



## IS OUR „TRANSPARENT“ MANAGEMENT TRANSPARENT INDEED?

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**Abstract:** One of the basic problems of modern management is the restoration of the sense of fairness. This is possible to achieve through the realization of transparent management strategies. The present paper discusses the nature, the characteristic features and the purposes of transparent management at the level of organization. There is an attempt to identify the drawbacks in the process of its realization in management practice. It is claimed that our aims should be directed at following the principle of the supremacy of the law and at raising the efficiency of anti-corruption legislation. We also point to different methods of achieving transparent management at the level of organization.

**Keywords:** transparent, management, organization, decisions, corruption.

### INTRODUCTION

We live in a world in which the sense of lack of fairness is growing. In response to this growing injustice, our management faces the possibilities for the realization of new and substantially different management strategies. The foundation of such management can become its transparency.

Realizing the actuality and the importance of the problem “transparent management” together with the difficulties related to its realization, we believe that the systems of management should be transparent and should meet the requirements of transparency at European, state, regional, local, as well as at organizational level.

The purpose of this paper is to characterize the transparent management at organizational level and to point out the possible ways of its implementation.

To achieve this, we focus on the following tasks:

- providing a definition and understanding of the concept of transparent management;
- pointing out the characteristic features and purposes of transparent management;
- identifying the most common drawbacks in the realization of the transparent management and the possibilities of achieving its purposes at the level of organization;

The subject of the paper is the characterization of transparent management and the drawbacks related to its implementation.

The object of research is the process of transparent management.

In the paper we defend the thesis that if we want the sense of justice to exist, then the society has the right to insist on having an honest and transparent management, free of corruption practices and risks.

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Transparency is a fundamental value and principle in a democratic society. It influences the citizens’ trust in institutional hierarchies and their belief in the supremacy of the law. The lack of transparency in management means denying human rights and hampers the achieving of justice. The results coming from the prevention of the corruption practices are an important criterion for judging about the successful development of every society<sup>1</sup>.

<sup>1</sup> This is the reason why a new anti-corruption law has been accepted. The law envisages depriving people of illegally acquired property.

It is necessary that a new type of understanding of the concept of management should be established. It should reflect the principles of acceptable and unacceptable behaviour. This new type of understanding should include knowledge about the mechanisms generating an institutional, organizational and legal environment, which will not favour the development of corruption. It is essential that all members of the society should be informed about why corruption exists and what it can lead to. This is possible to be achieved with the joint efforts of the state institutions, the media, non-governmental organizations, the citizens and, of course, through the acquisition of the appropriate knowledge, skills and attitudes, related to transparent management<sup>2</sup>.

Before we provide a definition for the concept of transparent management, in the first place, it is necessary to explain the meaning of the word “transparent”, in Bulgarian “prozrachen”. Secondly, it has to be pointed out what it means in the process of management.

In “A Dictionary of the Bulgarian Language” (Andreichin, Georgiev, Ilchev et al 2013, p. 771), the word “prozrachen” (transparent) is explained as: a) through which something can be seen; b). pure, clear, lucid; c). frank, explicit.

Without discussing in detail the different views of “management”, we will mention only some of them and relate them to the concept of “being transparent”.

According to Penchev, Pencheva, & Pencheva (2016, p. 13) management is a “conscious process of making impact by the managing subject on the managed object with regard to the government and coordination of the processes going on and with the purpose of achieving the desired outcome in the shortest possible time, with minimum undesired deviations and with the minimum expense of resources”.

Donali, Gibsan & Ivanchevich (1997, p. 5) consider management to be „a process in which one or more individuals co-ordinate the activities of the others with the purpose of achieving results, which are impossible to be reached at by an individual who is acting on his own”.

In their popular monograph “In Search of Excellence”, Peters & Waterman (1982, p.23) claim that “management forms values and cultivates them in practice by “preaching” on the spot, by persuading the laborers to support the planned production”.

On the basis of the meaning of the word “transparent” discussed above and on the basis of the views of the concept of management mentioned before, we will try to provide a definition of the transparent management of organizations.

This is the process of making a conscious impact on part of the managing subject over the managed object with the purpose of governing and coordinating the going processes and aiming at achieving visibility in the relationships between the people involved, in the taking of decisions, in the setting of objectives and in attaining the desired results. The managing impact is directed at reaching involvement on part of those working in the organization during the realization of different changes, and the result of this is raising of the level of the confidence in the management and obtaining a stable and intelligent growth of the organization.

