

# **The Uneasy Relationship of Organizations and Expectations for Transparency**

## **A Theoretical Framework**

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## *Abstract*

Transparency has become a modern tool – an institution in itself – in fierce demand for mitigating such organizational maladies as corruption, economic deficiencies, and a lack of legitimacy in political decision making. But is it a truly effective panacea, as it has been envisioned by its advocates? Empirical research in the social sciences paints a more skeptical picture, indicating a wide gap between idealized expectations for transparency and its actual enforceability. To explain the difficulties organizations are facing when they try to implement such measures, I draw on a broad variety of organizational theories suggesting serious structural limitations to transparency on varying analytical levels that cannot be overcome. Additionally, I propose use of Erving Goffman's frontstage/backstage-model as a heuristic solution. I then sketch a new research agenda that is in line with contemporary organization theories, one which focusses on the structural consequences of the expectations placed on transparency without presupposing a normatively charged use of the concept of transparency itself. In summary, transparency is not seen as a convenient scientific concept but rather an interesting and highly promising object of research. Hence, the position being proposed is strictly non-normative.

## *1. Introduction*

Over the course of the last twenty years, organizations in a variety of societal fields – especially the political and economic realm – found themselves confronted with fierce demands to implement a “widespread normative doctrine” (Hood 2007:193) which “has attained quasi-religious significance” (Hood 2006: 3) and is being viewed as an almost universal panacea for organizational maladies: *Transparency*.

Even though claims for greater openness are not a strictly new phenomenon (Hood 2006), a review of the past two decades certainly reveals an unprecedented rise of public interest in openness – “(w)e are now being assaulted by transparency at every turn” (Sampson 2012: 97). Some even claim that transparency is not only an important value but also a fundamental human right (Birkinshaw 2006). Thus, organizations are overwhelmed with relentless demands of opening up their (material and immaterial) gates and disclosing their internal structures, processes, and information to a specific few (like NGOs or experts in certain fields) or the public at large (through websites, newspapers, or general reports).

Despite the fact that measuring the impact of transparency initiatives is remarkably ambiguous and no one seems to really know what is actually being achieved, the general public and the scientific world, as well as other important stakeholders (like the mass media or NGOs) are mostly in line with these supposedly positive developments.

There are, of course, also critical voices that warn such increases in demand for transparency is a harbinger for the coming of total visibility, in which nothing can be hidden and each and every move is recognized (Brin 1998; Vattimo 1992). Still others would not go that far, but still notice the discursive shift to a positive notion of transparency as a dangerous trend, especially in our political system (Vogelmann 2011). All in all, these scholars conceive of transparency as the “tyranny of light” (Tsoukas 1997).

So far almost everybody, advocates and opponents alike, seems to agree on the effectiveness of transparency as a policy instrument – the discrepancies occur over the ethical questions raised by transparency, whether it is legitimate, or justifiable, to potentially open a Pandora’s Box with the unleashing of total visibility.

From an *organizational sociologist’s* viewpoint the question is slightly different. It is not about whether it’s good or bad to demand and implement transparency measures, but rather whether it is really the case that organizations can be forced to expose interior information for

public scrutiny. Is it really the case that these measures will harbor the desired outcomes? To reframe the question in this specific way makes it possible to turn an ethical-normative into a ‘technical’ debate through which the emphasis is being shifted from *the desirability to the (non-)possibility of transparency*.

In contrast to affirmative positions on the ethical status and practicability of transparency, this paper reviews not only more skeptical insights on whether organizations can actually be transparent, with regard to the academic debate, but also claims that research needs – at least partially – an organizational sociology framework. My principal point is that there is a structural gap between the expectations for transparency and the ability for organizations to *be* transparent. Subsequently, I propose a fundamental shift in empirical research to capture the simultaneousness of idealized expectations for transparency and their impracticability. The central question is: *How do organizations cope with institutionalized and idealized demands of transparency? - to which they cannot adhere.*

## *2. The Idea(l) of Transparency*

Before the actual impact of expectations for transparency on organizations can be analyzed we first have to reconstruct the ideas and ideals that have been stored in transparency as a modern institution. To accomplish that, we first have to track down its historical origins. Afterwards, a general theory of transparency, as well as the normative claims implicitly contained in this concept, will be presented.

### *The historical origins*

How did it all begin? When did it become a legitimate norm in society to expect access to knowledge of internal affairs within organizations?

Even though there have always been local practices of trying to make the invisible visible, the idea of transparency, i.e. that we have a right to know and that to know is good, generally emerged in the era of the enlightenment in the late 18th century. Widespread structural shifts from stratified to more functionally differentiated, democratic societies were accompanied by a multitude of philosophical debates on the nature and order of the natural and social world. The core assumption of the enlighteners was that shadows should be replaced by light,

ignorance by knowledge, and heteronomy by autonomy. In the political realm this means that the sovereign is not only elected by the people but also accountable to them – they presume a fundamental right to know the inner workings of the government. This shift in societal structures and collective perceptions lead to the continuous *delegitimization of arcane practices* in the political sphere of modern society (Horn 2011). These arcane practices were increasingly perceived as the main cause for the lack of legitimacy in the political system, as well as the cause of widespread waste, abuse, fraud, bribery and economic deficiency. The most prominent political philosopher who popularized the concept of transparency, and can therefore be seen as an institutional entrepreneur, is Jeremy Bentham, who famously stated: “I do really take it for an indisputable truth and a truth that is one of the corner-stones of political science – the more strictly we are watched, the better we behave” (Bentham 2001: 277).

