Communication Practitioners' Views on Transparency and Its Impact in Finnish Companies

Author(s): Koskela, Merja; Enell-Nilsson, Mona; Hjerppe, Cecilia

Title: Communication Practitioners' Views on Transparency and Its Impact in Finnish Companies

Year: 2021

Version: Published version

Please cite the original version:

Koskela, M., Enell-Nilsson, M. & Hjerppe, C. (2021). Communication Practitioners' Views on Transparency and Its Impact in Finnish Companies. In: Katajamäki, H., Enell-Nilsson, M., Kauppinen-Räisänen, H., Kääntä, L. & Salovaara, H. (eds) *Workplace Communication IV: Vakki-symposiumi XLI. Vaasa 11–12.12.2021,* 101-116. VAKKI publications 13. Vaasa: VAKKI ry. https://vakki.net/wp-content/uploads/2021/12/WCIV2021A9.pdf

Workplace Communication IV

Communication Practitioners' Views on Transparency and Its Impact in Finnish Companies[1]

Merja Koskela[a], Mona Enell-Nilsson[b] & Cecilia Hjerppe[c]
[a] School of Marketing and Communication, University of Vaasa
[b] School of Marketing and Communication, University of Vaasa
[c] School of Marketing and Communication, University of Vaasa

Transparency is a universally accepted communication principle for companies in the 2020's globalized world. Transparency is considered beneficial because it increases trust among stakeholders, and trust is crucial for the functioning of society and the economy. At the organizational level, transparency is manifested in company policies and practices, as well as in the work of those in charge of communication. Through a qualitative interview study, this article analyzes how communication practitioners working in large Finnish companies view transparency. The analysis shows that while communication practitioners across different companies have common narratives through which an ideal understanding of transparency is produced, they also recognize and address critical tensions between the ideal and practice. The tensions are often connected to regulation: while compliance with rules is highly valued, it is also seen as a resource-intensive and restricting factor, both from business and communication perspectives. Our findings indicate that the cultural ideal of transparency is supported through a shared commitment and sense-making in relevant expert communities and within the companies. The communication practitioners' commitment also emerges as crucial when they balance between sustaining the transparency ideal and considering the interests and demands of stakeholders and businesses.

Keywords: communication practitioners, compliance, investor relations, transparency

1 Introduction

In the 21st century, transparency is increasingly being perceived as an essential and required characteristic of organizations. It is especially important in listed companies, because they face pressures from regulatory institutions and financial as well as non-financial stakeholder groups. In this context, transparency is often understood in terms of information disclosure, clarity, and accuracy (e.g., Schnackenberg & Tomlinson 2016: 1785). The importance of transparency is highlighted because trust in organizations in general tends to be in decline (Edelman 2021), and transparency is seen as a prerequisite for trust.

In organizations, communication professionals working at the intersection between investor relations, public relations and corporate communication have an essential role in the practical implementation of transparency. While the *investor relations* function, that is, communication between a company and the investment community, has typically been handled by finance departments of listed companies, the *corporate communication* function has usually been responsible for the coordination of internal and external communication with all stakeholder groups (Esterhuyse 2019: 290). This division of work has also influenced research, where investor relations and corporate communication/public relations perspectives have traditionally been separated (Doan & McKie 2017: 307). However, some studies have bridged the gap between the fields (see, e.g., Esterhuyse 2019).

At a company level, transparency is a more complex issue than providing information to stakeholders. As for example, Christensen and Cornelissen (2015: 132–133) emphasize, transparency has become a taken-for-granted ideal and explanation of how organizations must function in contemporary society. As a widely shared cultural ideal, transparency has begun to "shape the formal aspects of an organization, such as positions, policies, programmes and procedures, and offer direction and legitimacy to its existence" (ibid. 138; see also Meyer & Rowan 1977). Transparency, however, is also a practice performed and supported by communication practitioners (Christensen & Cornelissen 2015: 144). Because of the dynamic and relational character of transparency, it is crucial to study how communication practitioners understand and interpret the role of transparency in their work (see, e.g., Schnackenberg and Tomlinson 2016: 1801), paying attention to how they "live with the transparency ideal" acknowledging its tensions (Christensen & Cheney 2015: 86).

This article aims to analyze how communication practitioners working with investor relations in large Finnish companies view transparency. To investigate which dimensions of transparency are most relevant for communication practitioners, we seek to understand how they define the concept in their work, express commitment to it and elaborate on the potential tensions they face when "doing transparency" in practice. The practitioners' perspective is interesting, since, during the last few years, there has been a notable change in the division of work between investor relations, public relations, and corporate communication functions in large companies (Esterhuyse 2019: 290; see also Doan & McKie 2017: 307). As corporate social responsibility (CSR) has expanded

beyond shareholder value, leading to more and varied stakeholders expecting transparency (Christensen & Cheney 2015: 72), it has become a common interest for all three functions and led to new requirements and practices.

