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# How Leaders Can Get Results by Laying it on the Line

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## ***Transparency:***

# How Leaders Can Get Results by Laying it on the Line

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### **INTRODUCTION**

It seems as though the word “transparency” has recently crossed the lips of every business guru, consultant, reporter, government official, and/or analyst with an outlet to share his or her opinions. Yet, even after the financial system overhaul conducted in the wake of the Enron Corp. and Tyco International scandals in the early 2000s, we do not have to look far for examples of corporate misdeeds today. In 2008 alone, the business world witnessed rogue traders treating the financial system more like a roulette wheel than a sound, time honored institution, corporate leaders taking multi-million dollar golden parachutes while their organizations required bailouts from the federal government to stay solvent, and public leaders leaving office in disgrace due to indiscretions, graft, conspicuous consumption and poor decision-making. It seems that in the pursuit of generating shareholder wealth, the well-being of many stakeholders has been pushed aside, creating conditions ripe for the questioning of authority and protestation against leaders who make dubious claims. Further, we have a crisis of confidence; overall, citizens of the United States were measurably less trusting of leaders such as elected officials, stockbrokers, trade union leaders, judges, and civil servants in 2006 than they were in 1998, according to a 2006 Harris Poll ([www.harrisinteractive.com](http://www.harrisinteractive.com)).

Compounding these crises, the era of the 24-hour news cycle has given way to an even more ubiquitous media culture, where bloggers and bystanders with wireless communication capability have the power to break the latest news story. Our organizational climates have evolved from an era when followers may have blindly trusted leaders or organizations to do what was right or what was good for the company’s stakeholders, to one where employees are constantly checking up on their managers. The leader–follower context of today suggests that leaders operate in a fishbowl where all can see their actions. This begs the question – What do many of today’s business leaders lack in their everyday dealings with employees, board members, and other

stakeholders? In many cases, we suggest (and the rush to create more oversight and regulatory bodies supports the idea) that they lack transparency. However, the more essential question is, if we know that transparency is important, why is leading transparently so challenging?

We know that some companies are renowned for their transparency – Whole Foods Market Inc., W.L. Gore & Associates, Inc., and Google are merely a few examples. These companies open the books and are forthright about financial status, programming codes, hiring processes, pay grades, and other issues that most companies deem private. By fostering openness, these companies reap the benefits of increased investments by shareholders, consumers, and employees. Furthermore, we have recently seen repeated calls for transparency in the public sector as well. For example, both President Obama and Governor Jindal from Louisiana have signed legislation calling for more transparency in government. We suggest that organizational leaders have the choice of doing the same thing – being open about decision-making and the issues they are facing – and should they do so, these leaders will reap greater trust, engagement, satisfaction, and performance by their followers and customers.

In this article, we propose that transparent leadership is a competitive advantage because it has several positive outcomes that can be linked to leaders, followers, and the organization. To this end, we outline the nature of leader transparency, the organizational benefits of creating transparent leaders, some methods of developing transparent leaders, and the challenges they face.

### **THE NATURE OF LEADER TRANSPARENCY**

#### **Definition of Leader Transparency**

For all its topical interest, transparency has yet to be operationalized by a specific set of behaviors that can easily be applied to leader development. Theories advanced by researchers in the leadership field suggest

that leader transparency includes the following behaviors:

- Sharing relevant information during interactions with followers;
- Being open to giving and receiving feedback;
- Being forthright about motives and reasons behind decisions.

We suggest that these behaviors set the groundwork for multiple positive outcomes, including, but not limited to, follower trust in the leader, follower engagement, and follower performance. The key component is that the follower perceives that his or her leader is transparent, signifying the importance of enacting these transparent behaviors during leader–follower interactions on a consistent basis. Admittedly, the notion of leader transparency is not necessarily a new idea. In fact, practitioners and scholars alike have discussed the importance of leader transparency many times in business leadership literature. Few, however, have actually addressed how to become transparent and what the direct effects on organizations can be. Especially in today's business climate, we believe it is time for transparency to take center stage.

### **Transparency in Other Disciplines**

Numerous scandals over the last decade increased the focus on what is labeled fiscal transparency. Organizations like Enron, Tyco, WorldCom Inc., Global Crossing, and most recently Madoff Securities, were running complex Ponzi schemes, where funds were cycled through shell corporations to create the illusion of increasing shareholder wealth. Investors or investigators who took interest in how these companies generated wealth were treated harshly. In one extreme case, a reporter was called too stupid to understand the complex world of financial derivatives.

