Corporate Transparency: A Perspective from Thomas Aquinas' *Summa Theologiae*

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Abstract This article analyzes the issue of organizational transparency through the lens of Thomas Aquinas' ethics. It provides moral justification for current claims about corporate transparency and sheds light on the ethical values and virtues affecting information disclosure decisions. Transparency is conceptualized as an informational mechanism necessary for performing the virtues of truthfulness, justice, and prudence. This article extends the organizational transparency and corporate social responsibility literatures by providing an alternative moral justification grounded in virtue-based theory, which extends our understanding of the information disclosure decisions made by management.

Keywords Corporate transparency · Virtue ethics

Introduction

Imagine two companies, Alpha and Omega, which offer identical products and related services, in the same market, say, electricity or bread. Imagine also that they have identical internal procedures, salaries, working conditions, etc. Their only distinguishing feature is the information disclosure strategies adopted by their managements. Alpha's management is willing to share information with society on its production activities, employees' working conditions, environmental practices, etc. In other words,

Company Alpha's managers are happy to disclose important information on its business activities, which, say for simplicity, does not harm its stakeholders or business. Company Omega's management, however, is unwilling to disclose any information other than that required by the law, i.e., relating to product features, and the financial information presented in its balance sheets. Company Omega refuses to respond to requests for information from customers, suppliers, or other stakeholders. Which of these two companies has *the* (more) ethical informational approach? In present-day society, the answer to this question is considered intuitive and has been addressed, in part, by some of the business and applied ethics research (see e.g., Palazzo and Richter 2005; Hess 2007; Laud and Schepers 2009). Organizational transparency, represented here by Company Alpha, corresponds to *the* ethical approach because it addresses the stakeholders' right to know (Hess 2007, 2008; Fung et al. 2007), because it respects Rawls's first principle of Justice (Vaccaro and Madsen 2009a) and because it improves customer–firm relationships (Tapscott and Ticoll 2003). In other words, the literature presents two alternative or rival categories of justifications. The first category is deontological and is represented by the justification based on the stakeholders' right to know and Rawls's first principle of justice. The second is utilitarian.

The practitioner literature emphasizes the importance of management's adoption of information disclosure practices in both internal and external relationships. For example, an article in *Wired* introduces the term "radical transparency" which refers to top managers' willingness to disclose large amounts of information to society through Internet-based technologies such as blogs and personal websites (Thompson 2007). Similarly, the practitioner literature on leadership focuses on, and analyzes extensively, the issue of "transparent

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leadership" (see e.g., Baum and Kling 2004; Pagano and Pagano 2005; Bennis et al. 2008).

This study offers a theoretical analysis of organizational transparency, focusing in particular on the ethics of the information disclosure decisions made by firm managers from the virtue perspective. It is based on an analysis of the ethics of Thomas Aquinas and, in particular, on the theoretical framework in the *Summa Theologiae*, a virtue-based approach to transparency questions, which we present as an alternative to the current business and computer ethics frameworks (see e.g., Santana and Wood 2009; Turilli and Floridi 2009; Menéndez Viso 2009; Laud and Schepers 2009). This study addresses two research questions: (1) According to the ethics of Thomas Aquinas, is there a justification for management transparency? And, (2) what constraints on management transparency does the ethics of Thomas Aquinas dictate?

Consistent with previous studies (e.g., DiPiazza and Eccles 2002; Turilli and Floridi 2009; Basu and Palazzo 2008), we analyze the issue of corporate transparency, and particularly management transparency, in the context of the information disclosure decisions made by firm managers. We have four main motivations for proposing a study of transparency based on the ethics expounded in Thomas Aquinas' *Summa Theologiae*. First, in the literature on business and computer ethics, the theme of transparency is considered to be a *new*, Internet-driven issue that emerged at the end of the 1990s (Vaccaro and Patino Echeverri 2010; Vaccaro 2012). However, the origins of this debate are very much older, some of which can be found in Thomas Aquinas' *Summa Theologiae*. This account is not considered in the current business ethics (BE) literature.

Second, while the literature on transparency considers the ethical justifications and policy issues related to corporate transparency (e.g., Hess 2007; Fung et al. 2007; Palazzo and Richter 2005), there is a dearth of studies concerning the factors that need to be considered to establish an information equilibrium along the continuum from "complete transparency" to "complete opacity" (Vaccaro and Sison 2012). As described below, Thomas Aquinas' ethics provides a useful conceptual tool to enable achievement of such an equilibrium.

