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Transparency tested: The influence of message features on public perceptions of organizational transparency

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ABSTRACT

The concept of transparency has been promoted within the public relations and business literature as both ethical and advantageous; however, the effectiveness of transparency is seldom empirically put to the test. In particular, the use of clarity, disclosure, and accuracy in organizational messages needs to be empirically examined. To this end, we conducted an online experiment using a 2 (high vs. low message transparency) x 2 (news story placed before or after an organizational statement) between-subjects design. Participants ($n = 357$) perceived organizations as more transparent and credible when exposed to messages exhibiting greater levels of clarity, disclosure, and accuracy as opposed to messages that did not. Placement of an information anchor in the form of an objective news story before the organizational message increased the perceived organizational transparency when messages employed transparent design features and decreased the perceived organizational transparency when messages did not use these features. These results provide significant implications for practitioners attempting to convey organizational transparency at the tactical level through message features.

1. Introduction

For decades, scholars and practitioners in the fields of public relations, journalism, economics, finance, politics, corporate governance, and accounting have espoused the benefits of transparency as normative organizational behavior (Christensen & Cheney, 2015; Craft & Heim, 2008). Perceptions of organizational transparency have routinely been associated with positive outcomes such as trust, progress, credibility, and accountability (Craft & Heim, 2008; Craig, Ngondo, & Flynn, 2016; Lee & Joseph, 2013; Rawlins, 2009; Sisson, 2017; Tsetsura & Aziz, 2017). While several scholars have developed theoretical models regarding the way organizational transparency might affect receiver attitudes (Laud & Schepers, 2009; Schnackenberg & Tomlinson, 2016; Taiminen et al., 2015), few scholars have operationalized and tested how organizational transparency is actually communicated via message design features. Even fewer scholars have quantitatively measured how organizational behaviors and messages designed to communicate transparency's impact on publics' attitudes or behaviors. Additionally, the way publics translate perceived message transparency into perceived organizational transparency has not been sufficiently investigated.

As such, this paper tests the use of message design features related to the underlying constructs of transparency to understand the effects of organizational messages on the perceived transparency of those messages as well as subsequent perceptions of organizational transparency and credibility. The study addresses two gaps within the extant literature regarding transparency. First, the conceptual and operational definition of transparency across various disciplines varies and has rarely been investigated empirically (Craft & Heim, 2008). To that end, we utilized Schnackenberg and Tomlinson's (2016) conceptual definition of transparency to

identify message features that could be used to communicate transparency to demonstrate an organization's strategic orientation toward transparency. Secondly, the experimental design offers empirical evidence of the potential impact of transparency on public perceptions (Craft & Heim, 2008). Specifically, this study tests the proposed association between transparency and organizational credibility and attitude toward the organization.

To this end, we conducted an online experiment to test the influence of level of message transparency based on the inclusion or exclusion of the message design features of clarity, accuracy, and disclosure. We also examined the effect of a news story that provided anchoring, comparative information and that was placed before or after the organizational message. Findings suggest that organizational messages designed to be more transparent by incorporating message features such as clarity, accuracy, and disclosure not only led to greater perceived organizational transparency, but also produced stronger perceptions of organizational credibility and more positive attitudes toward the organization.

2. Literature review

The rise of societal and professional initiatives to increase transparency in various contexts has caused scholars to consider the role of transparency in public relations and other contexts. Despite the acknowledgement that transparency leads to positive outcomes for those who employ it, there is a lack of a conceptual consensus regarding what exactly constitutes 'transparency.' For example, transparency has at times been used as a synonym for 'accountability' (Christensen & Cornelissen, 2015). While Craft and Heim (2008) agree that transparency is instrumental in the construction of organizational accountability, they assert that transparency and accountability are distinct concepts. Other scholars assert that accountability is an aspect of transparency, and should be included in transparency analysis (Craig, Ngondo, & Flynn, 2016).This is just one example of the disagreement among scholars regarding the nature of transparency. This lack of conceptual consensus coupled with limited empirical investigation inhibits scholarly investigation of transparency as well as practitioners' ability to confidently execute communicative acts that implement organizational approaches that embrace transparency (Williams, 2005).

To better understand how transparency is conceptualized within and across disciplines, Wehmeier and Raaz (2012) conducted a content analysis of academic articles mentioning transparency. Only 13 of the 105 articles in their analysis clearly defined transparency. This highlights a fundamental issue undercutting research on transparency—a lack of conceptual consensus among scholars hinders understanding of the nature of transparency as well as the mechanisms that drive transparency. The extant literature seems to identify three domains within which transparency can be conceptualized—organizational transparency, message transparency, and individual transparency. Each of these domains is discussed in turn.

2.1. Organizational transparency

Broadly, transparency can refer to a set of organizational practices that promote good governance and enhance democratic processes (Christensen & Cheney, 2015). At the organizational level, effective transparency is enacted through a company's willingness to consistently relay transparent information to internal or external publics (Kundeliene & Leitoniene, 2015). Consistent with this perspective, Bushman, Piotroski, and Smith (2004) defined transparency as the accessibility of corporate information to external stakeholders. All of these conceptualizations focus on the organization's inclination to provide the public access to information. An example of access would be an organization providing financial information on its public website, regardless of the factors that might influence the public's interpretation of that information. However, the conceptualization of transparency as mere "access to information" fails to consider the needs and concerns driving the public's desire to have access to this information. Stakeholders need more than just increased amounts of information; they need more useful, intelligible information (Laud & Schepers, 2009). Thus, being transparent in the organizational context should consider the nature of the information provided by the organization, how valuable the public perceives that information, and how easy it is for the public to understand that information (Christensen & Cornelissen, 2015). Such choices matter, as scholarship suggests organizational communication can be technically truthful, but present incomplete or otherwise poorly framed information resulting in harm to an organization's credibility and transparency (Devin, 2016). Additionally, Flyverbom (2016) challenged earlier thinking about organizational transparency works and concluded transparency can also be viewed as supplying information to a public in a timely and consistent manner. Thus, transparency is posited to rest on the disclosure of timely, accurate, reliable, and balanced information (Rawlins, 2009; Williams, 2005). The inclusion of specific message characteristics such as timeliness, accuracy, and providing balanced information (i.e., presenting all sides of an issue) suggests that transparency extends beyond an organization's decisions to commit itself to transparent behavior and indicates that transparency also needs to be conceptualized within a message-centric context.

2.2. Message transparency

In their review article, Schnackenberg and Tomlinson (2016) proposed that information quality is central to conceptualizing transparency. To that end, they highlight three dimensions of information quality that scholars have identified that should contribute to perceptions of transparency—clarity, disclosure, and accuracy. Similarly, Kundeliene and Leitoniene (2015) stated that message features such as accuracy and clarity play a critical role in determining whether a message is transparent. These message features provide a means for conceptualizing transparency at the level of organizational messages as tools for communicating organizational transparency. Each dimension is described below along with an example.

Clarity is identified as the amount of understandability perceived by the information receiver (Schnackenberg & Tomlinson,