Due to backlashes that followed such inquiries, stakeholders learned to hold their tongues and not probe the organizations' management, even when they felt something was amiss. However, when these organizations eventually collapsed and investors suffered some of the most significant financial losses, there was an increased focus on the validity of investing in publicly traded companies without any awareness of how top management teams were making decisions. Stakeholders and watchdog groups began to demand information and insight into the organizations in which they invested. These investors sought change in the oversight of questionable managerial practices and pressured the U.S. government in a successful attempt to force more transparency on the financial world.

While the recent Madoff Securities scandal illustrates that more changes are needed, the financial

services industry is slowly taking the proper steps toward transparency. Improvements have also been made in the field of international business and the nonprofit sector. For example, Transparency International currently works to improve insight into the inner workings of global emerging markets. Transparency International publishes ratings of transparency levels of different nations, creating an index of areas that are ripe for monetary investment, while highlighting those to be avoided. Research has shown that countries and organizations perceived by outsiders to be transparent benefit from increased investment and are more valued by stakeholders.

The gradual shift toward business transparency is positive because it also increases the desire for individual transparency, specifically in the leadership realm. The idea of transparency as an integral component to successful leadership stems from the work on authenticity and authentic leader development, where transparency is regarded as one element of a broader concept. Authentic leadership theory, advanced by Avolio, Luthans, and colleagues, suggests that when the leader is open with followers and stakeholders about information that is relevant to the workplace, he or she is perceived as more authentic. Furthermore, early psychological research has found that individuals who share more about themselves tend to see reciprocity by others, strengthening relationships into those where both parties feel they can come forward with any issues. In the organizational setting, the perception of transparency is expected to increase positive organizational outcomes, such as increased trust, engagement, and performance. We now turn to a discussion of how these outcomes are inherent to the success and sustainability of a firm's mission and objectives.

### **The Mechanisms that Drive Transparency**

There are three major mechanisms that contribute to the impact transparency can have upon individuals: the understanding of motives, the reduction of vulnerability, and follower insight into the transparent leader. These mechanisms allow for followers to become more deeply involved in decision-making and their roles within the organization, and create a bond with their transparent leaders. We will explore each of these in turn.

**Understanding motives.** We often make decisions about behavior based upon what we witness. If an individual cannot meet our gaze, we westerners generally believe that person is lying to us. If someone reneges on a promise, oftentimes we attribute this to a lack of integrity. Because we only see one perspective, we often fill in the rest of the story with pieces that fit.

Our own personal histories complete the picture, based upon vignettes that have played out during prior experiences. It is not uncommon for people to experience poor leadership, poor teamwork, and poor organizational support within the workplace. Perhaps this is one reason why the Bureau of Labor Statistics indicates many young employees have held seven or more jobs before they are 27 years old.

It was not always this way. As demographer Neil Howe has found, many American workers from the Boomer generation and before expected lifetime employment from a single employer in exchange for good performance and loyalty to the company. Rarely were employees interested in the goals or actions of top management, as they were mainly concerned with bringing home a paycheck. However, as our economy has shifted to a more cyclical, service-oriented climate, employee and management expectations have also shifted. The focus on shareholder wealth and the departure from maintaining employee welfare has created a workforce, at least in the United States, where many employees are taught from early experiences that they need to be self-interested. In order to foster employee loyalty in this kind of environment, organizations must take different actions in order to treat those employees as what they truly are – human capital – including strategies whereby more information is shared with those workers.

If employees are at best guarded, and at worst cynical, a leader cannot expect to accomplish much if the employees never have a chance to get to know the organization's goals and why those goals are important. Leaders who are up front about what they want to gain and how they expect to accomplish those aims may increase follower buy-in while decreasing departure rates. These leaders are also able to avoid the distortions that arise when followers are left to fill in the blanks when confused by leaders' actions.

The creation of a common goal through the sharing of relevant information gives all organizational members something to which they can be loyal. For instance, imagine the arrival of a new leader at a firm where the prior leader was let go under ambiguous circumstances. The workers may be concerned about their own jobs, and may be wary of trusting a new leader. If the new leader is transparent and communicates the reasons for his successor's departure, the economic situation, and the future job loss possibilities, while also identifying ways to avoid those job losses, he or she may elicit a more unified and productive workforce. However, a leader who comes in and says nothing can expect followers to be unproductive, because they are all trying to understand why their former leader left, and the new leader's purpose. The leader's openness about motives allows each fol-

lower to judge the situation based on the information that is given, without being altered by the follower's own past experiences.

