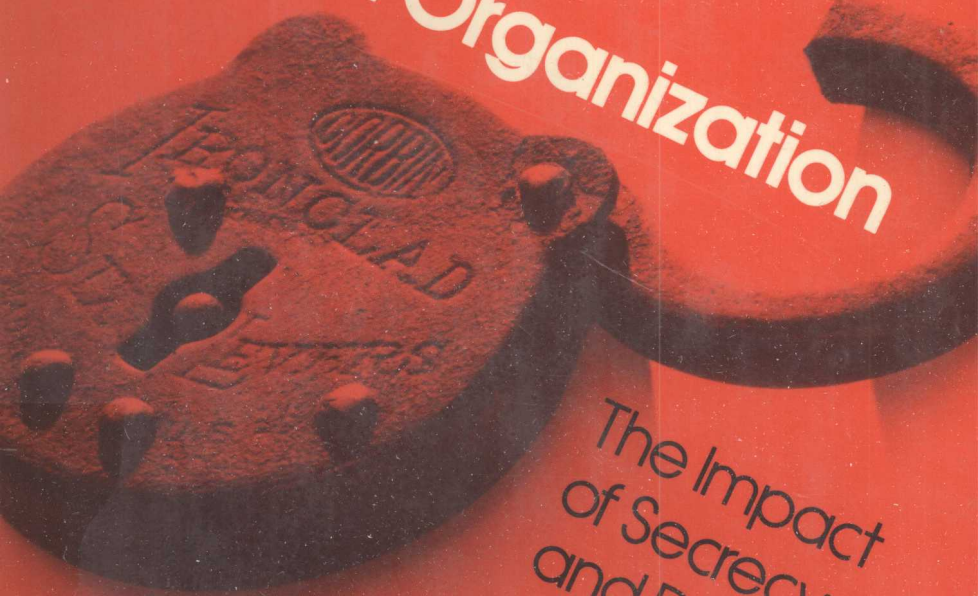


# The Open Organization



The Impact  
of Secrecy  
and Disclosure  
on People and  
Organizations  
**Fritz Steele**

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Secrecy and Disclosure  
on People and Organizations

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## PREFACE

The concept of openness has come into vogue with the development of various humanistic trends in social and organizational psychology. People go to encounter groups to experience openness and, hopefully, to behave more openly in their day-to-day lives. Managers attend courses at which new norms are developed—norms that encourage the sharing of information with one another rather than the hiding of it. Organization surveys are carried out by consultants, with the primary aim being to make visible and share information that many individuals already knew but were not discussing in any systematic manner with one another.

Put most simply, the purpose of this book is to explore the concepts of openness and disclosure. I hope to go beyond the usual platitudes about why openness is good or bad, moral or immoral, practical or impractical. I will examine the various costs and gains associated with choices toward high and low disclosure. The three main goals for the book are: (1) to help you become more aware of the dynamics of the disclosure (and non-disclosure) process, so that you will become more aware of what you are actually doing; (2) to examine the consequences of short- and long-term patterns of disclosure, so that you will become better able to predict the consequences of your choices; and (3) to suggest means for changing the pattern of disclosure in an organization for those of you who are interested in experimenting with new alternatives.

In the course of the discussion, I will cite many examples from my own experience as an organizational consultant; these examples are used as illustrations of general points that have emerged from my experience. I do not intend them to be proofs of trends in organizations in the United States. My aim is neither to make pronouncements about what all companies do nor to imply that a certain percentage of systems fall under a certain behavioral category, although occasionally I will talk about a pattern

as being widespread. Rather, my general aim is to illuminate processes and forces that tend to operate to various degrees in most social systems, so that you will have guidelines on what to look for in your own systems.

In other words, whether or not a trend is widespread should be of no consolation to you here. Rather, the question for you to ask is: Is the disclosure pattern being described similar to my own or that of my own group and organization? If the answer is yes, then it is of value to explore the dynamics and their consequences, even if they are not occurring in *any* other organization. Statistics and trends are no substitute for an honest appraisal of what is really going on in your own system, even though it can be a relief to dismiss a problem because it is not “widespread.”

Besides issuing dire warnings about comforting defensiveness, we also need to consider the structure and design of the book. It was written in a spirit of exploration and play, to see what would emerge from taking disclosure as a central organizational concept. I have tried to retain at least a little of that spirit in the final product, and my hope is that you will be able to use the book as a stimulus to your own explorations and experiments with various aspects of the disclosure problem.

In an attempt to create this spirit, I have composed a somewhat *non-serial* book. With the exception of the introduction and a closing piece, most of the interior parts can be read in whatever order happens to strike your fancy. They can also be reread at different times and with a different impact, depending on what was read in between. To help in connecting the various concepts, I have numbered them and cross-reference to them from time to time in the discussions.

