



2019 EDELMAN TRUST BAROMETER

Implications for
Family Business

#TrustBarometer



19th ANNUAL EDELMAN TRUST BAROMETER

Methodology

Online survey in 27 markets

33,000+ respondents total

All fieldwork was conducted between
October 19 and November 16, 2018

27-market global data margin of error: General population +/- 0.6% (N=31,050), informed public +/- 1.3% (N=6,000), mass population +/- 0.6% (N=26,000+), half-sample global general online population +/- 0.8 (N=15,525).

Market-specific data margin of error: General population +/- 2.9 (N=1,150), informed public +/- 6.9% (N=min 200, varies by market), China and U.S. +/- 4.4% (N=500), mass population +/- 3.0 to 3.6 (N=min 739, varies by market).

Employee MOE: 27-market = +/- 0.8% (N=16,944)

Market-specific = +/- 3.2 to 4.6% (N=min 446, varies by market).

Large Family Business Employee MOE: 26-market (excluding Japan) = +/- 4.6% (N=463).

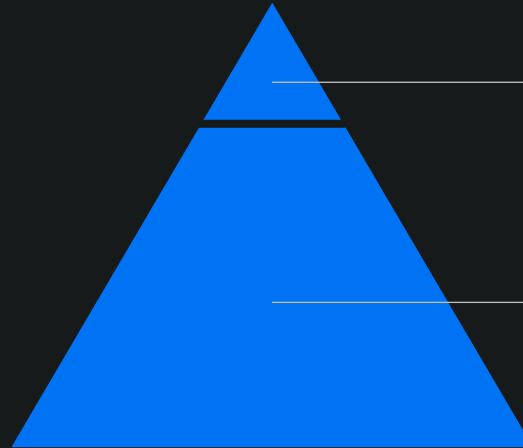
Large Non-Family Business Employee MOE: 26-market (excluding Japan) = +/- 1.1% (N=7,986).

General Online Population

1,150 respondents per market

Ages 18+

All slides show general online
population data unless otherwise noted



Informed Public

500 respondents in U.S. and China;
200 in all other markets

Represents 16% of total global population

Must meet 4 criteria

- Ages 25-64
- College-educated
- In top 25% of household income per age group in each market
- Report significant media consumption and engagement in public policy and business news

Mass Population

All population not including informed public

Represents 84% of total global population

2019 Focus on Employer-Employee Relationship

55% of global general population are full- or part-time employees (but not self-employed)

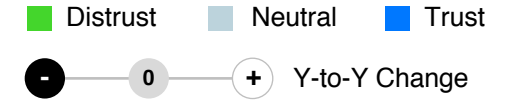
Oversample of employees of multinational companies: 500 respondents per market

A grayscale photograph of a woman in a professional setting, looking off to the side with a thoughtful expression. She is seated at a table with papers and a pen holder. In the background, another person is visible, and there are plants and a window. Overlaid on the image are several thin, blue, wavy lines that flow from the bottom left towards the top right, passing behind the text.

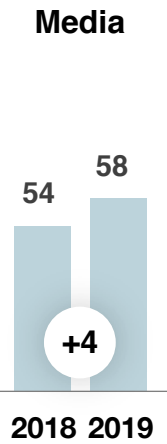
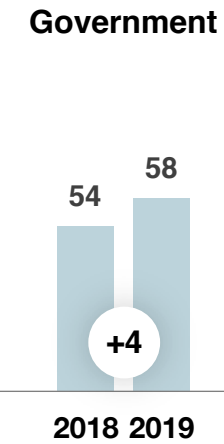
The General State of Trust

A MODEST RISE IN TRUST

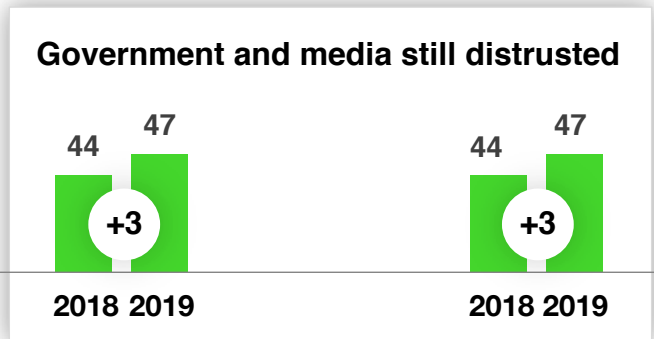
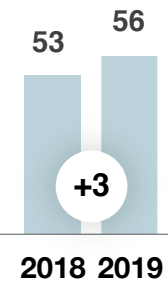
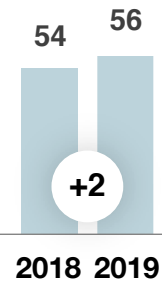
Percent trust



