
GEMI Transparency Tool used in a Barnard College First Year Seminar

Stephanie Pfirman
Barnard College

The Business Case For Transparency



- “Through transparency, consumers and communities are empowered and, in return, the company builds trust, enabling it to manage its affairs more effectively and efficiently”
 - Increased brand loyalty and customer commitment
 - Improved reputation
 - Shortened critical response
-

Risks



GEMI®

- Information can be used to the advantage of others
 - Quality reporting requires resources and it is time-consuming
 - Providing information on problems may lead to bad press as well as sanctions
 - Elevated expectations may be difficult to meet consistently and over the long term
-

Illustration from Transparency Tool

Table 3: The Transparency Continuum

	<i>Opaque</i>	<i>Translucent</i>	<i>Transparent</i>
Description	The minimum of disclosure as required by law; providing little additional information to the public beyond legal requirements.	Moderate disclosure with emphasis on “telling your story” rather than on balanced reporting. Selective engagement with stakeholders.	The open, balanced disclosure of activities — both good and bad. Some companies see external input and criticism as a means for real learning and improvement.
Drivers	No significant business drivers. Companies with low impact, low visibility, minimal stakeholder interest and no distinct brand, might adopt this approach. The costs associated with transparency are greater than the benefits.	Opportunistic response. The move towards greater transparency is either in response to certain events or is proactive for competitive reasons. This might be a “first step” for companies towards greater transparency.	Significant business drivers. Companies with high visibility, high impact, large regional or international presence, company-specific EHS issues, highly interested/active stakeholders, significant brand equity, external pressures or CEO mandate. Seen as source of competitive positioning and real learning.
Strategic Approach	Transparency will not add value for either the organization or stakeholders and may even create risk. Minimize transparency, primary objective is compliance. Monitor business drivers affecting transparency; undertake no transparency initiatives except in reaction to a change in business drivers; react to stakeholder demands only as necessary.	Transparency is a response to specific challenges and opportunities the organization faces. Monitor business drivers and competitors’ positions regarding transparency. Middle ground might be difficult to maintain. Risk of being criticized for selective disclosure and “green washing.”	Transparency contributes to the credibility of the organization, positions the organization favorably against competitors, enhances the public trust, and mitigates risk. Engage in responsive dialogue with key stakeholders about activities, provide quality information that helps stakeholders make informed decisions about their involvement with the organization, and create accountability for improved business performance.
Supporting Activities	Reporting as required by regulation.	“High level” or selective environmental/sustainability reporting, targeted stakeholder engagement, increased publication of mostly “one-way” information externally via web sites and other media, monitoring of external trends.	Environmental/sustainability reporting, stakeholder partnerships and collaboration, socially responsible investing (SRI) questionnaires, interactive public web site, and stakeholder forums.

Transparency: A Path to Public Trust



GEMI®

- “Companies have learned – at times the hard way – that increasingly their license to operate depends on having the public’s trust”
- “...information has the power to differentiate as well as to provide recognition for leaders and to embarrass laggards”



Sir Ernest Henry Shackleton
~ 1874 – 1922 ~

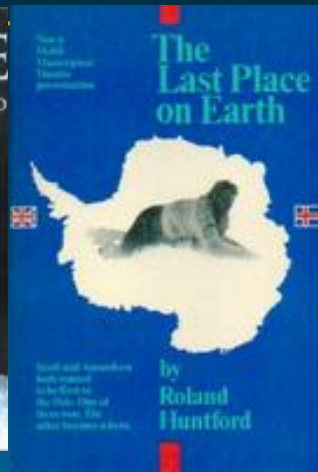
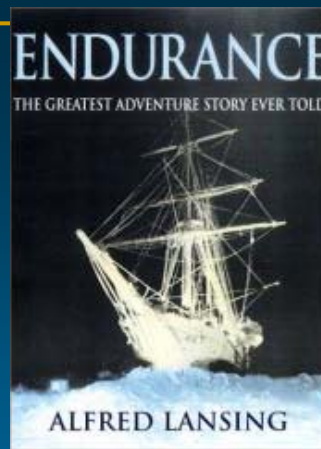


