

Organizational Transparency: Study on concepts, Applications and Advantages

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Abstract

Today changing world demands that organizations are looking for new tools to survive. One of these tools that can help organizations to meet their goals is organizational transparency. Factors such as effective management, integrity, transparency, corporate culture, human capital, information technology, ethics and responsibility are accounted as critical factors to build high performance organizations and thus improve the government performance. Improving the government accountability and transparency is not possible without accountable and transparent Organizations. So in this article, we look to the impact of organizational transparency to improve the performance

Key words: transparency, transparency concepts, organizational transparency

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Introduction

Organizational transparency often is used in business dialogs and disclosure related to ethics and social responsibility of organizations. For example, Kaptein (2004), in his studies came to the conclusion that the fundamental principles of professional and multinational organizations include transparency, fairness and honesty. As Capurro (2005) stated, organizational transparency which is against the concealment and secrecy in the organization, has become one of moral issues in twenty-first century. There are many articles in magazines and newspapers about organizational transparency throughout the world which represent the increasing attention to this concept; however, it should be noted, although the term is frequently used today, but it is a vague concept and often is used as only means of disclosure by standard reports. Moreover, contrary to popular opinion, the transparency depends on the continuous active interaction between organizations and stakeholders and scientific research often represents a one-way flow of information to the stakeholders of the organization (Vakarv and Madsen, 2009). On the other hand, many researchers consider transparency as prerequisite of effective organizational performance (Burger & Owens, 2009). Williams (1986) purposed the organizational transparency, often caused to organizations with high effectiveness. In addition, you can say that in today's world, the corporate transparency is considered as a competitive advantage and the following reasons are the most important incentives for modern organizations to achieve competitive advantage.

1. Change the organizational role from a bureaucratic, command and control model to supervision systems.
2. More staff awareness of individual rights.
3. Increasing interest of organizations in order to promote the quality management as well as exchange of knowledge and information (Blamgrn and Sanden, 2008).

Finally it should be noted that transparency is more than reporting, disclosure of policies and some of the organization's information. In other words we can say that the definition of transparency requires organizing and coordinating the existing reality in the workplace. (Vakarv and Madsen, 2009).

The concept of transparency

This word consists of two distinct concepts: "trans" means move and "parent" means visible. In Latin the preposition of "trans" is often used to create a new word that means "around or the farther" such as (Transportation, transferor translucent. The word of "transparency" in the past was used meaning "visible the light through", this metaphor definition, over time, become "easily seen through" and over the centuries, it comes into languages such as Italian, Spanish, Portuguese, French and English (Vakarv and Madsen, 2009). Some researchers believe that the degree of transparency depends on the perception of stakeholders. According to the researchers, transparency means the individual's subjective perception of to be informed about the properties and activities of the other party (Hultman & Axelsson, 2004). In other words, we can say that transparency in the business environment means sharing valuable information between the buyer and the seller, which is often used in negotiations. The objective of transparency in such organizations is that the buyer and seller are able to reduce costs and cooperate together. According to some researchers, transparency means some principals which enable the public to find information about the activities and structure of an acquired entity (Lemining and Caldwell, 2005). For organizations or individuals, transparency means that allow others to see the truth without trying to hide or dilute the meaning or manipulate the facts to be seen clearly. In other words, transparency as currently defined, allows reality to be available for others to choose or even to seek it more. Transparency means clarity, honesty and openness; it includes access, relevance, quality and reliability, increasing flow of economic, social and political data to be timely and reliable. Transparency is a principal that enables institutions and people to make informed decisions and improve corporate accountability (Oliver, 2004, p. 13). Today, transparency is changed in the modern sense of "active disclosure" that several factors have led to this change including: intense media scrutiny, easy and inexpensive access to information, information technology wherever and belief to the "public's right to know. When Balkin (1999) identified three types of transparency, in fact, he identified the aspects of transparency. Balkin (1999) claimed that the information transparency, accountability transparency, participation transparency are complementary and are distinct analytically (Rawlins, 2008). Thus, transparency is defined by these three important elements: the information in accordance with the facts, significant and useful; the

participation of stakeholders in the identification of the required information, unbiased reporting of the activities of the organization and policies that hold organizations accountability (Rawlins, 2008). Heise described transparent organization as "public access to all information, whether positive or negative, in a manner that can be issued legally accurate, timely, balanced and unambiguous to reach the aim of increasing public reasoning abilities and accountability of organizations against actions, policies and practices."