△ Informed public

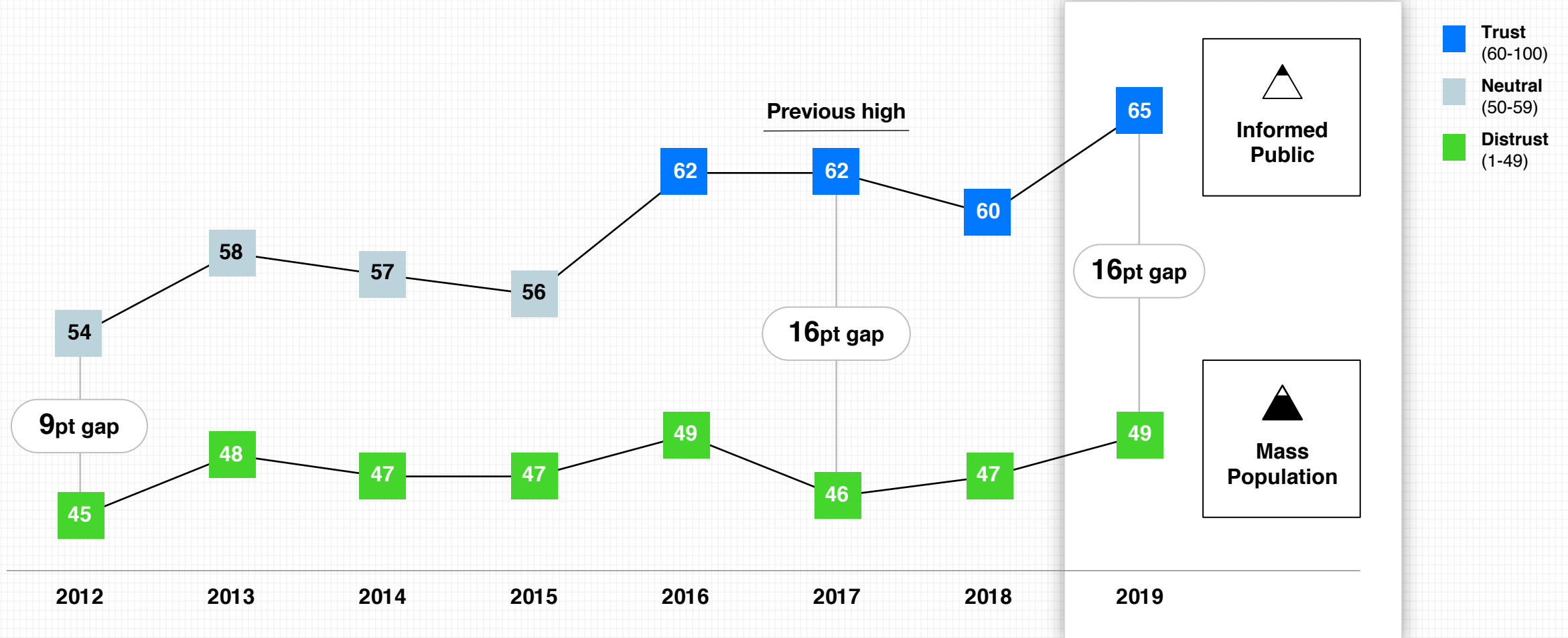


▲ General population



TRUST INEQUALITY RETURNS TO RECORD HIGHS

Trust Index (23-market average)

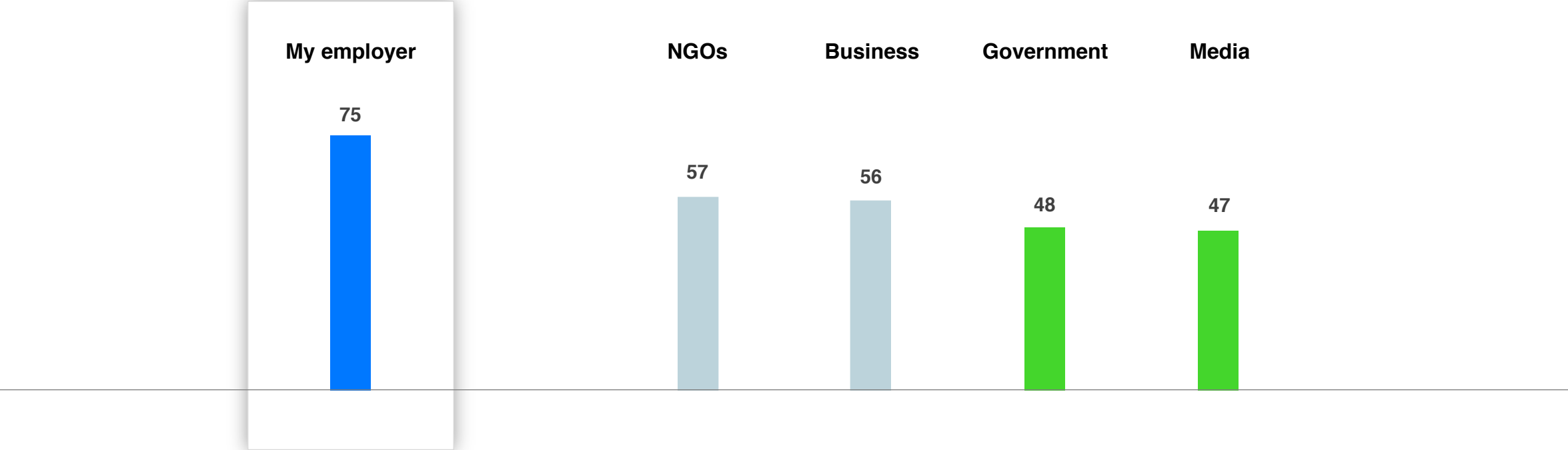


2019 Edelman Trust Barometer. The Trust Index is the average percent trust in NGOs, business, government and media. TRU_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a nine-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal.” 9-point scale; top 4 box, trust. Informed public and mass population, 23-market average.

