

TRANSPARENCY: The Clear Path to Leadership Credibility

By Karen Walker & Barbara Pagano

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Barbara Pagano, Ed.S., has combined her broad experience in leadership and extensive research in human behavior in her groundbreaking book, *THE TRANSPARENCY EDGE: How Credibility Can Make or Break You in Business* (McGraw-Hill, October 2003), which draws on assessment research provided by Karen Walker and Assessment Plus and was just chosen as a Fast Company "Book of the Month" finalist. Barbara was recently named an adjunct faculty member of the Leadership Institute of Baptist Health Care (#10 on Fortune's 2002 list of "Best Companies to Work For"), which provides leadership training to CEOs and senior vice presidents of organizations worldwide. Karen and Barbara are two of the key developers of The Transparency Edge 360T, an assessment that gauges leadership credibility.

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Through our more than 30 combined years in leadership development and coaching, we have learned that what distinguishes the outstanding leaders - the ones who inspire followers to dig deep and commit to the cause, the ones whose people are able to say, "I'd go to hell and back for my boss" - always comes back to nine specific behaviors.

These behaviors are the framework for transparent leadership that builds credibility. When leaders practice transparency-a sort of "what you see is what you get" code of conduct-in ways that show respect and concern both for the individual and for the common good, amazing things occur. Organizations benefit from a more efficient process of decision making and tactical execution, as players are more informed, operations speed up, and problems are identified more readily along the way. Leaders build trust and experience more finely tuned collaboration with their peers and followers. And both the organization as a whole and the individual leader are perceived as having a higher level of credibility.

A crucial element of transparency is figuring out just how open to be-just how much to hang on the line for all to see-for while there can be too little transparency, there also can be too much. When transparency is employed without a keen understanding of the potential effects of revealed information, it can be unfair and irresponsible both to the organization and to its individual members. Leaders have to have a firm finger on the pulse of their organization and its culture, knowing people's capacity to absorb information and anticipating how it might be interpreted and used. It is in part an artful use of intuition. Yet the nine behaviors offer practical guidelines that can help leaders wrestle with decisions around transparency.

Transparent leadership that builds credibility requires one to master:

1. Being Overwhelmingly Honest

Leaders think they're overwhelmingly honest, but many followers say otherwise. In leadership assessments, over 50% of almost 13,000 peers and direct reports felt their leaders could improve in being honest and ethical. When transparent leaders decide not to share certain information with their followers-perhaps because they do not yet have all the pieces or because, for whatever reason, they are unable to tell-the unbreakable principle of honesty requires them to say so: "I can't tell you that right now, but here's what I can say." Overwhelming honesty should be delivered with respect and concern for others. Followers should not be left to wonder about hidden agendas. When leaders drive this core value down through their team, not only is trust built, but another fantastic result also can occur-followers become tolerant of not having all the facts.

2. Gathering Intelligence

In surveys, 95% of leaders were unable to give themselves the highest rating at demonstrating an understanding of their own strengths and weaknesses. Asking others for their opinions about something conveys respect and shows that they are valued. It also promotes transparency as a reciprocal agreement. When leaders ask for feedback about their own performance and discover how others perceive them, they are better able to align their intentions with reality and develop a plan for improvement. In order to learn and grow, leaders must have self-awareness, which, ironically, requires input from others.

3. Being Composed

Effective and admirable leadership requires composure. Challenges, stressors, and obstacles are inherent in any organization and in any leader's path; how leaders conduct themselves during

the good times and the bad can be indicative of their character, competence, and ultimately, credibility. While the call for transparency that builds credibility urges leaders to reveal their true opinions and emotions regarding relevant business issues, it does not allow for leaders to irresponsibly let it all hang out. Followers expect their leaders to be composed. And they are always watching. Also, a certain level of predictability builds trust.

