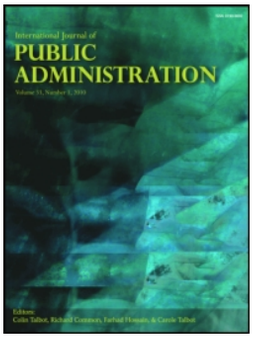

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Transparency and Public Value—Analyzing the Transparency Practices and Value Creation of Public Utilities

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ABSTRACT
This article examines to what extent transparency is a condition for the creation of public value. Transparency is usually narrowly defined as a tool for external stakeholders to monitor the internal workings of an organization, but public value management positions transparency as a broader instrument for actively engaging stakeholders. We investigate empirically whether transparency is indeed necessary to create public value, distinguishing between transparency about operational capacity, authorizing environment, and value proposition. We find that more transparent public organizations achieved higher public value scores, especially if they disclosed information about the design and dynamics of their authorizing environment.

KEYWORDS
Transparency; public value; public management; public utilities; small states

Introduction

Transparency is primarily viewed as a tool for external stakeholders to monitor the internal workings of an organization, prevent corruption, and ensure due process (Grimmelikhuijsen & Meijer, 2014; Hood & Heald, 2006; Meijer, 2012). This definition of transparency positions the organization as a passive agent providing the information for scrutiny by external stakeholders. However, transparency could also be seen as a tool for public organizations to actively collaborate with their stakeholders. This broader approach to transparency resonates with alternative approaches to public management such as new public governance, collaborative innovation, and public value management (Moore, 1995; Sørensen & Torfing, 2012; Talbot, 2010).

In public value management, Mark Moore argues that public managers should be "orchestrating the processes of public policy development, often in partnership with other actors and stakeholders" (Benington & Moore, 2010, p. 4). Transparency is a key part of this process; public managers are expected to constantly inform and educate their stakeholders, going beyond their legal obligations for information disclosure (Moore, 1995; Roberts, 2006; Stoker, 2006). Transparency is here understood to be an essential tool for the collaboration with stakeholders, rather than a prerequisite for monitoring by stakeholders. This optimistic view of transparency contrasts with other perspectives which see information disclosure as a potential obstacle for effective governance (Hood & Heald, 2006). Transparency could actually undermine trust and invite political meddling. In this article, we examine empirically whether transparency is indeed a precondition for the creation of public value or that it turns out to be a hindrance.

We compare the transparency practices and public value scores of sixteen state-owned utilities situated in the three Caribbean countries. These cases represent both the opportunities and threats of transparency for public value creation. The state-owned enterprises enjoyed a relative autonomy comparable to public utilities in OECD countries, which meant they could largely shape their own transparency practices (Martina, 2009). On one hand, these utilities could potentially use this freedom to actively engage with their stakeholders and so create more value for the community. On the other hand, the small size and low generalized trust of these island societies meant that transparency could also lead to meddling by outside actors, destroying value instead (Douglas, 2012).

To examine whether transparency is a condition for public value creation, we first asked experts to score the utilities on the three dimensions of public value, namely operational capacity, authorizing environment, and value proposition. We then reviewed how transparent the utilities were about their operational capacity, authorizing environment, and value proposition by interviewing 107 of the stakeholders involved. We

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used fuzzy-set Qualitative Case Analysis (fsQCA) to examine the importance of transparency for value creation and drew on a qualitative review to examine how exactly the management of the public utilities came to their transparency choices.

Our findings suggest that transparency is indeed a condition for the creation of public value. All utilities which were transparent achieved significantly higher public value scores than the utilities which were not transparent. In particular, the high scoring organizations emphasized transparency about their authorizing environment, consistently disclosing information about decision-making processes and participation opportunities. They also broadcasted data about their operational capacity and value proposition, but utilities which only disclosed these two types of information were not as successful in creating public value. Potentially, this mechanism could work the other way round, as only successful utilities might feel comfortable to be transparent. The descriptive review, however, suggests that the management of the high scoring organizations considered transparency as a tool for public value creation.

Public value management

Over the years, multiple frameworks have been proposed to measure the value generated by public organizations (Hood, 1991). Some instruments borrow from private-sector practices, such as the balanced scorecard for non-profit organizations by Kaplan and Norton (1992). Other frameworks start from the unique societal mission of public organizations, such as the mission mystique framework of Goodsell (2010). Public value models aim to capture these multiple dimensions of value in the public sector by combining efficiency, fairness, and societal outcomes into one framework (Williams & Shearer, 2011). Several related models have emerged in recent years, be it with different emphases, all offering an overview of the contradictory demands on government (Bozeman, 2007; Moore, 1995, 2013; Stoker, 2006).

We focus on the definition of public value as laid out by Moore (1995, 2013), as it provides both a clear framework for defining public value as a developed management philosophy for achieving public value. His public value management model combines several dimensions of value: The operational capacity dimension looks at the administrative, financial, and technological capabilities of the organization. The authorizing environment dimension looks at the democratic support and accountability of the organization. The value proposition looks at the intended social outcomes.