Robert Falcon Scott
~ 1868 – 1912 ~

First Year Seminar

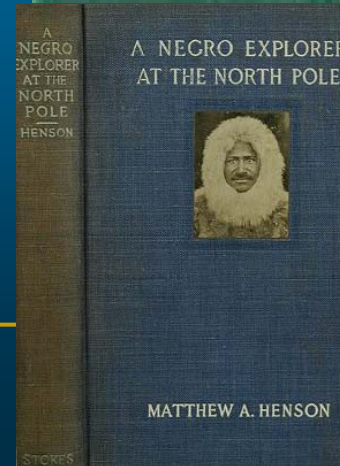
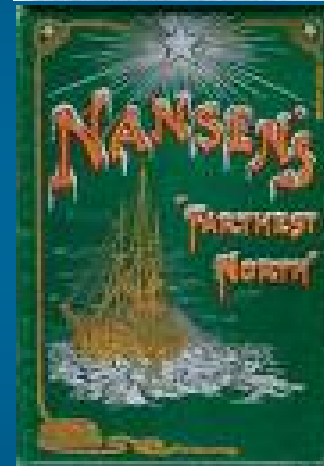
“Exploring the Poles”

Core Texts



■ Major Expeditions

- Nansen's Arctic drift in the *Fram*
 - *Farthest North*, Nansen: 1st person account
- Henson and Perry North Pole “attainment”
 - *A Negro Explorer at the North Pole*, Henson: 1st person account
- Shackleton's Antarctic *Endurance* expedition
 - *Endurance*, Lansing: Novelized reconstruction
- Scott and Amundsen race to the South Pole
 - *Last Place on Earth*, Huntford: Comparative analysis
 - *Coldest March*, Solomon: Comparative analysis



Course Goals

- Integrate research and education
- Introduce non-scientists to the value of environmental science
 - Engage students in exploring the environment
 - Appreciate polar environments, variability and change
- Venture into the unknown
 - Leadership, teamwork, self-reliance, preparation, decisions under uncertainty
- Change attitudes about science and scientists
 - Science with a human face
- Build community
- Develop skills
 - Critical reading
 - Concise, analytical writing
 - Leading and participating



How to use this tool in a curriculum?



- One of the GEMI members commented that “the most valuable aspect of the tools was the thought and discussion that went into creating them”
 - Have students essentially build their own tool about benefits and risks of transparency
-

“Not Very Transparent” Pedagogy

- Briefly introduce the concept of transparency to my students
 - Break them into groups and ask them to consider
 - Team and personal levels
 - Would they like their grades to be published?
 - Positives and negatives
 - Opaque, translucent and transparent communication
 - Then read the GEMI tool
 - And apply their analysis
-

Group I

Team Communication	Opaque	Translucent	Transparent
Benefits	<ul style="list-style-type: none"> - protection from untrustworthy people - protection from unnecessary worries 	<ul style="list-style-type: none"> - can decide who knows what - selective process 	<ul style="list-style-type: none"> - can get help - trusting relationships
Risks	<ul style="list-style-type: none"> - distrust - mutiny!! - can't get help 	<ul style="list-style-type: none"> - jealousy w/ bias - greedy - want to know more - mutiny! 	<ul style="list-style-type: none"> - revealing weaknesses - more arguments

- split the group

Personal Communication	Opaque	Translucent	Transparent
Benefits	<ul style="list-style-type: none"> - self-protection 	<ul style="list-style-type: none"> - friends!! - easier to est. personal relationship 	<ul style="list-style-type: none"> - never having to explain yourself or actions
Risks	<ul style="list-style-type: none"> - no friends!! - sketch - pent-up emotions → EXPLOSION! 	<ul style="list-style-type: none"> - difficult to find balance 	<ul style="list-style-type: none"> - no friends! - no secrets

