Building Trust Through Transparent Communication When Employees Don’t Believe the Message Anymore

Most employees have sat through a workplace message they didn’t believe.

A leader says the organization is “moving in an exciting new direction,” but employees know budgets have been frozen and roles are being quietly eliminated. HR says feedback matters, but survey results disappear after the town hall. A manager says there is nothing to worry about, then a restructuring announcement arrives two weeks later. A complaint is investigated, but nobody explains what process was followed or what will change. Employees are told culture is a priority, while poor conduct from high performers is tolerated.

The problem is not always a lack of communication. Often, it is a lack of credibility.

Canadian HR professionals are increasingly caught in that credibility gap. Employees want more honesty from leaders. Executives want to manage risk and avoid creating confusion. Managers want clear talking points. Legal counsel may warn against over-disclosure. Communications teams may polish the message until it no longer sounds human. HR is left trying to protect the organization while also protecting trust.

That balance is not easy, but it is now one of HR’s most important responsibilities.

The 2025 Edelman Trust Barometer reported that “my employer” remained the most trusted institution globally, but trust in employers fell from 79% in 2024 to 76% in 2025. The same research found growing concern that leaders deliberately mislead people, with 7 in 10 respondents believing government officials, business leaders and journalists knowingly make false or exaggerated statements. Edelman’s 2025 Canada report also showed continuing trust inequality in Canada, with trust levels varying by income group across business, government, NGOs and media.

That matters inside the workplace. Employees don’t arrive at work in a vacuum. They bring the same skepticism they have toward institutions, leaders, media, politics and corporations. When workplace communication sounds evasive, exaggerated or overly managed, employees may assume there is something they are not being told.

HR can’t fix every trust problem with better wording. But HR can help leaders

communicate in a way that is more honest, more disciplined and more believable.

Transparency Does Not Mean Telling Employees Everything

Transparent communication is often misunderstood.

Some leaders hear the word transparency and assume it means disclosing confidential business strategy, private employee information, legal advice, investigation details, compensation decisions or every internal debate. That is not transparency. That is poor governance.

Transparent communication means being clear, timely and honest about what can be shared, what can't be shared, what is still unknown and what employees can expect next.

That distinction is critical for HR. Employers have legitimate reasons to limit disclosure. They may need to protect employee privacy, preserve the integrity of a workplace investigation, comply with securities law, maintain solicitor-client privilege, protect commercial negotiations, avoid prejudicing discipline decisions or prevent disclosure of confidential health or accommodation information.

But employees lose trust when silence is unexplained. They may understand that HR can't share everything about an investigation. They may understand that acquisition talks, individual terminations or medical accommodation details are confidential. What damages trust is when leaders hide behind vague language that sounds like a script.

There is a difference between saying, "We can't comment on that," and saying, "We know employees have questions about the investigation. We can't share personal details or witness information because we need to protect privacy and fairness. What we can say is that the complaint was reviewed through our workplace investigation process, corrective action has been taken where appropriate, and we are updating manager training based on what we learned."

The second message does not reveal confidential information. It gives employees a process, a boundary and a reason.

That is the heart of transparent communication. It does not eliminate limits. It explains them.

Canadian Employment Law Already Rewards Honesty

Transparent communication is not only an engagement issue. It connects to a broader legal expectation that employment relationships should not be managed through deception, bad faith or misleading conduct.

The Supreme Court of Canada's decision in **Bhasin v. Hrynew** established a general duty of honest performance in contract law. The Court stated that parties must not lie or knowingly mislead each other about matters directly linked to performance of the contract. While Bhasin was not an employment case, its principle has influenced how lawyers and courts discuss honesty in contractual relationships, including employment.

In **Potter v. New Brunswick Legal Aid Services Commission**, the Supreme Court considered constructive dismissal after an employer suspended an executive director with pay while also taking steps that affected his employment. The Court clarified the test for constructive dismissal and examined whether the employer's conduct showed an intention no longer to be bound by the employment contract. For HR, Potter

is a reminder that opaque employer conduct can become legally significant when it changes the employment relationship or leaves the employee without meaningful information about their status.