Next to providing a way of measuring value, public value management also offers a specific view on how value in the public sector is to be achieved. First, in contrast to frameworks developed within the New Public Management paradigm, public value management places the initiative for creating value back with government. Especially the public manager leading an organization has to play an active part in orchestrating the process of policy development and execution (Benington & Moore, 2010). This turns the organization from a passive subject into an active party in value creation.

Second, public value management situates public organizations in a wider network of stakeholders who have to be involved in order to create public value (Moore, 2013; Williams & Shearer, 2011). Rather than serving a single principal, public organizations are here understood to work with a regime of different actors, such as inspectorates, consumer watchdogs, media organizations, and scientific experts (Talbot, 2010). In the view of public value management, it is the job of the public agency to inform, engage, and convince these stakeholders. Hirst notes that "[d]emocracy in this sense is about government by information exchange and consent" (2000, p. 27). This raises the question whether transparency does indeed lead to public value creation and what this transparency should look like in practice.

Transparency practices

Various definitions of transparency have been presented in the literature (for overviews: Bellver & Kaufman, 2005; Grimmelikhuijsen, 2012; Schnackenberg & Tomlinson, 2014). In line with the stakeholder orientation of public value management, transparency is here conceptualized as a relational concept or communication process (Bauhr & Grimes, 2014). We thereby begin with the definition of transparency as *the availability of information about an organization or actor allowing external actors to monitor the internal workings or value of that organization* (Grimmelikhuijsen & Meijer, 2014; Meijer, 2012).

This idea of transparency has both many fans and many detractors in the literature (Fung, 2013; Grimmelikhuijsen & Meijer, 2014; Hood & Heald, 2006; Tsoukas, 1997). Proponents praise its ability to clean up corruption, build trust, and increase accountability. Opponents argue that transparency can increase outside meddling and actually undermine trust. We want to move this discussion forward by going beyond a simple dichotomy between full versus nil transparency. We do want to examine whether transparency is an essential condition for the creation of public value,

but we also want to make a distinction between different types of transparency that organizations can pursue.

We propose to distinguish between the different types of information organizations they are sharing and between the different quantities of information the organizations are sharing. First, we argue that organizations can make substantive choices about what type of information they make available. For example, a state-owned electricity provider can choose to disclose information about the costs of a new plant, the decision process for determining the location for the new plant, and/or the contents of its long-term investment plan. Often, the utility will be legally required to supply some of this information, but the management can decide to go beyond these minimal requirements in order to inform and engage external stakeholders. We distinguish between three types of information which can be disclosed, mirroring the three dimensions of public value as defined by Moore (1995), and work on actor interactions in complex networks (Koppenjan & Klijn, 2004):

(1) Information about operational capacity, referring to the actual operational data and the actions of management to improve the operational value.
(2) Information about the public value proposition, referring to the goals of the organization and the deliberations of management in drafting these plans.
(3) Information about the authorizing environment, referring to the design of the stakeholder environment and the dynamics between management and stakeholders.

Second, public organizations can also make different choices in the quantity of information they make available (Dawes, 2010; Fine Licht, 2014; Grimmelikhuijsen, 2012; Meijer, 2009). Following Dawes (2010), Fung (2013), Grimmelikhuijsen (2012), and Michener and Bersch (2013) we propose to assess the amount of information with three criteria from the perspective of the receiver of the information:

(1) Completeness of information. Transparency may refer to basic, brief information without any details or consist of elaborate information in the form of both quantitative and qualitative data.
(2) Coloring of information. Information about the organization can never be presented in a fully neutral manner. The organization will always present the information in a certain "frame", but the restrictiveness and bias of the presentation may vary.
(3) Usability of information. The information can be made available in an accessible format, which is easily understandable for a layperson, or be presented in such a way that only committed experts can understand it. Timeliness is also an aspect of the usability of information.

This framework can be used to measure both the type and amount of information public organizations are sharing, as detailed in Table 1. Together with the dimensions of public value, we can then assess whether transparency is a condition for the creation of public value. And, to be more precise, what configurations of transparency practices correspond with the highest creation of public value. For example, we may find that public value creation only occurs in organizations which share ample information about their operational capacity and authorizing environment, but that sharing a lot of information about the value proposition is not a necessary condition for the creation of public value.

Case selection

The sixteen cases studied here provide an illustration of both the opportunities and challenges of transparency (see Table 2). These public utilities studied were situated in the small but relatively highly developed Caribbean countries of Aruba, Curacao, and St Kitts.

Table 1. Framework for measuring transparency.