Group II

Team Communication	Opaque	Translucent	Transparent
Benefits	<p>safeguard interests enemies can't take advantage ex. Amundsen kept his goal secret privacy less challenge/competition</p>	<ul style="list-style-type: none"> maintain leadership but @ the same time, team is still valued. 	<p>people feel valued => confidence trust democratic participation</p>
Risks	<p>no trust not clear ex. cherry Gerard's dogs less confident people sense of fear ex. Saddam Hussein</p>	<ul style="list-style-type: none"> people can rebel people feel distrusted helpless rumours of inaccuracy manipulation 	<p>"loose lips sink ships" competition vulnerability</p>

Personal Communication	Opaque	Translucent	Transparent
Benefits	<ul style="list-style-type: none"> protect yourself from reactions of others appear humble & a good friend. 	<p>make people trust you can choose who you tell what value to what you tell people</p>	<ul style="list-style-type: none"> no one can accuse you of ulterior motives. personal satisfaction
Risks	<p>assumption of misconceptions. i.e. depression, mental illness.</p>	<ul style="list-style-type: none"> questioned honesty hurt others. 	<ul style="list-style-type: none"> perceived as annoying scare people away blackmail judgement, prejudice => hurt

Team Leadership Communication Strategies

Positives

Negatives

	Opaque	Translucent	Transparent
Positives	<p>Blind followers – trusting big brother</p> <p>Privacy</p> <p>Ignorance is happiness, protection from unnecessary worries</p> <p>Protection from influence</p> <p>Protection from untrustworthy people</p> <p>Enemies can't take advantage – safeguard interests</p>	<p>Learn to trust with some decisions</p> <p>Can focus on priorities</p> <p>Medium ignorance is medium happiness</p> <p>Flexible</p> <p>Need to know – can decide who should know what</p> <p>Value leader at the same time, team is also valued</p>	<p>Trusting relationships</p> <p>Democratic, everyone can contribute</p> <p>Get help</p> <p>Perspective widens</p> <p>New ideas</p> <p>Not superior</p> <p>People feel valued</p> <p>Everyone is aware</p>
Negatives	<p>Can't learn from past experiences</p> <p>Can't get help</p> <p>Risk of mutiny</p> <p>Distrust</p> <p>Not clear</p> <p>Less confident people</p> <p>Sense of fear, wariness</p> <p>Question authority</p> <p>Backhanded ways to get things</p>	<p>Not enough direction</p> <p>Not enough explanation</p> <p>Rumors of inaccuracy</p> <p>Not trusting, feel distrusted</p> <p>Manipulation</p> <p>People can rebel</p> <p>Jealousy with bias, split the group</p> <p>Greed, people want to know more</p> <p>Helpless</p>	<p>Loose lips sink ships</p> <p>Vulnerability to competition</p> <p>Reveal weakness</p> <p>Arguments</p> <p>Expectations – can't go back</p> <p>Messy</p> <p>No privacy</p> <p>Not efficient</p>