While there is a lot of earlier research on organizational transparency (see, e.g., Schnackenberg & Tomlinson 2016), most of it tends to take either the strategic management or accounting perspective, leaving aside the communication practitioners' everyday challenges. Consequently, there is a gap in earlier research of transparency practices. In this article, we focus on how communication (and investor relations) practitioners make sense of the relationship between everyday practices as they experience them, and ideals, as expressed in the definitions described in the next section. Thus, the article brings new knowledge about the views of communication professionals on their everyday practices in contemporary organizations.

2 Transparency as a Concept and Practice

Transparency as a concept is used, among others, in social sciences and business studies for different purposes, often rather vaguely (e.g., Wehmeier & Raaz 2012; Wehmeier 2018). In politics, Balkin (1999: 393–394) discusses the role of mass media for *political transparency*. He defines the concept as openness and democratic accountability, seen as political values, and divides it into three types according to "three political virtues." The first type is *informational transparency*, which includes knowledge about actors and decisions as well as access to information. The second type is *participatory transparency*, i. e. the ability of citizens to participate in political decisions. The third type is called *accountability transparency*, referring to the ability to hold decision-makers accountable to the legal system or public opinion.

A different but comparable approach is presented in the context of management studies by Schnackenberg and Tomlinson (2016: 1802). They define transparency as "a perception of the quality of intentionally shared information from a sender". Compared with Balkin (1999), they focus more on information. Still, the strength of their approach lies in that they consider both the sender perspective (*intentionally shared*) and the receiver perspective (*quality of information*). Like Balkin (1999), they also present a division of transparency into three dimensions. The dimension of *information disclosure* is about what the organization does. The two other dimensions, *clarity* and *accuracy,* stand for how stakeholders receive and interpret messages, and thus describe the quality of information required for transparency.

Because of the multidimensional nature of transparency, it has proven difficult to operationalize. In their study of successful message framing, Fisher and Hopp (2020) introduce parameters that may support such operationalizations. According to them, the potential for transparency rests on what information is shared and how. Thus, transparent information should be "substantial, accurate, timely, coherent, and honest", and it should be shared in a way accessible, understandable, and relevant to stakeholders (p. 204). Fisher and Hopp (2020: 204) further consider transparency as both a *relational* and

perceptive concept. Transparency is *relational* when stakeholders can evaluate the organization and hold it accountable (as in accountability transparency) and when used in building and maintaining relationships with stakeholders (as in participatory transparency). When stakeholders experience themselves as relational equals, they also expect more organizational transparency (p. 206). In addition, transparency is seen as a *perceptive* concept, that is, "to which degree stakeholders *perceive* an organization's communication as transparent" (Fisher & Hopp 2020: 204). It is understood that monitoring and judging the organization is difficult, and therefore communication practitioners need to make decisions about how to present the information in the best possible way. In addition, the quality of communication is considered more important than quantity.

In the context of listed companies, *informational transparency* is highlighted. This becomes evident in the European Union transparency directive (2004/109/EC). Companies are required to disclose "accurate, comprehensive and timely information" to ensure that investors can compare public companies as investment targets in the global markets. In other words, the directive speaks for an investor-oriented and market-based understanding of transparency. The same understanding is prevalent in the rules of the stock market (the Nasdaq Helsinki Ltd. 2020), which also include disclosure and information requirements. The Financial Supervisory Authority (FIN-FSA) monitors companies' disclosure of required information at a national level. The rules and regulations set the basic level of transparency for all companies, which then develop their practices according to their own strategic choices and stakeholder relationships (see, e.g., Scherer et al. 2013).

However, transparency is realized in communication and relationships; it is not a property of messages or organizations in itself but a result of sense-making that involves audiences and communities (Christensen & Cheney 2015: 82, 86). According to Christensen and Cornelissen (2015), organizations tend to encourage shared narratives to produce a common understanding of what transparency means. Christensen and Cornelissen (2015) claim that company practices, such as openness, information disclosure, and reporting, are often understood as the same thing as transparency. That is, the practices are not taken as representations but as manifestations of organizational transparency (ibid. 144–145). At a more general level, the idea of transparency is sustained through foundational metaphors such as 'seeing is knowing', which direct the ways of thinking and talking about organizations and organizational transparency. When the metaphor becomes conventionalized, we may think that *seeing* things from all angles equates to *knowing* how things are, and organizational transparency itself may become sheltered from critique (Christensen & Cornelissen 2015). As the value of unqualified transparency is constantly and despite challenges "reproduced in political, corporate and popular discourse" (Christensen & Cornelissen 2015: 137), from an organizational communication perspective it becomes relevant to study how communication practitioners 'doing transparency' make sense of it in the crossing of taken-for-granted ideals and everyday practices.