In **Matthews v. Ocean Nutrition Canada Ltd.**, the Supreme Court dealt with damages after a constructive dismissal involving a long-term incentive plan. Although the appeal was decided largely through reasonable notice and contract interpretation, the case sits in a broader line of employment decisions where courts scrutinize employer conduct, communications and treatment of employees during the employment relationship and termination process.

These cases do not create a rule that employers must share every internal fact with employees. They do, however, reinforce a practical HR lesson: communication that misleads employees, obscures major changes or manages people through ambiguity can create risk.

Trust is not separate from compliance. In many situations, trust is part of compliance.

Employees Can Handle Bad News Better Than Spin

Many leadership teams delay difficult messages because they want to avoid panic.

That instinct is understandable. No employer wants to create unnecessary anxiety. But employees often sense bad news before leaders announce it. They notice hiring freezes, closed-door meetings, cancelled projects, budget pressure, customer losses, leadership departures and changes in tone. When the official message ignores what employees can already see, trust declines.

Employees can usually handle difficult information. What they struggle with is being treated as if they can’t see what is happening.

This is especially true during layoffs, restructuring, return-to-office changes, benefit changes, compensation freezes, mergers, workplace investigations, leadership changes and major policy updates. If the message is too polished, employees fill in the gaps themselves. Rumours become the workplace news system.

HR should help leaders communicate with plain language. A message about a restructuring should not hide behind phrases like “right-sizing,” “strategic alignment” or “operational recalibration” if employees will lose jobs. A message about compensation limits should not pretend the organization is “investing in people differently” if wage increases are restricted. A return-to-office decision should not be framed only as “collaboration” if the real drivers include productivity concerns, customer needs, training gaps or executive preference.

Transparent communication does not require harshness. It requires respect.

A credible message says what is changing, why it is changing, who is affected, when decisions will be made, what support is available and what employees can expect next. If some information is not ready, say so. If the organization considered alternatives, explain them briefly. If the decision is final, do not pretend it is open for feedback. If feedback is genuinely being sought, explain how it will be used.

Employees do not need every internal discussion. They need enough truth to believe the message.

The Three Questions Employees Need Answered

During uncertainty, employees usually listen for three things.

What is happening? How does it affect me? What happens next?

If leaders can’t answer all three, they should still answer what they can.

For example, during a restructuring, HR may not be able to share final role impacts immediately. But the organization can say that restructuring is being considered, the business reasons behind it, which departments are under review, when decisions are expected, what support will be available, and how employees will receive updates.

During an investigation, HR may not be able to share findings with the whole workplace. But it can explain the process, remind employees of reporting channels, outline non-retaliation expectations, and communicate any broader policy or training changes without naming individuals.

During a return-to-office change, leaders can explain the business rationale, effective dates, expectations, exceptions, accommodation process and how the decision will be reviewed. They should not send a vague message about “culture” if employees know space utilization, manager concerns or productivity issues are driving the decision.

The strongest communications are rarely the longest. They are the clearest.

HR should test every important message against those three employee questions. If the message does not answer them, employees will answer them for themselves.

The Manager Consistency Problem

Even when the executive message is well written, trust can break down at the manager level.

Employees rarely experience communication only through the CEO or HR. They experience it through their direct manager. If one manager gives detailed answers, another says nothing, and another guesses, employees will compare notes and assume the organization is hiding something.

This happens constantly during policy changes, reorganizations, compensation cycles, investigations, union activity, performance management and return-to-office decisions. A manager who wants to be helpful may over-disclose. Another who is uncomfortable may avoid the topic. A third may add personal commentary that undermines the official message.

HR should never send a significant communication without preparing managers first.

Managers need a short briefing before the announcement, clear talking points, answers to likely employee questions, boundaries on what they can and can’t say, and escalation instructions. They should know how to respond when they do not know the answer. They should know when to direct employees to HR. They should know which parts of the message are final and which are open for feedback.

A simple manager standard can prevent many trust problems: **don’t guess, don’t personalize, don’t promise, don’t disclose confidential information, and don’t avoid the conversation.**

Manager preparation is not about scripting robotic responses. It is about preventing

inconsistent communication from becoming the real story.

Investigation Transparency Has Hard Limits

Workplace investigations are one of the hardest areas for transparent communication.

