



Transparency pushed at ethics, governance forum

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COMPANIES should be more transparent in doing business as advent of social media and the Internet has put them in a situation where there is “no more place to hide,” an expert in ethics and corporate governance said in a forum on Friday.

Keith T. Darcy, executive director of US-based Ethics and Compliance Officer Association, said that technology has brought “risks” such as whistle-blowing, social media, cyber crime, and hacking, which have prompted firms to be more transparent.

“These are generally risks that emerging in the context of a new technology. It is very easy to blow the whistle on things that they see in an organization towards doing business,” Mr. Darcy said.

“The transparency, by itself, is happening... in places where information is so freely available,” he said.

“The world is becoming perfectly transparent – [there's] no place to hide, no more secrets.”

He added that technology has enabled stakeholders to connect with each other and have a conversation about transparency.

“Customers are talking to each other, suppliers are talking to each other, regulators are talking to each other, communities are talking to each other, everybody is talking about each other, there is a conversation going on inside their organizations,” Mr. Darcy said.

He went on to urge both public and private sectors to follow through on the transparency initiative started by the present administration, and which are also seen in other countries.

“On the issue of governance, things have changed around the world, in Central Africa, Southeast Asia, in South Korea, elsewhere, we see attempts to improve the standards of governance,” he said.

Mr. Darcy said the Philippines is slowly reaping the benefits of its transparency initiatives as seen through the ratings upgrade. “I see very significant changes taking place, which have led to positive ratings for the Philippines, so the rating agencies raise their economic forecast in the Philippines,” he said. “Even some companies in the Philippines have investment grades from US rating agencies.”

However, sustaining this would require collective efforts from government and business leaders, Mr. Darcy said.

“In the Philippines, it will require additional collective efforts from public and private partnerships in order to sustain and continue to develop the momentum that has been preserved in the last several years,” he said.

“I've been urging people... here to make sure to redouble their efforts in trying to improve their standards, which will invest foreign capital to the Philippines,” he said. “That's what we need here, we need external capital to come in, bring down unemployment rate and address corruption.”

The Philippines ranks 129th (with 1 being the most transparent) of 183 territories in the 2011 Corruption Perceptions Index but Mr. Darcy said “ I suspect it will come down considerably in the next years, as a result of these collective efforts.

He added that once transparency is practiced by companies, they will easily gain the trust of their stakeholders.

“Everybody knows what is going on. Let's have the courage to explain fully on why we are doing these things rather than trying to control the information,” he said referring to all facets of doing business.

“Trust is the biggest issue of the world today. There is nothing more important than trust, if people don't trust us we will be out of business,” he said.

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