**Reduction of vulnerability.** Once the follower understands the leader's underlying motives, the potential exists for the follower to buy in to the leader's ideas. In a sense, the leader has created the foundation for a trusting relationship by opening the door to his or her rationale. For trust to grow, the follower must then contribute something to the relationship as well, perhaps energy toward reaching the goal, ideas on improving operations, or time beyond what is required by the job. If, in the past, employees experienced a situation where they did make themselves vulnerable to the organization, only to find they were used and dismissed, they may be wary of entering into a new relationship.

A new leader who comes into this type of environment is faced with an unreceptive culture, ruled by self-interested attitudes and a lack of collegiality. We suggest that transparency on the part of the leader can limit the vulnerability these employees may have to experience, by opening procedures and processes for all employees' consideration. In order to decrease the antagonistic climate that may exist, it is imperative that the new leader proactively gives and receives feedback on performance and progress. For example, if a goal requires members to work together as a team, or to work extra hours, then the procedures for rewarding those specific behaviors should be known to all. If, instead, individual performance is more important, then employees should know that they should focus their attention on their specific tasks.

A further example might be a leader who keeps his or her employees apprised of the economy and does not pull punches about the general environment. If and when the time comes to make decisions about layoffs, perhaps the employees have had time to think through their options, and some may come forward and volunteer for early retirement or relocation, or may take another job. Or, perhaps, the employees have developed cost-saving ideas, or ways to shift their work schedules to save all the organization's jobs. On the other hand, leaders who do not keep their workforce apprised of deteriorating economic conditions, do not offer employees the ability to decrease their vulnerability, and may experience backlashes and emotional outbursts when layoff decisions are made.

**Insight into the transparent leader.** The third and final mechanism that allows for positive outcomes from transparency has to do with the follower understanding who the leader is, and what he or she stands for when making decisions. Transparency does not

necessarily mean that a leader is ethical or honest (although we suggest it is more likely to exact honesty from the leader); it merely dictates that the leader shares his or her perspective with employees. In turn, the follower decides whether he or she wants to continue the relationship. If a leader has the perspective that 80-hour workweeks are the norm (even though it is not denoted in the job description), followers can choose to buy in or opt out of that position. In a sense, leader transparency allows the follower to have some control in Schneider's attraction–selection–attrition (ASA) model rather than merely being a bystander. Leader transparency allows the follower to make more precise judgments about whether or not his or her own values match up with those of the leader, without spending precious time and energy trying to fit in.

We suggest that a strong person–leader fit is an important outcome of transparency, based upon the mechanism of increased follower insight into the leader. Followers are more likely to stay with leaders they believe in, sometimes even following those leaders to new organizations where the overall vision may not be something in which the follower would initially be involved, but doing so because they have such a strong bond with the leader. This is common in corporate America, politics, and the military, as many top executives have developed a “following” from former staff members. These staff members are willing to uproot their families in order to have another opportunity to work for particular leaders. This was seen most recently in the Obama administration, where many staff members left high paying corporate jobs and came to Washington D.C. because they not only identified with President Obama's vision, but also with the man himself.

Beyond attraction–selection–attrition, Jourard's work informs us as to the relationship strengthening power of self-disclosure. Leaders who share pieces of their own experience create a bond with followers due to common interests or challenges. Furthermore, if a follower is given insight into what a leader's history is, the follower can better predict that leader's future behavior, specifically in instances where the leader has learned from past mistakes or changed his or her perspective due to failures. Ultimately, if a follower understands what might annoy or anger his or her leader, he or she can better avoid those situations and concentrate on fulfilling the leader's needs. This allows the follower to begin to anticipate behaviors that will be looked upon favorably and also to share these insights with other followers. This could lead to work unit cohesion, and continued empowerment as the followers essentially fill the leader's shoes, allowing the leader to take on even larger and loftier goals.