Employees want to know what happened, whether the complaint was substantiated, what discipline was imposed, whether the workplace is safe, and whether leadership is taking the issue seriously. HR must protect privacy, fairness, witness integrity, privilege, anti-retaliation obligations and legal risk.

This is where many employers overpromise confidentiality. They tell complainants or witnesses that everything will be confidential, then later discover that information must be disclosed for fairness, litigation, arbitration, statutory compliance or due process. The Canadian Human Rights Commission's 2024 guide on human rights-based workplace investigations emphasizes that investigations should respect human rights principles, including fairness, accessibility, trauma-informed practice and protection from retaliation.

HRPA's practice standard on workplace investigations also notes that employers may have a duty to investigate workplace harassment and violence where the employer becomes aware, or ought to be aware, of an incident, even without a formal complaint.

That creates a communication challenge. Employees should be encouraged to report concerns, but HR should not promise absolute secrecy. A better message is: "We will protect confidentiality as much as possible, but information may need to be shared with those involved in reviewing, investigating or responding to the concern."

Investigation communication should be transparent about process, not private facts.

That means explaining how complaints can be raised, who reviews them, what steps may occur, how retaliation is prohibited, how employees will be treated during the process, and how the organization will communicate outcomes within legal and privacy limits. After an investigation, HR may not be able to disclose discipline, but it can often communicate broader steps: policy review, manager training, team reset, workplace assessment, reporting reminders or external support.

Silence after an investigation can make employees believe nothing happened. Over-disclosure can create legal risk. The right balance is process transparency.

Psychological Safety Depends on Credible Communication

Transparent communication is also part of psychological health and safety.

The National Standard of Canada for Psychological Health and Safety in the Workplace, CAN/CSA-Z1003, provides a framework for organizations to develop and sustain psychologically healthy and safe workplaces. CSA describes the standard as specifying requirements for a documented and systematic approach to workplace psychological health and safety. CCOHS describes a psychologically healthy and safe workplace as one that promotes workers' psychological well-being and actively works to prevent harm to psychological health, including negligent, reckless or intentional harm.

Communication is central to that work. Employees are more likely to speak up when they believe concerns will be heard, handled fairly and not used against them. They are less likely to speak up when messages are vague, leaders avoid hard questions, feedback disappears, or people who raise concerns experience subtle retaliation.

Psychological safety does not mean employees will always agree with management. It

means employees believe it is safe enough to ask questions, raise concerns, admit mistakes and challenge decisions without being punished unfairly.

Transparent communication supports that belief because it reduces uncertainty and signals respect. It tells employees what is happening, what the organization is doing, what decisions have been made, where boundaries exist and how employee input will be handled.

When communication is dishonest or performative, psychological safety deteriorates. Employees stop asking questions in meetings. They move concerns into private chats. They tell HR what they think HR wants to hear. They disengage from surveys. They decide that speaking up is not worth the risk.

That is not a communication problem. It is a culture risk.

The Survey Follow-Through Problem

Few things damage trust faster than asking for employee feedback and then doing nothing visible with it.

Engagement surveys, pulse checks, stay interviews, exit interviews, focus groups and town halls all create expectations. Employees who participate assume their input will be read, considered and acted on. If no follow-up occurs, employees learn that feedback is symbolic.

This is where HR can distinguish transparent communication from performative listening.

After a survey, HR should communicate what was heard, what will be acted on, what can’t be acted on immediately, and why. Employees do not expect every request to be granted. They do expect acknowledgement.

For example, if employees identify workload as a major issue, HR should not respond only with wellness resources. It should explain whether staffing, prioritization, manager training or process redesign will be reviewed. If the organization can’t add headcount, say so. Then explain what it can do, such as stopping low-value work, improving scheduling, clarifying priorities or reducing unnecessary meetings.

The worst response is silence. The second-worst response is a generic message thanking employees for their feedback without naming any concrete action.

A useful feedback communication has four parts: what we heard, what we will do, what we can’t do right now, and when we will update you.

That structure builds credibility even when the answer is not perfect.

Bad News Needs More Discipline, Not More Polish

Bad news is where transparent communication matters most.

Layoffs, terminations, restructurings, benefit reductions, compensation freezes, return-to-office mandates, location closures, leadership departures and failed initiatives require disciplined communication. Employees will judge not only the decision, but the way the decision is delivered.