The onset of claims for improved transparency in government in the course of the 19th and 20th centuries lead to its *global institutionalization*<sup>1</sup>. Transparency not as a means to an end, but as an end itself, became a highly generalized normative expectation that cannot be disputed without exposing oneself to moral criticism: „Transparency is a moral imperative. It is supposed to make policies more efficient, but it is also morally uplifting“ (Sampson 2010: 99). In the light of the emergence of transparency as an all-encompassing norm, Hood (2006: 9) even states that “(w)e might almost say that ‘more-transparent-than-thou’ has become the secular equivalent of ‘holier-than-thou’”. All in all „it is hard to argue against more transparency in government – it is presented as a universal, commonsensical good” (Birchall 2011: 62). But transparency not only gained the status of a moral obligation for diverse actors in society: it also underwent the process of becoming gradually taken-for-granted and naturalized, which, according to Berger/Luckmann (1991), is another sign of the concept’s institutionalization. A third indication of this institutionalization is the ambiguity of the term in question: it is not really clear what transparency is, nor is it clear how transparency can be established. All this makes it a very flexible “magic concept” (Pollitt/Hupe 2011) that can not only be applied in a variety of different contexts but seems to be immune against falsification: If something goes wrong in implementing transparency measures, proponents can always say that it has not been applied correctly, which in turn means that we need more and not less transparency (Power 1996): „As an end state, transparency, like socialism, is always ‘on the

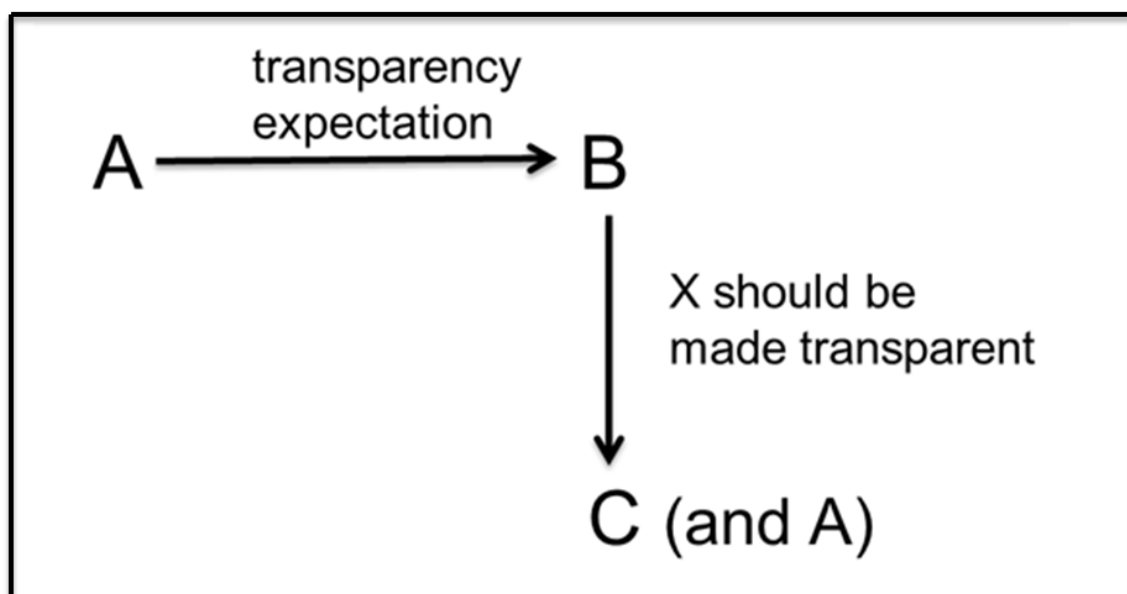
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<sup>1</sup> I draw on new institutionalism theorists’ definition of institutions as highly abstract, resilient and stable bundles of social structures that “are composed of cultured-cognitive, normative and regulative elements” and “are transmitted by various types of carriers” (Scott 2001: 48).

horizon'. The problem with horizons, as we all know, is that they have this irritating tendency to retreat as we approach them" (Sampson 2010: 109). Another significant characteristic of the successful and ongoing institutionalization of transparency is its diffusion by a diversity of societal actors like governments, NGOs and "moral entrepreneurs" (Becker 2002) such as Transparency International or the Sunlight Foundation, consulting firms, the mass media, and scientists. Last but not least, technological advances in the course of the 20<sup>th</sup> century enabled relentless demands for openness, especially by the mass media toward elected politicians.

### *A general theory of expectations for transparency*

In this subsection I will present a theoretical framework to define the general properties of a situation in which transparency is being demanded. Drawing on Vogelmann (2011) I propose that it is characterized by the interplay of two, three or more social units<sup>2</sup>: *A* expresses the wish that *B* should make a certain attribute *X* of itself transparent for *C*. *A* and *C* are analytically separated but can be the same actor: When they are separated, *A*, for example, is a government agency that demands certain private corporations (*B*) to release information (*X*) for their clients (*C*). When *A* and *B* are the same, *A* can be, for example, an unemployment bureau that demands certain information from the unemployed person (*B*), before handing out money. Therefore, the situation can be dual, with two units being involved, or triangular.



<sup>2</sup> Since these units are not being defined any further they can be individuals, groups, networks or categories of people as well as organizations or states.