MY EMPLOYER MOST-TRUSTED RELATIONSHIP

Percent trust

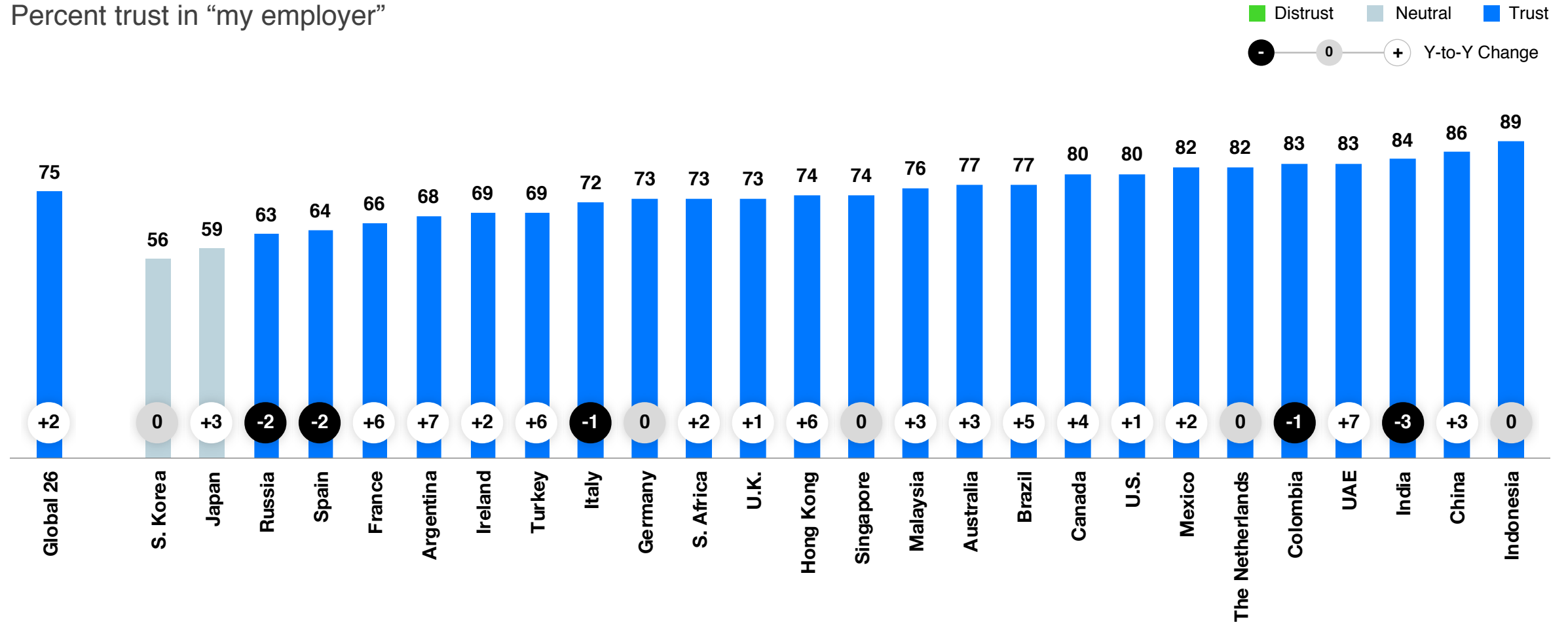
Distrust Neutral Trust



2019 Edelman Trust Barometer. TRU_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a nine-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal.” 9-point scale; top 4 box, trust. “Your employer” asked of those who are employed, but not self employed (Q206/1 OR 2 AND NOT Q421/8). General population, 27-market average.

STRONG RELATIONSHIP WITH MY EMPLOYER AROUND THE WORLD

Percent trust in “my employer”



2019 Edelman Trust Barometer. TRU_INS. [YOUR EMPLOYER] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a nine-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal”. 9-point scale; top 4 box, trust. Question asked of those who are employed, but not self employed (Q206/1 OR 2 AND NOT Q421/8). General population employees, 26-market average.