Third, the literature on transparency draws on several theories, such as Rawls's veil of ignorance (see e.g., Vaccaro and Madsen 2009a), the utilitarian approach (see e.g., Tapscott and Ticoll 2003) and Floridi's information ethics theories (see e.g., Floridi 1999; Turilli and Floridi 2009), etc., but ignores virtue ethics theories. Here, we show that a virtue-based approach can provide managers and policy makers with useful insights as well as contributing to the scholarly debate on corporate transparency.

Fourth, transparency has been mentioned in the virtue ethics literature and, in particular, in recent documents relating to the Social Doctrine of the Catholic Church (SDCC). For example, the Compendium of the SDCC mentions transparency as a process necessary for guaranteeing truth (*veritas*) (CSDC, 198), the (market) conditions that protect investors (CSDC, 369), social justice (CSDC, 577), and precautionary approaches in decision-making (CSDC, 469). By the same token, the most recent encyclical, *Caritas in Veritate*, mentions transparency in seven places, five of which refer to organizational or market conditions necessary for guaranteeing the truth or social accountability of business activities. However, the perspectives currently adopted in the literature on BE somewhat preclude direct analysis of this argument through the frameworks offered by virtue ethics theories and by the Christian Catholic literature. This study offers an analysis of organizational transparency as a way of performing the virtues of truthfulness, justice and prudence, which complements and extends the Christian Catholic literature on BE (see e.g., Sandelands 2009) and more generally, the literature that explores the impact of theology on BE theory (see e.g., De George 1986; Williams 1986; Gerard 1992; Naughton and Laczniak 1993; Enderle 1997; Calkins 2000; Nixon 2007; Sandelands 2009).

The article is organized as follows. The first section provides a brief review of the transparency literature related to business and computer ethics; the second section offers three ethical justifications for informational transparency, analyzing it as an instance of the virtues of justice, prudence and truthfulness. The third section provides a discussion and the fourth section suggests some perspectives for further research.

Transparency in the Business and Computer Ethics Literature

Although a comprehensive review of the concept of transparency in social research is beyond the scope of this article, we briefly discuss two definitions of transparency used in the current computer and BE literature. A more comprehensive review of transparency in other branches of the social sciences can be found in Vaccaro and Madsen (2009a) and in the edited collections by Hood and Heald (2006), Florini (2007) and Vaccaro et al. (2008).

A search on the term "corporate transparency" in articles in business and computer ethics journals (e.g., *Ethics and Information Technology*, *Journal of Business Ethics*, *Business Ethics Quarterly*, *Business Ethics: A European review*, *Business and Society*, *Business and Society Review*) highlights more than 150 articles published since the mid-1990s (Vaccaro and Madsen 2009a). However, they include only rare instances of a clear and detailed explanation of corporate transparency or reference to other

definitions. Nevertheless, it is possible to identify two main understandings of corporate transparency—one static and the other dynamic. Both refer to addressing stakeholders' informational needs; their difference is centered on how the information disclosure process is managed.

The static perspective associates transparency with information disclosure related to a firm's business activities, through *standardized* documents, in the form of social, sustainability and financial reports (e.g., Mathews 1995; Gray 2001; Henriques 2001; Kaptein 2004; Waddock 2004; Quaak et al. 2007).

The dynamic perspective refers to transparency as an Information Technology (IT)-driven dialog, in which firms and stakeholders interact to share information and cooperate (e.g., Santana and Wood 2009; Turilli and Floridi 2009). This line of research demonstrates empirically the primary role of Information and Communication Technologies (ICT) in this context (see e.g., Santana and Wood 2009), and offers theoretical justifications for corporate transparency (see e.g., Hess 2007; Turilli and Floridi 2009).

Empirical research shows that information disclosure decisions are affected by the stakeholders' "right to know" (Hess 2007) and are constrained by ethical factors such as privacy, and information reliability, and by socio-economic forces such as pressure from competitors, investors, and government institutions (see e.g., Fung et al. 2007; Hess 2007). But none of this work provides a theoretical understanding of important ethical factors, such as justice and prudence, which need to be taken into account in information disclosure decisions. The literature is somewhat fragmented and provides very narrow analyses on very specific issues. For example, recent empirical studies in the organization behavior literature demonstrate the important role played by informational justice in effective communication management (see e.g., Patient and Skarlicki 2009).

The practitioner literature describes transparency as a fundamental feature of effective leadership (Baum and Kling 2004; Pagano and Pagano 2005; Bennis et al. 2008) and human resources management (Tapscott and Ticoll 2003), two areas where the practice of virtues, such as justice, prudence and respect for the truth are crucial for effective management. However, the theoretical research includes no normative comprehensive studies on how important ethical issues, such as justice, prudence and truth, should be accounted for in the information disclosure decisions made by managers. This article addresses this important issue through the lens of Thomas Aquinas' ethics.