*A* presumes that *B* has something to hide (*X*) and that *C* (or *A* itself) needs to know the relevant information in order to trust *B* or act properly in response to *B*'s actions. Hence, "Transparency is the active disclosure of information by an organization in such a way as to allow the internal workings or performance of that organization to be monitored by external actors" (Grimmelikhuijsen 2010: 10).

An important part of this concept is that the goal is not only to transfer information from *B* to *C* (or *A*), but also to influence the behavior of *B*. Transparency always also entails a pedagogic impetus. Thus, for example, transparency measures in public administration are very often means to purge the organization of corruption. That means we can distinguish two types of transparency: The first type, which will be called *weak transparency*, describes *B*'s act of passing on certain information without any further interest of *C* (or *A*) in how this information has been produced, or the impact of this revelation on *B*. The second type, *strong transparency*, goes one step beyond: it is not only interested in *X*, but also in *X*'s production (for example, strong transparency in public administration not only demands the release of certain documents, but also their genesis). This produced transparency is hoped to bring other merits, too, which I will discuss in the next section. Furthermore, *A* (or *C*) evaluates not only the production of *X* but also the structural impacts of transparency measures. Did the revelation of *X* change the way in which *B* behaves?

Besides the differentiation between weak and strong transparency, another aspect of this modern institution should be mentioned. By demanding openness, *A* wittingly *and* unwittingly conveys certain norms about how 'normal organizations' should be. Even though they vary to a large degree according to the societal fields to which *A* and *B* are related. (political parties, for example, certainly face different idealized expectations than private corporations), some traits are more or less expected to be found in the vast majority of organizations.

- First, they should strictly adhere to the formal rules being put in place (deviance is generally not accepted)
- Second, decisions have to be consistent (organizations should do what they say and say what they do *all* of the time)
- Third, decisions have to obey certain standards of rationality (for example, from the owners' or shareholders' viewpoint the goal of private corporations has to be the maximization of profit)

- Fourth, information has to be presented in a comprehensible way (if organizations open up their gates, we want to understand what is going on)
- Fifth, risk should be minimized to a reasonable degree (meaning that if, in hindsight, a decision can be reconstructed as very risky, the decision-maker will face charges of being irresponsible)
- Sixth, conflict should be based on facts and not on disputes of power or personal matters (the visibility of internal power struggles certainly undermines the ability of organizations to feign unity)

For the remainder of this article it is essential to keep in mind that it does not matter if *A* actually demands *B* to adhere to these standards – as soon as an organization is required to be transparent, the interior will either automatically be evaluated according to them, or *B* will act upon the supposition that this is going to happen. In both cases, *B* finds itself confronted with the urge to compare idealized expectations to its internal reality.

### *3. It Doesn't Seem to Work*

Now that we know how the institution of transparency originated and what kind of normative demands towards organizations it embodies, we turn to the actual effects of expectations for transparency and ask with Etzioni (2010): “Is Transparency the Best Disinfectant?”

A common assumption in sociology tells us that almost every action, however thoroughly planned it may be, often has unintended consequences because the social entity we are trying to change is – especially in the case of organizations – most likely a complex system that consists of a broad variety of manifest and latent structures, basic assumptions about the world, networks, groups, and power plays. Most studies on the implementation of transparency do not look out for these unintended consequences, but very narrowly focus on the achievement of the desired effects of such measures, or look very superficially into the implementation and show no interest in what actually happens. (For example, this can occur when investigative studies try to find out whether government agencies publish data on their homepage: the effects of this implementation on the organization, or how this published information has been created, is not the investigators' concern). The lack of interest into the effects transparency causes for organizations is troubling, especially because one expects that advocates of this normative idea would want to know about the various effects of the



instruments they envisioned. Thus, this section is devoted to the comparison of transparency ideals and empirical studies on the success of such measures *inside* the organization.

### *(1) Corruption Control*

Without any doubt, one of the most important goals of many transparency reforms is the suppression of corruption in public administration: „In the research and debate on the causes of and remedies for corruption the purifying power of transparency is a well established assumption“ (Naurin 2006: 92). Widespread fraud and bribe-taking among civil servants has become a resonant public issue within the past one-hundred years<sup>3</sup>, leading to the foundation of NGOs like Transparency International, which fights corruption all over the world. The general assumption among lawyers, law-makers, political activists, and journalists is that transparency measures would fundamentally undermine public servants' chances to indulge in corrupt behavior.

In contrast to many rather superficial studies in the field of research on corruption, Anechiarico/Jacobs (1996) show in a broad and in-depth empirical study that since the 19<sup>th</sup> century the public administration of New York City has undergone a variety of reforms, all aimed at confronting corruption. They convincingly pinpointed that all of those reforms not only failed to achieve their goal of suppressing corruption, but also had devastating dysfunctional consequences. It became almost impossible for those organizations under constant scrutiny to fulfill their main purpose because they were more and more occupied with the pursuit of transparency: „The bureaucracy becomes absorbed in monitoring itself“ (180).

There is also a second problem that is even more fundamental: namely the measurability of such reforms (Sampson 2010). How do we know, that corruption is really gone – it might just as well have moved to different places or actors within the same organization, which has also been indicated by Anechiarico/Jacobs (1996). Sampson (2010: 110) concludes that it seems like the major consequence of global transparency initiatives is the emergence of an “anti-corruption industry” and not the abatement of corruption itself.

