

# Effects of Leaders' Transparency, Fairness and Empowerment on Personnel Performance and Work Values

**Mario G. Manico**

MAEM Student, Iloilo State University of Fisheries, Science and Technology

**Abstract**— Leaders play an indispensable role in every organization. Their influence on the attitudes of their subordinates is vital to the work values of the employees. There are three very important characteristics of every leader that subordinates always look for. These are transparency, fairness and empowerment. Transparency means keeping the subordinates informed. Both progress and failures are being opened to everyone and each employee are always given the chance to state his or her comments and suggestions. Transparency denotes that nothing should be kept secret especially in financial matters. It was proven that transparency in the workplace promotes long term success, continued trust, improves workers' morale, lessens work stress and provides inspiration to subordinates. Contrary to this, many leaders don't practice transparency due to a combination of fear, strategic and cultural factors, frequently aiming to protect their authority, the organization, or their own careers. To push transparency, leaders should promote freedom to disseminate information within the organization, set clear boundaries and manage expectations. On the other hand, fairness is one of the very important qualities that leaders should practice in order to promote harmony, good will and sense of equity in the workplace. This doesn't mean giving everyone the same recognition but it stresses that everyone should receive equal opportunities to be recognized. Fair treatment in the workplace points to equality and fairness towards financial compensations, work payback, paid leaves, vacation time and disability benefits. Leaders should see to it that fairness in the workplace is well implemented including those policies that are accommodating and not discriminating against employees with impairments. Lastly, empowerment is a process of giving trust to subordinates and giving them the power to make decisions, thus making them feel that their decisions are also a contributory factor towards the success of the organization. This trait is very important in establishing a sustainable team as it requires an increase in trust, clear communication, and strategic delegation.

**Keywords**— Empowerment, Fairness, Leadership, Organizational culture, Performance, Subordinates, Transparency, Trust, Work values, Workplace.

## I. INTRODUCTION

Try to imagine a group of people working on an organization showing less or no concern at all to each other. Would you like to work on this kind of working environment? Could this workplace be a paradise or hell?

This term paper aims to discuss the effects of leaders' transparency, fairness and empowerment on employees' performance and work values. It is deemed that all organizations have their own goals that need to be achieved, but nevertheless, there are chances that these goals are not met because of division and disintegration among employees or the work force. For an organization to prosper especially

in giving the best services expected on them, there should be unity and collegial relationship among the members of the organization. All these lie on the hands of the organization's leader.

To resolve issues of disintegration and lack of unity inside the workplace, a leader should possess the needed values and attitudes to regain the trust and harmony among the subordinates. It is said that unity is only met if everyone in the workplace shows concern to each other, given what is due to them and everything is honestly implemented. At this point, transparency, fairness and empowerment are hereby integrated.

Transparency, fairness and empowerment, which are the three most sought-after traits that every subordinate dream in his or her workplace, will be fully discussed on this paper. May the concepts and ideas that this paper present can contribute in promoting order and harmony in every work place.

## **II. DISCUSSION**

No organization can stand without someone leading it. People who steer the organization towards a certain goal are called leaders. Leaders are the main component in every organization. They drive and influence every step towards the attainment of the organization's goals. They are responsible for an organization to make or break. Moreover, their attitudes influence their subordinates a lot when it comes to work values and manners.

Three of the most admired attitudes of every leader are transparency, fairness and empowerment. These values are what every employee dream to happen on their workplaces.

### **A. Transparency**

Being transparent in leadership points out to an intended openness when it comes to sharing of information, decisions, goals and even challenges towards employees. It's more than just communication. Transparency also includes honesty, clarity, and accountability in how leaders interact with their teams. A transparent leader sees to it that his subordinates understand not only the decisions made but also why the decision was crafted.

With transparency, trust is being built. Trust, which is very instrumental in strengthening the foundations of every organization. Harvard Business Review says employees who trust their leaders are more engaged, productive, and committed to organizational goals. Leaders who openly share both problems and successes of the team, subordinates would likely to feel they are valued and respected and included. This will establish a feeling of belongingness among subordinates.

Transparency also contributes to subordinates' willingness, enthusiasm and improved performance.

According to a research conducted by Gallup, employees who strongly agree that their manager keeps them informed are more likely to be engaged. Leaders who clearly communicate the organization's expectations, goals and performance feedback motivate employees gain direction and confidence in their respective work assignments.

Transparent leaders never make hidden agendas most especially on policies, organizational changes and financial matters. According to Bill George, (George, 2003, Authentic Leadership) authentic leaders are transparent and open in their relationships. When leaders model honesty, it sets a standard for honesty in the organization.

Additionally, transparency promotes better organizational culture. It reduces uncertainty, workplace anxiety and rumors. The Society for Human Resource Management stressed that open and honest communication builds trust and improves employee morale. Transparent leaders sweep away misconceptions and foster collaborative effort among subordinates instead.

However, transparency doesn't mean disclosing everything. Leaders are not required to open all information, especially sensitive or confidential matters. Effective transparency only involves sharing relevant and appropriate information while setting clear boundaries. As noted by <https://www.realtransparentdisclosure.com/blog/2023/09/11/10-things-that-explain-what-transparency-is-and-isnt/>, Transparency doesn't mean you have to disclose everything; rather it means to be honest when you do disclose.

### **B. Fairness**

Fairness is defined as providing consistent and unbiased treatment to all employees in all aspects of organizational life, including evaluation of performance, decision-making, rewards and opportunities. It is almost synonymous to organizational justice where equity, respect and impartiality in the workplace are always given emphasis. A fair leader ensures that policies are

applied consistently and that employees are treated based on merit rather than favoritism.