Transparency Issues in the *Summa Theologiae*

Analysis of the original Latin manuscript and several studies on the ethics in the *Summa Theologiae* (e.g., Finnis

1998; Pesch 1994; Wadell 2002; Pizzitorni 2006) were used to identify the relevant passages of the work. We identify a discussion of information disclosure in Aquinas' work when a phrase in the original Latin text contains: (a) a verb such as say (*dicere*), or declare (*manifestare*) associated with the process of information disclosure or sharing; and (b) phrases related to decisions or ethical discussions on the provision or not of information to others, or to society as a whole. This analysis shows that, in at least one part of the work, the issue of transparency is assessed explicitly and is understood as an ethical question related to decisions about information disclosure. It is in the second part of the second part (*secunda secundae*) of the manuscript that "truth" (questions 109–113), in the treatise on justice, rules information rights and the just dispensation of knowledge.

Informational Transparency: Ethical Justifications and Attributes

Before presenting our analysis of information disclosure, we would point out that the current definition of transparency in the business ethics literature differs from Thomas Aquinas' "declaring the truth" (*veritatem manifestantibus*). Indeed, as discussed above, transparency in the BE and corporate social responsibility (CSR) literatures refers to addressing stakeholders' information requests, which is much more limited in scope than the act of "declaring the truth." For example, a consumer can ask a food company if one of its products, say orange juice, has potentially carcinogenic additives. The food company would address this information request strictly, responding that its juice contains no potentially carcinogenic additives and would even provide a list of the additives. While this would demonstrate transparency, it would not be truthful, since the company is not disclosing that consuming its orange juice could cause cancer since one of the additives is co-carcinogenic, i.e., it can induce the creation of other substances which are carcinogenic. There are many similar cases in the BE literature, see e.g., the case of the Nike scandal in the Far East, where guaranteeing the truth requires an effort that is much broader and more complex than a response to a stakeholder's request for information (see e.g., Hess and Dunfee 2007). Indeed, since very often (if not always) a company has more information than its stakeholders on its business activities, it is aware that, in some cases, addressing a specific request for information from a stakeholder will provide a distorted description of its activities (see e.g., the discussion on static transparency in Fung et al. 2007; Hess 2007; Vaccaro and Madsen 2009a; Menéndez Viso 2009). Truth, on the other hand, is associated with an undistorted, well-meaning although sometimes partial, image of an object. Information disclosure is consequently a necessary but by no means

sufficient condition for guaranteeing the truth. Indeed, truth is of a higher order than information: While information is ethically neutral, truth per se is ethically right since it is a regulative ideal. The distance between information and truth, a much debated issue, may be measured, for the purpose of this analysis, by two main attributes: completeness and relevance (see e.g., Floridi 2008). Indeed, only complete and relevant information guarantees truth.

The next part of this section provides an ethical justification for information disclosure based on the ethical value of the virtue of truthfulness. In other words, information disclosure is ethically justified when it is used to demonstrate the virtue of truthfulness.

In particular, according to the *Summa Theologiae*, application of the virtue of justice to information disclosure decisions results in the virtue of truthfulness, which is a specific and distinct quality (*Summa Theologiae*, II–II, 109, 2). The section on this virtue, in questions 109–113 of the II–II of the Summa, belongs to the last part of the large treatise on justice, discussing potential parts of justice or the virtues annexed to it. There are eight of these, as explained in the single article of question 80. The first group includes virtues related to specific social positions, such as religion (referred to God, q. 81–100), piety (to parents and fatherland, q. 101), observance (to superiors and worthy persons, q. 102–105), gratitude (to benefactors, q. 106–107) and vengeance or vindication (to sinners, q. 108). The second group relates to everybody without qualification and includes truth (regarding information, q. 109–113), affability (in occasional social contacts, q. 114–116) and liberality (relating to goods, q. 117–119). These last three refer to a due "that is necessary in the sense that it conduces to greater rectitude, although without it rectitude may be ensured" (*Summa Theologiae*, II–II 80).

The four questions on truth include a total of 16 articles, and may be divided into two parts. Question 109, in four articles, deals with this virtue, while the following four questions describe the vices opposed to truth: lying (question 110 in four articles), dissimulation or hypocrisy (question 111 in four articles), boasting (question 112 in two articles) and the opposite vice to boasting, which is irony (question 113 in two articles).

The specific elements raised about the virtue of truth are whether it is a virtue (article 1), a special virtue (article 2) and a part of justice (article 3), all of these questions being answered in the affirmative. The last article asks whether this virtue "inclines to that which is less," meaning avoiding exaggerations, also answered in the positive, as long as it does not imply falsehood.

