Forgive and forget

Forgiving and forgetting is old-fashioned. We no longer do this. We have digital systems with a digital memory. They do not forget. They do not extend forgiveness. Whatever is available in the cloud, will never leave it again. And this has changed our entire world. Now that information has literally obtained eternal value and extending forgiveness is, at the same time, not popular anymore, our world crystallizes into a grimace.

This unforgetting digital world has become decisive in our opinions and our actions in the actual world. It is no longer important that every learning process is a process of trial and error. We have thus lost that without trial and error each and every development process comes to an end. Not too long ago the business community also extended the necessary ‘forgiving and forgetting’. Of course this also has evident disadvantages. Things are played down, concealed and swept under the carpet. The all-covering mantle of ‘love’ undoes all mistakes. Little accountability, to approach it in governance terms.

It has been established case law for many years that directors and supervisory directors are allowed to make mistakes. Indeed, according to the Supreme Court you cannot govern properly if you do not dare to make mistakes. Hence, directors are not liable for normal mistakes. Only when it regards a serious mistake may there be question of potential liability. The law also applies prescription periods. After a certain number of years a director or supervisory director can no longer be prosecuted or addressed. The digital world does not apply prescription periods.

Hence, in the business world we also live in a merciless culture where everyone judges each other. We present principles and best practices in Corporate Governance to the directors and supervisory directors. We indicate that ‘the interest of the business’ must always come first. However, ever more we start translating the interest of the business into mandatory compliance with all sorts of rules and regulations (‘compliance’). Anyone who does not comply, is history. Trial and error has consequently disappeared as a normal mode of operation. And hence also the learning moment. And that is not in the interest of the business. Hence, in their interaction with the board supervisory directors must pay more attention to discussing recovery options rather than supervising, checking and ticking off. Moreover, they must have a healthy dose of trust.

Integrity, transparency and accountability are the three pillars of good Corporate Governance. If we think about it, this is only one side of the coin. The other side is trusting that what must be done shall be done. Too much control and accountability are essentially an expression of a lack of trust. That way integrity, transparency and accountability cannot exist without trust. If trust is absent then there is question of a fundamental lack of equilibrium.

It works exactly the same in the most essential relationship of your life, that with your partner. You expect honesty and openness from your partner. If you are cheated on or lied to by your partner then it usually means the end of the relationship. However, this also has two sides. A lack of trust on your part also leads to the end of the relationship. If every day at the end of the afternoon you tick off on the basis of a checklist whether your partner can still be trusted then it is quickly over with the relationship.

We must also return this understanding to Corporate Governance. We expect transparency and integrity of the director. If the modus operandi of the supervisory directors merely consists of control and accountability then the required equilibrium disappears. We must not be taken for a ride by the information systems that bombard us with so-called facts that are actually condemnations: graphs, tables and overviews. They are the servants of the digital masters. In many instances we can still be old-fashioned: forgive and forget.

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