Type of information	Amount of information		
	Completeness	Coloring	Usability
Operational capacity	Complete information about inputs, throughputs, outputs, costs is available	Information reflects both the success and failures/shortcomings of operational processes	Reliable operational information is made available in an easy, timely and accessible manner
Authorizing environment	Complete information about the layout and dynamics of the stakeholders and decision-making	Information reflects all values and opinions of the stakeholders in the decision-making process	Reliable information about environment is made available in an easy, timely, and accessible manner
Public value proposition	Complete information about the objectives and means for the mid-term is available	Information reflects different options about practices and different trend expectations	Reliable information about practices is made available in an easy, timely, and accessible manner

Table 2. Overview of cases.

Aruba	Curacao	St Kitts
Airport	Airport	Air- and seaport (one entity)
Seaport	Seaport	Electricity
Bus transport	Bus transport	Water
Electricity and water (one entity)	Electricity and water (one entity)	Waste management
Electricity distribution	Gasoline distribution	
Waste management	Waste management	

All three countries were considered middle- to high-income economies by the World Bank, deriving their income mainly from tourism and financial services (Oostindie & Sutton, 2006). All three countries had strong democratic institutions with free elections, independent courts, and government practices based on an OECD mold. These institutions were furthermore secured by constitutional links to the former colonial powers in The Netherlands and the United Kingdom (Oostindie & Sutton, 2006).

Their small size does set these countries apart as their populations ranged from 35.000 to 135.000 per country. The public utilities on the island worked within a stakeholder environment similar to OECD countries, complete with auditors, regulators, journalists, and community activists. Yet the small size of the community also meant that civil society institutions were comparatively weak and underdeveloped. The absence of countervailing powers could give nepotistic groups the opportunity to seize control of the public utilities, just as the absence of well-established forums for debate could lead to public discussions spiraling out of control (Douglas, 2011; Oostindie & Sutton, 2006). On one hand, the utilities could use transparency to engage with their external stakeholders, but on the other hand, their openness could also lead to outside meddling and instability. The extreme position of these utilities could be conducive to revealing the importance of transparency for value creation, but we should be careful when generalizing from the findings in this specific context.

The sixteen public utilities in our sample were responsible for services such as the management of the airport, seaport, public transport, waste collection, energy production, or water distribution. Although the utilities had different tasks, they were largely similar in legal status, budget control, and governance arrangements. Fourteen of these public utilities were state-owned enterprises. For example, all three airports were nominally private companies, but the state retained all of the shares and appointed all of the supervisory directors. Only one of the sixteen state-owned enterprises sold shares to a commercial investor, and even then the government retained an 80% majority share. The final two public utilities were fully integrated government departments, falling directly under the responsibility of an elected official.

The regulatory framework was closely modeled on Dutch or British legislation about accountability and transparency. Actors such as accountants, government auditors, health and safety inspectors, labor representatives, and utility regulators had the right to monitor these utilities closely. In the case of a conflict, parties could ultimately appeal to courts in the United Kingdom and The Netherlands. We delineated the cases here as the sixteen legal entities delivering the service, be it as a state-owned enterprise or government department, plus the surrounding politicians, regulators, and interest groups controlling or observing these organizations.

As in other countries, these public utilities formed a key part of the local economy and society. The utilities directly impacted the life of citizens through the price of their product, reliability of service, or role as a large employer in the community (Martina, 2009). The public utilities were therefore frequently at the heart of the public debate. Journalists would investigate price hikes or corruption charges, politicians would call the responsible minister to account for service failures, or community activists would try to get attention for the ecological impact of these organizations (Douglas, 2011). However, due to the absence of well-established forums and routines for handling public debates in civil society, the debate would usually veer between sudden uproar and persistent silence (Douglas, 2012). The question is whether transparency forms a condition or a hindrance for creating public value in these circumstances and what types of transparency can make a difference.

Research design

Our research design needs to enable us to examine two issues: First, we want to examine whether transparency, or a specific configuration of transparency practices, is a condition for the public value creation amongst the sixteen cases. We use fsQCA for this first step, building on a public value score for each case awarded by experts and an assessment of the transparency practices of each organization based on interviews with stakeholders. Second, we need to check whether transparency leads to value creation as organizations learn to engage stakeholders, or that the reverse is the case and

value creation leads to transparency as successful organizations use transparency to celebrate their successes. We use a descriptive review of the decisions made by the management of the utilities for this second step, exploring what their motivations were for being transparent or not.

fsQCA, as developed by Ragin (2008), provides us with a tool to systematically analyze the differences between the sixteen utilities while grounding the analysis in theory and leveraging the qualitative insights from our interviews (Goertz & Mahony, 2012; Schneider & Wagemann, 2012). Furthermore, fsQCA allows us to catalogue the different configurations of information disclosure, so we can identify the combinations of transparency practices which produce the best public value outcomes (Van Der Heijden, 2015). "The key issue is not which variable is the strongest, but how different conditions combine and whether there is only one combination or several different combinations of conditions generating the same outcome" (Ragin, 2008, p. 114).