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<sup>3</sup> Already at the beginning of the 20th century, chief justice Louis Brandeis famously stated: “Sunlight [...] is the best of disinfectants” (Brandeis in Etzioni 2010: 389).

To conclude: we can seriously doubt the success of transparency in making the public administration less corrupt. Moreover, it seems like those measures have an array of negative side-effects that paralyze the targeted organization and undermine its capability of achieving its purpose.

## *(2) Efficiency*

Transparency measures are often not only put into practice to prevent a certain behavior (corruption), especially in the private sector, they are also meant to evoke increased output, to make organizations more rational. In short: “Corporations that are open perform better“ (Tapscott/Ticoll 2003: xii). Subsequently, more information about an organization’s performance also enables observers to make better choices.

The general idea, which is based on the principal-agent-model (Arellano-Gault/Lepore 2011), is that a majority of the employees, especially on the lower levels, is seen as potentially underperforming, wittingly or unwittingly. The implication is that these employees could do much better, if only they felt the effects of being under constant surveillance and evaluation. So the more the executives (the principal) know, the better they can (1) measure and (2) control the performance of their subordinates (the agent). To optimize measurement, to increase accountability by audits, means that a well-informed principal has a much clearer view on his options than before and is hence able to decide more rationally (about promotion or punishment of subordinates, or the granting of funds). Besides that, observation should have the important function to influence the behavior of those being watched and prompt them to increase their output.

The assumption that more knowledge on the side of the principal about the agent is always good has recently been seriously challenged on theoretical and empirical grounds. Prat (2006: 93ff) doubts that total transparency is ever possible: “In corporate governance, violations to the transparency principle are so widespread that some legal scholars argue that secrecy is the norm rather than the exception in the relation between shareholders and managers”. Accordingly, if one would try to prevent something that is so widely spread, the costs in time and energy will rise to an exorbitant level. To give the whole argument a more positive twist, one would also have to mention that since the groundbreaking Hawthorne Studies it is common knowledge that work-groups do not function like an input-output machine. Too much and too obvious observation from the outside could damage the development of

informal (sometimes illegal) routines, a very important mechanism with well documented positive functions for the performance of work groups. Transparency measures can thus be exceedingly time consuming and a drastic impediment to efficient decision-making: “(T)he effect of the sunshine laws has been the promotion of the value of access to information to the neglect of the avowed purpose for which sunshine laws were enacted – good government and good decision” (McLaughlin/Riesman 1989: 57) A frequent reaction of work groups to observation from the outside is to intentionally hide their informal norms: “the more that can be seen, the more individuals may respond strategically with hiding behaviour and encryption to nullify the understanding of that which is seen” (Bernstein 2012: 209). This vicious circle causes Bernstein to speak of a “transparency-paradox: broad visibility, intended to increase transparency, can breed hiding behaviour and myths of learning and control, thereby reducing transparency” (Bernstein 2012: 209). Hood (2007), on the other hand, puts the emphasis on the phenomenon of blame avoidance: he concludes that transparency is most likely not followed by more efficiency, because the negative bias of the environment (i.e. the mass media) entails a tremendous amount of caution on part of those being observed. According to Hood, they are mostly busy not acting in a way that could, in hindsight, be interpreted as risky. Another critical argument is brought forward by Power (1997), who makes the case for interpreting audit and accountability as a cultural issue that has nothing to do with actual efficiency. It is „a temporarily congealed taste or fashion which escapes conscious design“ (1997: 122).

Both the hypothesis of increased organizational performance and the enablement of better decisions can be disputed. As Espeland/Sauder (2007) point out on a broad empirical basis, the measurement and comparison of law schools in the U.S. has had a whole series of unintended consequences and hence dramatically changed the surveyed ‘objects’, which means that the ‘facts’ being measured were changed through measurement.

To conclude: many assume that more transparency can help principals to make more rational decisions and to increase the output of those who are being watched. In contrast to these theoretical presuppositions, more critical studies show that the principal would need an endless stream of resources to observe agents and that the observation itself changes agents, often in a negative way. In addition, a certain amount of non-transparency seems to be necessary for the development of positive informal routines, which are, in turn, boosting companies’ performances.

### *(3) Legitimacy*

The third and last goal transparency proponents attempt to establish is legitimacy in the political system. The basic assumption is that the more we, the citizens, know about how decisions are being made in political organizations the more we accept them as collectively binding. Here again, there seem to be several structural barriers to the attainment of that ideal.

First, political organizations systematically avoid transparency. As Roberts (2005, 2006) has pointed out, Canadian government agencies very quickly developed informal structures to counteract newly established Freedom of Information Laws:

"Special procedures for handling politically sensitive requests are commonplace in major departments. Information technology has been adapted to ensure that ministers and central agencies are informed about difficult requests within days of their arrival. Communications officers can be closely involved in the processing of these requests, developing 'media lines' and other 'communications products' to minimize the political fallout of disclosure" (Roberts 2005: 4).