In this section, we have presented the mechanisms that allow for positive outcomes to arise from leader

transparency. These devices are understanding motives, reduction of vulnerability, and insight into the transparent leader. When the follower is able to engage these mechanisms through continued interactions with the transparent leader, we suggest that such outcomes as trust, engagement, and increased performance will arise, while absenteeism, turnover, and dissatisfaction will decrease. We now turn to a more detailed description of these outcomes, and how they might be impacted by leader transparency.

## **THE BENEFITS OF LEADER TRANSPARENCY**

As listed above, we expect many positive outcomes to arise from the existence of leader transparency. Trust in the leader, role engagement, creativity and innovation, increased performance and a reduction in deviant employee behavior are some of the positive outcomes we anticipate. Current research by Robinson and Morrison suggests that leaders who renege on promises or fail to share relevant personal information reap negative follower behaviors, such as more frequent absenteeism, higher turnover, and an increase in other deviant behaviors. However, leaders who are transparent in their decision-making processes and who draw attention to changing economic conditions allow followers to reevaluate their expectations and make positive behavioral adaptations. As individuals gather information, they hone their perceptions about what is deserved and what is owed by the organization. We next examine the link between leader transparency and these outcomes.

### **Follower Trust in the Leader**

In order to create a two-way trusting relationship, it is known that both leaders and followers must make themselves vulnerable in anticipation of future benefits, and those followers who do trust their leaders are more likely to make greater investments in their relationship. As discussed above, transparent leaders can reduce the level of vulnerability experienced by followers, thereby allowing those followers to take even greater risks toward greater future rewards because the odds of those rewards materializing are better. The key outcome for a transparent leader is increasing the amount of trust followers have in him or her by increasing the accuracy of future behavior predictions. Increasing that trust stems from leaders enacting consistent behaviors in response to follower actions – i.e., a member of a surgical team makes a dosage mistake in a medical situation, and, instead of the follower feeling compelled to hide this mistake, the follower knows that coming forward to his or her particular leader will lead to an investigation into the issue and recommendations about how to avoid that problem in the future. True, while there may be an associated punishment, the

punishment is also predictable and the follower knows that the punishment would be much worse if he or she tried to cover up the mistake. The follower feels safe in coming forward because he or she has seen the leader react this way many times, in ways that have made the entire organization safer. In this example, the transparency of the leader's behavior creates the conditions whereby all followers feel they may also be transparent in return.

### **Role Engagement**

Transparency allows the employee to understand what his or her role means to the organization, dispels myths and gossip by sharing relevant information, and allows the employee to focus on his or her job and be more engaged. Engagement in one's role is a state in which the follower becomes embedded in the work he or she is performing. It is similar to the concept of flow: an engaged employee may forget what time it is because he or she is so engrossed in the task at hand. This type of employee does not watch the clock for the end of the day; instead, he or she stays until work is complete. Furthermore, engaged employees report that they are more satisfied by their work, and are more willing to take on larger amounts of responsibility because they truly are involved. Engaged employees are passionate about their work, and strive to do their best. In turn, they also tend not to worry about rumors or distractions that may disrupt other employees' productivity.

### **Creativity and Innovation**

Creativity that leads to the creation of a new or useful product or solution is often denoted as an outcome. Organizations cannot survive without creativity and innovation; however, certain types of organizational cultures can stunt the growth of creativity by rewarding and punishing the wrong behaviors. Many times, organizational leaders only want to hear sure-fire tactics or strategies, cutting down on the amount of new ideas that could be brought up by followers. Furthermore, followers who bring forth new ideas that don't work tend to be demoted, fired, or embarrassed in front of other organizational members. Such behaviors have led to what many organizational scholars refer to as "zero defect" organizations, where followers believe it is much better to hide deficiencies than to report them, out of fear of reprisals. Several large organizations, including the U.S. military in the 1980s and 1990s, periodically experience zero defect cycles, where members perceive that it is better to look good than to actually function properly.

Conversely, transparency allows followers to understand and calculate how important creativity is to the organization, and it allows followers to experiment

with different ideas without the fear of failure. When an organization is transparent, followers can see what is rewarded, what is discouraged, and react accordingly without fear of reprisal for poor or unworkable ideas. Allowing followers to be creative can help to advance the working conditions, and can increase the ownership and empowerment of those followers. As other followers see that any thoughtful ideas are accepted, even if they are not implemented, the organization will reap a broader cross-section of suggestions, perhaps leading to a different direction than initially thought. The practice of actively seeking feedback from others on ideas, and being open to both negative and positive feedback, could have a profound effect on an innovative firm's bottom line.