Strictly speaking, however, we cannot determine the direction of the mechanism by only measuring the transparency and public value scores. We do load our fsQCA with theoretical assumptions about the impact of transparency on public value, but public value could still be a precursor for transparency instead of the other way round. This limitation in our research design would ideally be fixed by a longitudinal study of the sixteen utilities, complete with yearly interviews with the stakeholders and regular value reviews. For now, in a supplement to our analysis, we provide a qualitative description of the considerations and actions of management as perceived by the 107 interviewees. These interviews give an insight into the motivations of the managers to disclose different types of information and the impact this had on the different stakeholders. These insights help us to further specify the nature of the mechanism at work here.

Measuring public value

We asked two experts on each island to rate the performance of the utilities on the dimensions of operational capacity, authorizing environment, and value proposition. These local experts may be biased, however, so the scores were balanced with an outsider perspective. One of the authors of this article, who worked out of a university in Europe, provided additional scores for each of the cases, drawing on his own experience in researching public administration in the Caribbean for five years.

The experts could award points in several categories: First, between 1 and 4 points for the public value proposition of the utility, based on their assessment of the long-term policy benefits of the organization for the community. Second, between 1 and 4 points for the authorizing environment of the utility, based on their assessment of the democratic and civil control over the utility. Finally, between 1 and 8 points for the operational capacity of the utility, based on their evaluation of the costs versus the quality of the service provided. (Given the commodity nature of the product of these public utilities, it was decided to give extra weight to operational value.) Public utilities could so earn a total of 16 points (see Table 3).

Naturally, there was a degree of coder disagreement between the experts. On average, there was ±0.89 confidence interval for the scores awarded at 90% confidence. This means that we would expect 90% of any additional measurements to return results +/−0.89 of the score achieved here. On the whole, coders were

Table 3. Measurement of public value.

Case	Legitimacy *Minimum 1 point* *Maximum 4 points*	Operational capacity *Minimum 1 point* *Maximum 8 points*	Public value proposition *Minimum 1 point* *Maximum 4 points*	Total score *Minimum 3 points* *Maximum 16 points*	fsQCA set membership *Minimum 0.00* *Maximum 1.00*
Waste A	3.25	8	2.5	13.75	**1.00**
Waste B	3	5	3	11	**0.98**
Energy A	3	4.5	3	10.5	**0.86**
Seaport A	2.25	5	3.25	10.5	**0.86**
Energy B	3.33	3.33	3.33	9.99	**0.73**
Airport A[1]	2.75	5	2	9.75	**0.68**
Energy C	2.5	5	2.25	9.75	**0.68**
Transport A	3	4.5	2	9.5	**0.62**
Seaport B	3	3	3	9	**0.50**
Waste C	1.75	4.5	1.5	7.75	**0.20**
Seaport C	1	4.5	2	7.5	**0.14**
Energy D	2.5	2.5	2.25	7.25	**0.08**
Energy E	2	3	2.25	7.25	**0.08**
Transport B[2]	2	4	1	7	**0.02**
Airport B	1.75	2.5	2.5	6.75	**0.00**
Energy F	1.5	2.5	1.25	5.25	**0.00**

similarly positive about the best cases, although they disagreed somewhat how well they did exactly, and similarly negative about the poorest performers, although they disagreed somewhat how badly they performed exactly. Coders were more divided on the cases in the middle. This means that more caution has to be practiced when analyzing these cases.

These scores can be translated to fsQCA set membership by establishing a theoretically informed cross-over, minimum and maximum point for the sets (Ragin, 2008; Schneider & Wagemann, 2012). We decided to place the 0.50 membership score at the 9-point mark. Utilities with this average score were considered by the experts to neither add value to the community (or they would have been given a higher score) nor take value from the community (or they would have been given a lower score). The minimum and maximum membership scores were established using the standard deviation from the average score, in this case 2.10.

We wanted to link the measurement of success to the sample scores in order to account for the local difficulties in creating public value. Those cases scoring at least one standard deviation above the cross-over point, a score of 11.10, are considered to be fully successful in creating public value. Those cases achieving at least one standard deviation below the cross-over point, a score of 6.90, are awarded no membership at all. The remaining scores were distributed proportionally according to their deviation from the neutral score and the standard deviation.

Measuring transparency

We based our measurement of transparency on the information from the stakeholder interviews. We wanted to move beyond merely counting the messages or reports released by the utilities and check what actually came across to the stakeholders either formally or informally. We first developed a 4-point scale for set membership, based on our indicators for the amount of information provided in Table 1. For example, in the opinion of its stakeholders, Waste agency A presented its operational data completely (+0.33 membership) and uncolored (+0.33 membership), but they felt it sometimes lacked in quality (0.00 membership). On the whole, this resulted in a 0.66 membership of the operational capacity transparency set for waste agency A. Similar assessments were made for each of the cases for the transparency of the authorizing environment and the public value proposition (see Table 4).