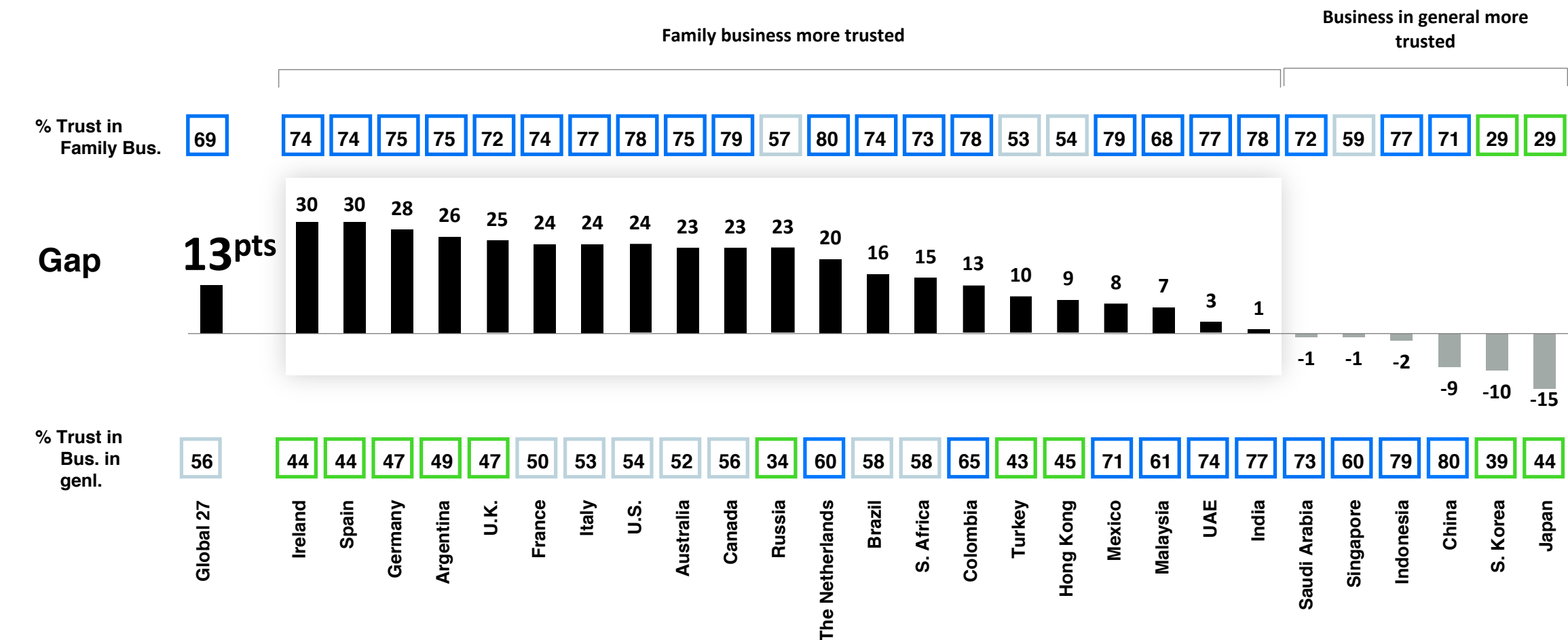
A grayscale photograph of a woman in a business setting, looking thoughtfully to the side. She is seated at a table with various office supplies like pens and papers. In the background, another person is partially visible. Overlaid on the image are several thin, blue, wavy lines that flow from the bottom left towards the top right, creating a sense of movement and connectivity.