According to Thomas Aquinas, "This truth or truthfulness should be a virtue, because to say what is true is a good act: and virtue is that which makes its possessor good, and renders his action good" (*Summa Theologiae*, II–II,

109, 1). In other words, the disclosure of information is ethically justified if it is part of a habit, namely, the virtue of truthfulness. Its moral justification is based on the assumption that this very act makes an individual a good person. In this sense, it seems important to highlight that the virtue of truthfulness, being a potential part of a cardinal virtue, justice, has a twofold dimension. The first is the natural one, and refers to the fact that a human being is a good person whenever he/she addresses the ideal and the conditions of truthfulness. The second is transcendental in nature, and it refers to the fact that only in and through truth can human beings reach the Eternal Truth. However, this article relies only on the first dimension, which is based on a purely anthropological perspective of human beings. We should not lose sight of the fact that Thomas Aquinas proposes a vision of a unitary reality, where there is no jump, no hiatus, between nature and super-nature; the supernatural dimension is for Thomas Aquinas a necessary continuation of the natural dimension (de Bertolis 2005).

In order to understand in more detail the justification for information disclosure according to the virtue of truthfulness, it is necessary to consider the threefold criterion used by Thomas Aquinas to judge the ethical quality of actions, i.e., the object (*finis operis*), the intention (*finis operantis*), and the circumstance (*debitis circumstantiis*).

The first condition is related to the specific nature of the action, translating for its evaluation the moral value of the action's object: The higher the object's ethical value, the better the action. In particular, the act's object should not belong to any class of actions prohibited by the moral absolutes. Although giving information in itself is good, a specific act of information disclosure is per se ethically neutral. An ethical analysis of this act requires ethical scrutiny of the kind of information that is to be disclosed. There are certain kinds of information that are sinful and that should not be disclosed, while there are other kinds of information, such as the Word of God, which are intrinsically good and consequently are worthy of disclosure. For example, a bank has decided to disclose a video with obscene images concerning the improper behavior of two employees. While the objective was the denunciation of an immoral and inappropriate activity in the workplace, this act was morally improper since obscene images are per se morally wrong. On the other hand, disclosure of information about the importance of ethical values (e.g., dignity of the person, respect for the environment) and their transcendental foundation should be prudently encouraged since it is associated with an object that is intrinsically good.

However, a categorization of moral or immoral is not sufficient for regulating the information disclosure process. The second and third conditions are explicitly mentioned in the Summa in the part concerning the virtue of truthfulness, and provide more detailed information:

> To state that which concerns oneself, in so far as it is a statement of what is true, is good generically. Yet this does not suffice for it to be an act of virtue, since it is requisite for that purpose that it should also be clothed with the **due circumstances**, *and if these be not observed, the act will be sinful. Accordingly, it is sinful to praise oneself without due cause even for that which is true: and it is also sinful to* **publish** *one's sin, by praising oneself on that account, or in any way* **proclaiming** *it uselessly.* (*Summa Theologiae*, II–II 109, 1, 2). (Emphasis added)

The ethics of information disclosure, under the lens of the virtue of truthfulness, is functional to *the expected usefulness of* information disclosure, and to its circumstances. The expected usefulness of the information to be disclosed defines the intention (*finis operantis*) and is always associated with and defined by the circumstances. According to Thomas Aquinas, giving information that is expected to be useless ("qualitercumque inutiliter") is not morally acceptable. There is a moral justification for information disclosure if and only if it is expected to promote good actions or to have positive consequences for the information's receivers. For example, the practitioner literature has proposed the so-called "full disclosure" strategies where any kind of information available to a company is made available to the general public. Aquinas' ethics provides a clear indication for this kind of information practice: It would be inappropriate to disclose anything that is not expected to be useful to the receiver of that information. On the other hand, organizations are sometimes reluctant to disclose information because it could empower a group of stakeholders and, in turn, complicate day-to-day organizational activities (see e.g., Vaccaro and Madsen 2009a). However, Aquinas' indications suggest that, if the other two conditions (i.e., *finis operis* and *debitis circumstantiis*) are met, information that is useful should be disclosed to the public, even if the organization will then have to deal with a higher complexity and difficulty in the performance of its activities.

The third condition, "due circumstances" (*debitis circumstantiis*) shows the importance of context dependence (Nissenbaum 2004) and imposes a contextual analysis of the information disclosure process. Indeed, context defines whether or not disclosure of a certain kind of information is appropriate. For example, Aquinas' model would support the decision of an Italian non-governmental organization that has decided to not disclose information about the retribution of some of its employees who live in areas suffering from violence and conflicts because it has considered those circumstances to be not appropriate, i.e., harmful and insecure (Vaccaro and Madsen 2009b). Similarly, Aquinas' model would potentially support, given that the other two ethical

conditions are met, the decision of some companies to disclose more information about the salaries and bonuses of its top management as a way to address the rising information expectations of internal and external stakeholders following the public outrage about corporate retributions.