Our article answers this call from the perspective of Finnish communication practitioners working in listed companies, where balancing regulatory requirements and com-

pany-specific strategic goals is constantly going on. Our study recognizes that the practitioners' perspective inevitably emphasizes the sender's perspective of communication. Therefore, we assume that informational transparency and message framing will be highlighted in our results because they are the most concrete and immediate aspects of practitioners' work. However, we also expect that our data will, all but indirectly, reveal how practitioners experience the relational and perceptive aspects of transparency from their perspective. After all, it is essential for communication professionals to understand the expectations and needs of audiences.

3 Data and Method

This study is based on six semi-structured interviews with communication practitioners of Finnish companies. Five of the companies are listed in the Helsinki stock exchange, Finland, and one of the interviews was carried out with representatives of a prominent institutional investor. (See Table 1.) The interviewees have from 5 to over 20 years of experience of corporate communication and/or investor relations.

Table 1. Details of the interview data.

Industry	Date	Number of Interviewees	Number of words
Food industry (company 1)	19.2.2020	1	9820
Engineering (company 2)	27.2.2020	1	5721
Consumer goods (company 3)	7.4.2020	1	2866
Institutional investor (company 4)	20.4.2020	2	6283
Design (company 5)	30.4.2020	1	5165
Telecommunications (company 6)	13.5.2020	2	4964
			34819

Two of the interviews were conducted face-to-face and four as online interviews due to the Covid-19 pandemic restrictions. Two or three interviewers were present during each interview. One of them asked the questions, while the other(s) took notes and supported with technical assistance and additional questions. The interviews were recorded and transcribed. The language of the interviews was Finnish. The examples presented in this article have been translated to English and adapted to written language by the authors.

The thematic interviews were based on four main themes, which were (1) the job description of a communication practitioner working with IR, (2) transparency, (3) corporate social responsibility (CSR), and (4) policies and guidelines concerning transparency. The themes were sent to the interviewees in advance with the invitation. The themes were discussed in the same order in each interview, but the discussion evolved according to the participant responses. Hence, the questions asked differed somewhat between the interviews.

The analysis is based on the transcripts, on which a qualitative content analysis (see, e.g., Eriksson & Kovalainen 2016) was conducted. Initially, relevant passages concerning transparency definitions, practices, and regulations were recognized in the transcripts and coded with an open-ended inductive coding. The coding was performed first individually by all authors, after which the results were compared and discussed until a consensus of the interpretations was reached. After this, a discourse analytical approach (see, e.g., Phillips, Lawrence & Hardy 2004) was applied to the texts focusing on how transparency was represented and became signified through language use in the data. First, we observed how narratives of shared commitment were produced (recognized linguistically by the pronouns *we* and *I*, and the company name in contexts where transparency practices were described), and how metaphoric language was used to support the narrative. Second, we looked at how transparency regulations and consequent practices were negotiated and contested. We focused on emerging tensions, that is, "stress-inducing oppositions" (Fairhurst & Putnam 2019: 917), to shed light on the possible limitations of transparency in the interviewees' talk. Transparency can be seen as the object of a discursive struggle (Albu & Wehmeier 2014: 120), and the tensions as indicative of the "clashing, push-pull dynamics of organizational life" (Fairhurst & Putnam 2019: 918).

4 Reflections on Transparency and Communication Practices in the Data

In the next three sub-sections, we present the findings related to the following perspectives: definitions and interpretations of transparency as formulated by the practitioners (4.1), expressions of commitment and claims of excellence (4.2), as well as tensions and demarcations emerging from the data (4.3). We interpret these as evidence of a discursive struggle, where the communication practitioners both draw on and challenge different definitions and broader societal discourses of transparency.

4.1 Definitions and Interpretations of Transparency

Regarding the definition and interpretations of transparency, *compliance* with rules and regulations is emphasized in the data. From the interviewees' point of view, transparency practices are mainly about answering to different and constantly changing requirements. This is experienced as a resource-intensive and strenuous task, especially in smaller companies. As for the concept of transparency, the definitions are closely connected to openness, what is shared and how; the company revealing relevant information, or even more information than required, as openly as possible, disclosing both positive and negative aspects of the business simultaneously to all parties in a consistent manner (e.g., Wehmeier 2018; Koskela 2017). These characterizations tend to emphasize *informational transparency* from a sender's perspective and repeat what is stated in regulations and company-specific disclosure policies (see, e.g., Koskela 2017), as is evident in example 1:

> (1) Transparency means that companies openly inform all stakeholders simultaneously of all relevant issues. (Company 5)

When it comes to transparency as *a relational concept*, as defined by Fisher and Hopp (2020: 204), the communication practitioners explain how stakeholders may ask questions, but there are differences in the preparedness to answer. The interviewees refer to contexts with dialogic practices, such as annual meetings, webcasts, and investor meetings where investors' questions are answered on the companies' terms. However, while social media (Twitter and Instagram mentioned) are not official channels for investor relations information, they are forums where open dialogue about the sustainability of products and business decisions is carried out, and criticisms can be voiced.