4. Letting Your Guard Down

Leaders who keep in mind the spirit of authenticity while working hard to create meaningful connections with their followers, demonstrating sincerity of being, and revealing personal information that adds value to the context of work, will be practicing an important part of leadership transparency that builds credibility. Doing so, however, requires a certain level of maturity and self-awareness and a heightened sense of how people might perceive, dissect, and disseminate the information that is revealed. And because authenticity or personal transparency ultimately describes the quality of a relationship, leaders must create opportunities in which to engage with their followers, allowing the followers to know them.

5. Keeping Promises

When leaders match their words and actions and do what they say they will do, they place a high value on their commitments. Promise keeping in leadership is not always clear-cut. Sometimes leaders are forced to reconsider promises and disappoint followers. Those are the times when transparency is particularly important, because followers who understand the reasoning behind broken promises may be more accepting of the consequences.

6. Properly Handling Mistakes

How leaders handle mistakes actually may be more important than getting things right the first time. Even with its inherent risks—such as appearing weak, incompetent, or otherwise less than perfect—confessing mistakes signals courage, accountability, and humility. Indeed, mistakes are an opportunity to visibly demonstrate a commitment to honesty.

7. Delivering Bad News Well

Delivering bad news can be tricky business, yet doing it well is essential. When sensitive, controversial, or potentially hurtful information is not delivered well, people can feel betrayed, angry, and indignant. Trust is destroyed and relationships suffer. For most leaders, delivering bad news is hard, and some even opt for silence. Those on the receiving end usually appreciate bad news that is delivered promptly and with honesty, directness, care, and concern.

8. Avoiding Destructive Comments

In developmental assessments, 88% of leaders admitted they could improve in avoiding destructive comments, and 83% of their bosses agreed. Language that divides or is otherwise destructive can undermine the whole reasoning behind leadership transparency—to improve relationships, increase trust, and build a credible reputation. Leaders must model and reward language that does not employ inappropriate blame or criticism, us-versus-them attitudes, or talking down.

9. Showing Others That You Care

In order for leaders to be successful at influencing and motivating people, their followers must have a solid answer to the question: Do you care about me? Leaders must visibly show their followers that, yes, they do care, and this is done by developing the followers, recognizing them, and seeking to know and understand them. While showing value for employees has

lasting, bottom-line benefits in morale, quality, and productivity, a leader should not be motivated to demonstrate care and value for the organization's benefit alone. Such a narrow view undermines the formula and ultimately devalues the individual players in an organization. True leadership is built on a kind of social contract that says, "Follow me, and I promise that I will help you succeed." When this contract is not honored, the motivation behind a leader's strategy of transparency is put into question, and followers are led to wonder about hidden agendas.

THE PAYOFFS

What people expect from leaders is usually rooted in the basic interpersonal operation of the leader-follower relationship, where personal connections are made through trust, reliability, care, and appreciation. Once this platform is built well and maintained, leaders can deliver the rest of what they have to offer-their talents-and business flourishes. However, when leaders do not succeed in building this platform, the connection with followers is weak, and there is little chance to move to a higher level of effectiveness and success.

As organizations seek to be more credible and implement strategies to become more transparent, there likely will be some discomfort, especially for those responsible for being more transparent. Companies and leaders will be forced to address their undesirable areas and deficiencies if the fog is removed. Yet in the clearing of these awkward stages of building a more transparent operation are benefits for both the organization and its leaders-increased trust, effective collaboration, and overall better organizational health. And when people are allowed to see those undesirables and deficiencies, some likely will try to help to turn them around.

In turning leadership around, in helping organizations become more transparent and always credible, leaders not only must develop an intuitive sense of transparency's optimal level, but they also must fulfill the nine expected behaviors of credibility. If leaders hone this basic platform with their peers and followers and build a reputation marked by rock-solid credibility, they sometimes will be excused from the rigorous procedures of transparency, no longer having to account for every action and reasoning. Trust will have returned. And those leaders will experience the power that comes from sharing knowledge-instead of holding onto it-and the success that comes when they are always preceded by a credible reputation.

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