To summarize, categorization of information, e.g., "sinful" versus "virtuous," is not sufficient for a proper ethical analysis of the disclosure of a certain type of information. On the contrary, according to Thomas Aquinas, it is necessary to look at the intention (*finis operantins*) and the circumstances (*debitis circumstantiis*). People who disclose information with good intentions and under due circumstances act ethically because they are addressing the virtue of truthfulness. Indeed, their behavior makes them good and has a positive impact on the receivers of the action. Information disclosure, consciously and properly regulated, becomes a *bonum honestum* for behaving and interacting with others. It is a way of performing the virtue of truthfulness.

It is worth mentioning that the *Summa Theologiae* provides two indications concerning the positive impact of information disclosure as performance of the virtue of truthfulness. In other words, Thomas Aquinas shows that disclosing information, as a way of pursuing the virtue of truthfulness, is a necessary act for human health and eternal salvation. These indications should not be read through a consequentialistic lens, but taken as parts of a much broader, virtue-based framework. In particular, Thomas Aquinas refers to information disclosure as a necessary act to support social trust and, in turn, the proper functioning of human society. He explicitly maintains that all citizens have a moral duty to "declare the truth" (*veritatem manifestantibus*) as necessary for the preservation of human society:

> Since man is a social animal, one man naturally owes another whatever is necessary for the preservation of human society. Now it would be impossible for men to live together, unless they believed one another, as **declaring** *the truth one to another. Hence the virtue of truth does, in a manner, regard something as being due.* (*Summa Theologiae*, II–II 109, 3, 1). (Emphasis added).

In other words, information disclosure as performance of the virtue of truthfulness, is necessary for trust and, in turn, to preserve the proper function of civil society, since people need to trust each other to be able to live together and to cooperate. Thomas Aquinas also provides a normative indication concerning the disclosure of false information: It is always morally wrong, even when the false information might be used to good purpose. False information is associated with "inordinateness" (*ex sua inordinatione*), which is never appropriate, even for ethical ends (*Summa Theologiae*, II–II 110, 3, 4).

As already mentioned, the *Summa Theologiae* shows that the disclosure of information, as a performance of the virtue of truthfulness, is a necessary act to achieve salvation. Indeed, truth is the way to salvation because only through the truth does humankind conform to God's will (*Summa Theologiae*, II–II, 109, 2, 3) and progress toward salvation (*Summa Theologiae*, II–II, 1, 7). Consequently, the disclosure of information to provide others with the truth is one way to guarantee access to salvation for all fellow members of society. Information disclosure is necessary, therefore, to guarantee others the possibility to "live in the light" and to make conscious decisions about their salvation (*Summa Theologiae*, II–II, 1, 4). It is indeed a *bonum honestum*.

Informational Transparency: Moderation and Equilibrium Between Extremes

Aquinas' ethics offers very useful normative insights for regulating, i.e., moderating, information disclosure processes. In order to address the second research question posed in this article, we can identify at least three virtue-based ethical arguments, i.e., prudence, truthfulness, and justice. Although these arguments are presented separately here, we should point out that in Thomas Aquinas' ethical system, these virtues are interconnected and any act can and should be affected by one or more of these virtues. As a consequence, while the virtue of truthfulness has a central role in information disclosure decisions, the virtues of prudence and justice provide important indications which are worthy of discussion. Moreover, it is possible to identify other virtues that may affect information disclosure decisions. For example, disclosing business results in difficult times can require managers to display the virtue of courage, while the virtue of decency should prevent the disclosure of certain types of information such as obscene images, etc. As already mentioned above, in this article we only analyze those virtues of the *Summa Theologiae* whose treatises directly mention information disclosure decisions.