Transparency as a relational concept also covers holding companies accountable (Fisher & Hopp 2020: 204). The interviews highlight that analysts have a critical role in defining which companies are considered transparent enough: if they experience a lack of transparency, it may lead to lowered ESG-ratings and smaller market values. In addition, the interviewees' talk seems to verify Fisher and Hopp's (2020: 206) claim that transparency begets more transparency. During the last few years, stakeholders have grown to expect more information more frequently. This is interpreted as a result of new regulations, but also as a result of the public's growing awareness of corporate social responsibility (CSR) issues.

Transparency as *a perceptive outcome* refers to how stakeholders experience it (Fisher & Hopp 2020: 206–207). According to Balkin (1999), clarity and accuracy are the essential dimensions of transparency. The interviewees also valued these descriptions. They characterize transparent communication as clear (for *clarity*, see Schnakenberg & Tomlinson 2016: 1796), to the point, given at the right time, and consistent (cf. *accuracy*). In addition, transparent information is seen as reliable and understandable for different audiences (even those without background information). Moreover, telling the stakeholders why something is not disclosed is also considered a vital transparency practice.

The perceptive aspect of transparency was highlighted when the relationship between transparency and CSR was discussed. In this context, the quality of information is seen as especially important for credible communication. The interviewees' talk focuses on reporting and comparing the requirements between financial and non-financial reporting (see examples 2 and 3). Interestingly, the interviewees' talk about CSR refers more to how things *should be* (below: *can be used; must be; it is important*) than is the case with transparency.

(2) [...] in my mind, transparency and sustainability go hand in hand; while the financials are reported consistently, the same style can be used for these non-financials as well. (Company 4)

(3) I think that transparency is related to sustainability especially because if the issues, including challenges, are not reported transparently, CSR communication is not credible. While financial reporting must be supported with facts and numbers, it is all the more important in CSR communication because there is the risk of greenwashing or emphasizing one side of things and leaving out how vital the issue is, for example, for the environment. I would say that transparency on the sustainability side is maybe not more essential, but very essential. (Company 5)

In the interviewees' talk, the main goal achieved by transparency mentioned was to help analysts and investors give the right evaluation of the company stock. From an investor relations perspective, this lies at the core, as the purpose of the function is to contribute "to a company's securities achieving fair valuation" (NIRI 2021).

However, Schnakenberg and Tomlinson (2016: 1802) claim that the ultimate goal of transparency is trust: "transparency leads to greater trust in the firm through its effects on stakeholder perceptions of trustworthiness", which again may be increased by disclosure, clarity, and accuracy. Similar thoughts were expressed in the interviews. See examples 4–6.

(4) [...] if we talk about the transparency of our actions as a whole, we want to be trusted. [The goal is] to increase trust. (Company 1)

(5) Then, of course, openness increases trust. If the market and other stakeholders believe that we communicate openly and transparently about issues, they probably trust what the company or its management says. That again builds reputation, protects the company in crises, and makes CSR communication more believable. (Company 5)

(6) [...] when we do things according to the law, regulations and best practices … when we have a common frame ... it is an essential factor for company reputation. (Company 6)

Overall, a shared understanding seems to be that the communication practitioners consider transparency an obligation, which may be met by complying with regulations. The way to do this is through strategic communication, where the responsibility and choice of what to disclose and when lies on the company's side. There are standard practices for taking questions from important stakeholders, especially investors and analysts, and answering them. Internal stakeholders are also mentioned as relevant. Larger public and media are considered, in particular, when sustainability and CSR questions are discussed. In this context, transparency is commonly understood as a tool for creating trust, credibility, and ultimately reputation.