On the basis of the definition given above we can make the following conclusions regarding the character of transparent management:

1. It can be described as an impact on part of the managing subject over the managed object.
2. It is realized in relation with the government and coordination of the processes going on.
3. We can reach visibility with regard to:
  - the interrelationships that emerge between the subject and the object of management, but also the relationships that emerge with representatives of other societies;
  - the process of management working out;
  - the objectives that have been set;
  - the results that have been obtained.
4. We can have a situation in which every member of the organization can take part in the realization of different changes.
5. We can raise the level of confidence in management and can reach a stable and intelligent growth of the organization.

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<sup>2</sup> In response to the necessity of the acquisition of knowledge, skills and attitudes, related to transparent management, a topic called “Openness and transparency in management” has been included in the syllabus of the subject „Foundations of management” taught to the students of the Faculty of Economics at St Cyril and St Methodius University of Veliko Tarnovo.

On the basis of the essential characteristics of transparent management defined above and on the basis of the research, regarding their knowledge, understanding and applying at organizational level, carried out by us, we can make the following conclusions:

- There is a lack of visibility of the interrelationships between managers and those that are managed;
- There is no developed system for specifying the interrelationships and for tracing of the results of the interaction of the management with representatives of other societies;
- The representatives of the different structures in the collective organs of management do not coordinate their line of conduct with those, whose interests they are defending;
- On taking management decisions, we can observe not infrequent cases of conformist conduct, which is incompatible with the principles of transparency;
- There is lack of knowledge of the aims of the organization, including strategic ones, on part of the employees;
- The successful results achieved are not made public, nor are the difficulties, which are to be overcome<sup>3</sup>;
- The people who work at the organizations are not informed about the planned forthcoming changes, which becomes the reason why they doubt the results of these changes and resist their fulfilling;
- The management of the organizations focuses on the economic results as the basis of steady growth, while the focus on social and ecological ones remains of secondary importance. Investment in education and innovations are of little importance.

The transparent management on the level of organization has the following characteristics:

1. The internal and the external regulations of the organization are supreme so as to guarantee the efficiency of the obligations and protection of the rights of the employees, hierarchical division of power and equal opportunities for all members of the organization.
2. The management functions and actions, which are accomplished, fully satisfy the needs of the people.
3. Active consultations with managers at different levels, civil organizations and representatives of different structural divisions when policies are formed and when management decisions are taken.
4. Corruption is prevented through the undertaking of effective measures, relevant to the statutory framework.
5. The conditions that could generate and favor corrupt behavior are identified and eliminated.
6. Corruption is resisted efficiently through the establishing of mechanisms for quick identifying and suspending of the corrupt practices.

In order to achieve the aims that have been set, we need to estimate how relevant the characteristics of transparent management are to the management practice.

1. The relevance of the management practice with the first characteristic feature of transparent management can be discussed in the following way:

The supremacy of the internal and external regulations of the organization make a significant impact on the sense of lack of fairness at the organizational level. The following of the enactments, which guarantee the efficiency of the obligations and the protection of the rights of the employees in the organization, is frequently neglected. As far as the hierarchical division of power is concerned, there is a tendency which shows that the management is realized by a few members, which form the so called power center of the organization. The attitudes and the expectations, regarding the equal opportunity of every member of the organization to take part in competitions, to participate in specialization courses, to exchange experience, to obtain rewards and so on are pessimistic.

2. The relevance of the management practice to the second characteristic feature of the transparent management is as follows:

The management functions and actions realized satisfy the needs of the people only partially. For example, there is a lack of agreement between the aims of the organization as a whole and the aims of its structural divisions, as well as the aims of the individual members. This affects the motivation of the employees. In quite a few organizations, there are elements of authoritarian style of management without it being necessary. The absence of leaders, the deficiency in the planning and organization, together with the want of knowledge of the managerial function called “Energizing<sup>4</sup>,” are part of the lack of relation between the functions of management and the needs of the people.

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<sup>3</sup> There is a tendency for some organizations to make public only the difficulties.

<sup>4</sup> We believe that energizing is a new function of management, which includes the actions of stimulating, communicating, supporting and authorizing.

3. The relevance of the practice of management to the third characteristic of transparent management.

The representativeness in the forming of policies and in the process of taking managerial decisions at organizational level is a characteristic of transparent management, whose practice is secured mostly through management participation. Consulting the opinion of civil associations and of representatives of structural subdivisions is not a commonly observed practice. This can be explained as the result of the underestimation of the role of the civil society and as the lack of proactive conduct on part of the organizational staff.

4. The relevance of the management practice with the fourth, fifth and sixth characteristic of the transparent management.

