



Transparency Post-COVID: 3 Things Companies Should Know

Business transparency will change the way your teams engage in your business. It can attract great talent and build trust with team members and clients.

WORTHINGTON, OHIO, UNITED STATES, February 15, 2022 /EINPresswire.com/ -- The COVID pandemic has set a new benchmark for businesses and interacting with stakeholders, whether customers, shareholders, or employees. As a result, transparency is transforming the way businesses communicate, highlighting that a veil of secrecy in any form is not only an unpopular decision but frowned upon.

In fact, consumers vote with their dollars, as research shows that 94% of consumers are likely to be loyal to a transparent brand. But it doesn't stop with consumers.

Employees also require transparency as it affects morale and engagement, having a marked effect on work-related stress.

The demand for more transparency post-COVID

COVID has placed businesses under the microscope with demands for transparency increasing--not just from an anti-corruption standpoint but also to address the effect businesses have on communities and the planet.

Funding, the sourcing of materials, and whether the business is meeting environmental standards become pressure points, even at a micro-enterprise level. Environmental, Social, and Corporate Governance (ESG) has become the new industry standard, and industry stakeholders are holding businesses accountable.

As the world is entering the next phase of COVID, essentially COVID recovery, new guidelines such as the Davos Manifesto are critical to how business is done in the future. For business owners, embracing the new normal that focuses on transparency is a ticket to survival beyond COVID.

What to know about the Corporate Transparency Act (CTA)

On January 1st, 2021, the Corporate Transparency Act (CTA) was enacted as part of the broader

National Defense Authorization Act. In short, the act is designed to flush out criminal activity by preventing the formation of hidden shell corporations, known for their ability to hide money laundering and illicit activities.

The official start date of the act is January 1st, 2022, a year after the enactment. Reporting companies such as corporations and limited liability companies, among others, are required to report certain information. The list of exempt companies and organizations will be made clear.

Beneficial owners need to report:

- Their full legal names
- Current residential or business address
- Date of birth
- And a unique identification number such as a passport number or social security number

These beneficial owners are deemed to have substantial control over the business and own at least 25%, or the person responsible for registering the business.

The benefits of transparency for your business

While it may have seemed beneficial before to keep your best practices under lock and key, employees are cottoning on to the benefits of workplace transparency. These include practices that will help them perform their jobs better, promote better sustainability, and possibly one of the most important aspects, increase workplace equality. Consider the following benefits for your business.

Build trust

Transparency fosters better communication, and a natural result is that it builds trust between employees and management. Transparency promotes the easy sharing of information. When that flow of information turns into a dual conversation, the employee feels that their input adds value. Employees are also more trusting of their employers when they know that there's solid governance in place.

Furthermore, trust creates a healthy working environment. For this to flow, leaders need to trust their teams, teams need to trust their leaders, and team members need to trust each other. If not, the result can be devastating to corporate culture.

- Team members who don't feel trusted only do enough to get by and look to jump ship.
- Leaders who don't trust micromanage and withhold information, which is the antithesis of transparency.
- It creates a cycle of distrust where team members hoard information and build up inter-departmental walls.

Trust is essential, as it's hard for employees to build trust with your customers when they don't trust their employer.

Promotes a more linear hierarchy

The age-old pyramid-shaped hierarchy doesn't promote an easy and simple flow of information, only succeeding in building a top-down approach. However, when a business becomes more transparent, this hierarchy dissipates into a more linear approach where department heads communicate across departments and employees enjoy access to open and effective communication with their managers.

Boosts accountability and compliance

Companies that readily share their information are less susceptible to reputational damage, as the information is already shared from the source. Think how different things would have gone for Volkswagen during its emissions scandal if they could identify and recall before their coverup was exposed?

Improves efficiency

Bureaucracy can quickly place a damper on efficiency. However, when team members have simple protocols and easy access to information that helps them perform their tasks, it instantly boosts efficiency which is also a great morale booster.

Attracts top talent

Transparency is a critical component of finding the right talent. When you're transparent about values and corporate culture, it attracts talent that aligns with those qualities. Furthermore, when your existing team base shares your corporate values, you're can also retain them. For businesses, talent retention is vital to your cost perspective and your corporate culture, productivity, and staff morale.

Improve employee happiness

While we've already discussed the importance of building trust through transparency, a positive by-product of trust is employee happiness. By sharing business plans and strategies, employees feel connected, which is essential to boost engagement.

Promotes information sharing

The fastest way to break down walls that cause communication gaps is through leading by example. Department heads and managers that communicate across teams and share strategies or best practices, open the door for teams to do the same. Transparency allows teams

to feel comfortable sharing ideas too, which can lead to better workflows. Implement this through team challenges that have a common goal and encourage transparency across teams through rewards and recognition.

Your company and transparency

While transparency is a vital component of how business will be done in the future, it doesn't happen overnight. However, with the right milestones and vision, businesses can formulate a plan to better communication and information sharing.

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