An important virtue in information disclosure decision-making is prudence. According to the *Summa Theologiae*, prudence is an intellectual, not a moral virtue, and is transversal to all moral virtues and all human acts, viz. it should be applied to all situations. The *Summa Theologiae* makes direct mention of a prescription for information disclosure: "it is lawful to hide the truth prudently, by keeping it back, as Augustine says (Contra Mend. x)" (Summa II–II 110, 3, 4). In other words, while it is always against good to declare a falsehood, the virtue of prudence imposes some constraint on the kinds of information that should be disclosed to society. Careful scrutiny of information disclosure decisions through the lens of prudence suggests that some kinds of information should remain undisclosed in order to avoid possible negative consequences. Prudence is not an abstract concept; on the contrary, it is guided by the analysis of the circumstances (discussed above) and ends, which provide precise normative indications. For example, prudence would suggest that managers working in multicultural environments should withhold information that might offend religious minorities. By the same token, prudence would suggest that managers should not disclose information that could be used to produce dangerous artifacts such as weapons of mass destruction or highly polluting chemical substances. In this context, prudence is also related to the reasons underlying stakeholders' requests for information. According to Thomas Aquinas' ethics, the information provider has a duty to check whether the disclosure of information will have negative consequences for the information receiver. The application of the virtues of prudence and justice means avoiding actions that might damage others (*Summa Theologiae*, II–II, 58, 3, 1). As a consequence, the potential information provider has to consider the information receivers in order to understand the reasons for (e.g., virtuous vs. sinful) and the potential consequences of the disclosure of certain kinds of information. What the information provider wants to know is whether the desire for information by the information receiver is sinful or associated with a sinful act. If this is found to be the case, then application of the virtues of justice and prudence will cause the information provider to refrain from disclosing the information in order to prevent the receiver from behaving immorally.

In this context, the virtue of prudence highlights two important points concerning information disclosure. First, while moral theorists can provide general indications about which kinds of information can be disclosed to whom and under what conditions, each information disclosure decision should be made by experienced individuals, who are capable of taking into account the multiplicity of factors that should affect responsible and conscious decision-making processes. Second, the strong context dependence of transparency-related issues highlights the need to acknowledge the intrinsic limits of mainstream approaches to transparency, e.g., those based on rules of thumb, rigid procedures, etc. (Vaccaro and Sison 2012). In this sense, it is important to note that prudence's centrality generates deep differences relative to contemporary theories (e.g., Hess 2007, 2008)—which tend to have a more institutional, utilitarian, and deontological attitude—since Aquinas' approach, although accepting the importance of laws and institutions, gives central stage to the deliberation of the prudent agent. The role of this intellectual virtue is very clearly defined: "it does not belong to prudence to appoint the end to moral virtues, but only to regulate the means" (*Summa Theologiae*, II–II 47, 6). In this radically different

structure of ethical decision-making, transparency is not a formal duty of managers or a useful method for management, but something which should be used prudently by the prudent manager to achieve the firm's virtuous purpose.

The *Summa Theologiae* also maintains that information disclosure should be moderated by the virtue of justice, of which truth is a potential part (annex virtue). According to Thomas Aquinas, the virtue of justice can help regulate information disclosure. For example, an accused person is required to disclose only such information "as the judge can and must require of him according to the order of justice" (*Summa Theologiae*, II–II, 69, 2). In other words, the amount and the kinds of information being disclosed should satisfy the requirements of justice. There are kinds of information whose disclosure would infringe justice, and there is information whose retention would have similarly negative consequences. Justice, then, should be used as a general criterion in decision-making associated with information disclosure. For example, if a manager is accused of a crime he/she has not committed, other managers have a duty to disclose information which will remove the blame from him/her. Similarly, the disclosure of contradictory information, whose impact would be expected to generate social confusion around an important issue (e.g., the effect of tobacco or alcohol on people's heath), should remain prudently undisclosed in order to avoid the generation of social disorder and dangerous misunderstandings.

A complementary declination of this argument can be found in a deeper discussion of truth (*veritas*) as a virtue (*Summa Theologiae*, II–II 109, 1). Aquinas associates truth (similar to any other virtue) with a balance between extremes and, in this case, each extreme is associated with an opposite information disclosure practice:

> to observe the mean is to tell the truth, when one ought, and as one ought. Excess consists of making known one's own affairs out of season, and deficiency in hiding them when one ought to make them known…(II–II, 109, 1, 3).

This quote highlights that information disclosure should be moderated between the two extremes of information opacity, i.e., the situation when people have the right to know but the information is not disclosed, and information overflow, when information is disclosed with no consideration to its usefulness or appropriateness. Equilibrium between these extremes can be measured, therefore, by two variables—completeness and relevance. Lack of completeness is associated with opacity while the disclosure of irrelevant information is associated with information overflow. Consequently, Aquinas' ethics identifies moderation in information disclosure when people's information rights are met through the disclosure of information that meets both the completeness and relevance criteria.

Discussion and Contribution to the Literature

This study of the *Summa Theologiae* provides at least three important insights to allow a better conceptualization of the ethics of corporate transparency. The first concerns ethical justifications and a new theoretical understanding of the ethics of information disclosure as a performance of the virtue of truthfulness. The second is related to the ethical factors that need to be taken into account in information disclosure in order to reach an informational equilibrium between the two extremes of complete transparency and complete opacity. The third relates to normative insights concerning information disclosure decisions. The following part of this section provides a discussion on these three issues and highlights the contributions of this study to the literature on corporate transparency and CSR.

