Warren Bennis
Daniel Goleman
James O'Toole
with Patricia Ward Biederman

TRANSPARENCY

How Leaders Create a Culture of Candor

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Warren Bennis

PREFACE

Certain issues leap to the fore across institutions and start to enter almost all our conversations about organizations, business, public life, and our personal realities. Transparency is one of those urgent, increasingly prominent issues.

As someone who has devoted much of his life to the study of leaders, I find myself talking about transparency—and thus about trust as well—whenever I talk about leadership. Transparency is a central issue whether the subject is global business, corporate governance, national and international politics, or how the media deal with the tidal wave of information that slams into us each day. An inclusive and appealing word, transparency encompasses candor, integrity, honesty, ethics, clarity, full disclosure, legal compliance, and a host of other things that allow us to deal fairly with each other. In a networked universe, where competition is global and reputations can be shattered by the click of a mouse, transparency is often a matter of survival. As stakeholders in many different organizations, we increasingly clamor for transparency, but what are we truly asking for? What is the promise of transparency? And what are its very real risks? How should leaders and organizations think about transparency—and why is it essential that leaders understand it? In this book, I join with fellow authors and veteran students of organizational life Dan Goleman, James O'Toole, and my longtime collaborator Patricia Ward Biederman to explore what it means to be a transparent leader, create a transparent organization, and live in an ever-more-transparent world culture. This book makes no

claims to be the last word on this complex subject. But we believe these three interconnected essays offer insights that will help leaders think more clearly and act more thoughtfully in matters relating to transparency, an issue that becomes ever more important as this fascinating, difficult era unfolds.

Trust and transparency are always linked. Without transparency, people don't believe what their leaders say. In the United States, many of us have lived with the sense that the government has been keeping things from us, and many mistrust the explanation that our leaders must do so because the truth would empower our enemies. Many of us believe the lack of transparency is the real enemy.

Transparency is so urgent an issue in large part because of the emergence in the last decade of ubiquitous digital technology that makes transparency all but inevitable. We live in an era when communication has never been easier, nor more relentless. More and more of our experience is being stored electronically, and powerful search engines allow this swelling archive to be mined in a matter of seconds by anyone with Internet access. This new technology is literally emancipating millions of people who once lived in isolation within the confines of their villages, and it offers all of us endless new possibilities. At the same time, the new technology has ramped up the ambient level of anxiety in daily life as we increasingly live roped to our personal digital assistants, cell phones, and other beeping, glowing devices.

Paradoxically, greater transparency has brought bewilderment as well as enlightenment, confusion as well as clarity. Each new revelation, much as we long for it, reminds us that the ground is not solid beneath our feet. We are uneasily aware that the present has no shelf life. Although we know more than ever, we often feel less in control. Our

world seems simultaneously more anarchic and more Orwellian, more and less free.

These three essays look at transparency from three different vantage points—within and between organizations, in terms of personal responsibility, and finally in the context of the new digital reality—all with an emphasis on how these relate to leaders and leadership. In the first essay Dan Goleman, Pat Ward Biederman, and I explore an urgent dilemma for every contemporary leader: how to create a culture of candor. We argue that the unimpeded flow of information is essential to organizational health. Best known for his work on emotional intelligence, Dan has been doing research for decades on how information flow shapes organizations. He has a longstanding interest in self-deception and how it skews decision making. And he is fascinated by the role "vital lies" play in keeping essential truths from surfacing, first in families and later in businesses and other organizations. For my part, I have long considered candor essential for personal and organizational health; denying the truth harms us immeasurably. Organizations need candor the way the heart needs oxygen. Ironically, the more corporate and political leaders fight transparency, the less successful they are. The reason for this is not, unfortunately, the inevitable triumph of good over evil but the reality-shifting power of the new technology. Whether leaders like it or not, thanks to YouTube, there is no place to hide.

Jim O'Toole's essay has the provocative title "Speaking Truth to Power," a prerequisite for transparency and a responsibility we too often fail to fulfill. An author, consultant, and professor of business and ethics with a passion for philosophy as well as a degree in social anthropology, Jim brings an expansive frame of reference to bear on this critical topic. Citing Sophocles, Shakespeare, sociobiology, and General Shinseki, he includes a

provocative analysis of Aristotle's belief that virtue requires becoming angry at the things that warrant anger. Jim also describes his unforgettable encounter with Donald Rumsfeld at an Aspen Institute seminar.

My final essay explores what I call "the new transparency." It shows how digital technology is making the entire world more transparent. Because of technology, leaders are losing their monopoly on power, and this has positive impacts—notably the democratization of power—as well as some negative ones.

In the following pages, we talk about whistleblowers and Second Life, groupthink, and blogging as an act of resistance. We show how digital technology is driving the new transparency, one that is paradoxically both more and less dependent on the will of the individual. But ultimately this is not a book about technology. It is about the things that have mattered since the new technology was the flint and the longbow—courage, integrity, candor, responsibility. Technologies change. Human nature doesn't. It is our hope that what you read here will help you embrace transparency, a good thing but rarely an easy one. Combining theory and experience, our book offers both a long view of transparency and practical advice. We hope you will find ideas in each essay to make you a better follower, a better leader.

Santa Monica, California Warren Bennis
March 2008

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CREATING A CULTURE OF CANDOR

Warren Bennis, Daniel Goleman, and Patricia Ward Biederman

In the spring of 2007 something unprecedented happened in the southern Chinese city of Xiamen. In a nation notorious for keeping citizens in the dark, word got out that a petrochemical plant was to be built near the center of the lovely port city. The factory would have produced toxic paraxylene, and residents who learned of the plans were understandably alarmed. A decade ago, concerned Chinese citizens could have done little to stop the plant's construction. But this is a new age, not just in China but throughout the world. Via e-mail, blogs, and text messages, word of the plan spread and a protest was organized against it. As the *Wall Street Journal* reported, hundreds, perhaps thousands of protesters gathered at Xiamen's city hall to oppose the plant.[1] Chinese officials refused to acknowledge the protest and shut down Web sites that opposed the plant. But using today's ubiquitous communication technology protestors were able to circumvent the official silence. Participants took photos of the protest with their cell phones and posted them on the Web. Much to the chagrin of Chinese officials, some photos were transmitted straight to sympathetic media. The result was a victory of electronics-driven light over official darkness. City officials have