The Family Business Trust Advantage

FAMILY BUSINESS MORE TRUSTED THAN BUSINESS IN GENERAL

Trust gap, comparing trust in business in general and family business

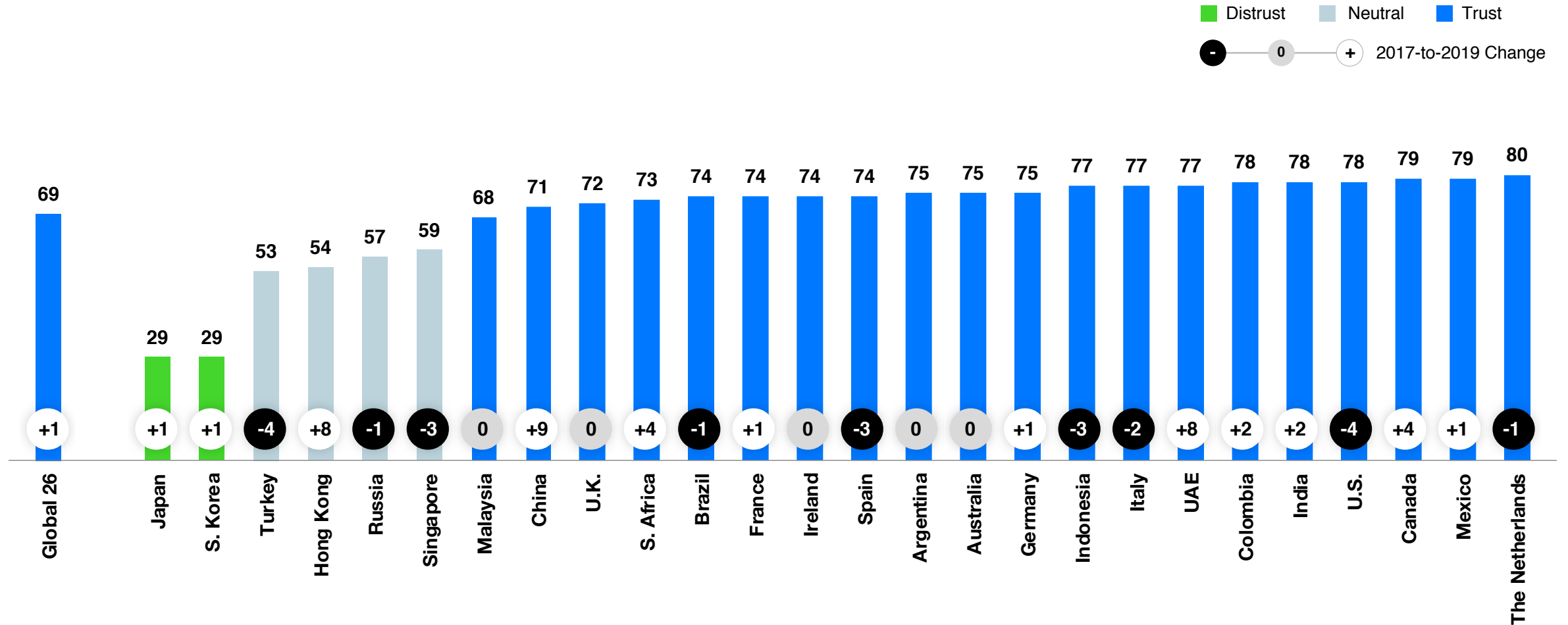
■ Distrust
 ■ Neutral
 ■ Trust



2019 Edelman Trust Barometer. TRU_ORG. Thinking about different types of businesses, please indicate how much you trust each type of business to do what is right using a 9-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal”. 9-point scale; top 4 box, trust. Question asked of half of the sample. TRU_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a nine-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal.” 9-point scale; top 4 box, trust. General population, 27-market average.

FAMILY BUSINESS TRUSTED AROUND THE WORLD

Percent trust in “family business”



2019 Edelman Trust Barometer. TRU_ORG. Thinking about different types of businesses, please indicate how much you trust each type of business to do what is right using a 9-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal”. 9-point scale; top 4 box, trust. Question asked of half of the sample. General population, 26-market average.



The Family Business Employer Advantage

EMPLOYER EXPECTATIONS NOW INCLUDE SOCIETAL CHANGE

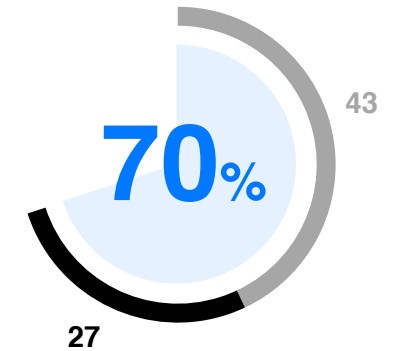
Percent of large family business employees who expect each from a prospective employer

■ **Strong expectation**
You would have to **pay me a lot more** to work for an organization that does not offer this

■ **Deal breaker**
I would **never** work for an organization that does not offer this

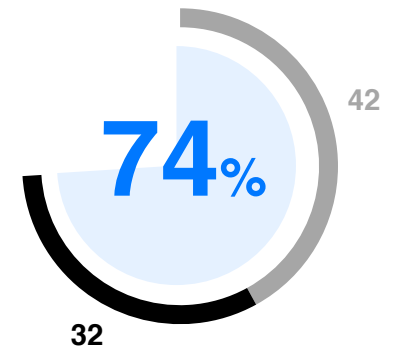
Shared Action

My employer has a greater purpose, and my job has a meaningful societal impact



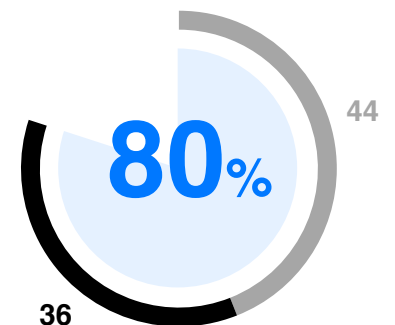
Personal Empowerment

I know what is going on, I am part of the planning process, and I have a voice in key decisions; the culture is values-driven and inclusive



Job Opportunity

My employer offers wage growth, training, career growth and work which I find interesting & fulfilling



2019 Edelman Trust Barometer. EMP_IMP. When considering an organization as a potential place of employment, how important is each of the following to you in deciding whether or not you would accept a job offer there? Question asked of those who are an employee, but do not run their own business (Q43/1 AND NOT Q28/7). Large family business employees (Q43/1 AND Q28/1 AND Q27/1-3 AND NOT Q28/7), 26-market average (excluding Japan). Buckets are the sum of the average of codes 1 & 2 for the items that make up each dimension. For details on the full list of items that went into each of the three dimensions, please refer to the Technical Appendix.

FAMILY BUSINESS PERCEIVED AS MORE VALUES-DRIVEN AMONG EMPLOYEES

Thinking about your current employer, to what extent do you agree with the following statements? Percent who agree

- Large Family Business Employees
- Large Nonfamily Business Employees

Trust Advantage

Organization acts on its values



+10pts

CEO speaks up on issues



+8pts

CEO embodies organization's values



+5pts

2019 Edelman Trust Barometer. EMP_VAL. Thinking about your current employer, to what extent do you agree with the following statements? 9-point scale; top 4 box, agree. Question asked of those who are an employee, but do not run their own business (Q43/1 AND NOT Q28/7). Large family business employees (Q43/1 AND Q28/1 AND Q27/1-3 AND NOT Q28/7) and large nonfamily business employees (Q43/1 AND Q28/2-4 AND Q27/1-3 AND NOT Q28/1 OR 7), 26-market average (excluding Japan).