4.2 Expressions of Commitment and Claims of Excellence

As a second perspective, we analyzed how shared commitment and claims of excellence connected to transparency are visible in the interviewees' talk, since these can be seen as indications of supporting the transparency discourse at the level of community and individual practitioners. The interviewees stress the importance of both transparency in general and related to CSR. In the formulations, a strong commitment both from the companies' and the practitioners' sides can be recognized (see also example 2 above, *hand in hand*). The formulations including the pronoun *we* typically highlight the companies' commitment, and can be found in all our interviews. As shown in examples 7 and 8, the same metaphor – *it is in our DNA* – is used, expressing commitment from the company's side. Additionally, in the company 5 interview, it is combined with the metaphor *it is part of our story.* In line with Christensen and Cornelissen (2015), we see that

the organization and its transparency become signified through this kind of metaphorical language:

> (7) So in a way, corporate social responsibility is so deep in our DNA, it's definitely part of our story. (Company 5)

> (8) [...] it is in many points in our strategy to increase transparency. [...] This is somehow in our DNA. These things belong so strongly to our everyday routines. (Company 1)

Several of the interviewees emphasize their commitment by describing how they keep themselves up to date on new developments related to transparency requirements. The practitioners highlight the importance of various information sessions, communities within and outside the organization (e.g., FIRS, The Finnish Investor Relations Society), and channels for understanding the consequences of new requirements on the own situation. In example 9, one of the practitioners explains this when the market abuse regulation (MAR) was about to be implemented a few years back.

> (9) […] there were many information sessions organized by FIN-FSA, organized by the stock exchange, organized by FIRS, all kinds. I probably participated in everything when I just tried to understand what this means. (Company 2)

In examples 10 and 11, key communities and channels of importance are further described, highlighting the cross-sectoral shared commitment among communication practitioners connected to transparency.

> (10) They [FIRS] have a newsletter where these [notices of future legislative changes] are described, and we have a relatively active Facebook group where we share information among colleagues. (Company 6)

> (11) The Financial Supervisory Authority FIN-FSA informs quite well, and FIRS plays an important role. FIRS has a discursive approach and […] whenever new things are coming up, we try to find reasonable ways to react to them or prepare for them together. (Company 5)

In the data, claims of excellence can also be found. On the one hand, they appear in the interviewees' talk related to the practices of their own company, as in example 12. On the other hand, claims of excellence related to the national Finnish situation can be found in several of the interviews. There are both stronger claims stressing that transparency in Finnish companies is on a very high level, as in example 13, and weaker claims including a statement that the level is sufficient, as in example 14.

> (12) [...] we are already at this stage the most transparent company in our sector. (Company 6)

> (13) In this context, I appreciate that in Finland, IR communication is on a very high level. And communication overall is consistent, clear, and from investors, there is a lot of positive feedback. (Company 2)

(14) The basic level is that we follow the instructions of the stock market and the financial supervisory authority. And we have followed them nicely. [...] In my opinion, the level is sufficient in Finland [...] you can find a lot, if you look at web pages, there is a lot of information about the company, if someone only has the energy to read it. (Company 1)

Example 14 further illustrates that the practitioners do not necessarily equate transparency with the quantity of information, even though there are other examples in our data supporting the idea that the more the company tells about itself on the web pages, the more transparent it is. However, the interviewees' talk highlights that although the level of transparency required in regulations is considered sufficient or even high, it does not guarantee that the message gets across to the public.

Overall, our data show that the practitioners express a solid commitment to transparency and to mediating between the transparency ideal and the company's practices. Claims of excellence can be found in the data both related to the situation within the company and the national Finnish level.

4.3 Tensions and Demarcations

Even if transparency is primarily supported as a taken-for-granted ideal in the data, some tensions and demarcations concerning transparency as practice emerge from the interviewees' talk. These become evident especially in relation to drawing the limits of transparency, meeting different stakeholders' demands, implementing transparent communication practices, and following regulations while trying to adapt the communication into the company's needs.

As organizations deal with the demand for transparency, they negotiate both their own boundaries and needs as well as those of their stakeholders (Albu & Wehmeier 2014: 119; Fisher & Hopp 2020: 205). Regarding possible downsides and challenges of transparency, the interviewed communication practitioners brought up tensions between transparency as an internal and external issue. For example, internal stakeholders may have expectations that contradict the general idea of transparency. Where transparency ideally is defined as "disclosing information simultaneously to all parties" (see section 4.1), the quest for transparency is conflicted with a hypothetical consideration of which things to tell whom in which order when it comes to situations significantly affecting employees. In example 15, cooperation negotiations are an issue that would preferably be discussed inside the company first. However, as it potentially affects the stock price, it needs to be publicly announced.

