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What is the limit to transparency?

In a perfect world, all information, data, knowledge and discovery would be available to everybody – without causing embarrassment or loss to anyone. Since our reality is very different, we invite you to reflect with us on the limits of transparency: What to share, with whom and when—without compromising results or strategy, without betraying trust, or embarrassing or manipulating others.

These issues are part of the dilemmas we frequently face in our professional lives, and as it happens with all dilemmas, there are no text book answers. Our decisions consist of understanding the risks of each possible course of action and choosing the one that seems best.

To organize and facilitate our analysis we will focus on three layers of corporate scenarios:

First layer – Individual interaction

Frankness is valued in our interpersonal relationships. On the other hand, we would be a hideous person if we were to say everything that comes to mind, without any filters. If you saw the 1997 movie *Liar Liar,* you'll remember the confusion and embarrassing situations caused by Fletcher Reede, the character played by Jim Carrey. In the movie, a kid—while blowing out the candles of his birthday cake—wished that his father would stop lying for 24 hours. The wish became a spell and Reede's thoughts were involuntarily verbalized, generating embarrassing situations.

Obviously, we are trying to build relationships, not destroy them. Therefore, where is the limit of transparency? Finding a positive way to communicate an idea is as important as selecting what to say. The approach we choose to communicate greatly amplifies the limits of transparency.   We are not suggesting an indirect speech which generates ambiguity, but we're saying to position your idea, solution, and perceptions in a constructive way. Avoid qualifiers and

communicating when in an emotional mood. Being transparent includes valuing different ideas and feeling comfortable showing disagreement.

Second layer – Group interaction

When information is critical to maintaining stability—such as during change—indifferent leadership may generate reduced productivity, motivation and engagement. Unclear, contradictory and insufficient information stimulates the grapevine which, in turn, generates more disinformation, insecurity and time wasting. Why don't leaders avoid all this inconvenience and openly communicate what is happening? We are once again facing the dilemma of what to say, to whom and when to say it.

Information comes in fragments and hierarchies. In normal situations, the leader's role is to share the vision, clarifying expectations and purpose. In other words, to create the conditions for the execution of daily tasks and obtain results. During moments of change, it's the leader's responsibility to assess the impact of uncertainties in the organizational climate. Be honest when you do not have information and do not encourage speculation. Transparency includes letting people know that you have confidential information and cannot disclose it. When information becomes official, a highly structured communication plan will help in the transition.

John Kotter has written many articles and books about change. One of his investigations reveals eight factors that make an organization fail in its transformation efforts. Error number one is allowing too much complacency, not establishing a great enough sense of urgency.

On more than one occasion we have heard that *"If it ain't broke, don't fix it."* The problem with this mindset is perpetuating an ambiguous culture of low confrontation, where the signals that change is

needed are not communicated to the bosses or are not correctly interpreted, therefore maintaining the status quo.

A false sense of urgency is a smoke screen hiding the real focus of mobilization. The endless meetings, blaming, unnecessary pressure and anxiety translates into nobody being clear about what really should be done and where the transformation effort is going.

In summary, the lack of a true sense of urgency is associated with transparency in communication, as the relevant facts are not on the table.

Five of the eight steps mentioned by Kotter are directly or indirectly related to communication. Below is the full list:

1. Establishing a great enough sense of urgency
2. Assembling a group with enough power to lead the change effort
3. Creating a vision and strategies to achieving it
4. Using every vehicle possible to communicate the visions and strategies
5. Empowering others to act on the vision
6. Planning for and creating short term wins
7. Not letting up before the job is done. Critical momentum can be lost and regression may soon follow.
8. Institutionalizing the new approaches, the new practices need to grow deep roots in order to remain firmly planted in the culture.

Third layer – Institutional

"All warfare is based on deception. The whole secret lies in confusing the enemy, so that he cannot fathom our real intent. The supreme art of war is to subdue the enemy without fighting."
— Sun Tzu, "The Art of War"

Maintaining the parallel with corporate life, the above is the reason why seniors involved in big negotiations involving mergers and acquisitions, launching a new product, or moving into a new market segment keep it secret from employees and other relevant parties. To accuse the company of betrayal for hiding the information from its employees is to forget that we do not live in a perfect world.

See you next month. Suggestions are welcome.

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