FAMILY BUSINESS EMPLOYERS MORE TRUSTED TO PROVIDE CERTAINTY

I look to **my employer** to be a **trustworthy source** of information about social issues and other important topics

Large Family
Business
Employees

68%

Large Nonfamily
Business
Employees

62%

FAMILY BUSINESS CEOS MORE TRUSTED AMONG EMPLOYEES

Percent of employees who are more likely to believe

**What the CEO says
about the company you
work for**

vs.

**What an independent
news source says about
the company you work for**

**Large Family
Business
Employees**

52%

48%

**Large Nonfamily
Business
Employees**

41%

59%

2019 Edelman Trust Barometer. CEO_RFB. You are about to see a series of two choices. For each pair, we want you to choose the one that you are more likely to believe. Question asked of half of the sample. Large family business employees (Q43/1 AND Q28/1 AND Q27/1-3 AND NOT Q28/7) and large nonfamily business employees (Q43/1 AND Q28/2-4 AND Q27/1-3 AND NOT Q28/1 OR 7), 26-market average (excluding Japan).

FAMILY BUSINESS EMPLOYEES MORE ENGAGED

Among large family business employees, as you think about your life as an employee within an organization, to what extent do you agree with the following statements?

I would feel comfortable pressuring management to weigh in on important social and political issues if I thought remaining silent would hurt the reputation of the organization



I participate in the organization’s social media activities



I publicly support decisions taken by the organization’s leadership



- Large Family Business Employees
- Large Nonfamily Business Employees

Trust Advantage

+9pts

+9pts

+8pts

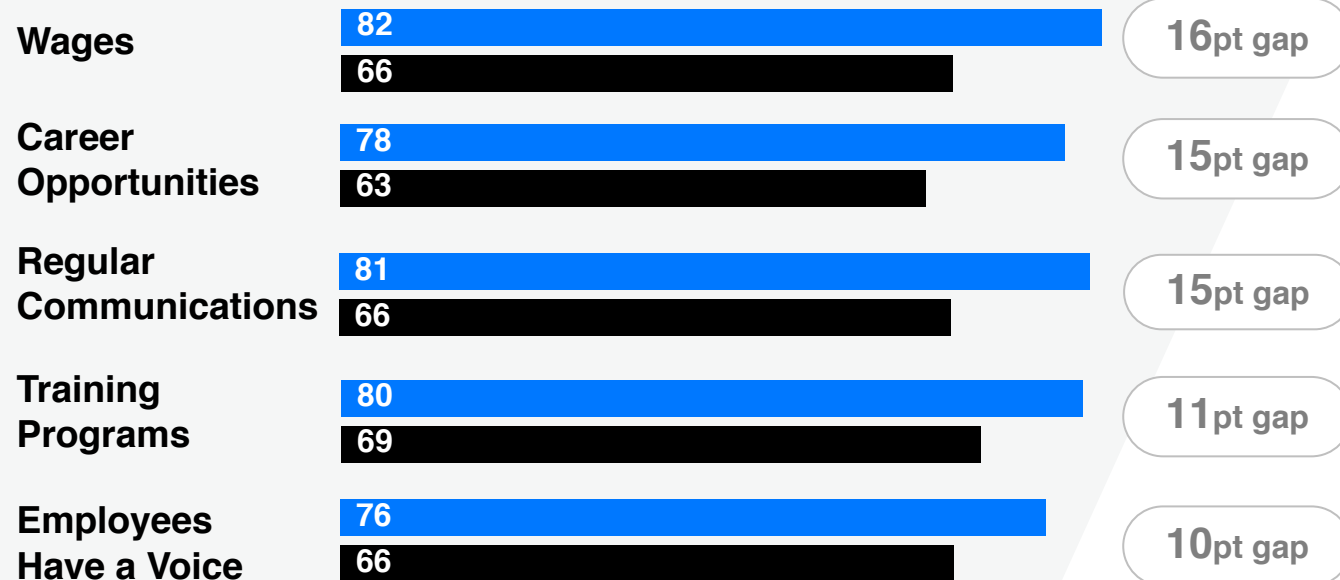
2019 Edelman Trust Barometer. EMP_ENG. Thinking about your current employer, to what extent do you agree with the following statements? 9-point scale; top 4 box, agree. Question asked of those who are an employee, but do not run their own business (Q43/1 AND NOT Q28/7). Large family business employees (Q43/1 AND Q28/1 AND Q27/1-3 AND NOT Q28/7) and large nonfamily business employees (Q43/1 AND Q28/2-4 AND Q27/1-3 AND NOT Q28/1 OR 7), 26-market average (excluding Japan).