Fuzzy-set qualitative case analysis

To investigate the interaction between transparency and public value, we conducted a series of analyses. First, we checked the necessity of three different types of transparency as conditions for creating public value (Schneider & Wagemann, 2012). A condition can only be considered necessary if it has a consistency of at least 0.90 with the outcome (Ragin & Rihoux, 2009). In this case, none of the transparency types meet this threshold, although transparency about the authorizing environment comes close with 0.84 (see Table 5). This indicates that none of types of transparency are by themselves a necessary condition for the creation of public value, although transparency about the authorizing environment may be quite important. This would suggest that the recipe for the creation of public value could rely on a combination of different types of transparency.

The fuzzy-set analytics then allowed us to identify the combination of transparency types which best explain the occurrence of public value. This combination needs to be the most consistent predictor of value, i.e., the utilities with this combination of transparency types are indeed consistently more successful. The combination also needs to explain a significant part of public value being produced here, i.e., the formula needs to cover as much as possible of the value created by the utilities in the sample.

On the whole, this resulted in the configuration of types of transparency and membership of the public value set (see Table 6). Six cases scored high on all types of transparency. These six cases were 0.91 consistent with the public value set, i.e., cases with all forms of transparency were by and large also successful in creating public value. This would qualify these organizations to be part of the recipe for value. Only one other configuration of transparency types also achieved a relatively high consistency with high value. Seaport B combined high transparency of the value proposition with high transparency of authorizing environment and was 0.76 consistent with the outcome set.

Ragin (2008) argues that cases with a consistency lower than 0.80 should not usually be considered to be part of the outcome when continuing the analysis, although this decision to include them or not also depends on the scores of the sample. Given the gap between the six cases with a 0.91 consistency and Seaport B with a 0.76 consistency, plus the fact that Seaport B only scored 0.50 on public value and is therefore not a prime example of a value creator, it was decided to put the threshold at 0.91. Following similar considerations, we did decide to include the

Table 4. Transparency score of cases.

Case	Transparency of operational capacity		Transparency of authorizing environment		Transparency of value proposition	
	Set	Criteria	Set	Criteria	Set	Criteria
Energy A	1.00	[✓] Complete [✓] Color [✓] Quality	1.00	[✓] Complete [✓] Color [✓] Quality	1.00	[✓] Complete [✓] Color [✓] Quality
Seaport A	1.00	[✓] Complete [✓] Color [✓] Quality	1.00	[✓] Complete [✓] Color [✓] Quality	0.66	[✓] Complete [] Color [✓] Quality
Waste A	0.66	[✓] Complete [✓] Color [] Quality	1.00	[✓] Complete [✓] Color [✓] Quality	0.66	[✓] Complete [✓] Color [] Quality
Waste B	0.66	[✓] Complete [✓] Color [] Quality	1.00	[✓] Complete [✓] Color [✓] Quality	0.66	[✓] Complete [✓] Color [] Quality
Energy B	0.66	[✓] Complete [] Color [✓] Quality	0.66	[✓] Complete [✓] Color [] Quality	0.66	[✓] Complete [] Color [✓] Quality
Airport A	0.66	[] Complete [✓] Color [✓] Quality	0.66	[] Complete [✓] Color [✓] Quality	0.66	[] Complete [✓] Color [✓] Quality
Seaport C	0.66	[✓] Complete [] Color [✓] Quality	0.00	[] Complete [] Color [] Quality	0.00	[] Complete [] Color [] Quality
Energy E	0.66	[✓] Complete [] Color [✓] Quality	0.00	[] Complete [] Color [] Quality	0.66	[✓] Complete [] Color [✓] Quality
Transport B	0.66	[] Complete [✓] Color [✓] Quality	0.33	[] Complete [] Color [✓] Quality	0.33	[] Complete [] Color [✓] Quality
Energy F	0.66	[✓] Complete [] Color [✓] Quality	0.00	[] Complete [] Color [] Quality	0.66	[✓] Complete [] Color [✓] Quality
Energy C	0.33	[] Complete [] Color [✓] Quality	0.33	[] Complete [] Color [✓] Quality	0.33	[] Complete [] Color [✓] Quality
Seaport B	0.33	[✓] Complete [] Color [] Quality	0.66	[] Complete [✓] Color [✓] Quality	0.66	[✓] Complete [] Color [✓] Quality
Airport B	0.33	[] Complete [] Color [✓] Quality	0.00	[] Complete [] Color [] Quality	0.33	[✓] Complete [] Color [✓] Quality
Transport A	0.00	[] Complete [] Color [] Quality	0.33	[✓] Complete [] Color [] Quality	0.00	[] Complete [] Color [] Quality
Waste C	0.00	[] Complete [✓] Color [] Quality	0.00	[] Complete [] Color [] Quality	0.00	[] Complete [] Color [] Quality
Energy D	0.00	[] Complete [] Color [] Quality	0.33	[✓] Complete [] Color [] Quality	0.33	[✓] Complete [] Color [] Quality

Table 5. Analysis of necessary conditions.

