

## BRIEF REPORT

## Transparency About Lagging Diversity Numbers Signals Genuine Progress

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Numerous organizations pledge to increase diversity, yet few publicly disclose how diverse they are. We suggest this reluctance to be transparent stems from an intuitive (albeit often misplaced) psychological calculation: that revealing struggles to increase diversity will undermine one's credibility and reputation. We evaluate the effects of transparency about lagging diversity numbers across four preregistered studies ( $n = 4,483$ ), using real EEO-1 diversity disclosures from S&P 100 companies (Study 1) and information about the representation of racial/ethnic minorities in participants' own organizations (Studies 2–4). Contrary to conventional wisdom and related research on impression management in organizations, we observe that transparency about unfavorable diversity outcomes signals the genuineness of one's commitment to diversity and thus increases perceptions of progress and trustworthiness. This research importantly synthesizes and extends scholarship on intergroup relations and self-disclosure and further suggests that, in some cases, the utility of transparency for managing diversity is misunderstood.

**Public Significance Statement**

There is a growing tension in organizations' public commitments to diversity: scores of organizations pledge to increase the diversity of their workforce, yet few disclose how diverse they are. Because many organizations struggle to increase diversity, they likely fear that such transparency will harm their reputation. We examine the effects of being transparent versus silent about lagging diversity numbers. Contrary to conventional wisdom and related research on impression management in organizations, we find that transparency (vs. silence) about lagging diversity numbers is often more effective for sustaining a positive reputation because it signals that the organization's commitment to diversity is genuine versus merely "lip service." We observe strong evidence that transparency about unfavorable diversity numbers increases perceptions of progress and trustworthiness, and some evidence that it stimulates individuals to promote organizations' diversity efforts to others. This research suggests that leaders' intuitions about the reputational costs of transparency regarding lagging diversity numbers may be misplaced.

**Keywords:** diversity, transparency, disclosure, intergroup relations, race

On July 1, 2020, New York City Comptroller Scott Stringer sent letters to the CEOs of 67 Standard and Poor's (S&P) 100 companies calling on them to back up their pledges for racial equality and diversity with concrete action by publicly disclosing their annual workforce diversity data. Stringer's request was notable in that it highlighted a growing tension in organizations' response to issues of diversity, equity, and inclusion. With increasing prevalence, organizations of

all types publicly assert the goal of increasing diversity (Leslie et al., 2017; Mayer et al., 2015), but as of January 2021, approximately 95% of the largest organizations in the United States did not disclose the diversity of their workforce to the public (Vaghul, 2021). Most large organizations have these diversity data readily available because they are required to collect and confidentially report them annually to the U.S. Equal Employment Opportunity Commission (i.e., EEO-1

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[https://osf.io/k5rze/?view\\_only=13beeca999b4437db6528f6f592e894e](https://osf.io/k5rze/?view_only=13beeca999b4437db6528f6f592e894e).

Evan P. Apfelbaum served as lead for conceptualization, methodology, supervision, writing—original draft, and writing—review and editing. Eileen Y. Suh served as lead for visualization, contributed equally to writing—review and editing, and served in a supporting role for conceptualization, methodology, and writing—original draft. Evan P. Apfelbaum and Eileen Y. Suh contributed equally to formal analysis and project administration.

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reports; <https://www.eeoc.gov/employers/eeo-1-data-collection>). But they choose not to disclose them publicly.

Whereas in certain cases, the prospect of disclosing diversity data may prompt legal concerns (Apfelbaum & Sommers, 2013; Williams, 2019), we suggest that this broad reluctance to be transparent stems, in good part, from an intuitive psychological calculation. Just as individuals avoid talking about race due to self-presentational concerns about appearing biased (Apfelbaum et al., 2008) organizations are hesitant to reveal racial and ethnic breakdowns of their workforce because they fear that others will view them negatively in ways that damage their reputation (Merle & McGregor, 2019). And leaders may be right to be concerned about the consequences of disclosing their diversity data. Many organizations, including those that pledge to increase diversity, are not particularly diverse. One may expect that disclosing (vs. withholding) these struggles will paint a negative picture of their organization. Previous research on impression management in organizations suggests that disclosing unfavorable information can be costly to an organization's reputation and credibility (Abrahamson & Park, 1994; Chang et al., 2019; Desai, 2011; Schnackenberg & Tomlinson, 2016) and may deter prospective applicants (Engel et al., 2022). As such, withholding lagging diversity numbers is likely viewed as a key mechanism for managing an organization's reputation, especially given the heightened scrutiny of efforts to increase the representation of racial/ethnic minorities in recent years (Wilton et al., 2020).