WHERE FAMILY BUSINESS FALLS SHORT ON EXPECTATIONS

Percent of each type of employee who expects each from a prospective employer, and percent who say their current employer is meeting that expectation

■ Employee expectation
■ Employer performance

Large Family Business Employee Expectations



Large Nonfamily Business Employee Expectations



2019 Edelman Trust Barometer. EMP_IMP. When considering an organization as a potential place of employment, how important is each of the following to you in deciding whether or not you would accept a job offer there? 3-point scale; sum of codes 1 and 2. Question asked of those who are an employee, but do not run their own business (Q43/1 AND NOT Q28/7). EMP_VAL. Thinking about your current employer, to what extent do you agree with the following statements? 9-point scale; top 4 box, agree. Question asked of those who are an employee, but do not run their own business (Q43/1 AND NOT Q28/7). Large family business employees (Q43/1 AND Q28/1 AND Q27/1-3 AND NOT Q28/7) and large nonfamily business employees (Q43/1 AND Q28/2-4 AND Q27/1-3 AND NOT Q28/1 OR 7), 26-market average (excluding Japan).



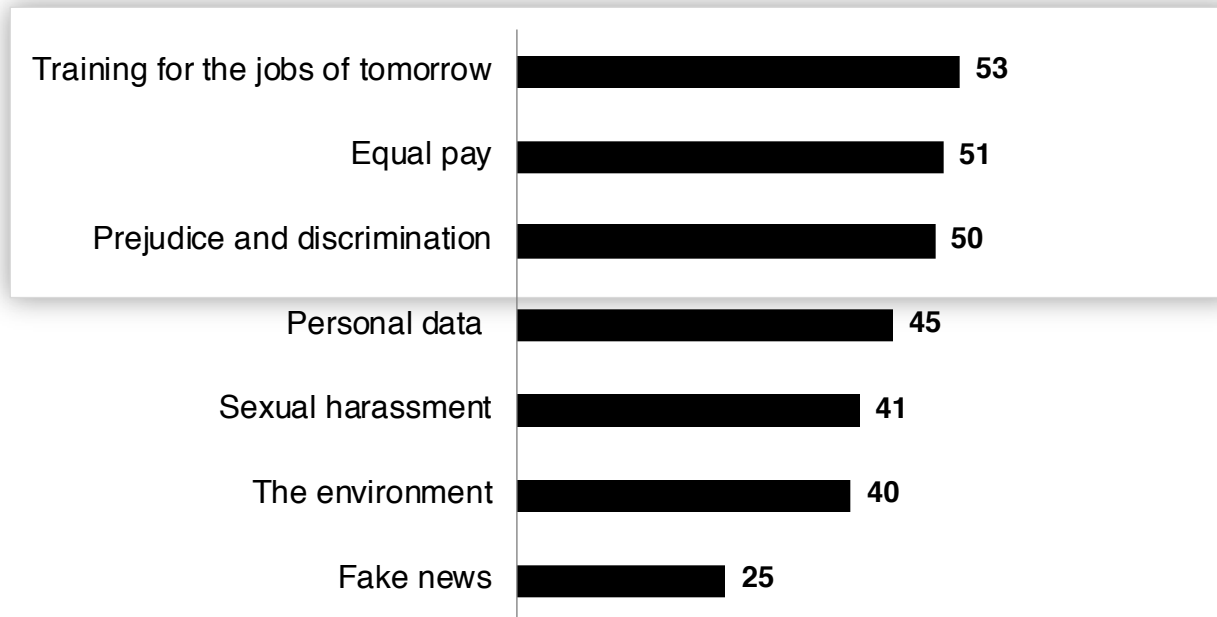
Build Trust from the Inside Out

TAKE THE LEAD ON CHANGE

Percent of large family business employees who say that CEOs should **take the lead on change** rather than waiting for government to impose it

79%

Percent who agree CEOs can create positive change in:



RESPOND TO ISSUES THAT MATTER

73%

of large family business employees agree
**It's critically important for my CEO
to respond to challenging times**

- Industry issues
- Political events
- National crisis
- Employee-driven issues

2019 Edelman Trust Barometer. CEO_DIR. On which of the following occasions do you believe it is critically important to hear directly from the CEO or head of the organization you work for? Pick all that apply. Question asked of those who are an employee, but do not run their own business (Q43/1 AND NOT Q28/7). Large family business employees (Q43/1 AND Q28/1 AND Q27/1-3 AND NOT Q28/7), 26-market average (excluding Japan).

Data shown is a net of “when there is major news or an event that affects our industry or sector,” “when there is a major social or political event that affects our country,” “when there is a crisis in the country,” and “when employees demand that the CEO publicly take a stand on an important issue”.

HELP EMPLOYEES GET TO KNOW YOU

Among large family business employees, percent who say it is important to have information on each of the following aspects of the CEO's personal life outside of their business

80%

say knowing the CEO's
personal values is
important to building trust

79%

say knowing the
**obstacles the CEO overcame
to become successful** is
important to building trust

76%

say knowing the CEO's
**personal philanthropic
activities** is important to
building trust

MODEL WORK/LIFE BALANCE FOR EMPLOYEES

Among large family business employees, what type of business leader would you trust to lead us to a better future?

39%

They work long hours,
weekends and rarely take
vacation

vs.