Condition	Creation of public value	
	Consistency	Coverage
Transparency of operational capacity	0.73	0.63
Transparency of authorizing environment	0.84	0.86
Transparency of value proposition	0.70	0.65

four utilities with a 0.86 consistency with no public value creation in our other analysis, as this allows us to analyze solutions amongst a larger group of cases. We did complete the calculations at the lower thresholds as well and will refer to them in the text.

Table 6. Truth table of sufficient conditions.

Transparency of operational capacity	Transparency of authorizing environment	Transparency of public value proposition	Number of cases	Consistency public value created	Consistency no public value created
1	1	1	*6*	0.91	0.35
0	0	0	*4*	0.52	0.86
1	0	1	*2*	0.43	0.97
1	0	0	*2*	0.45	0.98
0	1	1	*1*	0.76	0.69
0	0	1	*1*	0.46	0.97
1	1	0	*0*	N/A	N/A
0	1	0	*0*	N/A	N/A

We then ran the analysis on the key characteristic of the successful cases versus those which failed to produce public value (see Table 7). A combination of transparency of operations and of authorizing environment comes out as the most parsimonious recipe for public value. A total of 0.68 of the public value produced in the sample is covered by organizations scoring high on at least these two parameters. There was a 0.90 consistency between the characteristics of the cases and their respective public value outcomes. This two-part recipe for high value performed marginally better than a slightly more complex formula containing all three forms of transparency. A slightly lower 0.65 share of the public value could be explained by this form of transparency, although this formula was slightly more reliable with a 0.91 consistency. This would suggest that the performers were highly transparent across all dimensions, but that some further analysis could reveal the role each type of transparency plays.

When slightly expanding the membership of the high value set to also include the case with a 0.76 consistency with the public value set, the role of authorizing environment transparency becomes more pronounced. In this set of seven agencies, the presence of transparency of authorizing environment is on itself already the best predictor of value. The presence of transparency of authorizing environment covers 0.85 of the public value produced, and there is a still high consistency of 0.86 between having high transparency of authorizing environment and achieving high public value scores.

The importance of authorizing environment transparency is confirmed furthermore by analyzing the group of failing organizations (see Table 8). Of the public value failure produced here, 0.88 could be explained by not sharing information about the authorizing environment. A lack of transparency of authorizing environment was 0.87 consistent with a low score on public value. In other words, whereas it takes a combination of authorizing environment transparency and operational capacity transparency to be successful, the mere absence authorizing environment transparency spells doom for the public value creation of a utility.

One analysis we could not conduct was a check between the different types of transparency and the sub-dimensions of public value, i.e., transparency of operational capacity may occur together with strong operational capacity. The small sample size limited our analysis, as there were not enough high public value cases for each of the possible configurations. A statistical regression analysis with a much larger number of cases may be a better way of testing the relationship between the different types of transparency and the different sub-dimensions of public value.

Descriptive review

So far, we have found that the separate types of transparency are not by themselves a necessary condition for the occurrence of public value creation. However, the joint occurrence of different types of transparency together does seem to be an important precondition for the occurrence of public value. Especially transparency about the authorizing environment seems to be key ingredient in this transparency mix.

The fsQCA has given insight into the relative importance of the different types of transparency. A further descriptive review could shed some light on the exact mechanism at work. Specifically, we want to examine the direction of the mechanism, establishing whether transparency is a precondition for value creation or the other way around. Our interviews with 107 respondents highlight how public managers used transparency not just to fulfill the need for monitoring, but also to engage external stakeholders.

Operational capacity transparency

Ten of the sixteen cases were transparent about their operational capacity, disclosing information about their

Table 7. Solutions for the outcome "public value creation".

Measures of fit	Complex solution	Parsimonious solution	Intermediate solution
	Transparency about operational capacity AND authorizing environment AND value proposition	Transparency about operational capacity AND authorizing environment	Transparency about operational capacity AND authorizing environment AND value proposition
Raw coverage	0.65	0.68	0.65
Unique coverage	0.65	0.68	0.65
Consistency	0.91	0.90	0.91
Cases explained	Waste A, Waste B, Energy A, Seaport A, Energy B, Airport A	Waste A, Waste B, Energy A, Seaport A, Energy B, Airport A	Waste A, Waste B, Energy A, Seaport A, Energy B, Airport A

Frequency cutoff: 1.00. Consistency cutoff: 0.91

Table 8. Solutions for the outcome "no public value creation".

