around the recognition that important organizational information does not always travel upward through formal channels, and specific mechanisms are required to reach it.

WHAT TO AVOID

Waiting until a complete picture is available before disclosing a partial one. The most common rationalization for delayed disclosure is, We do not yet have the full picture. This rationale is usually sincere and sometimes valid. The implicit message of a delayed disclosure, though, We knew something was happening but decided not to tell you until it was fully formed, is consistently read by employees as a judgment about their capacity to handle uncertainty.

Most people manage uncertainty far more effectively when they receive honest partial information than when they receive no information followed by a fully formed account. It is important to disclose early, acknowledge what is not yet known, and update when more information is available.

Using transparency as a communication strategy rather than a structural practice. Some organizations have learned to use transparency strategically, disclosing positive information readily and complex or difficult information selectively. Individuals inside these organizations develop, often without articulating it, a calibration for when organizational communication is trustworthy and when it is managed.

That calibration is corrosive: It means that the communications the organization most needs to be effective, the ones that depend on employees accepting an honest account of a difficult reality, will be received with the skepticism that strategic transparency has earned.

Conflating information sharing with transparency. Sharing information is a prerequisite for transparency but not equivalent to it. Organizations can share large volumes of information while remaining structurally vague about the things that most directly affect employees' ability to plan, contribute, and trust.

The transparency that builds trust is specific: It provides the information individuals need to understand how decisions that affect them are made, what those decisions will mean for their work, and what the organization's honest assessment of its current situation is. Volume without relevance is noise. Relevance is what builds trust.

WORKING PAGE

What sustains the driver. Transparency reduces the need for trust by replacing uncertainty with verifiable reality. It depends on leaders who disclose reasoning, not just conclusions, and who acknowledge uncertainty rather than constructing false coherence. When transparency erodes, other structural drivers must carry more weight, and the trust relationship becomes more vulnerable to the shocks that verifiable information would have prevented.

WHERE IT SITS

Transparency is not a stage in the sequence. It is the supporting structure that runs through all of them. Every action taken to improve any of the other four drivers will be more effective when it is accompanied by clear, honest communication about what is happening and why.

The specific signals the diagnostic surfaced for this driver:

The one behavioral change people will be able to see:

How and when it will be communicated, before it is implemented:

Re-run the diagnostic question with the same people after sixty to ninety days. Date:

From Chapters 10 and 12 of *Compounding Trust* by Timen Baart (Rethink Press, 2026). The other driver guides and the first trust review worksheet are at compoundingtrust.com/resources.

COMPOUNDING TRUST

TRUST IS A DIRECTION, NOT A SCORE

Compounding Trust explains why trust inside organizations is not simply a cultural sentiment. It is a structural condition that determines whether people contribute fully, share information early, make decisions confidently, and invest their ambition in a shared direction.

The Compounding Trust Model identifies five structural drivers:

COMPETENCE · FAIRNESS · RECIPROCITY · IDENTITY · TRANSPARENCY

Together, they determine whether trust strengthens or erodes over time. The practical leadership question is not whether an organization has trust, but whether trust is moving in the right direction, and which structural driver is causing that movement.

CONTINUE THE WORK

Compounding Trust provides the model, diagnostic frameworks, and intervention principles. Additional practical resources are available at compoundingtrust.com/resources.

TrustXP is the measurement platform built on the Compounding Trust Model. It gives leadership teams continuous, driver-specific visibility into the direction of trust, helping them identify emerging gaps before those gaps appear in performance data.

Read and apply the framework

compoundingtrust.com

Make trust observable

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