The *Summa Theologiae* offers several justifications for conscious and careful information disclosure. The 1960s' and 1970s' paradigm of managers keeping information confidential as far as possible (Baum and Kling 2004; Pagano and Pagano 2005) fails to pass ethical scrutiny. There are important ethical reasons why information disclosure and the sharing of information with stakeholders should be guaranteed. Information disclosure is ethically appropriate whenever it involves the virtue of truthfulness. In this case, disclosing information is a good act that endows both the information provider and the information receiver with goodness: it is in fact a *bonum honestum*. It is intrinsically good since it has tangibly good effects on all stakeholders associated with the act, not only in the performance of the action but also in terms of the eschatological horizon (beatitude), as explained above. The *Summa Theologiae* also provides an interesting perspective on the role of information disclosure in society. Information disclosure is necessary for trustful relationships. Trust, in turn, is essential to guarantee cohesion and the proper functioning of civil society as a whole, and of specific parts of it. This indication has important consequences at the intra-firm (e.g., manager–employee relationships) and inter-firm (e.g., firm–stakeholder relationships) levels. This is particularly important in capitalism, a system where the separation between property and work is very prone to distrust, with sometimes terrible consequences inside the firm. Decision-making processes related to information disclosure should take into account that information is a necessary good for understanding, making conscious decisions and following the ultimate Good. Moreover, managers should take into account the importance of

truthfulness as a *bonum honestum* which should have central importance in their day-to-day business practice.

As already stated, Thomas Aquinas' ethics also provides normative indications on the regulation of information disclosure. Considered moderation in information disclosure is ethically preferable. And decision-making related to information disclosure should be managed via consideration of at least three virtues, i.e., prudence, justice, and truth. Prudence implies careful control of information disclosure, and keeping confidential those kinds of information whose disclosure could have negative consequences. While retention of certain information is considered ethically acceptable in Thomas Aquinas' ethics, the dissemination of false information is always unethical. Indeed, another aspect of justice is truth—the former being the general virtue encompassing the latter. Truth is the specific virtue justly regulating the sharing of information. Thus, to guarantee social justice and preserve truth, information should be disclosed. The disclosure of false information will always contravene this fundamental ethical principle.

Moderation of information disclosure based on truth, justice, and prudence provides important references for identifying the ethical equilibrium related to information disclosure. According to Thomas Aquinas, information overload on the one hand, and unjustified information retention on the other hand, represent two undesirable information extremes. This insight provides a normative indication in the literature that discusses the imposition of limits on the disclosure of information by a company to civil society (see e.g., Palazzo and Richter 2005; Hess 2007, 2008). The operationalization of dynamic transparency (Fung et al. 2007; Vaccaro and Madsen 2009a) can help firms interact with all stakeholders, and find an ethical informational equilibrium where appropriate and complete information is given to each stakeholder category. In this context, our research shows that the transparency question should not be limited to an utilitarian analysis associated with the relationship between an organization and a specific category of stakeholders (e.g., shareholders); on the contrary, it should be pursued through to operationalization of three important ethical virtues in the performance of any kind of organizational activity with any kind of internal and external stakeholder.

Moreover, analysis of the ethicality of information sharing as a human act provides some additional normative indications. Information should not be guaranteed when its use is not motivated by a good purpose and a final good end. For example, requests for information whose diffusion will discredit a company unfairly, do not have the right to be addressed. Similarly, information that potentially could be used for fraudulent or dangerous purposes should be disclosed with care and prudence.

In addition to the issues already mentioned, we believe that the insights from this study provide some contributions to the academic literature on corporate transparency and CSR (e.g., Hess 2007; Santana and Wood 2009).

First, from a virtue-based perspective, it provides a clear and consistent framework, sustaining the moral reasons for information transparency in a firm's internal relationships and firm–stakeholder relationships. These results provide an alternative approach to the research that contextualizes and justifies organizational transparency with fairness theories (see e.g., Vaccaro and Madsen 2009a) or utilitarian approaches (see e.g., Hess 2007; Turilli and Floridi 2009; Vaccaro 2012).

Second, this article identifies information transparency as a context-based ethical problem. This result complements recent studies that analyze privacy through the lens of contextual integrity theory (Nissenbaum 2004, 2009). Since privacy and transparency represent opposing information processes, i.e., retention versus disclosure of information, this article provides a theoretical bridge between these two information ethics issues. It is worth mentioning that, in contrast with other context-based approaches, the advantage of the virtue-based approach is that it takes into account intentions instead of mechanical, rule-following policies (Mele 2009). This supports the generalization and application of the insights from this study to very different situations (see e.g., the discussion of the generalizability of virtue ethics theories in MacIntyre 1984).