Importantly, however, the true reputational effects of such transparency remain unclear: extant literatures have not directly theorized or empirically assessed this question. This scholarly gap is noteworthy because indirectly related psychological scholarship on intergroup relations and interpersonal self-disclosure combine to suggest an alternative set of dynamics. Through a synthesis and extension of these literatures, we derive the prediction that transparency about struggles to increase diversity will enhance—not erode—an organization's reputation because such transparency signals the genuineness of a commitment to diversity, which is elusive in this arena.

Indeed, research regarding diversity and intergroup relations at work demonstrates that people frequently question the authenticity of organizations' statements regarding diversity (Apfelbaum et al., 2016; Kroeper et al., 2022; Wilton et al., 2020), viewing them as strategic efforts to portray themselves in a positive light (Marques, 2010; Purdie-Vaughns et al., 2008). Given this aura of mistrust, when organizations voluntarily disclose (vs. withhold) lagging diversity numbers despite pledges to increase them, they can meaningfully shape how people perceive their commitment to diversity. Namely, individuals should be less apt to attribute their pledges to increase diversity as a performative act intended to boost their image (Crowley & Hoyer, 1994; Jahn & Brühl, 2019; Kelley, 1971). Rather, transparency about unfavorable outcomes (e.g., revealing stubbornly low levels of representation of racial/ethnic minorities) may signal that organizations' commitment to strengthening diversity is real (Amengual & Apfelbaum, 2021).

This theoretical account draws on classic research in the domain of interpersonal self-disclosure, which finds that a partner's disclosure of personal information is linked to greater liking and trust of that individual (Ajzen, 1977; Collins & Miller, 1994; Reis & Shaver, 1988). Research has further suggested that disclosure engenders liking when the disclosed information is sensitive (Laurenceau et al., 1998) such that it exposes the discloser to negative judgments by others (Mohan et al., 2020; Moon, 2000). As Collins and Miller (1994) note, "disclosure serves an important symbolic function" (p. 471) in

that it communicates more than the content of what is disclosed. In the case of lagging diversity numbers, we argue the act of transparency signals something beyond numerical representation—that the organization is genuinely committed to the goal of advancing diversity.

While we expect generally positive reputational effects of disclosing lagging diversity numbers, they may not be uniform given the variability in the degree to which group members tend to value diversity initiatives (e.g., Kidder et al., 2004). Specifically, individuals' social group membership, or their endorsement of egalitarian beliefs, may influence their response to an organization that is (or is not) transparent about lagging diversity numbers.

## Transparency and Openness

We preregistered all studies reported in this article. In our Open Science Framework (OSF) repository, we include (a) preregistrations, (b) data, (c) analysis scripts, and (d) study materials. Lastly, we include several ancillary analyses in the supplemental materials on the OSF page ([https://osf.io/k5rzel/?view\\_only=13beeca999b4437db6528f6f592e894e](https://osf.io/k5rzel/?view_only=13beeca999b4437db6528f6f592e894e)) that offer a more holistic view of our empirical package.

## Study 1

In Study 1, we incorporate real EEO-1 reports—numerical breakdowns of the racial- and gender makeup of companies by job category, including aggregated totals from the previous year—as an experimental manipulation of transparency. We obtained EEO-1 reports from each S&P 100 company for which these outcomes were available at the time of the study (in 2021; see Figure S1 in the supplemental materials on the OSF page for a sample). We included any company that disclosed their EEO-1 report in its original form; there were 30 companies in total.<sup>1</sup> Overall, these reports revealed low levels of racial/ethnic diversity (Black/African American:  $M = 5.95\%$ ,  $SD = 4.26$ ; Hispanic/Latino:  $M = 8.82\%$ ,  $SD = 5.81$ ), particularly in senior management (Black/African American:  $M = 3.03\%$ ,  $SD = 3.14$ ; Hispanic/Latino:  $M = 4.67\%$ ,  $SD = 4.10$ ).<sup>2</sup> These reports also revealed that companies generally struggled to increase diversity from the previous year (percentage-point change of Black/African American:  $M = -0.13\%$ ,  $SD = 0.36$ ; Hispanic/Latino:  $M = -0.24\%$ ,  $SD = 1.81$ ). We randomly assigned participants to evaluate one of these 30 companies after disclosing (or not disclosing) its EEO-1 data to them. This design allowed us to estimate, at scale, the average effects of transparency among a set of real companies that pledged to increase diversity, yet have generally low and stagnant levels of racial/ethnic minority representation.