(15) Our group management, CEO, and finance manager understand and know exactly which things belong in the realm of transparency and which do not. These issues [at the country level] often concern the staff. Then there is always some distinction between who should be told first and what in fact is transparency. [...] We understand our HR manager's viewpoint, that if there are cooperation negotiations starting or some other issue that needs to be announced in a stock exchange release, they would like to transparently go over it and discuss it internally first. But if it causes

fluctuation in the stock price, it needs to be publicly announced. These internal situations are often difficult. (Company 1)

When it comes to transparency in relation to external stakeholders, a limit is drawn between being transparent and revealing business secrets. Competitive reasons are often stated as a justification for withholding information (see also Hirsto, Koskela & Penttinen 2021: 84). It is the corporate management's task to decide what can be told, so that the business is not compromised by disclosing too detailed information, as described in example 16. This, however, potentially creates tensions also inside the company. Example 17 illustrates a situation where the management, citing competitive reasons, rejects the IR/communication practitioners' suggestion of adding the issue in question to the list of things being reported.

> (16) It is of course the corporate management's task to consider what is beneficial in the big picture; what we can tell so that we are disclosing relevant information, but that we are not jeopardizing our business by giving out too detailed information. (Company 5)

> (17) [...] of course, we want to help analysts and investors understand our business and the different driving factors as well as possible. Still, we come to this situation where if we help more, we also help our competitors to quite tactically understand our mode of operation on this market. We are already disclosing and reporting the most information [compared to other companies on the market] [...] consequently, everything that we try to add to our reporting – the management is quite critical about it, and many times the response has been "no, let's not add this to reporting, this information is too competition sensitive". (Company 6)

In our data, competitive reasons for limiting transparency are especially highlighted in relation to specifically sensitive competitive situations where there are only a few companies operating on the market. Disclosing too much or too detailed information poses a risk of giving a competitive advantage to the few competitors who are operating on the market with an "identical product" (company 4). Thus, the context of the field of business and competitive situation is also seen as setting the limits for what can be disclosed, sometimes in contradiction with what communication practitioners would like to disclose. Drawing the line between what belongs to the realm of transparency and what does not, is also connected to the industry's overall approach to transparency. In example 18, an interviewee describes the business they are operating in as "conservative". This creates tension between IR practitioners being willing to be more transparent than what the industry is accustomed to.

> (18) I myself, and maybe others in the organization as well, would be willing to tell about things in a very transparent manner, but then again, this [line of business] is quite conservative, not used to telling about things that transparently. (Company 4)

Company-level norms and principles further demarcate everyday practices of transparency. The relevance of dialogue as a dimension of transparent communication is stressed, but the possibilities of establishing two-way communication in practice are somewhat limited. The interviewees touch upon social media as a useful platform where

stakeholders can ask questions. However, when it comes to answering difficult questions, the companies have adopted different approaches in choosing to which extent to engage in dialogue and how to react to dissonant voices (see also Glozer, Caruana & Hibbert 2019: 626). Some leave questions concerning things that cannot be commented unanswered, as it is the company policy (see example 19), while others see reacting to all questions as willingness to serve, which is also seen as transparency and grounded on a decision in principle (see example 20).

(19) Certain themes are such that we cannot comment on them, either as a company or as [employees]. They are a bit difficult – they are then left there [on social media platforms] unanswered, but it is just our policy that we have agreed on and acknowledged. But otherwise, we do gladly discuss also on social media. (Company 4)

(20) We have made a decision in principle that if we are asked, we answer. If somebody asks us something on social media, we respond, but if someone says 'you suck', then that is not a question – we don't have to comment, but then again if we are asked 'how come', we have the principle that we always answer. Maybe that kind of willingness to serve also counts as transparency. (Company 1)

Regulation is also seen as a limiting factor by some of the interviewees. This creates tension between communication practitioners attempting to do their job effectively and following regulations. For example, some interviewees describe situations where they would like to provide more background information on an issue relevant for the company, but regulation does not allow for it. This might be due to the quantity of information, as there is no space for providing extra details on top of the things that must be reported. Another possible reason relates to the quality of information, as strict guidelines determine how the information should be presented. Furthermore, a lack of resources is seen as problematic, as the communication practitioners do not have sufficient time to adjust the reporting to company specifics, especially in companies where the IR or communication functions are small. Consequently, the increased regulation is sometimes seen as limiting the possible ways of communicating with investors and leading to "stiffness", as example 21 illustrates.

(21) [...] the more there are mandatory reports with detailed instructions, it might be that the company does not have enough time to make them company specific or the requirements are such that it becomes very laborious to make them company specific and tell relevant things. As an example, the Non-Financial Reporting Directive was ultimately formulated so that everyone must tell something about all four areas, whereas the draft suggested that all companies choose the relevant things to disclose. If everyone has to tell a little bit about all things, it leads to them becoming less relevant – in a sense the demand for transparency makes it stiff. (Company 5)

The "stiffness" also conflicts with an ambition to make the information understandable for the receiver and share it in a context-specific way, which precedes transparent communication as per definition (Fisher & Hopp 2020: 205). One of the interviewees highlights the importance of providing context and background information in example 22.