Third, this study provides a virtue-based framework encompassing three virtues, i.e., prudence, justice, and truthfulness. This model extends the theoretical work on the normative indications in information disclosure processes that focuses on specific issues such as informational justice (e.g., Patient and Skarlicki 2009), privacy-security analysis (e.g., Vaccaro and Madsen 2009b), and policy implications related to information availability (e.g., Fung et al. 2007). In particular, this study points to the multi-dimensional nature of the transparency issue and proposes a three-virtue framework to deal with day-to-day information disclosure decisions.

Fourth, this article introduces an eschatological perspective on the "right to know" as part of a virtue-based framework. The literature conceptualizes transparency within social contract theory by examining it within a right-to-know context (see e.g., Hess 2007; Fung et al. 2007). This article provides a new perspective by pointing out that the right to know overcomes the social contract perspective since the availability of information is a necessary condition for pursuit of the final Good.

Fifth, this article presents an ethical framework that provides a complementary and broader perspective about transparency when compared with law-based (e.g., Sarbanes–Oxley Act) and norm-based (e.g., the International Accounting Standards Board or the Financial Accounting Standard Board) systems. Indeed, these normative models

are restricted to financially relevant information but also suffer from a predominant attention to shareholders' rights. On the contrary, Thomas Aquinas' model allows managers and policy makers to address information disclosure problems through an ethical perspective that is not limited to a specific category of stakeholders, but instead allows them to take into consideration the constellation of needs and expectations of the critical stakeholders and the community at large.

Finally, this study offers an analysis of organizational transparency through the lens of Thomas Aquinas' ethics which extends the Christian Catholic literature on BE (see e.g., Sandelands 2009; Costa and Ramus 2012) and the literature that explores the impact of theology on BE theory (see e.g., De George 1986; Williams 1986; Gerard 1992; Naughton and Laczniak 1993; Enderle 1997; Calkins 2000; Nixon 2007; Sandelands 2009).

Perspectives for Further Research

Our findings suggest several avenues for further research. First, the insights from this study of parts of the *Summa Theologiae* highlight the relevance and utility of classical ethics theories for analyzing information ethics issues. They indicate that other works (e.g., by Aristotle or Augustine of Hippo) could provide useful lenses for analyzing information and transparency problems. Further research should explore some of these important works and discuss their relevance to the current debate on organizational transparency.

Second, Thomas Aquinas' work has influenced the Ethics discipline—from the Middle Ages to the present. It would be interesting to analyze transparency through the lens of other ethics theories based on Aquinas' work (see e.g., Torquato Accetto, Cajetan, de Vitoria, Suarez, and Maritain). In particular, it could be interesting to analyze how different historical and cultural environments have understood and re-elaborated Aquinas' theory in relation to information disclosure decisions.

Third, while Aquinas' ethics is a fundamental reference for the Roman Catholic Church, information ethics and, in particular, transparency issues are analyzed directly in the Social Doctrine of the Church (see e.g., the already mentioned SDCC and the Encyclical Caritas in Veritate), relying on numerous authors and numerous historical perspectives. Further research could compare the information ethics of Thomas Aquinas with the current position (and perhaps the temporal evolution) of the Catholic Church's doctrine.

Fourth, further research should extend the inter-faith dialog on BE and CSR (Frederick 1998, 2006) by comparing Thomas Aquinas' information ethics with those of other philosophers in the ancient Islamic (see e.g., Al-Ghazali) and Jewish (see e.g., Sefer Ha-Yashar; Maimonides) traditions. In particular, a new line of research might be based on the comparison between the virtue-based information ethics of Thomas Aquinas and other Oriental virtue-based ethical models and particularly ancient and contemporary Confucianism.

Fifth, further research should explore how the ethics of Thomas Aquinas interacts, i.e., agrees versus disagrees, with other norm-based models that analyze transparency issues. For example, it would be very interesting to understand when and under what conditions Thomas Aquinas' indications agree or contrast with transparency legislation (e.g., Sarbanes–Oxley Act) or international financial reporting standards (e.g., the International Accounting Standards Board or the Financial Accounting Standard Board). In this context, further comparative studies should explore in more detail how this virtue-based approach interacts with other transparency related ethical and legal perspectives (e.g., Floridi's information ethics, public policy approaches, etc.).

Finally, further research should propose some case-based studies where conflicts between different stakeholders' informational needs and expectations require a careful application of the aforementioned virtues and principles.

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