Definitions of organizational transparency

There are different definitions of transparency that a part of it is offered as below table:

Table 1 : Important definitions of organizational transparency

Year	Author	Definition	No
2006	Razavi Zadeh	Transparency literally refers to clear, understandable, simple and available process by which information about existing conditions, decisions and actions are accessible, visible and understandable	1
2008	Rawlins ¹	Transparency: the process by which information about the situation in decisions and actions became accessible, visible and understandable. This transparency includes access to decision-making and financial details by executive members and partners,	2
2000	Legziyan	Transparency is defined as openness of an organization in sharing information about the actions which can be reinforced through bilateral negotiations and accountability. The concept of transparency is defined in the realm of meaning and what is the relationships and interactions between the two sides can affect the transparency of information	3
	Lindstedt & Norman	Lindstedt & Norman define transparency as access to information and expressed a transparent institution where people inside and outside of it can obtain necessary information to form their ideas about the actions and processes within the same organization. According to them, the transparency is resemble of glass which can see within it, so an institution, person or society is transparent when you can see inside it and find what is go on (Legziyan, 2011, p 255)	4
2008	UNDP ²	The United Nations Development Program (UNDP) defines transparency as offering information and procedure in open and clear manner. Transparency allows stakeholders to collect information in order to reveal abuses and defending their interests. transparent systems provide a clear process for general decision-making and open channels between shareholders and authorities.	5
2004	UN - HABITAT ³	Free access to information plays an important role in promoting transparency. Hence, information must be timely, relevant, accurate and complete to be used effectively. Who, what and for what purpose created.	6
2004	Oliver ⁴	Transparency means clearly, clear, honest and clear. It is a principal in which employees and managers openly and without concealment perform and their actions are predictable and can be easily understood. The transparency includes access, relevance, quality and reliability, increasing the flow of economic, social and political data which are credible timely. The main transparency enables institutions and people to make informed decisions and to improve company's accountability.	7
2002	Unescap ⁵	Transparency includes the openness of government decisions and the ruling mechanism on the distribution of power and income as the most effective anti-corruption tools for establishment an effective state and creates a sustainable society. In other words, allowing the flow of information and its availability to all who are connected with the decisions	8
2003	Gholi Poor	A good rule features are defined as participation, transparency, accountability, effectiveness, efficiency, transparency and the rule of law where transparency means free and open flow of information and its availability to all those associated with decisions	9

Transparency process: the apparent basis for government decisions and the mechanisms governing the distribution of power and income as the most effective anti-corruption tool for the establishment of a stable government and a society. In other words, it is apparent non-military and security affairs which is supplied to the general public by media, politics, culture, the decisions so that people can sit in judgment on them (Vice President of Administration and Human Resources, 2002). The prerequisite of accountability is to increase transparency and improve reporting. Transparency refers free flow of information and clear duties on public sector organizations. This transparency leads to accountability of these organizations in one hand and on the other hand, people will call organizations to be respond them (Pourezzat, 2009).

Organizational transparency and accountability

Accountability is a concept in political science and public administration literature which is used frequently. Accountability is more than a disclosure of the activities of an organization or an individual; it implies the imposition of penalties on a person or organization. If there is not an accurate accountability, transparency has become a drug for the treatment of corruption (Lindstedt and Naurin, 2006). Hess (2007) believed that organizational transparency means the right to know. From this perspective, the social accountability goals include: increasing the participation of stakeholders and organizational transparency. Finally, we can say that the stakeholders without a detailed and timely information cannot be expected the decision-makers to respond them effectively (Barjer and Evans, 2009).

¹ - Rawlins

² - UNDP

³ - UN - HABITAT

⁴ - Oliver

⁵ - Unescap

Transparency and public policy

In public policy, the concept of transparency is often used to describe the policies that are understandable, citizens be aware of their role in the implementation of policies, and there is sufficient responsibility in relation to the results of the implementation of them. An enterprise policy is said transparent when the governments impose a policy of public disclosure of certain types of information to solve a particular problem on organizations. It has been proven that transparent policies help to solve problems in the organization, because they are able to reduce the current risk, fight corruption and ensure the health of the organization. In addition, it is recognized that transparent policy accelerates basic changes within organization (Vakarv and Madsen, 2009).

Organizational transparency and corruption

Although views and opinions in relation to administrative transparency are not new issues, but the use of the word organizational transparency, has intensified after the scandal of some organizations in the early twentieth century (Rawlins, 2008); in fact, the emergence coincided with the spread of corruption was at the same time of appearance the concept of corporate transparency (Jehiel, 2009) and it is thought the increasing organizational transparency is the most effective tool to reduce corruption. This is important as far as the World Bank and the United Nations intent to increase transparency in the social life of people, thereby decreased corruption in the public sector of developing countries (Azfar & Nelson Jr. 2003). Transparency is the most important drug in the treatment of corruption. It should be noted that corruption is not only a moral issue, but a major obstacle to growth and development organization (Lindstedt & Naurin, 2006).