The last report from the European Commission to the European Parliament on progress in Bulgaria under the cooperation and verification mechanism from January 2017 (Report, 2017) says: “The overall institutional set-up to fight corruption in Bulgaria remains fragmented and therefore largely ineffective. As a consequence, generalised problems of corruption at lower levels in the public administration also remain a challenge. The government’s 2015 anticorruption strategy provided valuable analysis of the problems. However, the implementation of this strategy is still only at an early stage. Overall, Bulgaria’s progress on Benchmarks Four and Five<sup>5</sup> has been limited, with major challenges still outstanding in regard to the institutional and legal framework as well as the establishment of a track record”.

On the basis of these conclusions, the following recommendations are made: a new regulation on anticorruption fight should be taken, relevant to the purposes of the anticorruption strategy and the implementation of the anticorruption strategy should be secured; an efficient anti-corruption authority should be founded; a reform of the Administration Law should be passed and implemented with the purpose of stabilizing the home body of inspectors of the state administration.

The relations discussed above, together with the recommendations by the EC, make us conclude that the characteristics of transparent management are not implemented efficiently in the realization of management impact. We believe that the new anticorruption legislation, recommended by the European commission, an anticorruption law and authority, can be efficient only if their actions are directed at every single organizational structure within the different sectors. It is necessary to develop programmes with specific actions, leading to transparent management and non-admission of corruption practices, as well as a proactive personal behavior for preventing such practices.

Transparent management is realized with the purpose of achieving the following specific aims:

1. Raising the level of public confidence in institutions and promoting the civil control.
2. Raising the level of effectiveness in the prevention of corruption practices and limiting the risk of corruption.
3. Securing transparency and strict accounting in action and in taking management decisions on part of the politicians and on part of the state administration.
4. Specifying clear and effective regulations for interaction between citizens and state employees.
5. Confirming values like honesty, loyalty and moral in state employees and in public relationships in general.

How can the aims discussed above be achieved in practice at the level of organization?

- By non-admission of an environment which creates independent and one-man decisions on part of both collective and one-man authorities of management;
- By keeping of a complete and explicit law regulation;
- By the absence of frequent and ungrounded changes in enactments;
- By clear definition of the rights, obligations and responsibilities of categories of staff;
- By the availability of internal rules and procedures;
- By securing an effective mechanism for updating and optimizing the internal rules and norms;
- By keeping a communicational feedback with the internal organizational groups;
- By establishing a system for assigning tasks and for their reporting;
- By the availability of constant communicational feedback with external organizations – civil organizations, consumers, suppliers, partners, competitors, individuals and groups, moderators of public opinion;
- By informing the citizens of their rights to be granted public services;
- By exercising control by authorized internal and internal bodies;
- By non-admission of conflict of interest;

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<sup>5</sup> These refer namely to corruption.

- By the absence of practices for receiving gifts for fulfilling one's official functions;
- Following the organizational and public codes of official conduct;
- Non-admission of political, friendly, ethnic and other stereotypes in staff recruitment procedures.

The practical dimensions discussed above and related to the achieving of the aims of transparent management at organizational level are premises for prevention from corruption risks. The establishing of systems with such a management is directly related to the non-admission of and resistance to corruption. The results from the anticorruption fight become one of the most important criteria for supporting the democratic processes and a precondition for the raising of the positive image of the organizations and of the country as a whole.

The data in the Index for corruption perception of "Transparency without limits" from 2016 show that Bulgaria remains one of the most corrupt countries in the European Union (Capital newspaper, 25.01.2017). This is the reason why we can conclude that despite all the strategies adopted for transparent management together with the standards for estimating of the corruption risk and other similar documents, our management cannot be defined as transparent. We cannot expect that such a management can be achieved only by enacting an anticorruption law and by depriving someone of the property he has acquired illegally. It is necessary to change the policy of anticorruption, which means that anticorruption fight should be transformed from a perfunctory activity into an explicit engagement for performing profound changes at all levels of management. Our efforts should be directed at following the principle of the supremacy of the law, raising the efficiency of the penal laws and timely sanctioning of all cases of corruption.

## CONCLUSION

Transparent management is a premise for non-admission of corruption. In addition, transparency helps the improvement of management through the achievement of visibility and accountability of all actions by all bodies of management at state, regional, local and organizational level. It is transparent management that creates knowledge of management, which validates values like moral and loyalty in social relations. The public confidence in institutions and bodies of management grows with the increase of the civil control.

It is essential that not only managers should be equipped with the appropriate knowledge, skills and attitudes for transparent management, but also everybody who participates in the social and economic relationships. In 2016, the Department of Economic Management at "St Cyril and St Methodius" University of Veliko Tarnovo included in its syllabus of the subject "Foundations of management" a topic called "Transparent Management". The aim is to instruct young people that modern systems should be managed transparently.

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