Furthermore, most government agencies seem to have established an "oral culture" (Roberts 2006: 113), which means that not more but less information is being stored. Roberts draws the conclusion that extensive research is needed "on the effect of transparency on the record-keeping practices of public institutions" (112). Another empirical example for the systematic obstruction of transparency in government agencies is brought forward by Laursen (2013). Officials often reveal information about their decision making processes in a highly selective manner: journalists do not get the full picture. He gives several structural reasons for this. First, public exposure of internal dispute is likely to result in extensive coverage, scandal, and condemnation on the part of the media, which would effectively hurt the image of single representatives and undermine any efforts to resolve problems. Second, transparency could also weaken the EU's position when negotiating with external state actors: „If information about the positions of individual member states in the Council were to reach the institutional counterpart, this could weaken the position of the Council vis-a-vis its institutional counterpart“ (779). Due to this reason, the press service of the EU is in a „key professional dilemma: sharing information with journalists without comprising the professional secrecy and the Council Secretariat's culture of impartiality“ (784). It can be seen that severe „institutional limitations to the transparency efforts performed by Council press officers“ (773) exist.

A second structural barrier to the success of transparency in the political system, and henceforth the creation of more legitimacy, can be found within the electorate. De Fine Licht (2011) argues that even if information about decision making processes is passed on it is not likely to increase the perceived legitimacy of the resulting decision. In an exploratory experimental test, she gave one group of people adequate information about how a new health care law had been negotiated among law makers, whereas another group only received the outcomes of that discussion. She draws the conclusion that more information actually weakened the perceived legitimacy of the decision. Grimmelikhuijsen's study (2010) displays the same results – his explanation is that the more citizens see how imperfect and sometimes even messy policy making can be, the more negative their perception of the outcomes of such processes.

To conclude: the establishment of legitimacy through transparency measures is either hindered by organizations' systematical reluctance to reveal their inner workings, or by citizens' dismay over gained insight into the messiness of organizational decision making.

It is interesting to see that the few studies that address what happens inside organizations during or after the implementation of transparency reforms conclusively reveal strong limitations to transparency at the *organizational* level, which needs further discussion in the next section.

#### *4. The Imperfection of Organizations*

What is often missing in discussions about transparency is the topic of *organizations*, which is a rich and specialized field of research with innumerable and highly advanced theories. Just a brief look into a standard introductory book on organizational studies would quickly reveal that transparency, and how it has been envisioned by philosophers, face some serious limitations in various analytical dimensions:

- On the *micro-level*, Simon (1997) pointed out that single decisions are far from being able to maximize the outcome. Their standard level of rationality is what Simon calls “bounded” (i.e. the ideal type of absolute rationality is not obtainable). His colleagues, Cohen et al (1972), went one step further: they state that organizations are not only limited to “bounded rationality” but could be described as “organized anarchies” – problems, solutions, decision-makers and decision situations are all thrown together and cannot be brought into a logical

order. Solutions find problems, and decision situations find decision makers, not vice versa. In contrast, Strauss' approach (1978) is more focused on the interactive aspect of micro-situations. His central hypothesis is that formal or general rules are not applied like in a simple input-output model. Their meaning is constantly negotiated and re-negotiated between actors in face to face interactions, which means that the purposeful planning of organizations – an important aspect of idealized expectations for transparency – can hardly be accomplished.

*Organizations theories grounded on the micro-level put the emphasis on the messiness and non-rationality of individual behavior. Furthermore, they pinpoint that formal rules are always re-negotiated, translated and adapted in face to face-interactions.*

- On the *meso-level*, theorists like Luhmann (2006) or Smircich (1983) claim that organizations form an emergent social order with its own rules and dynamic that can hardly be intentionally changed by individual actors. While Smircich describes organizations as unwittingly evolved cultures with their own sensemaking structures, Luhmann conceives of them as being made up of determinable and indeterminable decision premises (which can be translated into formal and informal aspects of organizations). Since both cultures and indeterminable decision premises cannot be steered intentionally, it is unclear what outcome the expectation for transparency will harbor. Weick (1976) focuses on the interplay of different organizational subsystems, which he finds to be loosely coupled. That means change in one part of the organization cannot determine changes in other parts. A last example is the hypothesis of Cyert/March (1963) that organizational slack (i.e. redundant resources the organization – from an economic perspective – could very well do without) serves important functions to keep peace between rivaling groups of organizational actors. If made transparent, these redundancies would immediately provoke resentment on the part of the outside-observer.

*If organizations are seen as emergent social orders with special rules and structures as well as indeterminable aspects, it becomes quite clear that (a) the impact of transparency can hardly be foreseen, and (b) organizations keep some of their parts (like organizational slack) well hidden due to the structural importance of those parts.*

- Theories on the *macro-level* bring another important dimension into play: the environment of organizations (organizational fields). The founders of one of the most prominent organizational theories, Meyer/Rowan (1977), claim that organizational structures are usually well adapted to the official norms of their respective environment to endow the focal

organization with legitimacy. Organizations not applying these standards usually face the problem of not being considered legitimate actors. Because these norms are often not compatible with interior practices or routines, such norms are systematically decoupled, which means they are endorsed only superficially. This deviance from formal rules is considered “useful illegality” (Luhmann 1999: 304-314) among organizational sociologists. So, generally speaking, “(s)ocial and individual norms and ideals are generally inconsistent with human capabilities. As a result, humans persistently fail to achieve them” March (2007: 1283). Brunsson (1989) adopts this view and extends it when he states that modern organizations typically face heterogeneous normative expectations from different incompatible environments. Hence, their only chance to adhere to multiple, incoherent, even contradicting norms is to act hypocritically, which means to say one thing and do the other, or to say different things to different stakeholders.