HR should help leaders avoid five common errors.

The first is delay. If employees already know something is happening, waiting too

long creates rumour and anxiety.

The second is euphemism. Sanitized language makes leadership sound evasive.

The third is overpromising. Do not promise stability if further changes may occur.

The fourth is false consultation. Do not ask for feedback if the decision has already been made.

The fifth is manager abandonment. Do not leave managers to interpret the message on their own.

The better approach is direct, respectful and structured. Explain the business reason. Identify who is affected. Explain timing. Describe support. Clarify what is not yet known. Tell employees when they will hear more. Give managers tools before employees ask questions.

This does not remove pain. It reduces unnecessary mistrust.

The Legal Risk of Saying Too Much and Saying Too Little

HR often faces pressure from both sides. Employees want more information. Lawyers may recommend caution. Leaders may want reassurance. Managers may want answers.

The legal risk is not only over-disclosure. It is also misleading communication, inconsistent statements, poor documentation and unclear process.

In a termination or restructuring, overly optimistic messaging may later conflict with the employer's actual decision-making timeline. In an investigation, promising absolute confidentiality may be impossible to keep. In a compensation change, vague assurances may create expectations the employer did not intend. In a suspension or administrative leave situation, failing to explain status, duration or process may create unnecessary conflict or risk.

The Supreme Court's decision in **McKinley v. BC Tel** is often cited for the contextual approach to employee dishonesty and just cause. The Court held that dishonesty alone does not automatically justify dismissal in every case; the misconduct must be assessed in context and must be serious enough to give rise to a breakdown in the employment relationship. Although McKinley involved employee dishonesty, the broader HR lesson is that trust is treated seriously in employment relationships. When trust breaks down, context matters.

Employers should apply the same seriousness to their own communication. If HR expects honesty from employees, employees will expect honesty from HR and leadership.

A Transparent Communication Framework for HR

HR can build more credible communication by using a simple framework before major messages go out.

Start with what is known. Employees need plain facts, not slogans.

Then identify what is not known yet. It is better to admit uncertainty than to pretend all answers are available.

Explain what can be shared now. This prevents unnecessary silence.

Explain what can't be shared and why. This is especially important for privacy,

investigations, legal advice, confidential business matters and individual employment decisions.

Identify who is affected. Employees listen for personal impact first.

State what employees need to do. If no action is required, say that too.

Describe what support is available. This may include HR contacts, EAP, manager meetings, accommodation process, transition support or training.

Give the next update date. Even if there is no new information by then, employees should hear that the issue is still being managed.

Prepare managers. Give them talking points, boundaries and escalation paths.

Finally, explain how feedback will be reviewed. If feedback will not change the decision, be honest about that.

This framework is practical because it respects both transparency and risk management. It helps leaders avoid oversharing while also avoiding empty corporate language.

What HR Should Ask Before Sending a Message

Before sending any major HR or leadership communication, HR should ask a few hard questions.

1. Is the message true?
2. Is it complete enough to be useful?
3. What will employees already know, suspect or have heard?
4. What question are we avoiding?
5. Are we using polished language to soften something that should be said plainly?
6. Can managers explain this message without improvising?
7. Have we protected privacy and confidentiality appropriately?
8. Are we promising something we may not be able to deliver?
9. What action will follow this communication?
10. When will employees hear from us again?

These questions make communication more credible because they force HR and leadership to confront the gap between the official message and employee reality.

Employees are very good at detecting that gap.

The HR Takeaway

Building trust through transparent communication does not mean telling employees everything. It means refusing to treat employees as if they can’t handle the truth.

Canadian HR professionals have to help leaders communicate with enough candour to be believed and enough discipline to protect confidentiality, legal risk and business needs. That is a harder job than sending more updates. It requires judgment.

Employees can accept difficult news. They can accept uncertainty. They can accept that some information can’t be shared. What they are less willing to accept is silence, spin, delay, inconsistency or leadership messages that conflict with what they experience every day.

Trust is built when leaders say what they know, admit what they do not know, explain

what they can’t share, and follow through on what they promise.

The organizations that do this well will not avoid every hard conversation. They will become better at having them.