OPENING KEYNOTE ADDRESS: The Corporate Gaze – Transparency and Other Corporate Visions

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In an expanding global economy, the notion of 'transparency' has gained increasing currency as an organizational goal. In a wide variety of situations, increased transparency is held up as a preferred point of direction for organizations, public as well as private. The notion of transparency implies visibility, possibilities for seeing through, for seeing, and being been. It carries hopes for more just procedures and open decision making processes. It suggests higher degrees of clarity, rationality and accountability. Transparency, then, is an entry-point to the understanding of contemporary society and culture and the visions and challenges that are attached to it.

The placing of transparency on the corporate agenda is evinced in the creation of corporate codes of conduct and standards for corporate social accountability. Through workshops, training sessions and consultancy services, corporate actors are learning how to 'open their books' to public scrutiny and judgement. We see it in ways of measuring and ranking performance and procedural outcomes. It is evinced as well in the use information technology and architectural design, ranging from online calendars to glassed buildings. Yet, processes of making visible certain kinds of information also involve complex negotiations regarding what shall be displayed and what shall remain hidden. It is not always in the best interest of a corporation to reveal valuable information. For example, companies often have to be reticent about providing information that may rob them of their competitive edge, and may have strong interests in being secretive about certain aspects of their activities.

The paper addresses the significance of 'transparency' for the understanding of contemporary organizational life. What broader social trends and fashions inform the call for transparency in organizations? How is transparency manifested in organizational practices? What are some of the advanteges and challenges in pursuing transparency? Such questions, and other issues, will be addressed in this presentation

I would like to talk here today about a word – a word that has gain increased currency during the last years – a word that presents us with promises as well as challenges. That word is transparency.

Transparency is on the agenda of almost every organization these days (Garsten and Lindh de Montoya 2008). It is also in the news, in boardrooms, and in trade union

gatherings. It is, in other words, a salient word. I have been doing research around this word since a few years back, and in the meantime, my fascination with it has grown. So, what can be said about transparency and the corporate gaze?

Transparency has hit the headlines of practically every business journal over the last decade. On July 28 of this year, a headline in the *Financial Times* read *Transparency rules hold no fears* and on September 11, *Lack of transparency aids foreign policy aims.* In *The Economist* on September 16, another headline was *Replacing Financial Market Transparency with Trust.* These are just a few examples of a frequently occurring headline ingredient. There is something to transparency that lends it to finding its way into the corridors of corporations, of state agencies, and into pressrooms.

Transparency –as visibility, openness, communication, and access to information – is a word that travels easily. It is also one that takes many shapes and that promises a great deal. As employees, managers, or stakeholders, we have to relate in one way or another to the call for transparency. The ways in which we do this is what has interested me for some time now.

From an early age, we learn to play around with transparency. We learn to play hide and seek, we learn to keep secrets from parents, and as we grown older we learn that some things are best left unsaid. Some skeletons are best left in the closet. We also learn the value of speaking the truth, of showing evidence of having done what we were expected to, and to write our CVs in a way that provides some visibility.

Also in organizations, we play with veils, as it were. Secrecy imbues the corporation with excitement. Creative minds are at work, and innovations are being crafted. These activities are not for everyone to see. Corporations are dependent on some degree of confidentiality around their entrepreneurial activities. On the other hand they also make sure their products or services are made visible in marketing and advertisements. Employees may have to sign confidentiality agreements, but are also expected to play the role of ambassadors now and then. Organizing involves a constant balancing act of secrecy and openness, opacity and transparency. In a sense, the boundaries of a corporation are also the boundaries of transparency. Transparency is key to understanding processes of organizing.

Transparency – here understood as visibility and openness – has a futuristic inclination. It looks to the future, to improvement and development. In a general sense, it provides the corporation and its actors with a direction. It mobilizes actors to think and act in certain ways.

More transparency in processes, in decision making, in goals, visions and evaluations are difficult not to agree on. Hence, transparency is seen as the preferred way of organizing.

It has become an administrative goal that virtually all organizations (except perhaps sects, fraternal organizations, and secret societies of various kinds) strive for. In this sense, it becomes something like a promissory note, to which all kinds of rewards are attached.

Moreover, the call for transparency is directed to a variety of social actors, and to a variety of social contexts. Transparency is appearing in a number of likely and unlikely areas of our lives. In fashion, we see more and more of transparent clothes, as well as shoes. In art, we see experiments with transparent projections. One prominent example is the American artist Jenny Holler's projection of light onto the New York Library, in 2005. Many of her works in fact address the problem of achieving a just and workable balance between secrecy and transparency. In architecture, corporations as well as governments are making use of transparent, or semi-transparent, materials to suggest visibility and openness to the public. Oftentimes, though, seeing can be done from the inside out, and not the other way around, although it may seem like it. In design, we are seeing as well a playful attitude to functionality, by way of showing off interiors of everyday utensils and tools. The Macintosh computer, for example, was an early version of transparent technology.