*Systematic deviance from official norms and hypocritical actions are not only functional but highly essential for modern organizations who are constantly being scrutinized by actors in their various environments. Transparency endangers this fragile balance – hence, it is not very surprising to see organizations exhibit an obvious lack of enthusiasm for such measures.*

This short overview demonstrates how organization theories help account for the failure of transparency reforms. Instead of judging whether transparency/non-transparency is good or bad, we go one step back and ask for the structural reasons for the poor success of transparency reforms.

### *5. Front Stage/Backstage – A Heuristic Model*

In “The Presentation of Self in Everyday Life” (1959) Erving Goffman proclaimed that the interplay of the so-called *front stage* and *backstage* are defining characteristics of *every social situation*, be it interactions between spouses, or negotiations between international organizations. The tenet of his theory is quite simple: Every actor in modern society (individual or organizational) fundamentally requires the ability to foster an idealized impression of oneself upon others. This happens in “the place where the performance is given” (107), the front stage. In order to accomplish a successful self-presentation, one must prepare the impression whilst being out of sight – on the backstage: “It is here that the

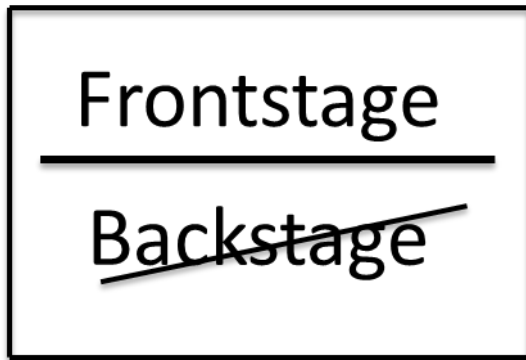
capacity of a performance to express something beyond itself may be painstakingly fabricated; it is here that illusions and impressions are openly constructed“ (112) – and finally, it is here “where the impression fostered by the performance is knowingly contradicted as a matter of course” (ibid.). So even though the existence of a backstage is constitutive of every successful social situation, it has to remain latent because it would otherwise destroy the fostered impression that has been given on the front stage. Hence, “[...] the passage from the front region to the back region will be kept closed to members of the audience or [...] the entire back region will be kept hidden from them” (113). Expanding Goffman I make the case for de-spatializing the frontstage/backstage-theorem. Of course, they can literally refer to different places (for example the kitchen or the dining room). However, to yield more sociologically fruitful insights (especially in times of new media) it is important to view front- and backstages as *communicatively constructed areas*, which means that communicative acts should be in the center of analysis.

Reframing and systematizing the findings of empirical research on transparency (Section 3) and the claims of organizational imperfection (Section 4) from Goffman’s perspective is very easy: the messiness and non-rationality of decisions and interactions on the micro-level, as well as the emergence and momentum of organizational culture and slack on the meso-level, are certainly illegitimate aspects of modern organizations. They do not fit our idealized image of them as being rational, consistent, rule-obeying, risk and conflict minimizing, and comprehensible. Furthermore, even if organizations could obey certain norms and values of one environment, there are always other environments with different priorities that are being neglected. All of that means that organizations are desperately in need of a fabricated front stage that captures all the necessary illusions for being a legitimate societal actor.

So if we accept Goffman’s claim that individual or organizational actors continuously and compulsively reproduce the disjunction of frontstage/backstage, and if we try to include the claims of the organizations theories just mentioned into this model, we have an analytical instrument to explain the impossibility of organizational transparency (in a strong sense).

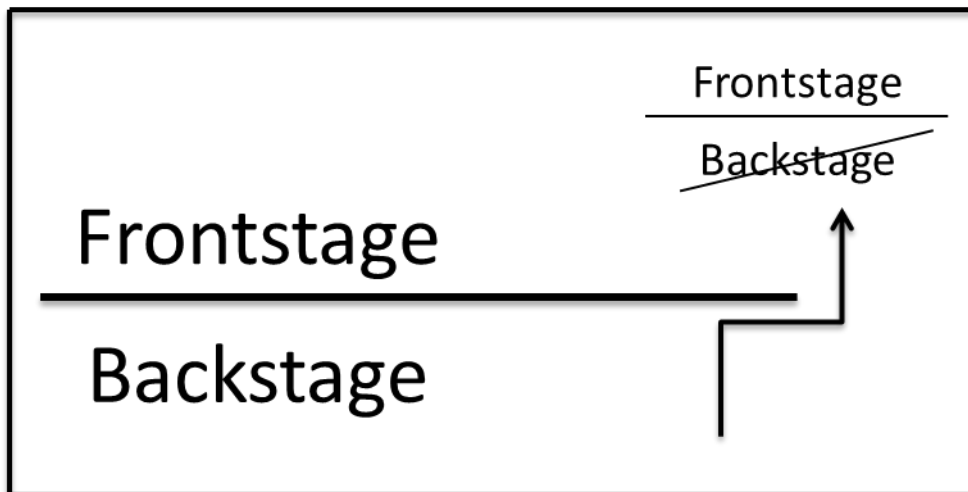
When connected with the idealized assumption inherent in strong expectations for transparency, the front stage/backstage model suggests the following outcome:





Corruption, deficiencies, and a lack of legitimacy in political decisions – in the eyes of transparency proponents they are all caused by what Goffman would call backstage behavior. Hence, all the practices, routines, and power plays that take place in that region should be brought to light where they can be disciplined and optimized. Where backstage was, there shall front stage be – to amend a famous quote by Freud<sup>4</sup>.