There is one other stylistic aspect designed to help you actually use the concepts and examples for analysis of your own situation. I have tried to deal with topics that are easily recognized and remembered, often by giving them a particular title. My consulting experiences suggest that people who are working daily in an organization are not helped very much by elaborate theories that must be studied and restudied in order to be understood (let alone applied). The more helpful behavioral science concepts have been those that are easily identified with some phrase (such as Theory X/Theory Y or “What business are we really in?”) that could be recalled when the person was actually trying to do something.

My hope is that the topics in this book will also be easy to use. Although the “Unilateral Relevance Test” may not become a household word, others besides myself will, ideally, remember it when they are deciding what someone else needs to know.

Finally, I want to thank all those people (including myself) who have provided me with so many examples of high and low disclosure. Without us all, there would be no behavior to describe. In addition, several people gave me special help on earlier drafts of the book: Dick Hackman, Clay Alderfer, Tim Hall, and especially Deborah Jones. To them I would like to disclose how much I appreciate their help.

*Boston, Massachusetts*  
*January 1975*

F.S.

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# AN ORIENTATION

Wherein we consider why  
openness should be such  
a big deal, anyway . . .



## INTRODUCTION: WHY WORRY ABOUT DISCLOSURE?

This book is about communication, but it is not the usual management book on better *techniques* of communication. I believe that much of the “communications problem,” endlessly discussed as a technical matter which could be solved by better structures or paper systems, is really a complex, human-system problem, with its roots in how much and what people *want* to communicate (disclose) rather than a problem of technical blocks inhibiting communication. When people wish to disclose, and when the norms of the system support it, they are able to be quite inventive about the means for sharing information. When people do not really wish to do this, or when the system punishes open behavior, communication looms as a difficult process.

Many assumptions are made about openness as an organizational phenomenon. People with temperaments oriented toward being closed talk about the impracticability of behaving in an open way within organizations, e.g., “The system won’t permit it.” By contrast, those who have been converted talk with a religious fervor about the need for openness and make a sweeping dismissal of the “closed ones” as not with it, not really “human.” Neither of these stances has much of a grounding in an understanding of the actual effects of openness and closedness in different situations. For example, at the level of the effects of disclosure patterns on individuals, a growing body of research indicates that disclosure is a critical variable to all of us as individuals in relation to the world around us. The most impressive work in this area has been done by Sidney Jourard, who has documented the mental health costs of a low-disclosure stance toward the world and the toll that it takes over the years.<sup>1</sup>

Rather than replowing Jourard’s field, I have focused my inquiries on the impact of low and high disclosure on groups and organizations. Indi-

viduals are obviously affected as well, since in the end it is the people within the organization who choose to disclose or not. (An organization, having a small brain, does not make many decisions.) But why should anyone bother to try to illuminate the dynamics of disclosure in organizations? Why is this a process that warrants the energy and attention that I have given to it? Consider the following excerpt from a meeting of division managers of a consumer products company:

- Chairman:     Can anyone tell me why we shouldn't be able to capture a 12% share of market for the coming period? Aren't we in the best position we've been in with respect to visibility and saturation?
- Manager A:    Yes, I think we are. It will take everybody pulling his load, but we're set to take off.
- Manager B:    Our sales organization is certainly ready to do its job. Is manufacturing going to be able to meet our projections?
- Manager C:    Right now, it looks like we should be able to even do slightly better.
- Chairman:     Good, good . . . I get a real sense of us all pulling together in a concerted effort.

It later emerged that the members of that meeting were indeed all pulling together. However, their goal was not to achieve a maximum performance the next quarter, but rather to experience a minimum of discomfort at that particular meeting. Manager B knew that there was an impending morale crisis in the sales division; Manager C knew that past cutting of corners on maintenance was about to come back to haunt his division; and the chairman knew that government regulatory actions on several products would pose some knotty problems. Each member had information that he didn't want to share; it would not be in the spirit of positive thinking that they were trying to generate (nor would it reflect very well on his own abilities if he were the only one to admit that there might be some cause for concern in his division). The end result was that each division ended up disappointing the others. In addition, the problems were tackled on a piecemeal basis rather than through a concentrated plan devised by the group after considering the total picture of the situation.

This example illustrates the simplest reason for considering the im-

pact of disclosure on human social systems. Organizations rely very heavily on information transactions for accomplishing the work and play of the members. Behavior in organizations is heavily influenced by the fact that we live and work in a world of information. That information is transmitted through many media: written documents, spoken words, nonverbal physical behavior, responses to others' actions, nonresponses to others' actions, and so on.

Not only do we live in an information environment, but also most of the norms and values by which we are judged to be good members or bad are tied to disclosures of one sort or another. We are rewarded and punished for what we disclose, not for the absolute realities of what we are or do. As we will see in other sections of this book, this fact leads to a great deal of pressure toward carefully managing the disclosure process. This often results in the choking off or distortion of information that needs to be accurately shared in order for good performance and learning to take place.