In corporate processes, not least, transparency is manifested not just through open-plan offices and glass buildings, but also through software solutions that allow for peeping into each other's calendars. In audit processes transparency is expressed through 'opening the books', and in allowing for scrutiny of decision making processes. The economic sector is particularly subject to demands for transparency. Keyword associated with transparency are, for example: 'stakeholders', 'policy', 'audit', 'accountability', 'compliance', 'regulation', 'governance'. Transparency has been raised as an organizational goal not least in relation to the growing significance of 'corporate social responsibility', or CSR. One of the key challenges within the area of CSR relates precisely to the issue of credibility and transparency. How can stakeholders trust what businesses say about their social record in their reports? How can we know if the claims on social responsibility represent the actual practices? What institutions and practices are there to support independent certification and verification of reports and statements?

But why this call for transparency now? With the globalization of markets and the increased presence of corporate power around the world, transparency has been positioned as a way to oversee and to control market actors. Stakeholders are putting pressure on corporations to both inform and to adhere to standards or codes of conduct. In the absence of something like 'a world government' pleas for enhanced transparency are a 'soft' way to govern the market. By opening up processes of decision-making, resource allocation and financial statements for scrutiny, some legitimacy may be gained. Transparency is often hooked up with accountability and an important ingredient of effort related to CSR.

Promoting transparency is seen as a powerful way to fight corruption and generally to promote openness and more democratic procedures into the market. The power of transparency is perhaps most evident in situations of corporate crisis, or of risk. The best way to tackle lost confidence after allegations of unethical behavior such as an accounting fraud is often to plead guilty and to invite external scrutiny. Transparency appears to be a powerful remedy for corporate scandals of various kinds and serves to illustrate that the one who utters the word has nothing or at least little to hide.

Moreover, we can see how this goes hand in hand with a general tendency to trust numbers, facts, and measures. What can be calculated, measured and seen, can also be judged evaluated and ranked. That which is less visible, opaque, or otherwise murky, remains in the shadows of performance measurement. In the quest for determining 'best practice', a degree of visibility and measurability comes in handy.

We can then see that the call for transparency impacts on organizational practice in ways that often are decisive. It opens opportunities for observations and reflection, just as it poses challenges. Where does transparency end? When is opacity not so bad? What about integrity?

More questions arise: Is transparency by nature a disciplinary technology? We may bring to mind Jeremy Bentham's notion of the Panopticon (Bentham 1995), as a tool for disciplining inmates. Or, is transparency one of the regulatory tools we need to secure the trust and well functioning of organizations? May transparency deliver empowering capacities to actors, and provide room for human initiative and integrity?

Michael Power at London School of Economics has suggested that audit, in which transparency is a significant part, is essentially a technology of mistrust (Power 1997). Attempts to make visible organizational procedures inevitably lead to new demands for visibility. There is virtually no end point to demands for more openness and visibility. We end up in a vicious circle of mistrust. Would it be possible to think of transparency as a technology of trust? What does transparency mean?

The way I define transparency, and a common way to understand it, is that it implies visibility, openness, and communication. A transparent object or process is one that can be seen through. But there is nothing absolute about transparency. Part of it escapes clarity. As pointed out by the sociologist Zygmunt Bauman (Bauman 1998), what is legible and transparent for some, may be dark and opaque for others. It is always a matter of position and degree. And here lies the power of transparency in organizational life: it can be played with, negotiated and temporarily agreed upon.

Vision, seeing and seeing through, is a way of engaging with the world. Transparency can be understood as a gaze moved with a particular concern and from a particular point. It can mean a lot of different things, and it involves social dynamics. I'll give you some examples of different ways of seeing through. We might think of seeing through in relation to a process of outsourcing of production, or seeing through the decision-making process of a corporate board. By extension, the make something transparent can also involve making it amenable to observation, like the London 'ring of steel', made up of thousands of CCTV cameras, makes millions of people amenable to observation. Or, we may think of making the adherence to workers rights conventions transparent by close observation of the conditions for daily working life. It might be that we want to make something transparent in the sense of keeping an eye on it, watching closely what is going on. Greenpeace, for example, may be watching out for seal hunting outside the Norwegian coast, or an external verification consultant may be watching closely the adherence to standards for CSR. Of course,

4   The Corporate Gaze

transparency can also be understood mainly in relation to a corporate board or a stakeholder group disclosing information. Oftentimes, this is not just any information, but sensitive, embarrassing or devastating information.