Drawing on Goffman's (and most organization theorists') claims of the omnipresence and functional necessity of front stage/backstage-dualities, we can see that an elimination of the backstage seems more than unlikely. *An adequate depiction of the impact of transparency measures on the structure of organizations would look as follows:*



This model suggests that a disappearance of backstage behavior cannot be expected due to all the reasons mentioned above. Quite contrary to being open and honest, organizations not only

<sup>4</sup> "Where id was, there shall ego be."

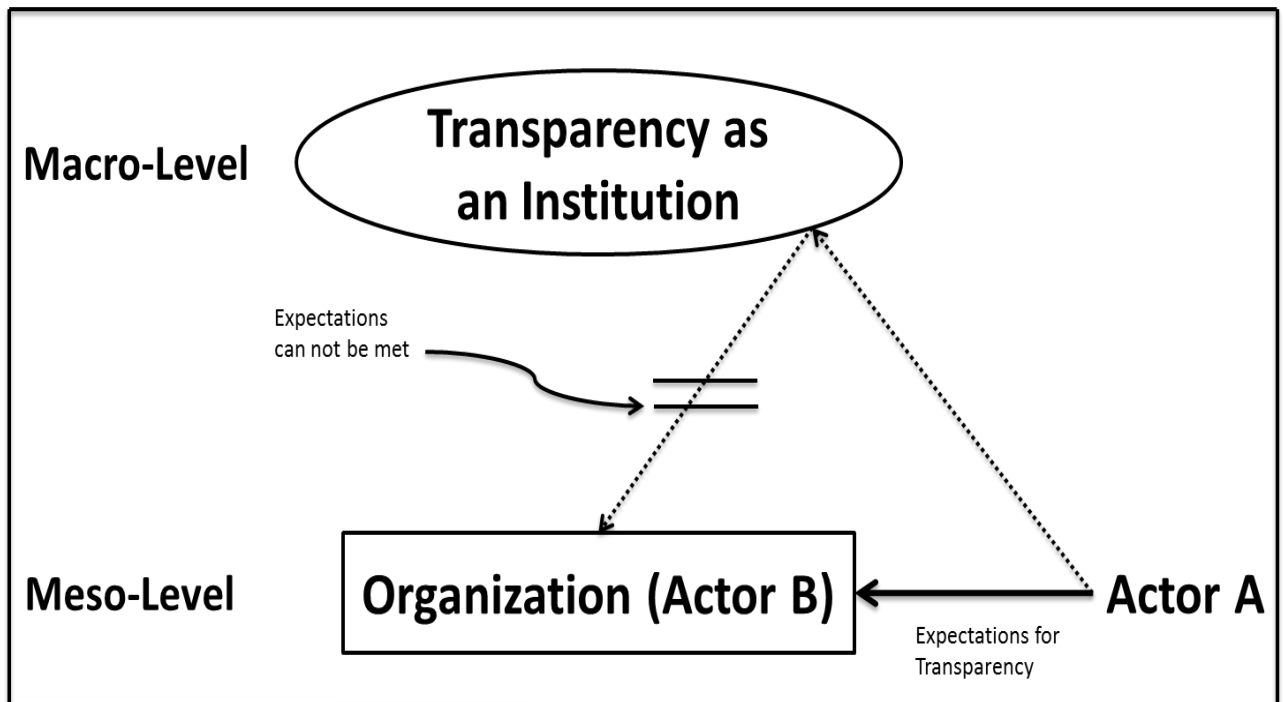
decouple their formal structures from the daily routines but also (wittingly and unwittingly!) develop manifold informal structures/routines to avoid transparency in a strong sense. In response to transparency expectations they transform backstage ‘objects’ so that they fit to our idealized expectations of how organizations should be.

This, of course, does not mean that transparency is not possible. But from an organizational theorist’s point of view, strong and unfiltered transparency is actually a sign of organizational crisis. It means the organization has lost its ability to keep the status of an autonomous actor in modern society! This brings us to a fundamental dilemma and the core of the transparency paradox: what we all desire as moral human beings – namely, effective transparency measures to counteract organizational maladies, to know what is going on inside those mysterious leviathans – fundamentally undermines, from a theorist’s point of view, the organization’s core societal functions. As long as it remains an autonomous actor it will devote more and more resources to *fabricating* an idealized self-presentation. To sum up:

*Greater and fiercer expectations for transparency do not cause organizations to be more open (as expected by proponents of such measures), but rather prompt them to invest more resources to the ongoing separation of front and backstage. Goffman’s, as well as most organization theorists’ perspective, helps us understand that this investment in the continuing reproduction of opaqueness should not be considered individual misdemeanor and/or morally condemnable. Quite the contrary, it is a normal structural effect caused by the way modern organizations (have to) work – whether we like it or not.*

## 6. A New Approach

This section is dedicated to the presentation of a synthesis of all the arguments that have been brought forward in order to frame a sociologically inspired agenda for research on transparency. First, transparency has been reframed as a modern institution that embodies certain idealized norms and values concerning organizations and how they ought to be. When facing expectations of transparency, organizations as complex social entities have to deal with these normative idealizations and assimilate them into their daily routines – i.e. they have to *produce* an image of their interior for the outside world that fits idealized expectations. As has been pointed out in the last two sections, organizations in modern society are – for a variety of reasons – unable to be transparent in a strong sense. The following graphic sums up the fundamental characteristics of expectations for transparency:



