

Is Transparency Situational?

by Bob Whipple, MBA, CPLP

One of the buzzwords for Organizational Development these days is "transparency." The concept is that organizations can gain higher trust with all stakeholders if they are more open and less secretive. The correlation between higher trust, which also means better performance, and greater transparency has been well documented.

A great book on this topic is "Transparency," by Warren Bennis, Daniel Goleman, and James O'Toole (2008). The authors make the case that creating a culture of greater candor improves performance by fostering higher trust. Bennis even extends the argument by pointing out that in today's networked environment, transparency is going to happen even if leaders try to hide the truth, so they would be foolish to even try to be secretive.

Transparency makes a great discussion, because we are all aware that total transparency is not always a good thing. There are many times in life when not saying what you think will produce a better outcome. For those who would like some evidence, consider the TV advertisement where a man is reading the newspaper at the kitchen table. His wife comes into the room behind him so that he cannot see her. She is wearing a red dress that is three sizes too small for her, and she is bulging all over. She asks, "Honey, does this dress make me look fat?" Without looking away from the paper or toward her at all, he immediately replies, "You-betcha." The response was good for transparency, but not too smart for the relationship. The ad was cute, but it was a marketing flop, because I cannot recall the product they were selling.

In an extreme case, like above, it is easy to tell when transparency is not wise, yet most of us would agree that more transparency in the corporate world would improve conditions. So, what are the rules for telling when it is better to keep things to yourself rather than blurt them out. Here are six factors that can tip you off that it is perhaps better to not be transparent on a specific issue.

1. If the statement is unkind or cruel

Thinking a negative thought about another person or situation is a common occurrence. When we share that thought without regard to the feelings of another person, we run the risk of destroying rather than enhancing the relationship. Try to use the Golden Rule as a guide when to share improvement opportunities or observations that might be edgy.

2. If the statement is illegal

There are times when it is against the law to share some information. In the corporate world, this happens when the valuation of an organization might be materially altered if the information became common knowledge. Suppose an organization was considering a merger with another company. It would be illegal to talk about it ahead of time, so transparency in this case would be inappropriate.

3. If the statement is dumb

Consider a negotiation for a new contract. You know that your company would settle for \$100,000. The other organization offers \$150,000. A transparent response would be, "Well, that is acceptable because we were willing to go as low as \$100,000." Most of us would agree that kind of transparency is just dumb.

4. If other people do not want to know

Some individuals blab out their thoughts and feelings constantly, even when other people have no desire to hear them. If you are speaking, and people roll their eyes when you say, "Well, I think that...bla, bla, bla," then you know that nobody really cares what you think about the subject, and it is better to keep it to yourself. Watch the body language of other people when you are being transparent to detect when you are going too far.

5. If you are being combative

Some people like to argue over numerous petty things. It is like a sport sometimes. This habit of sharing feelings in order to score points gets old quickly after people reach the saturation point. We used to call a person like this a PITA (stands for "pain in the rear").

6. In times of a crisis

There are some situations where blurting out the full truth would cause a panic situation. I can recall one time being a waiter in a restaurant, and we discovered that a busboy had inadvertently put gasoline rather than kerosene into the glass table lamps. When the discovery was made, all of the lamps had been lit and were burning, so we decided to calmly remove the lamps one by one and replace the gasoline with kerosene out in the parking lot. We completed the work quickly and efficiently, and the diners were

never aware of a problem at all. It was a calculated risk that might have backfired, but we figured if the lamps were working well when we discovered the problem, they would continue to work while we swapped them out. An alternative approach to be transparent and order everyone out of the building immediately may have resulted in one or more lamps being tipped over in the rush to get out, which could have caused loss of life and the entire building.

7. When the truth would do more harm than good

This is a delicate one that comes up from time to time in medical situations. Suppose there is an airplane crash, and you were a medical person tending a mother who was dying and had only a few minutes to live. She asks you if her son survived the crash. You suspect the son has died, but are not sure. You allow the mother to have more peace in her own death by saying, "We hope to be able to save him." The fully transparent answer would be "We are pretty sure he is dead," but the more humane response at least lets the woman have a little more hope in her final minutes.

In this analysis, I have gone from the obvious situations where being transparent is not the best approach to highly delicate conditions that call for instant value judgments and are quite subjective. If we move back to a corporate discussion, the observation is that most organizations would be better off by being more rather than less transparent. Let's look at a classic example to illustrate the point: the announcement of a future layoff.

The senior leaders have decided that a layoff is needed to contain costs during a time of a substantial business downturn. They argue among themselves whether to announce the lay off in advance or wait until the day impacted people will have to leave. The argument for advanced warning is that people will have time to look for alternate work while they still have jobs. The argument for not announcing early is that there could be sabotage among people, and that since only 20% of people will be affected, why upset 100% of the employees. This kind of discussion goes on frequently in organizations, especially during difficult times.

While there is no "right" answer that is correct in all cases, I maintain that the more open approach will have a better result for most situations. There are three reasons for this:

- 1) When people are treated like adults who can take bad news and deal with it, they are more likely to remain calm and rational than if they are treated like children who must be sheltered from the truth.
- 2) If people are given time to find a better pathway to the future rather than mouse-trapped by an immediate layoff, they are generally grateful.
- 3) It allows for open cross training for the people who have to backfill.

The issue of transparency is an interesting one, because it is clear that always being totally transparent is not a good approach and having a totally secret approach is also stupid. Somewhere in the middle there are intelligent choices, and it is up to leaders to make the right ones for the situations at hand.

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