



Why more transparency in management practices is long overdue, inescapable, and critical for maximising shareholder value?

THE FUTURE OF OUTPERFORMANCE

This era may be the most exciting time for management practices – but only if leadership can truly commit to taking appropriate action. As technology transforms the way we live and work, we are closer and closer to reaching that goal we have been preaching about and striving toward for a long time. That goal is simply to bring more transparency in management practices in order to maximise returns for all key stakeholders.

Technological advancement, not voluntary leadership, has indirectly driven this movement toward transparency. In addition, every field has witnessed three factors that have added to the momentum: the need to boost productivity, increase efficiency, and improve return on capital invested. As technology has pushed the boundaries of maximising business profitability, it has also transformed the rules of collaboration, competitive advantage through the democratisation of creativity, and the dynamics of sharing outcomes. Nevertheless, transparency is not yet fully here.

Resistance Is Unproductive

In spite of the driving forces, the need to become transparent in certain areas of management was inevitable, anyway. This movement represents the most significant evolution of all time for management practices. Although technology in time will continue to bring more openness and transparency in our lives, communities, societies, corporations, and nations, the unfortunate truth is that the result may not be something that everyone desires. Nevertheless, we need to empower transparency for ourselves and as members of society in order to make progress. If we are genuinely honest with ourselves and in our relationships, sharing the same or similar vision, we have the capacity to reach better outcomes at a more rapid pace.

In the end, transparency in management practices will serve all stakeholders. The more that such practices and policies become transparent, the better and more



effectively they will serve their shareholders, customers, workforce, and even communities. Yet, despite this motivation, all stakeholders do not empower, or believe in, this movement. In fact, the opposite holds true in many organisations, with the result that non-transparency triggers huge hidden costs from wasted resources, finances, and time for all stakeholders – expenditures that many leadership teams might not be able to evaluate or recognise but that also limit the individual and organisational potential to outperform. Nevertheless, hidden or not, recognised or ignored, this cost is one that all of society continues to pay.

But it does not need to be this way. With genuine leadership, we can accelerate this transformation for the benefit of everyone involved.

A Practical Scenario Simplifies the Lesson

Consider this example. Let's say, you, as a manager or recruiter, hired a person either from within the company or from an external source, sincerely believing that this person would perform well. However, it soon becomes obvious that you made a bad choice in hiring this individual. Initially, because you said "yes," it now becomes even more difficult

to say "no" and to admit that you made a bad decision. Naturally, it is not easy for many people to accept that they made an error and – worse – by declaring that truth, potentially expose their faults and possibly place themselves personally at risk. Faced with this situation, the majority of people are likely to ignore the situation and hope that this bad choice will somehow disappear. But until, and unless, that happens, this mistake will continue to cause collateral damage in the organisation because you are afraid or uneasy about saying "no," even if it is to the detriment of company performance, just to save face.

But company performance is a very relative term that needs a contextual consideration. Although performance of 3%-5% growth might be acceptable to many organisations today, it is inadequate when the leadership team expects the organisation, and the workforce, to outperform. When almost everything becomes mediocre in the work environment, it becomes very difficult to envision how outperformance would taste. Consequently, management does not even attempt to change. Why bother, since everyone appears to accept mediocre results?

Say "no"
to mediocre
results.



But let's think for a moment about what you have just done with that bad choice.

By not being transparent first with yourself and then with your actions, you become the reason for a certain amount of unnecessary inefficiency, wasted resources, and unspoken collateral damage for your organisation. Eventually, your leadership team, colleagues, shareholders, suppliers, clients, state, and even the community will pick up the bill for that negative result. Although no one will actually hand you the bill, payment is unspoken, unrecorded, and invisible – and you are not held accountable for your irresponsible behaviour.

Nonaction Is No Longer an Acceptable Answer

In light of this situation facing many organisations, the big question is whether we should continue to allow this kind of non-transparency. Instead, should we be proactive and use all the tools and approaches in our possession to stop the bleeding away of time and money? Wouldn't that make sense? Of course, but before we attempt to change the world around us, it is important to take a deeper look into why the status quo has such power.

Consider:

- Why do shareholders not demand that leadership implement change in order to gain a better return on their invested capital?
- Why is management unwilling to invest in tools and approaches that will bring more transparency into their practices, along with the potential for more rewards?
- Why do governments discourage more transparency as a rule in organisations by adding more bureaucracy through “check-boxes” for better resource allocation?

The answers to these questions can provide enlightenment and a faster road to progress. For one thing, changing the status quo requires energy and will power, which must be gathered, nurtured, and shared. It's far easier to let “sleeping dogs lie” and leave the responsibility to someone else.



But whether leaders, organisations, or governments continue to resist the movement, technology is accelerating the transformation to transparency in unprecedented ways. Change is inevitable and will eventually overcome resistance. The best action for employees and their leadership teams to take is to get on board now and prepare the organisation for that transformation.

Saying “no” to mediocre results, leadership, or individuals is a good first step for all stakeholders and offers the promise of better outcomes. Saying “no” to bad practices and policies cultivates transformation. Saying “no” to mediocracy in the organisations you invest in, lead, or work in, while focusing on how you can outperform, is the clearest route for positive outcomes in the long run.

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