So where does that leave us? Just pinpointing the fact that organizational transparency in a strong sense is not possible is quite banal and certainly not enough. To really establish a new perspective on this topic we need to go a little further. Until now we merely mentioned the impossibility of transparency in a strong sense. But *how* exactly organizations incorporate this outside expectation into their formal and informal structures has been left untouched, although some examples have already been mentioned, like Roberts' (2005, 2006) discovery that FOI-laws caused the development of an 'oral culture' in government agencies. Thus, this should be the first point on a sociological research agenda:

1. Internal perspective (backstage): *How exactly do organizations cope with transparency expectations?*

➔ It has repeatedly been mentioned that organizations develop new informal structures as „creative responses“ (Binder 2007) to expectations for transparency. In order to fully understand their impact on organizations, we need to systematically study the structural variety of such wittingly and unwittingly evolving responses.

The second point switches from the back to the front stage, and hence to the self-presentation of organizations.

2. External (front stage): *How do organizations communicate that they are transparent, and how do actors in their environment react?*

➔ Organizations transform internal ‘objects’ (structures, decision-making-processes, information) when they move them to the front stage. But the question remains, how exactly are these communications received *and* answered by actors in the environment? Asking this question, we are able to leave behind a narrow perspective solely focused on the focal organization, because environmental responses are considered as important as the organizations’ communication.

The third point on our research agenda has not hitherto been touched but is certainly as important as the other two, because it covers what transparency proponents usually desire: (the actual establishment of) transparency in a strong sense. Sociologically speaking, this occurs mainly in organizations that have been brought out of their equilibrium, for example by scandals revealing inappropriate backstage behavior (the NSA would be a current example). If we – as I proposed – completely demoralize our rationale and accept the fact that a disjunction of front and backstage is what characterizes ‘normal organizations’, an organization in an uneven state seems to be an interesting case since we have to assume that it will put all its efforts into restoring a ‘sheltered’ backstage. Hence, the third point in the agenda covers organizational pathologies:

3. Pathologies: *How do organizations deal with crisis?*

➔ In other words: how do organizations react to the collapse of the front stage/backstage disjunction? How do they go back to normal? These questions are essential for a deeper understanding of organizations’ multiple reactions to transparency, since they aim at more than simply discovering the way organizations deal with a crisis. They also try to unfold an organizations’ everyday life in coping with transparency measures, since Garfinkel (1967) already suggested decades ago that a viable way of practicing research on norms is to systematically look at breaches of these.

One fundamental point must be added: since the environment and its interaction with the organization are included in the agenda, a meta-theoretical framework *dealing with both levels* is mandatory. *Recent enhancements in new institutional theory* seem to suit this project perfectly because they not only cover the institutional but also the organizational level: organizations are not seen as passive recipients of institutional orders but “partially autonomous social actor in a contradictory social world“ (Seo/Creed 2002: 230; see also Thornton et al 2012). Thus, researchers are able to establish a dual perspective on (sometimes, as in the case of transparency, unsatisfactory institutional demands and organizations’ various ways of coping with them. The gist of this theory is about “Institutional Complexity and Organizational Responses” as the title of a paper by Greenwood et al (2011) indicates<sup>5</sup>.

This complex and multilayered perspective makes it possible for us to reframe transparency as an institutionalized *ideal type* (in Max Weber’s sense) and a normative expectation that cannot be fulfilled by organizations but forces them to deal with it. *Such a perspective opens up the field of transparency research for the study of manifold unintended consequences of transparency measures which would actually increase the possibility of finding a way to reconcile our expectations towards organizations with their bounded capabilities to fulfill them.*

## 7. Conclusion

In the course of this paper I have proposed the abandonment of a classical perspective on the phenomenon of transparency that considers it to be (a) quintessentially positive and desirable, and (b) perfectly feasible, when implemented correctly. Instead, I drew on advanced institutional theories dealing with the broad environment of organizations and the front stage/backstage theorem of Erving Goffman. I made the case for a non-normative research agenda that strictly focusses (a) on the way in which organizations as autonomous actors structurally incorporate these institutionalized demands, (b) their communication with actors in the environment, and (c) how they deal with crisis. My central claim is that this perspective helps us to understand more deeply the structural effects of transparency measures on complex organizations.

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<sup>5</sup> Unfortunately, due to the shortage of space I cannot indulge any deeper into the explanation of this promising theoretical framework and have to refer to the literature just mentioned.

The centerpiece of my proposal is that, *first*, expectations for transparency embody institutionalized idea(l)s of organizations that these cannot adhere to, for which I provided ample evidence. An idealized image of organizations conceives of them as rational, consistent, intelligible, rule-adhering, and non-risk taking actors – an image that clearly has essential functions for the reproduction of modern societies' values but hardly serves as an accurate description of what is going on in organizations. However, organizations have to respond to these non-realistic expectations. They may do so by incorporating them into their internal structures according to their own rules and convincingly communicating to their environment that they adhere to these norms. To capture and explain these dynamics could be a major contribution of organizational sociology to the debate around transparency.

One final point: I am quite aware of the fact that my approach must seem sarcastic and almost immoral to advocates of transparency who see it as a means to tame this often very destructive leviathan called organization. It is far from being my goal to devalue such efforts. What I am trying to establish is not an oppositional approach but a niche for critical reflection on transparency and what it can and cannot achieve – a niche that is, as I believe, very much needed in the rich field of transparency research.

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