Measures of fit	Complex solution	Parsimonious solution	Intermediate solution
	NO authorizing environment transparency	NO authorizing environment transparency	NO authorizing environment transparency
Raw coverage	0.88	0.88	0.88
Unique coverage	0.88	0.88	0.88
Consistency	0.87	0.87	0.87
Cases explained	Waste C, Seaport C, Energy D, Energy E, Transport B, Airport B, Energy F	Waste C, Seaport C, Energy D, Energy E, Transport B, Airport B, Energy F	Waste C, Seaport C, Energy D, Energy E, Transport B, Airport B, Energy F

Frequency cutoff: 1.00. Consistency cutoff: 0.86.

production process, internal finances, and management interventions. This set of ten included both the six top performers (Waste A to Airport A), but also three of the four worst performers (Energy E, Transport B, Energy F). Operational capacity transparency was an important condition for the occurrence of public value, but only in occurrence with other forms of transparency. The comments from the stakeholders about operational capacity transparency reveal why operational transparency is so important, but also why it is not effective on its own.

Regulators noted that many of the below-average utilities were opaque about their operations, publishing little or no information to the outside world. One auditor commented on the management styles of the directors of these utilities that "*they are running it as a family company*." In line with a monitorial view of transparency, these regulators would be concerned about potential nepotism and inefficiency through a lack of oversight. The managers countered, however, that the releasing operational data into the public domain would actually increase the chances of outside meddling and general confusion.

The management argued that the information about operations becomes part of the political debate instead of merely functioning as neutral content. The manager of one utility related: "*You have to explain* [your organization] *well, but that is extremely tough. Even if you get it right yourself, there is always someone in your back who will completely twist your stories. People hear all these different stories and do not know what to believe anymore*." This leads to a lot of confusion and unrest around the utilities, even when the operational data are seemingly crystal clear. Some give up on disclosing operational data, as one manager related: "*I tried explaining my policy to these people, but they just will not understand and get upset. Now I just keep a low profile*."

However, as these organizations are publicly owned and constantly watched, they could not hide from the public debate forever. Opposition politicians and the media would ask for data when services broke down and sometimes information would be leaked by disgruntled employees. The utilities had to accept the fact that they had to share data about operations with the public, but the question is what else they could do to make the exchange constructive. Here, the managers of the high public value utilities would frame the operational data as part of a larger exchange with stakeholders. The manager of one of the energy utilities argued that he had to inform his minister regularly about the operational performance of the plant, as the minister would get the angry phone calls from citizens if the lights went out. However, the manager would accompany this information with transparency about the authorizing environment, emphasizing how they were working with their partners to improve the situation.

Value proposition transparency

Nine of the sixteen utilities shared information about their value proposition, disclosing data about their future investment plans, long-term service ambitions, and expected costs for citizens. This set included the six best performing utilities (Waste A to Airport A) and two of the worst performers (Energy E, Energy F). On itself, value proposition transparency seems to be the least important type of transparency for public value creation, but again it was an important condition in combination with the other types of disclosure. The interviews again illustrate why this type of transparency is important, but also why it needs to be combined with information about the authorizing environment.

As could be expected of public organizations which are constantly involved in large-scale infrastructure projects, strategic planning was second nature to these public utilities. "*The first thing you need to do is plan*," commented a public manager. "*What do you want, what is your vision, mission?*" Many of them would be keen on sharing these plans with the outside world, ranging from the successful Waste utility A to the failing Energy utility F. The key difference was whether these plans were captured into a wider transparency strategy including authorizing environment information, or that they were merely presented as the objectives made and owned by the management.

The public manager of the Transport utility A, with a mediocre public value score, explained how he did everything to share his plans with the outside world:

"*I made sure I was on the radio every week, every month I had a big item. [...] I had work councils every week, because people had to know what my plans were. [...] It was all very cumbersome, but there was no other way*." This public manager approached value proposition transparency as a politician approaches the campaign trail; as an obligation to sell policies to reluctant voters. No meaningful engagement took place about how stakeholders could get involved in shaping these plans.

By contrast, successful managers would consider a discussion about plans as an opportunity to leverage the support of other stakeholders. The public manager of the high-performing Energy utility A held extensive consultation rounds when drafting five years plan, involving both ordinary citizens and organized stakeholders such as the environmental lobby and the tourism industry. Both the unsuccessful and successful public managers were sharing information about the value proposition in these examples, but the effective managers combined this with a clear message how stakeholders could get engaged in the process.

Authorizing environment transparency

Seven utilities were transparent about their authorizing environment, disclosing information about who was involved in governing the utility and how these actors interacted. These seven utilities were also the seven top performers. On itself, authorizing environment transparency was therefore almost a necessary condition for the creation of public value, although it did require the combination with the other forms of transparency as well to be effective.

The leading stakeholders at the seven top utilities considered transparency not only to be about launching data into the public arena but also about explaining their deliberations and decision process. They did not deny that more operational capacity transparency could lead to more debate, yet they argued that this can only be remedied by providing authorizing environment data alongside with it. As one minister commented: "*The people struggle to understand all this information, but we cannot hide behind the data." You have to remain open and keep explaining why you make the decisions*." The authorizing environment was rarely simple, as the formal arrangement already included many state, quasi-state, and none state actors, and the more informal dynamics covered a wide range of actors from journalists to sole community activists. Transparency about the design and dynamics of this authorizing environment apparently helped to steer the utility toward value creation.

