

## The Culture of Business - In Perspective

### Transparency (A.k.a. Transparanoid)

By: Stephen G. Wright

The former Ambassador from Macedonia to the United States told me a few years ago that there is a quaint little joke quietly making its way around European diplomatic and business circles. It reflects the general impression held of U.S. efforts to maintain and foster transparency in other nations. She indicated that it is felt that American insistence on this issue is something of a joke as the U.S. appears to be "Transparanoid".

The "Yanks" are not the only people seeking transparency. Great Britain began the Extractive Industries Transparency Initiative (EITI). A very recent article in the Caspian Business News by UFIMTSEVA, Svetlana, "NGO coalition urges EITI" details the potential negative outcome for Kazakhstan if it fails to create greater transparency.

Excuse me please for expressing a small degree of doubt but one must ask – ARE YOU GUYS SERIOUS?! The transition from a Soviet society is not yet one generation old. We are not yet dealing with a business or government leadership that has completely set aside the cultural or business values established by the Soviet society. More over what is beginning to emerge is a slide towards a nationalistic mentality. How can you possibly believe that people that spent a lifetime under one lifestyle will in one decade completely reverse their thought pattern?

Adaptive (to the present circumstances) transparency is indeed needed and is of value. The issue I raise now is not in the potential benefit of a more open society and business structure. My concern is in how you are attempting to engage this population in a pattern of behavior that does not coincide with their current set of beliefs. If you push too hard someone will push back. If you believe that Kazakhstan needs you, you are in for some nasty surprises. At the moment you are convenient and tolerated. Please remember what I reported in a previous article, that a colleague stated "Who needs the foreigner?" Questions are being raised as to why can't we do this on our own without these foreigners disrupting our lives, our nation, and our way of life? It will be best for you walk to more softly. Shift the paradigm.

A part of the answer is in leading by example. You must demonstrate the principle of transparency in practice; SHOW HOW it creates a positive business environment WITHOUT compromising the business environment. No, training "them" is not the answer. At this stage training is often viewed as just more foreigners telling them what to do and trying to restrict the way they do business for the foreigner's advantage. My statement was that you need to demonstrate it and show the value. If you can say that you are leading by example past, present and future then I will point out that you need a stronger PR push because a lot of people do not seem to know you are on the case.

Is your definition of transparency the same definition held by those you are trying to influence? Please, feel free to correct me if I am wrong or you wish to amend this definition. You see transparency as the open and ethical practice of business allowing for the free flow of relevant information allowing stakeholders of the

organization to be aware of what you are doing, why it is being done, and permitting feedback that will refine and improve your business functions.

So, do people in the post-Soviet nations have a historically compatible set of norms and values? In this neighborhood knowledge is power!! Power, control, and strategic advantage are a function of the degree to which you are able to maintain a restriction on the flow of information. Someone, anyone explain to me WHY a local firm should wish to give up the secrets they hold of how they do business, allowing foreigners to compromise them and take control? Many locals hold the perception that “transparency” is another way of saying give up your business secrets. A point of evidence to support my position can be found in the very article I have mentioned.

“The coalition claims that it is difficult to get payment information from companies or the government. Companies maintain nondisclosure agreements with the government and decline to publish these figures, and contract conditions for deals struck between the government and foreign and domestic oil firms are secret.”

What did you expect? No one can afford to promote or insulate themselves in a democratic dream world within an environment that does not fully embrace your way of doing things. Establishing a Western model for open and ethical business practices takes a track record of application.

You need to do the homework! I do not give answers for free, as answers are how I make a living. What I will say is investigate the “Law of Effect” and apply an axiom I teach my students and seminar participants – Change the environment; Change the behavior!

Be sure to let me know how you make out!

Mr. Wright has 12 years of field experience in 5 nations of the F.S.U. Some of his clients for seminars in cross-cultural relations, business communication strategies and “Understanding the U.S. Culture for Strategic Advantage” include, Gazprom, The Ministry of Transportation and Defense of Saudi Arabia, Bechtel, USDA Graduate School, and Georgetown University. Between 1996 and 2002 Mr. Wright was a member of the Associate Faculty in the MBA Program at Johns Hopkins University, School of Professional Studies in Business and Education. In the 1979 Mr. Wright received his undergraduate degree in Political Science from The American University and in 1990 he completed graduate studies in Management at Cambridge College. He is now doing research for a Ph.D. in International Relations from the University of South Australia.
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