In my experience as an organizational consultant, I have encountered a large number of people who sounded quite committed to the value of openness and free disclosure. But I have found far fewer people who actually *behave* according to this value with anything approaching consistency. Sometimes, they are just blind to the lack of congruence between their expressed values and their behaviors. Sometimes, they actually have not internalized the value of high disclosure to begin with and are merely repeating the phrases that have gained favor for the moment.

Even when I am called in as a consultant specifically to help information-sharing, I find a great deal of resistance to actually doing the sharing. There are always reasons why "it would be better if we held off for a bit," or "forget the whole thing in this particular case." The theme seems to be: "Please don't talk about me when I'm here."

Specific ways in which a chosen level of disclosure makes a difference in day-to-day operations and over the longer term will be discussed in many sections of this book. The main theme is that there are both *costs* and *gains* to whatever level of disclosure is chosen as a general pattern and that people will make better choices if they are more aware of what they are gaining and giving up with their choices. As much as possible, I have tried to present an open consideration of both positive and negative sides of openness, rather than just to explain why I think everyone should be open all the

time. I do not believe that full and continual disclosure is possible or desirable for persons or organizations. But there is an emphasis on the costs of low disclosure and the gains of high disclosure, because I see most of our social experiences in today's culture as loaded in the opposite direction, i.e., the short-term costs of disclosure (embarrassment, loss of degrees of freedom, uncertainty) are experienced as more immediate and are therefore given more weight than are the long-term gains of disclosure (true problem-solving, learning from experience, etc.). In a sense, I am trying to bring about a more realistic consideration at choice points—one that includes looking at the costs and gains of both low and high disclosure.

I do believe, however, that I have identified some significant reasons why, other factors being equal (which they often are not), a social system that has a high-disclosure climate is more likely to be "healthy" than one that does not. For example, unless there is the opportunity and ability to disclose information about what is actually happening in the system, including both behaviors and feelings, then it is very difficult for that system's members to be masters of their own fate and for the system to be self-correcting. In this sense, the importance of disclosure is not only in doing the day-to-day work which requires information flow (that kind of disclosure happens fairly regularly), but also in examining *how* things are being done, so that maintenance can be done on the system to keep it healthy.

Argyris described this function of disclosure very nicely as follows:

I have never observed a group whose members wanted it to decay. I have never studied a group or an organization that was decaying where there were not some members who were aware that decay was occurring. Accordingly, one key to group and organizational effectiveness is to get this knowledge out into the open and discuss it thoroughly. The human "motors" of the group and the organization have to be checked periodically, just as does the motor of an automobile. Without proper maintenance, all will fail.<sup>2</sup>

Regular disclosure is essential if members of a system are to be able to improve their own process, to develop new images of who they are and what they are trying to do, and to learn from the experiences which they share. Unless the data from those experiences are shared, no patterns can be seen, and therefore no generalizations of any real complexity can be developed.

## WHAT IS DISCLOSURE?

Several basic assumptions should be shared at this point, before we move into particular topic areas. The most important is what I mean by the word “disclosure.” I use this term rather than “being open” as my basic focus because it is a bit better at implying the fact that a *choice* is involved. Disclosure means sharing with another person, or persons, information which we have and which is at present hidden from others (at least as far as we know). We all know that there is much too much information in each of us to share everything with everyone. The time, energy, and chaos involved would prohibit doing anything else. Therefore, we must be selective, and one’s disclosure choices constitute the selection process of what to share and what to keep to one’s self, as well as when to share it.

Disclosure can be of ideas, information from other sources, feelings, or any other topics we can pass on to another person. Individuals can disclose opinions, descriptions of past behaviors, future intentions, feelings, or anything else that can be conceptualized or acted out. Organizations can also disclose, that is, make information available, and in different degrees to different people.

There are several levels to any act of disclosure. The simplest is the sharing of the *information* itself; after the disclosure, both the sender and receiver know what formerly was known only to the sender. A second level is concerned with *control* and *influence*; sharing information can be sender’s attempt to influence the receiver and also the sender’s sharing of potential influence over the content area, now that receiver knows about it, too. A third level is the building of *patterns* over time; each act of disclosure is part of a total experience that sender and receiver have with each other, and disclosure tends to build the relationship.

At yet another level, a disclosure is a *signal* about the sender’s image of the *present nature* of the relationship—what he thinks it is in terms of intimacy, mutual roles, etc. Finally, disclosure is often either a *stimulus* to some kind of action or a signal that an action must be planned. In most work organizations, disclosures of one sort or another are the stimuli that fire people off in various directions, often in efforts to protect themselves in case things go wrong.

My focus will generally be on the forces that cause disclosure to be at a certain level in a system and the consequences of that level for the mem-