If there is an issue that would need further explaining in order to be understood correctly from the company's point of view, regulation might be experienced as restricting the possibilities for efficient communication. This is seen as especially critical in the future, if reporting becomes more and more machine-coded, where information would be provided only in the form of numbers.

> (22) [...] there might be underlying factors, which if we cannot cover, the given information, even when it matches what is stated in a standard or directive, cannot be interpreted without understanding the context. That might be taken as a downside [of transparency]. Some of the issues require a lot of background information for one to understand why it is so. And explaining them can be difficult for the company, especially in situations where we go into machine-coded reporting where you only give a code and a number relating to it, and there is no possibility of giving the context. (Company 5)

Regarding the impact of increased regulation on transparency, on the one hand, and the occupation of the interviewees, on the other hand, they see transparency regulation primarily as having brought positive things. Regulation is often described as forming "a shared framework" and "clear ground rules" (company 6), which set "the base level" (company 1) for transparency. At a more general level, IR communication is described as "technical" (company 1) and "disciplined" (company 6). By contrast, interviewees talk about communicating their "investment story" (companies 2 and 5). Thus, the communication practitioners' profession in this context can be seen as being characterized by a balance between fulfilling the requirements and attempting to fit them into the company's narrative, as demonstrated in example 23.

> (23) The demands have increased, and it is also in the interest of companies to build a narrative around these regulated matters. The significance [of transparency] has increased and it has also brought capabilities into companies, and communication practitioners are also trained differently than what the situation was twenty years ago. (Company 3)

As the interviewed communication practitioner in the example above brings up, the increased demands for transparency and its growing significance have affected not only their work and education in the last couple of decades, but also lifted transparency to the companies' priorities. As our analysis of the tensions and demarcations in the data shows, organizational transparency does not go unquestioned in the practitioners' work. Transparency is recognized as an ideal worth pursuing, but at the practical level, the interviewees highlight challenges of putting transparency into practice in a way that follows regulations, serves the different stakeholders' needs, and is beneficial for business. However, there seems to be a shared attempt at finding solutions.

5 Discussion and Conclusion

In this article, we have analyzed communication practitioners' views on transparency. We focused on definitions and shared understandings, commitment, and the potential tensions between everyday transparency practices and transparency as an ideal. At the

core of transparency as a practice is a commitment to shared regulations and rules. The arguments used to support these tend to be quoted analogously by the practitioners. Such "compliance discourse" is directly related to informational transparency, emphasizing what must be disclosed and how. Overall, transparency is accepted as essential and required in companies to a degree where claims of excellence are voiced, partly in metaphoric language. Indeed, practitioners across different companies seem to have common narratives through which an ideal understanding of transparency is produced as suggested by Christensen and Cornelissen (2015). However, the practitioners also recognize tensions between the ideal and practice, even though the value of organizational transparency in itself is not questioned.

From the relational and perceptive perspectives, the practitioners find that an image of transparency creates trust and leads to a good reputation among stakeholders. Simultaneously, they recognize that "seeing does not equate to knowing" from the stakeholders' side (see Christensen & Cornelissen 2015); laying it all out in the open does not lead to transparency but stiffness and uncontextualized information. Moreover, even though openness towards internal stakeholders is seen as key in terms of trust, the regulatory requirement of "same information simultaneously to all" bypasses it.

Against this background, the limitations of informational transparency are well understood. Overall, the practitioners express a firm commitment to transparency and their role as mediators between the transparency ideal and the concrete business practices. They see it as their duty to adapt the ideal to different stakeholders' needs and for the benefit of the company. In some cases, the communication practitioners' own commitment to transparency even seems to be stronger than the company's commitment. In terms of Fisher and Hopp (2020: 204), the communication practitioners' work is intrinsically *relational* and *perceptive* in nature.

The limitations of our study include the non-generalizability of interview research findings; what we asked and how we asked it is reflected in the data. In addition, the relatively small sample size and potential pressures of the interviewees to present their organization in a positive light may have influenced our results. However, our qualitative findings contribute to the body of transparency literature by focusing on the practitioners' point of view. Above all, they shed light on the nuances of transparency thinking required by today's communication professionals. They simultaneously succeed in illustrating how investor relations, public relations, and corporate communication aspects of work merge in the work of communication practitioners. However, further studies among communication (and investor relations) practitioners in other countries and across different business fields would reveal to which degree our findings are specific to the Finnish context and the types of businesses we have included in our study. Moreover, additional qualitative interviews in smaller companies, or alternatively, with CSR practitioners, would help to understand how generalizable our results and interpretations are.