### **Learning from Mistakes**

In addition to the gains that may be seen from encouraging the communication of new ideas, research on the idea of psychological safety has found that employees are more willing to report mistakes if they feel they will not be punished for those slip-ups. Not only is it important for organizations to seek innovation, but it is also important to have followers continually reviewing current practices in order to become better. In organizations where error reporting is perceived as a learning opportunity, many employees and processes benefit from learning how to and how not to go about a particular task. In organizational climates where employees do not feel comfortable coming forward with problems due to fear of punishment, small mistakes are ignored and larger blunders can ensue, putting all employees at risk. It only takes one instance where an individual is punished for a misstep for all followers to perceive that anything outside of the status quo should be downplayed or ignored. On the other hand, a focus on both fostering creativity and encouraging small mistakes to avoid larger ones can actually protect organizations in the long run.

Take, for example, the 1986 Challenger disaster. The Rogers Commission noted that both NASA (National Aeronautics and Space Administration) engineers and the shuttle's solid rocket booster contractor knew as early as 1977 that there was a problem with the function of rubberized O-rings in colder temperatures. Additionally, there were some problems with preflight conditions, including an inordinate amount of ice build-up, which should have led to a flight delay. However, in order to fulfill the mission and comply with a timetable set by both government and NASA administrators, the safety precautions related to the critical components were ignored. Further, NASA and other shuttle engineers, seeking to avoid the repercussions that befell earlier whistleblowers, were not willing to voice strong enough opposition to scrub the launch. Had NASA been more interested in learning

about and correcting the small failures in the shuttle design and decision-making process along the way, it may have been possible to avoid such a tragedy.

## **Performance**

By allowing for trust in the leader to arise, and by creating a foundation in which followers become engaged in their roles and feel that they can be creative with ideas, transparency allows for positive impacts upon performance. Although it is difficult to directly tie ideas such as trust in leadership, creativity and innovation, and engagement to performance – due to the complex nature of organizational outcomes – we suggest that transparency can have a measurable impact. First, transparent leaders steer clear of distractions that may harm productivity by being proactive in sharing information. Second, transparent leaders aggressively seek feedback from employees, and create the conditions that allow for creativity and advancement of enacted procedures. These conditions may allow for breakthroughs in how the unit goes about its business, potentially opening new doors. Third, in the same way in which transparent organizations and countries attract greater amounts of capital, leaders who are transparent to stakeholders outside the firm may attract greater investment. Stakeholders are becoming more discerning when deciding how and where to invest their capital. Therefore, transparent leaders who communicate a vision and are honest about the challenges ahead are likely to invite greater investment. All of these pieces work together to increase the performance of the organization and the internal stakeholders.

Trusting, engaged, creative employees are willing to share new ideas and insights and are more invested in their work roles. Furthermore, they often report higher levels of job satisfaction, and perhaps even higher levels of performance. Leaders can also reap the benefits of higher performance because they are being candid with their followers, instead of worrying about everything they say and wondering if the other shoe is going to drop. Transparency allows the entire firm to move forward, instead of worrying about what was said or done in the past. It allows the leader to continually make corrections depending upon the situation, and when followers are keyed into that decision-making process, it allows all stakeholders to concentrate solely on their responsibilities.

## **Reduction of Deviant Employee Behaviors**

Many times, when an employee does not understand why certain outcomes do not materialize, such

as bonuses or other implied rewards, he or she tends to blame the direct leader for the failure. He or she certainly does not think that it could be a personal failing, often blaming the external environment, which we would expect from our knowledge of the fundamental attribution error. In order to get even, so to speak, the follower will attempt to harm the leader through deviant behaviors that may include absenteeism, inattention on the job, or even leaving the firm voluntarily after securing another position. These types of behaviors do take a financial toll on the firm, and also harm the leader, who may end up covering for the employee, and working with a short-handed staff until a suitable replacement can be made.

Transparent leaders may be able to avoid retaliation from employees by feeding them information through constant interaction that allows followers to reconfigure their expectations. Thus, when an initially expected bonus fails to occur, the follower may have already understood that it was not going to happen due to the economy, or competition from abroad, or some other reason that they are aware of due to the leader's diligence. Furthermore, some rewards that may be taken for granted, such as vacation time, may seem even more important when the leader shares information about how he or she had to fight with the top management team to keep that benefit intact. In effect, transparent leaders are constantly scrutinizing followers' expectations, and shaping and reshaping them as conditions change. In the end, it is less likely that the follower will blame the leader, allowing the follower to place the blame on the true culprit.