Transparency and corporate culture

According to Lensermy (2005) the following cases are supporting the organizational culture based on transparency:

1. Internal skills: In the past it was believed that managers must provide the information available to the public, when the people are demanding it. The relationship of the stakeholders was as one-sided. However, nowadays, people want to know what the goals are, why they have chosen this purpose and it should be noted that the exchange of such information requires the use of styles and a variety of communication. Also, organizations should be aware that this is not simply providing any kind of information easily available to the public.

It can be said in order to understand how disclosure of information, organizations must cultivate their inner skills in the fields.

2- Management skills: leaders can support organizational transparency, when the interpretation of people's mood have mastered, it should be noted, when managers are mastery to recognize potential employees talents, they can help them to understand their potential.

3. Personal characteristics: leaders capable of supporting a culture based on transparency have self-awareness. The self-confidence that comes from this knowledge permits leaders to have flexibility and adaptability to control emotions and desires. Conscious leaders, often encourages corporate transparency and can provide fertile ground for organizational success.

Transparency and honesty in corporate communications

Transparent relationship means the subjective perception of a person or group in relation to the person or group being aware of the activities and characteristics that interact with each other (Igert and Helm, 2000). So we can say that transparency is a concept in the interaction between people. In such relationships, a person is aware of his own issues. What seems important is that a person or group idea on the transparency of information may be quite different to the other individual or group, because as mentioned above, transparency is based on individual perceptions (Igert and Helm, 2000). It should be noted that clear and transparent communications in organization is the main effective and vital element in organization (Gross, 2002). Honesty and transparency in communication means to send and receive understandable messages, between superiors, subordinates and colleagues in personal and business matters. We can say the high level of transparent organizational communication can lead to success and reduce the effects of unexpected crises (Norman and Olive, 2010). Research shows that transparent and honest communication employees has created a better relationship between management and increased job satisfaction and thus provides better performance, as well as clear communication will increase the transparency of staff and promote the optimal organizational performance and organizational trust (Norman and Olive, 2010)

Transparency and Organizational identity

Organizational identity is relational structure, which is defined on the basis of comparable cases.

- How does work the organization?

- How do others see the performance of organization?

Studies show that these both internal and external poles influence to each other, for example transparency caused the organizational culture that has been around for years, is now in sight of stakeholders. On the other hand, since by increasing the transparency of the organization, employees are judged by stakeholders than ever, the organization identity has undergone dramatic changes (Hatch & schaltz, 2010).

Benefits of organizational transparency

A transparency benefit is more participation of employees. Organizational transparency makes it possible for employees to better understand their organizational role and consequently a greater focus on their tasks and be more involved in organizational activities.

- Create confidence in the organization management: corporate transparency increase the employees' trust to senior management

- Increase creativity: transparency makes it possible that employees can freely express their different opinions. In transparent organization, employees can simply figure out what ideas or beliefs rewarded and which ones face to opposition and accordingly they may no fear and frustration express their even weak and non-functional opinions.

- Learn from mistakes: in those organizations, reporting the mistakes is considered as opportunity for learning and education. If the climate is such that the employees do not feel safe to express their small errors even therefore they refrain from expressing them, so irrecoverable damage will impose on the organization body

- Improved performance: transparency will increase employees trust to organization and provide an infrastructure to provide greater employee participation and encourages creative ideas also will have a positive impact on individual performance

- Increase employee job satisfaction: employees who entrust management of enterprise will tend to learn the related organization information and then to act more investment in order to play their role and will reach ultimately more job satisfaction

- Reduce destructive behaviors of Employees:

Transparent leadership can provide true and accurate information by the staff and continuous communication with them which provide the opportunity for them to reconsider their expectations (Veljsang Volstr, 2009), it is expected often that corporate transparency brought positive consequences, including as follows:

More participation of employees

Organizational transparency makes it possible for employees to understand their organizational role and consequently a greater focus on their tasks and be more involved in organizational activities.

Building the confidence in management

Organizational transparency will increase trust employees to senior management.

Enhanced creativity

Transparency makes it possible that employees can freely express their different opinions. In transparent organization, employees can simply figure out what ideas or beliefs rewarded and which ones face to opposition and accordingly they may no fear and frustration express their even weak and non-functional

Learn from mistakes: in those organizations, reporting the mistakes is considered as opportunity for learning and education. If the climate is such that the employees do not feel safe to express their small errors even therefore they refrain from expressing them, so irrecoverable damage will impose on the organization body

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Personnel performance improvement is achieved in three below ways:

- Firstly, transparent leadership by actively sharing corporate information can remove some factors that reduce the productivity of the organization.

- Second, the transparent leaders seek feedback from their employees, and can create the conditions in organization which increased organizational creativity and improve business processes.

- Finally, leaders who are transparent in the eyes of stakeholders outside the organization can attract more capital.

It should be noted that the above cases together can improve the performance of the organization and its internal stakeholders.

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