Works Cited

Albu, O. B. & Wehmeier, S. (2014). Organizational Transparency and Sense-Making: The Case of Northern Rock. *Journal of Public Relations Research* 26(2), 117–133*.* https://doi.org/ 10.1080/1062726X.2013.795869

Balkin, J. M. (1999). How mass media simulate political transparency. *Cultural Values* 3(4), 393– 413. https://doi.org/10.1080/14797589909367175

Christensen, L. T. & Cheney, G. (2015). Peering into transparency: Challenging ideals, proxies, and organizational practices. *Communication Theory* 25, 70–90. https://www.doi.org/ 10.1111/comt.12052

Christensen, L. T. & Cornelissen, J. (2015). Organizational transparency as myth and metaphor. *European Journal of Social Theory* 18(2), 132–149. https://doi.org/10.1177/ 1368431014555256

Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC. Available at: http://data.europa.eu/eli/dir/2004/109/2021-03-18 (cited 8.4.2021).

Doan, M. A. & McKie, D. (2017). Financial investigations: Auditing research accounts of communication in business, investor relations, and public relations (1994-2016). *Public Relations Review* 43(2), 306–313. https://doi.org/10.1016/j.pubrev.2017.02.010.

Edelman (2021). 2021 Edelman Trust Barometer. Available at: https://www.edelman.com/ sites/g/files/aatuss191/files/202103/2021%20Edelman%20Trust%20Barometer.pdf (cited 3.5.2021).

Eriksson, P. & Kovalainen, A. (2016). *Qualitative methods in business research. A practical guide to social research.* London: Sage.

Esterhuyse, L. (2019). Towards corporate transparency. *The Bottom Line* 32(4), 290–307. https://doi.org/10.1108/BL-03-2019-0081

Fairhurst, G. T. & Putnam, L. L. (2019). An Integrative Methodology for Organizational Oppositions: Aligning Grounded Theory and Discourse Analysis. *Organizational Research Methods* 22(4), 917– 940. https://doi.org/10.1177/1094428118776771

Fisher, J. & Hopp, T. (2020). Does the Framing of Transparency Impact Trust? Differences Between Self-Benefit and Other-Benefit Message Frames. *International Journal of Strategic Communication* 14(3), 203–222. https://doi.org/10.1080/1553118X.2020.1770767

Glozer, S., Caruana, R. & Hibbert, S. A. (2019). The Never-Ending Story: Discursive Legitimation in Social Media Dialogue. *Organization Studies* 40(5)*,* 625–650. https://doi.org/10.1177/ 0170840617751006

Hirsto, H., Koskela, M. & Penttinen, K. (2021). Kun tietoa mitataan euroissa: Tulosjulkistukset tiedosta neuvottelemisen areenoina. *Media & viestintä* 44(1), 72–94. https://doi.org/ 10.23983/mv.107301

Koskela, M. (2017). Disclosing principles of disclosure – Rhetorical moves for constructing transparency. *International Journal of Business Communication* 55(2), 164–193. https://doi.org/10.1177/2329488417735645

Meyer, J. W. & Rowan, B. (1977). Institutionalized Organizations: Formal Structure as Myth and Ceremony. *American Journal of Sociology* 83(2), 340–363. https://doi.org/10.1086/ 226550

Nasdaq Helsinki Ltd. (2021). Nordic Main Market Rulebook for Issuers of Shares. Available at: https://www.nasdaq.com/docs/2021/04/08/Nordic-Main-Market-Rulebook-for-Issuers-of-Shares-1-February-2021_0.pdf (cited 20.9.2021).

NIRI (2021). National Investor Relations Institute. Available at: https://www.niri.org/about-niri (cited 2.5.2021).

Phillips, N., Lawrence, T. & Hardy, C. (2004). Discourse and institutions. *Academy of Management Review* 29(4), 1–18. https://doi.org/10.2307/20159075

Scherer, A.G., Palazzo, G., & Seidl, D. (2013). Managing legitimacy in complex and heterogeneous environments: Sustainable development in a globalized world. *Journal of Management Studie*s 50(2), 259–284.

Schnackenberg, A. K. & Tomlinson, E. C. (2016). Organizational transparency: a new perspective on managing trust in organization-stakeholder relationships. *Journal of Management* 42(7), 1784–1810. https://doi.org/10.1177/0149206314525202

Wehmeier, S. (2018). Transparency. In: I. Heath & W. Johansen (Eds.), *The International Encyclopedia of Strategic Communication*. Hoboken, New Jersey: R. John Wiley & Sons.

Wehmeier, S. & Raaz, O. (2012). Transparency matters: The concept of organizational transparency in the academic discourse. *Public Relations Inquiry* 1(3), 337–366. https://doi.org/10.1177/2046147X12448580