Fair leadership significantly affects employee motivation and performance. Research from Gallup indicates that employees who feel they are treated fairly are more likely to be engaged. Leaders who equally distribute rewards, recognition, and responsibilities to employees give the latter stronger sense of value and belonging, which eventually enhances their overall work performance.

Moreover, fairness promotes a harmonious work environment. According to Society for Human Resource Management, fair treatment is essential to maintaining employee trust and morale. Employees are more motivated to work positively as a team when they believe that everyone is given equal opportunities and no one is given special treatment.

Fairness also includes equity in policies and inclusivity. Fair ensure that workplace policies do not discriminate individuals based on gender, disability, or other personal characteristics. The International Labor Organization emphasizes that all workers are entitled to equal opportunity and treatment in respect of employment. Fair leadership supports diversity and inclusion, which are vital for every organization.

On the other hand, fairness does not necessarily mean treating everyone exactly the same. Instead, it means giving employees what they deserve while ensuring equal access to benefits and opportunities. As highlighted in Harvard Business Review, perceptions of fairness strongly influence employee attitudes and behaviors. Transparency and consistent processes reinforce the concept of fairness.

### ***C. Empowerment***

Empowerment refers to the process wherein leaders enable employees to take initiative, make decisions, and assume responsibility for their work. Empowering leaders share power with the subordinate establishing autonomy, confidence and sense of ownership rather than controlling everything. This leadership approach is rooted in trust and the belief that employees are also

capable of contributing meaningfully to organizational success in their own way.

Gretchen Spreitzer cited a term Psychological Empowerment which according to him, is manifested in four cognitions: meaning, competence, self-determination, and impact. This simply means that when employees feel empowered, they are more motivated and committed to do their roles. Empowerment, therefore, gives a boost to employees fueling their enthusiasm to do better since they feel trusted. Likewise, Gallup stressed that employees who have the opportunity to do what they do best every day are more likely to be engaged. This promotes a stronger sense of accountability, which enhances both individual and team performance.

Empowerment also contributes to a positive organizational culture. The Society for Human Resource Management emphasizes that employee involvement in decision-making increases job satisfaction and commitment. These employees are more likely to demonstrate higher levels of commitment to their work and remain loyal to the organization.

Yet, empowering employees doesn't mean that leaders will now turn passive. Empowered employees should be properly guided and supported. Leaders must provide the necessary resources, training, and expectations to ensure that employees can make sound decisions. Gary Yukl, leaders must provide direction and support to ensure that empowered employees use their authority effectively. Without proper structure, empowerment may lead to confusion or inconsistency in performance.

### **III. RESULTS**

After conducting this term paper, and upon conducting research work and various reading with regards to the effects of leaders' transparency, fairness and empowerment on personnel performance and work values, my belief and perceptions that transparency, fairness and empowerment are really vital in promoting better personnel performance and work values. My readings have also conformed with my personal experiences after more than five years of

being a school leader. Indeed, it is a great and memorable experience serving a school or an organization which are united and happy, where everyone cooperates and does his or her best to perform their assigned tasks. Indeed, when a leader is transparent, willing to open up his plans, strategies and budgeting strategies to every member of the workforce, complaints and doubts can be avoided.

Also, fairness, through giving equal opportunities to each and everyone in the team boosts every subordinates' morale to do more, knowing that all his or her efforts are being compensated fairly and all benefits intended to him or her is truly given.

Empowering employees also is a good trait that a leader should possess. This will make every employee responsible of his or her own job, and they will be given the leeway to even modify the assigned task for the betterment of service and end product.

With all these findings, I believe that leaders should possess all these three vital qualities, in order to make every employee on their organization unite and peacefully working together on the attainment of the organizations mission and vision.

## REFERENCES

- [1] Harvard Business Review. (n.d.). Trust and leadership transparency. <https://hbr.org>
- [2] Gallup. (n.d.). Employee engagement research reports. Gallup, Inc. <https://www.gallup.com>
- [3] George, B. (2003). Authentic leadership: Rediscovering the secrets to creating lasting value. Jossey-Bass.
- [4] Society for Human Resource Management. (n.d.). Workplace communication and culture. <https://www.shrm.org>
- [5] Real Transparent Disclosure. (2023, September 11). 10 things that explain what transparency is and isn't. <https://www.realtransparentdisclosure.com/blog/2023/09/11/10-things-that-explain-what-transparency-is-and-isnt/>
- [6] Gallup. (n.d.). State of the global workplace report. Gallup, Inc. <https://www.gallup.com>
- [7] Society for Human Resource Management. (n.d.). Workplace fairness and HR guidelines. <https://www.shrm.org>
- [8] International Labor Organization. (n.d.). Equality and non-discrimination at work. <https://www.ilo.org>
- [9] Harvard Business Review. (n.d.). Fairness and leadership. <https://hbr.org>
- [10] Spreitzer, G. M. (1995). Psychological empowerment in the workplace: Dimensions, measurement, and validation. *Academy of Management Journal*, 38(5), 1442–1465. <https://doi.org/10.2307/256865>
- [11] Gallup. (n.d.). State of the American workplace (Q12 meta-analysis report). Gallup Press. <https://www.gallup.com>
- [12] Society for Human Resource Management. (n.d.). Employee job satisfaction and engagement. <https://www.shrm.org>
- [13] Yukl, G. (2013). *Leadership in organizations* (8th ed.). Pearson Education.