GEMI Opportunities and Risks

Table 2: Transparency-Related Opportunities and Risks

Affected Area	Opportunities
Competitive Advantage	<ul style="list-style-type: none"> Some customers may seek to do business with companies that are committed to transparency. A transparency strategy that embraces a two-way exchange of information may allow a company to benefit from first-mover advantage. A progressive transparency strategy may allow a company to differentiate itself and its products in the market. Good information gained from an effective transparency strategy may enable better decisions: markets function best with full disclosure. A progressive transparency policy can lead to creative partnerships and be a source of innovation. By building trust, transparency can improve an organization's relationship with regulators and other key stakeholders, thereby decreasing time to market and lowering compliance costs. Organizational openness may increase employee morale and thereby retention, loyalty, and productivity.
Governance	<ul style="list-style-type: none"> Adopting a transparency strategy may facilitate internal alignment and support effective governance.
Investors and External Indices	<ul style="list-style-type: none"> A growing body of evidence seems to indicate that environmental and social performance is correlated with the overall performance of the business. Some in the investment community are beginning to use the information made available through transparency as an indicator of an organization's attractiveness to financial markets.
Reputation, Corporate Image and the License to Operate	<ul style="list-style-type: none"> An effective transparency strategy can reduce the risk of negative surprises, bad press, litigation, and labor actions. The trust that an effective transparency strategy builds with the public and other stakeholders will become the foundation of a corporation's license to operate.
Confidential and Private Information	<ul style="list-style-type: none"> Build trust by providing specific reference to private and confidential information and explaining why it cannot be shared.
Bottom Line	<ul style="list-style-type: none"> Transparency may make available the information necessary for businesses to invest logically to reduce environmental and social impacts.
Security	<ul style="list-style-type: none"> Transparency about organizational activities to address security concerns will create stakeholder confidence that issues are being addressed.
Information Management	<ul style="list-style-type: none"> A well-designed approach to information management will put data into context and make them more accessible and clear to both internal and external stakeholders.

Table 2, continued

Affected Area	Risks
Competitive Advantage	<ul style="list-style-type: none"> Some customers may shun organizations that are perceived to be actively withholding material information. The reputation and credibility of your organization may be damaged if you are unable to meet the expectations set by your approach to transparency. Adopting a progressive approach to transparency may provide competitors with information they can use to their advantage. The lack of a level playing field may create risk for those who adopt a progressive transparency strategy. Competitors, as well as stakeholders with an interest in changing corporate behavior, may choose nondisclosure. Global organizations that must comply with a variety of cultural and legal standards may also face risks associated with the conflicting approaches to transparency created as a result.
Governance	<ul style="list-style-type: none"> Gathering and reporting data to the board and management can consume a significant amount of time and resources throughout the organization.
Investors and External Indices	<ul style="list-style-type: none"> The number of indices that guide investment decisions by ranking companies according to their environmental and social performance has grown steadily. It requires significant resources to respond to all of them, but companies may appear unresponsive if they do not respond.
Reputation, Corporate Image and the License to Operate	<ul style="list-style-type: none"> Elevated expectations created by a commitment to transparency can be difficult to meet. A selective or inconsistent approach to transparency can erode trust. Publicizing goals that are not in alignment with corporate activities and performance may damage a company's credibility. A consistent approach to transparency means bad information, as well as good, must be made available. The potential consequences of making available information that could result in fines, penalties, or legal actions must be anticipated. A wired world has made spreading misinformation easier than ever. There is a significant risk that if you do not tell your story, it will be told for you and may include inaccuracies.
Confidential and Private Information	<ul style="list-style-type: none"> Intellectual property, confidential information, the privacy of employees and consumers, the sanctity of contracts and legal requirements must be protected. There may be conflicts between laws and regulations that require you to disclose and private contracts that require you to protect information from public view.
Bottom Line	<ul style="list-style-type: none"> There are real costs associated with transparency that need to be estimated to ensure they do not outweigh the potential benefits.
Security	<ul style="list-style-type: none"> Some information, if made public, could threaten the security of the company, its facilities, or the community. Balancing the public's right-to-know with security may be a challenge.
Information Management	<ul style="list-style-type: none"> Complex, unclear, and/or inconsistent regulatory reporting requirements and methodologies may produce data that are confusing, difficult to interpret, and hard to use. Inadequate data capture may limit what data are available to create meaningful reports.

