

A moment of reckoning for business

By  Jordan Rittenberry

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As the Covid-19 pandemic disrupts lives and damages economies, society is looking to big business for leadership and solutions. So far, however, the private sector has not lived up to expectations, Edelman's most recent Trust Barometer data shows.



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In fact, government has rapidly overtaken business to become the most trusted type of institution – a title it holds for the first time since Edelman started gauging trust two decades ago.

The most recent data – which was collected in the second half of April and covers Canada, China, France, Germany, India, Japan, Mexico, Saudi Arabia, South Korea, the UK and the US – reflects a marked shift in trust in only a few months.

On the back of drastic steps taken to slow the spread of Covid-19, trust in government has surged 11 percentage points to 65%.



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Response to pandemic disappointing

On the other hand, trust in business has increased by only 4 percentage points despite many companies taking extraordinary measures to assist customers and local communities.

Going into the crisis, business was considered the most competent institution. But its response to the pandemic has so far disappointed, Edelman data shows. While this data set does not include Africa, it is likely that similar trends are emerging across the continent.

Most of the 13,200 survey respondents believe business is either doing poorly, mediocre or completely failing at: Putting people before profits (53%), implementing safety measures to protect workers and customers (51%) and helping smaller suppliers and business customers stay in business by extending them credit or giving them more time to pay (52%).

And CEOs are perceived to be underperforming in their pandemic responses relative to scientists and government leaders.



Winner takes all

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New opportunity to rekindle trust

But the gradual reopening of economies gives the private sector a new opportunity to rekindle trust. The weeks and months ahead will be a moment of reckoning for businesses and could well define their reputations for years to come.

Edelman's data shows that society wants business to deliver on recent promises to adopt a multi-stakeholder operating model. Large companies can do this by including more small businesses in their supply chains and reskilling workers, for instance.

CEOs will need to demonstrate public leadership by taking tangible steps to protect all stakeholders and by collaborating with other institutions to solve the crisis and build sturdier systems. There has never been a more important time for partnerships, and for business leaders to step up, be heard and offer solutions.

Transparent internal communication is just as crucial at this time. Employees are anxious and want businesses to be cautious and measured in their return-to-work planning. Business leaders will need to communicate and explain every decision and involve staff in the decision-making process wherever possible to ensure buy-in.



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Meanwhile, the general lack of collaboration between institutions partly explains why none of them – business, government, NGOs and the media – are considered both competent and ethical at the same time.

As we enter this unfamiliar new world, this has to change.

Step up as a collective

If they step up as a collective, the crisis may well be a turning point for trust in institutions, with long-lasting effects.

Encouragingly, some strides forward have been made.

Many businesses have recognised the need to serve the interests of all stakeholders, rather than shareholders alone, while also keeping employees and other stakeholders informed based on information from reliable sources. NGOs have been galvanised by the sense of urgency this crisis brings with it.

Government is proactively seeking guidance from experts and taking steps to protect society's most vulnerable. The South African government – a serial underperformer in the trust arena, according to our data – has been lauded for its decisiveness and transparency in the early days of Covid-19, despite some perceived missteps more recently.

But most importantly, our data shows that neither business nor government is trusted to go it alone. There is twice as much trust in a combined business-government effort than in government or business taking on Covid-19 in isolation.



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Progress has been made on this front, as evidenced by joint efforts to procure personal protective equipment, for instance. South Africa's aptly named Solidarity Fund, which has received generous contributions from all segments of society, is another example, as is the country's new R200bn loan-guarantee scheme – a risk-sharing partnership between the government and commercial banks.

However, there is much more to be done, and the duplication of efforts in many instances shows room for improvement when it comes to coordination between government, NGOs and business.

Nevertheless, the cooperation we are seeing between business, the government and NGOs is unprecedented, and will hopefully endure long after the pandemic. As more of us head back to work, it is time for business to stand up and take the lead.

ABOUT JORDAN RITTENBERRY

Jordan Rittenberry serves as the Chairman of Edelman Africa. An Edelman veteran with 15 years of service, Rittenberry has held numerous leadership positions at the firm. Prior to his role in Africa, Rittenberry lead Edelman's Technology & Business Marketing practice in the firm's co-headquarters of Chicago. He has also served as the client relationship manager for multiple global engagements across some of the firm's largest clients.

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