IGS
INSTITUTO GOBERNANZA Y SOCIEDAD
Enero 2023 - Artículo destacado

The board's role: building trust in a multi-stakeholder world

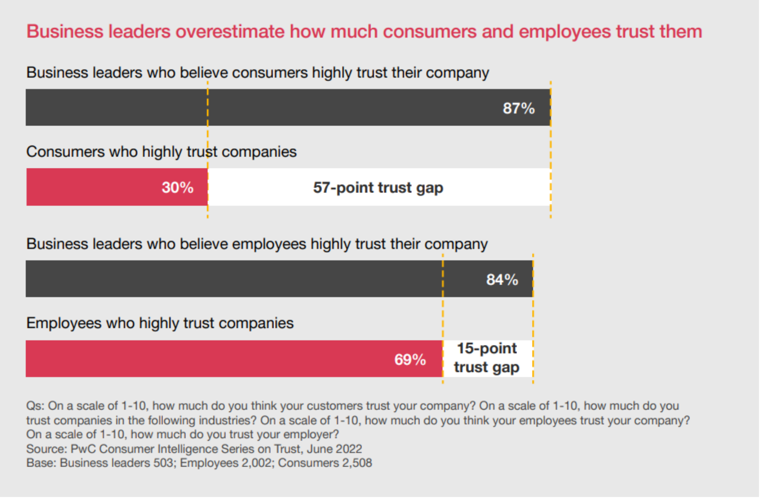
Maria Castañón Moats, Paul DeNicola, and Matt DiGuiseppe, PricewaterhouseCoopers LLP

Expectations of the business community have reached a new high. Amid social and economic disruption, the public increasingly sees corporations as agents of stability. In fact, business is the most trusted institution in America, according to the Edelman Trust Barometer. That puts corporations above NGOs, the government, and media when it comes to trust. But trust is tenuous—it's hardwon and easily lost. To maintain trust, companies must be intentional when it comes to thinking through their stakeholder relationships.

Meanwhile, there's a growing realization that companies must consider a broader group of constituencies in a different way than they may have in the past. Executives increasingly recognize that to effectively serve shareholders, they need to manage for "the benefit of all stakeholders" as the Business Roundtable has stated. To do this, boards and directors need to have not only a grasp on who those stakeholders are, but also to know what those stakeholders expect from the company and to acknowledge that keeping their trust matters.

Boards influence trust

The board's role in creating trust is two-pronged. They must be intentional about understanding the needs of each group of stakeholders and take action to develop trust with each. But they also must understand how management is doing the same and ensure alignment. Recent survey results show that management may overestimate the level of trust when it comes to certain stakeholder groups. Trust is not easily measured nor is it immediately obvious when it begins to erode. Rather than treating trust-building as a discrete initiative, boards should consider the impact that all major strategic decisions have on stakeholders.



Leer más