61%

They prioritize work/life
balance and take
vacation

2019 Edelman Trust Barometer. CEO_LED. You are about to see a series of two choices. Each choice describes a different trait or characteristic a CEO or business leader might possess. For each pair, we want you to choose the one that best describes the type of business leader that you would trust to lead us into the future. While we know that some of these choices may not be easy, please do your best to select only one of the two options given—the trait that you feel is more important for a business leader to have these days. Question asked of half of the sample. Large family business employees (Q43/1 AND Q28/1 AND Q27/1-3 AND NOT Q28/7), 26-market average (excluding Japan).

HELP EMPLOYEES RELATE

Among large family business employees, what type of business leader would you trust to lead us to a better future?

46% vs. 54%

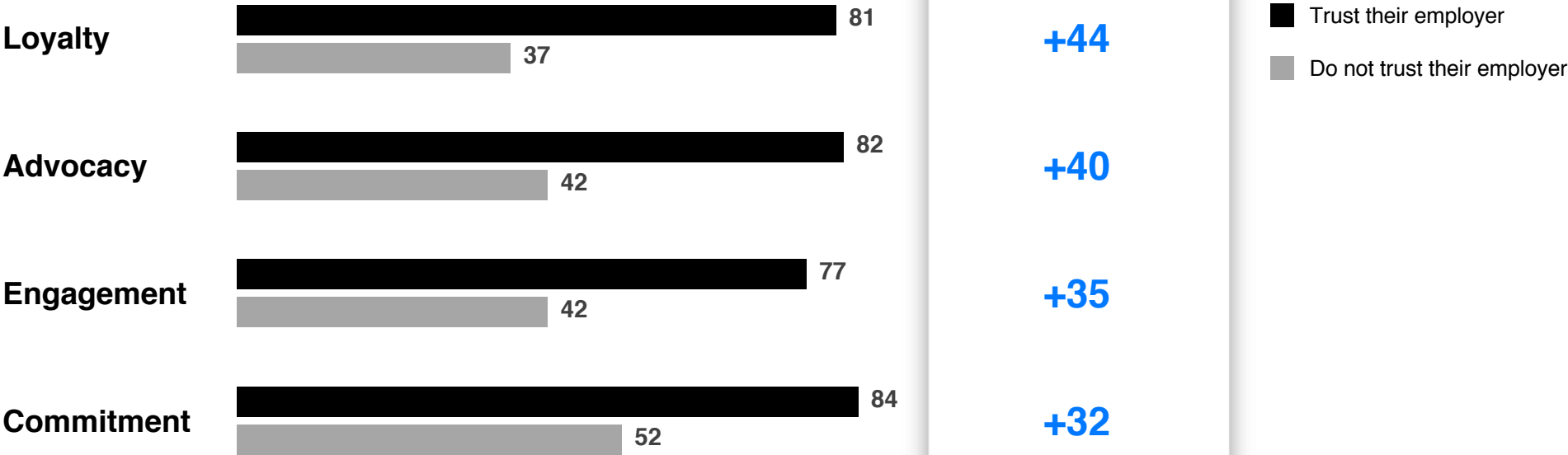
They speak like a
highly educated person

They speak like
regular people

2019 Edelman Trust Barometer. CEO_LED. You are about to see a series of two choices. Each choice describes a different trait or characteristic a CEO or business leader might possess. For each pair, we want you to choose the one that best describes the type of business leader that you would trust to lead us into the future. While we know that some of these choices may not be easy, please do your best to select only one of the two options given—the trait that you feel is more important for a business leader to have these days. Question asked of half of the sample. Large family business employees (Q43/1 AND Q28/1 AND Q27/1-3 AND NOT Q28/7), 26-market average (excluding Japan).

EMPLOYEE TRUST CEMENTS THE EMPLOYER-EMPLOYEE PARTNERSHIP

Percent of large family business employees who engage in these types of behaviors on behalf of their employer



2019 Edelman Trust Barometer. EMP_ENG. Thinking about your current employer, to what extent do you agree with the following statements? 9-point scale; top 4 box, agree. Question asked of those who are an employee, but do not run their own business (Q43/1 AND NOT Q28/7). Large family business employees (Q43/1 AND Q28/1 AND Q27/1-3 AND NOT Q28/7), 26-market average (excluding Japan), cut by those who trust their employer (codes 6-9) and those who do not (codes 1-5; 99). TRU_INS. [YOUR EMPLOYER] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a nine-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal”. Question asked of those who are an employee, but do not run their own business (Q43/1 AND NOT Q28/7). Large family business employees (Q43/1 AND Q28/1 AND Q27/1-3 AND NOT Q28/7), 26-market average (excluding Japan). Advocacy is an average of (EMP_ENG/3-5); Loyalty is an average of (EMP_ENG/1-2); Engagement is an average of (EMP_ENG/10-15); Commitment is an average of (EMP_ENG/6-9). See the tech appendix for a complete list of the items that went into each employee KPI dimension.

LEVERAGE THE FAMILY BUSINESS ADVANTAGE

Empower Employees

Maximize your employer advantage by sharing information with employees

Give employees a voice

Tell Your Story

Communicate your values internally and externally

Share your family story and heritage with key stakeholders, including recruits

Take the Lead

Show a personal commitment to issues that matter inside and outside the organization

Improve societal conditions in the local communities in which you operate