Ultimately, transparency may provide us with that piece of information that is required for us to believe, to trust, the person we are dealing with; our colleague, our business partner, or our competitor. So, by extension, transparency becomes connected to something that is good and perhaps necessary for relations, for markets and for organizations to function smoothly.

I remember a conference on transparency I went to as part of doing an ethnography of CSR. In an upscale hotel in Miami, a couple of years ago, hundreds of business leaders had gathered to discuss leadership through the lens of transparency. The workshop took the form of sharing experiences of ethical dilemmas, telling about both bad and good decisions made, and about how to disclose or hide them from the public. One of the conference delegates, a man in his early forties, talked about transparency as being 'a personal thing'. Transparency is about communication, about sharing, he emphasized. 'It's a personal thing', he claimed. He then told about a serious dilemma of his in the aftermaths of a corporate scandal, which led him to leave the company and start up his own consultancy. Him, and others with him, underlined the element of volition to be significant for transparency. Transparency is best undertaken voluntarily. Involves ethical reflection, a meeting with oneself. As this man said, 'It goes beyond what you would like to know'.

Transparency, I suggest, is essentially a relational matter. The relational component takes us straight into the world of corporations. Here, transparency is about administrative clarity, corporate governance, organizational communication, opening the books, management and control of employees and partners. For example, the Swedish company Gambro has made the topic of 'risk transparency' an important feature of their yearly report. In 2005, they were awarded the 'Risk Transparency Award' by the consultancy Ernst & Young. The award is given on a yearly basis to companies that are seen as role models and provide good examples of how risks should be reported.

That transparency is relational also implies that it is an organizational issue. Transparency relates to every core element of organization. It enters into the very heart and bone of the organization. There is no escape from the issue of transparency for organizations.

Let us look at a couple of examples of how corporations may engage with transparency! Studying how organizational keywords, such as transparency, are used in corporations, in conferences and meetings, in presentations and in documents, and as part of informal conversations, I have able to discern four metaphoric structures that represent the different ways in which corporate actors position themselves in society. These constructs may serve the purpose of illustrating different voices in the process of engaging with CSR, and how this engagement is perceived in organizational life (see Garsten 2004). For 'the

entrepreneurial corporation', engaging in CSR and in transparency is seen as a way of actually strengthening market value - a way of being entrepreneurial. Adhering to codes of conduct and showing a willingness to open up for visibility may in fact provide new business opportunities and strengthen the brand. 'The collaborative corporation' aims to engage in dialogue and partnership as ways to manage stakeholders' expectations, reduce risks, and develop new markets. Here, enhanced transparency creates more trust between partners, as a degree of openness provides information and knowledge on important business decisions and priorities, thereby strengthening relations. 'The cosmopolitan corporation' has a strong business interest in the survival of certain kinds of cultural diversity, since the market to a great extent thrives on the exploitation of diversity. Transparency may make visible the particularities of cultural values, consumer patterns and product characteristics. A fourth metaphor for the re-positioning of the corporation in the wider society is that of the conscientious corporation. This is where the call for ethics and morality is strongest, where morality testing of employees is seen as legitimate, and where transparency and accountability are endorsed as ways of 'flushing though' and 'cleansing'. Managers who give voice to this metaphor tend to give personalized accounts of their thoughts and actions in a problematic situation (just like the man in my account), of the moral dilemmas involved, and the value of integrity. Such stories tend turn into a sort of 'confessional tales', powerful in their personalized nature.

Transparency then, provides something of en ethical narrative for organizations. It may provide a narrative structure to the ways in which managers and employees alike think about and act on the sharing of information, of making visible processes of decision-making and resource allocation. In other words, transparency is a word that has the potential to provide a direction to organizational activities. It offers directionality.

As mentioned, it has been suggested that audit techniques, to which transparency is tightly aligned, are technologies of mistrust. Facts, figures, indicators, and various kinds of reports provide a robustness and degree of facticity to events and procedures. But rather than addressing and diminishing mistrust and suspicion, such endeavors may amplify doubt and suspicion. We may end up in a box-ticking exercise in which the adherence to codes of conduct are simply observed, rather than investigated. We may fall into a kind of formalized accountability that caters more to the needs of the yearly report than to empirical evidence.

Corporate actors may use what I and a colleague, Tor Hernes have called 'lightning rod strategies', to direct attention away from sensitive issues and towards others, e g best practices (Garsten and Hernes 2008). In such cases, transparency may become nothing more than a useful tool in a reputational game.

To conclude then, the corporate gaze is as much about seeing as it is about directing attention. Transparency entails both seeing and being seen, veiling and revealing, control and empowerment. It is essentially relational and organizational in character. And making visible, to greater or lesser extent, is what organizations are basically about. Transparency then, is not just a technology of mistrust, but an invitation to trust.

Keynote Address

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