## **THE DEVELOPMENT OF LEADER TRANSPARENCY**

### **Becoming a Transparent Leader**

Now that we have discussed what transparency is, why it works, and the potential outcomes a transparent leader may garner, we will outline the process of becoming a transparent leader with intact groups of followers. Admittedly, the easiest context for setting the conditions for transparency is when a leader is introduced to a new group of followers; however, that is not a likely scenario for most current leaders, because they rarely have this luxury. Therefore, you – the leader – have to realize that you are starting with followers who have an intact perception of you, often referred to as a mental model, which will be difficult to change. Oftentimes, once people have made up their minds about something, they will ignore or discount any information that contradicts that perception. Nevertheless, changing these perceptions *can be done* and below we outline a few ways how.

## First Steps – 360-Degree Reviews

Before you can begin to change the perceptions your followers may have about you, you must determine what those perceptions are. One method of obtaining this information is to conduct a 360-degree review in your department. While typically used for performance appraisals, 360-degree reviews can be crafted with open-ended questions to probe things like the trust your followers have in you, whether they understand what your objectives are, and whether they agree with those objectives. Furthermore, you can ask for suggestions for how to change the intact working climate, and start to amass changeable objectives. The key to success with this method is to ensure that everyone's assessment is taken into consideration, and that no one is punished for being honest or forthright about his or her opinions. Initiating a 360-degree review of your leadership ability sends followers several important messages. First, doing so suggests that you are serious about becoming a better, more transparent leader. Second, it shows that you value your followers' feedback. Third, doing so suggests that you recognize that you can only become a transparent leader with their help.

## Next Steps – Becoming Transparent

Once the 360-degree reviews have been completed, it is beneficial to have a meeting that discusses the outcomes and gets opinions from everyone who participated. You can even discuss your vision and your new commitment to transparency, by discussing how your followers will know it when they see it. Couching these objectives in terms of the data collected from the review will also help the followers understand that you are changing. For instance, say that one frequent comment on your followers' reviews of you is that you are rarely available to speak with them. A responsible leader will accept responsibility for this problem and propose ways to fix the problem. However, a responsible *and* transparent leader takes the discussion one more step and explains to his or her followers *why* or *how* this became a problem. By this we mean that the leader uses the problem as an opportunity to share relevant information – perhaps the leader was pulled away to work on a strategic project that should now be shared with his followers – and therefore foster a transparent relationship with his or her followers. In this example, the leader makes him- or herself vulnerable by sharing this relevant and perhaps sensitive information with followers, conveying trust.

We do not suggest that becoming transparent will be easy for many leaders. However, one byproduct may be that being transparent will humanize you. We know that many leaders prefer to keep their private life just that – private – and these leaders often

go to extraordinary lengths to do so. Yet, it is likely that this desire to keep outside influences from interfering with work is also a major barrier keeping you from becoming transparent. Using the example from above, perhaps what is keeping you away of the office is that you must care for a dying loved one. In the 360-degree review, your followers correctly point out that while you do consistently come to work, you disappear for hours (because you have to take your relative to doctor appointments), when you are there you are always on the phone (with insurance companies) or really distant (you are averaging two hours of sleep per night), and you have a tendency to get irritable when presented with difficult work problems (you are having trouble concentrating due to constant worry, so dealing with complex problems is a nonstarter). Unfortunately, your followers cannot help you because you have not told them why you are behaving this way. The reality is that the vast majority of your followers will understand what you are going through – even the best leaders are human and there are times when their private lives impact their ability to perform. The message that sharing this information with your followers sends is that you are like them but only with more responsibility, and that you too face “every day” problems. Perhaps more important, they understand that you are reaching out for their *help*, which suggests that you trust them.

## Maintaining Transparency

It may take a long time to change the perceptions of your followers. Just as with any relationship, being a transparent leader requires maintenance to avoid atrophy. Therefore, you must make a constant effort to share relevant information, proactively seek feedback and questions, ensure that you enact your values, and allow your followers to understand the motives behind your decisions. Admittedly, there may be times when you cannot share everything that is relevant – perhaps you are protecting your company's proprietary information, the information regards a legal matter, or your information is simply too personal to share. However, you can still let your followers know that something is going on, and that you will apprise them of the issues more fully if and when you are able. Once again, at least admitting that an issue exists tells your followers that you know the issue exists, and that you are working to resolve it. Doing so will alleviate their fears and bolster their trust in you to some degree.