Follow-up Task

- Read the Transparency document and include it in next essay, maximum 4 pages
- What lessons have you learned about leading (and following) from the readings and the class discussions thus far? Integrate in your analysis lessons that you've learned at 3 levels:
 - 1) Individuals
 - 2) Teams
 - 3) Larger scale: organizations/businesses/governments
- Include
 - 1) Nansen
 - 2) Huntford
 - 3) Transparency
 - 4) a personal experience
 - 5) plus at least 2 more references either from the assigned readings or from outside research.

Students realized that there are real costs to both opaqueness and transparency

- “Scott did not believe in maintaining transparent relations with his crew members because he was so egotistical that “he still declined to take his officers into his confidence and...had gone off without leaving them final instructions” (p. 519).

He should have recognized that **in sharing information with his crew members, he would “empower [them] to influence decisions that will affect their lives”** (Transparency, p. 3).”

- “It is dangerous for a team to be opaque because there will be a general distrust among the members. **“Blind” followers may seem to be efficient** because things will get done without any questioning of authority, but these followers will have a sense of fear towards their leader and find backhanded ways of getting what they want. Likewise, if an individual is opaque, she will **not be able to grow with the help of her external influences** or feel a sense of belonging in the world around her. **Translucent teams and individuals** have a mixture of both opaque and transparent attributes that allow them to be flexible, but will **not give them enough direction to be productive.** ...”

-
- “But transparency is merely a tool for extending the scope the same “two-way, responsive dialogue” (Transparency 1) that should exist between two or twelve individuals under the guidance of an efficient leader. Thus, the recent, widespread increase in the need for corporate transparency is merely another indication that, at its core, good leadership is defined by the need for an intimately active relationship; **without this, leadership risks becoming a dangerously hollow and mutually unproductive charade** that leaves both the leader and the follower in the unsettling wake of an unfulfilled ideal.”
-

-
- “However, **care must be taken not to overexpose oneself:** ‘Attempting to construct a building entirely of glass may impact its strength and integrity, as well as create privacy issues; some of the activities that take place inside the buildings may not be appropriate for scrutiny’ (Transparency 4). Effective leadership comes from finding a balance between transparency and opaqueness; translucence is essentially the ideal form of leadership.”
 - “In order to prevent confusion and to utilize the usefulness of each person, the communication process should be translucent: in this process, there will more privacy and unity for the people to perform their duties while eliminating the risks of mutiny and dissent. However, **in times of crisis, the leader should enable the transparent means of communication** in order to regain trust from the people. For example, Johnson and Johnson ...”

Several students commented that their favorite group exercise of the semester was the one where they discussed Transparency

“Polar explorers like Nansen, Scott, and Amundsen took charge in extreme environments, having to make decisions that could determine the fate of their men’s lives. I have learned lessons about leading, and following, from other class readings as well.

My favorite class activity, in which we learned such lessons, was when we split into groups to discuss team communication, individual communication, and larger scale (organizations/businesses/governments) leadership tactics. Leadership necessitates productivity and controls the chaos we would otherwise experience without strong individuals to guide us. The lessons I have learned about leading and following should help pave the way for my behavior in the inevitable encounters I will come across in my future.”

They also commented on the pedagogy

“During a class activity, we split up into groups to discuss leading and following tactics. Though the focus was to create lists of ideas about the topics, I found an example of transparent team communication within our own group. The four of us would not have been productive had one of us not stepped forward to somewhat direct the rest of us. As a team, we all were given fair opportunity to contribute input and participate. Each one of us felt valued and like a major component to the team effort, even though one individual stood out as the guiding force behind us all.

In this **transparent environment, we were not afraid to share our ideas and felt comfortable making compromises.** In our group we discussed the leadership involved with team, individual and larger scale communications. ... Just as my team found success within our own transparent atmosphere during the class activity, transparency will allow for smoother productivity in larger scale organizations.”

Conclusion

- Considering issues in relation to themselves first, then seeing how business has dealt with them
 - Helped students make a connections from their own experience to that of teams, organizations, companies



*“In other classes I feel I am sitting ...
In this class I feel I am going somewhere.”*