In one case, the public manager of one of the top waste utilities responded with transparency about the authorizing environment when confronted with political meddling. The ruling political party tried to parachute a personal favorite into the position of general manager of the utility. This move ignored both the rules governing civil service appointments and the current general manager who was considered to be competent. This current manager responded on the radio, not by attacking the competence of the new candidate or by highlighting his operational track record, but by outlining the procedural rules for appointing personnel. His main point was that such political involvement in civil service recruitment undermined the fair chances of all citizens to get a job and that the correct procedures should therefore be respected. This clarification of the rules helped to stave off the appointment.

Transparency about the authorizing environment was not always used as a weapon, but also as a tool to engage with the citizenry, usually entwining it with operational data. The public manager of one high value waste management utility hosted a weekly call-in radio show titled "Talking trash." Usually, angry citizens would call in with complaints about overflowing garbage bins or smells from the landfill site. The manager would actively reach out to citizens by not only explaining the operational issues behind the problems, but also by explaining the process by which the relevant policies came about and what listeners could do to intervene in this process. Through the radio show, the waste utility created a forum to engage stakeholders using operational and authorizing environment transparency. The manager so managed both the content and the form of the debate, thereby minimizing confusion and maximizing stakeholder support.

The absence of authorizing environment transparency was on itself already a condition for failure. The pro-active approaches to transparency of the high performers were in sharp contrast to the opaqueness of the authorizing environment amongst the poorly performing utilities. These public managers would often hide their decision-making process behind an "executive privilege," arguing that they only had to answer to the government at the annual shareholder meeting. Although this helped many managers to keep out external stakeholders in the short run, it did undermine their support amongst the stakeholders in the long run, making public value creation apparently next to impossible.

Discussion and conclusion

We set out to explore the importance of different transparency practices for the creation of public value. Our empirical study confirms that transparency practices make a difference: Public utilities which actively disclosed information were considerably more effective in creating public value than does who did not disclose information. Especially transparency about the authorizing environment seems to be an important condition for the creation of value. Public utilities which only disclosed operational capacity or value proposition information were not likely to succeed. If they did include authorizing environment transparency in their practices, they were usually successful in creating public value.

These findings may help to evolve our understanding of the importance of transparency and the mechanisms of public value creation. Traditionally, transparency is conceptualized as a tool for external stakeholders to monitor the internal workings of an organization (Grimmelikhuijsen & Meijer, 2014; Meijer, 2012). Our findings suggest that transparency can also be used by an organization in the broader interaction with its stakeholders in order to collaborate on creating public value. The article also highlights that efforts to strengthen transparency should not solely focus on legal frameworks (Roberts, 2006) or on organizational conditions (Pasquier & Villeneuve, 2007). Instead, it should also address the perceptions, attitudes, and communicative skills of the public managers that actually enact transparency directed at stakeholders (Roberts, 2005).

This focus on engaging through transparency also increases the risk of government spin (Grimmelikhuijsen, 2011; Roberts, 2005). Public organizations could start equating transparency practices with marketing and become very manipulative in their expressions. For this reason, the monitorial role of transparency remains important as well. Just as an effective interaction with external stakeholders ultimately relies on the fact that the disclosed information is trusted and believed. This finding also speaks to the criticism of public value theory that it gives too much freedom to public managers (Williams & Shearer, 2011). Our findings suggest that high value utilities allow for both monitoring by stakeholders and engaging with stakeholders, thereby keeping the managers in check.

We do want to emphasize that these findings are based on a limited number of case studies in a specific setting. Larger samples may turn up more configurations of transparency types, and potentially different recipes for value creation. A repeat study with a larger case collection could therefore test these findings, as well as advance our understanding of the link between the different dimensions of public value and transparency. It is also important to remember that the utilities were based in small countries with relatively weak civil societies, which may have amplified the need for engaging transparency. The importance of the different transparency types could potentially also apply in other settings, but this will have to be confirmed through further empirical studies.

On the whole, we hope to have contributed to *transparency theory* by expanding its domain from passive, monitorial practices to active, engaging ones. Transparency is not only an obligation or legal requirement for public managers but also a tool in their interaction with stakeholders. In addition, we hope to have given the *public value literature* an impulse to further explore the role of information disclosure in creating public value.

Notes

1. Sub-score for one consumer representative for operational capacity was increased after first round of data collection to reflect adjusted appreciation of operational capacity by consumer representative.
2. Overall score was lowered after first round of data collection. A corruption scandal came to light and, based on data from the Courts of Auditors, the public score was reduced to the final rating by the researcher.

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