You should also monitor whether or not the culture of your workplace is becoming more transparent. In other words, is your transparency trickling down through your followers' behaviors? If you have clearly stated that you value transparency, and your deeds back up your words, you should have an expectation that your followers will come to value transparency and, over time, begin to act accordingly. Therefore, you



must choose your middle management carefully to ensure they reflect this value or at least have the capacity to become transparent. It is confusing for followers to deal with different types of leaders – if you, as the top manager, are requesting that they come forward with ideas and differing opinions, but a mid-level leader punishes them for the same behaviors, the organization is demonstrating mixed signals. You must ensure that your values are enacted at all levels of the organization to truly obtain follower buy-in. If you can do this, you ensure a legacy that will continue after your own tenure at the organization is up.

### **The Transparency Challenge: Be Perfect or Be Transparent?**

By its very nature, leadership is a human endeavor. As with any human endeavor, individuals and organizations have long sought perfection within the leadership ranks. After more than a century of empirical leadership research, we think it is safe to say that there are no perfect leaders – just better or worse leadership and follower-ship behaviors that vary in performance and impact from context to context. Nevertheless, it is also safe to say that we – leadership scholars and practitioners alike – will continue to strive for leadership perfection. While we do not suggest that becoming a transparent leader will make you into the perfect leader, we boldly say that doing so is a step in the right direction. In short, we suggest that leaders stop trying to be what they deem “perfect” and start becoming transparent.

Those of us in academe often like to point at all the reasons why organizations exist – to provide a better product or service, to have a positive impact on the people the organization touches, to better society, and to provide meaning. While all of this may in fact be true, most organizations rightfully care a lot about survivability, and – at least in the for-profit sector – profitability. It is safe to say that followers understand this when they sign on to join an organization. Unfortunately, most employees who are laid off or who work in companies that struggle never see the end coming; because of that, they cannot become part of the solution. Had leaders been transparent, is it possible that the employees would have worked harder to save their jobs and their company? Had leaders been transparent, is it possible that employees would have been more willing to share ideas to keep their company afloat? Had leaders pushed to create a transparent culture, is it possible that many companies could have avoided the stain of scandal? We think so. While we readily admit that transparency by itself is not the answer to every organizational problem, we do believe that leader trans-

parency is a clear competitive advantage in today's volatile work environment.

### **IDEAS FOR FUTURE RESEARCH AND PRACTICE**

The concept of leader transparency is gaining traction, both in the popular press and in the scientific community. It is necessary to continue to experiment with transparency and its impacts on mid- to long-term success. Furthermore, research must determine the appropriate boundary conditions to transparency – are there times when transparency is not appropriate? What is too much shared information? How do we define the term relevant? Can we truly know a leader's motives? These questions are just the beginning foray into this stream of research, and therefore will impact how transparency is put into practice.

Leaders can experiment with the issues listed above to see what is appropriate for different contexts and different types of followers. We suggest that it is better to start out slowly, and tackle one set of behaviors at a time – perhaps taking beginning steps toward becoming transparent by proactively soliciting new ideas and varied opinions. Once this behavior is ingrained in your followers, begin sharing relevant information. Listen closely to how followers react – they will let you know through their behaviors and actions that they are either perceiving you to be transparent or not. Also try to understand if they enjoy this new tactic – our research suggests that most followers want leaders to be transparent, but a minority of followers do not. Have frank discussions about ways in which transparency can work for followers and the entire organization.

In the future, we may see fewer instances of fraud and unethical behavior. As leaders become more transparent, unethical behaviors will be harder to hide, and certainly less justifiable. If you have to decide between an unethical action that you would not want your followers to know about, versus right behavior, your commitment to transparency should lead you toward the correct action. Furthermore, it is possible we will see less deviant behavior on the part of followers – lower absenteeism, less voluntary turnover, and perhaps even less gossip about the latest organizational happenings. A transparent environment allows all organizational employees to focus on their responsibilities and to work for the good of all members, which should have a measurable impact upon productivity and performance.



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