## Method

### Participants

We recruited 2,050 participants from Prolific Academic (Peer et al., 2017) to take part in a study on "how organizations communicate

<sup>1</sup> The 30 companies were: Accenture, Adobe, Alphabet, Apple, Applied Materials, American Tower, Boston Scientific, Chevron, CISCO, Colgate, Costco, eBay, Facebook, Juniper Networks, Mastercard, MDU Resources, Netflix, Nvidia, Palo Alto Networks, Pinterest, Procter and Gamble, Paypal, Servicenow, Salesforce, Slack Technologies, Starbucks, TD Bank, Teradata, Verizon, and VMware.

<sup>2</sup> Asians were represented at relatively higher levels overall ( $M = 24.81\%$ ,  $SD = 14.25$ ) and in senior management ( $M = 15.02\%$ ,  $SD = 11.07$ ).

around issues of diversity and inclusion, and what people think about these communications.” We used the R package *simr*, which performs a power analysis for generalized linear mixed models (Green & MacLeod, 2016), to determine the sample size a priori. Based on data from a pilot study, these simulations indicated that with a sample size of 2,000, we will have 82% power to detect an effect of  $b = 0.15$ .<sup>3</sup> Following our preregistration, we excluded 50 participants who indicated that they had participated in a similar study in the past. This left us with 2,000 participants (1,102 female, 856 male, 42 nonbinary;  $M_{\text{age}} = 39.06$  years,  $SD = 15.23$ ), including 1,435 White (72%), 160 Black (8%), 178 Asian (9%), 143 Hispanic (7%), 63 multiracial (3%), and 21 “other” race individuals (1%).

### Procedure and Materials

After providing consent, participants completed a Captcha question to detect bots. We then randomly assigned participants to consider one of the 30 companies for which we had obtained EEO-1 data. All participants read the same initial statement informing them that the selected company had made a commitment to increase the representation of underrepresented racial/ethnic groups over the coming year.

Next, we randomly assigned participants to a public disclosure or no knowledge condition—our focal manipulation of transparency. In the public disclosure condition, participants read:

A year after setting this goal, [Company name] publicly reaffirmed its goal of increasing diversity.

Data showing the representation of racial/ethnic groups in a company’s workforce is very sensitive, but [Company name] announced that they have decided to release these data to the public to be fully transparent about their process and where they stand in relation to their goal of increasing diversity.

We then presented participants in the public disclosure condition with the actual EEO-1 report of the company in question and asked them to review the information. In the no knowledge condition, following the same initial statement, participants read:

A year after setting this goal, [Company name] publicly reaffirmed its goal of increasing diversity. [Company name] provided no further comments at this time.

These participants did not view the EEO-1 data. All participants then responded to our preregistered measures: perceived progress advancing diversity, genuineness of commitment to diversity, trustworthiness, intention to promote the company to others, and perceived level of diversity. Next, participants completed demographic items. They provided their age in a drop-down list format (18–99 years), answered the question, “What is your gender?” (“Male,” “Female,” and “Not listed” with a text box to type a response), and responded to the statement “Please indicate your race/ethnicity” (“White/Caucasian,” “Black/African American,” “Hispanic/Latino,” “Asian/Asian American,” “Native Hawaiian/Other Pacific Islander,” “Multiracial,” and “Not listed” with a text box to type a response). We present the wording of additional background questions (e.g., education, employment status, household income) in the supplemental materials on the OSF page. We collected the same demographic measures in all studies.

Participants then responded to two individual differences items that we expected to relate to the endorsement of egalitarian beliefs: a measure of political views and of the perceived importance of diversity and inclusion at work. Finally, participants completed a manipulation check as well as two items that assessed their familiarity with, and prior impression of, the selected company to explore the possibility that familiarity or prior impressions shaped the effects of transparency. Because we observe no evidence that participants’ familiarity and prior impressions influenced the effects of transparency, we report these measures and ancillary analyses using them in the supplemental materials on the OSF page.

### Measures

**Perceived Progress Advancing Diversity.** We assessed how much progress advancing diversity participants perceived the company to have made with the item: “I think that [Company name] made progress in the effort to increase diversity” (1 = *strongly disagree*, 7 = *strongly agree*).

**Genuineness of Commitment to Diversity.** We examined the degree to which participants perceived the company to be genuinely committed to diversity based on their agreement with four items: “[Company name] is truly committed to promoting diversity; [Company name] doesn’t really care about diversity (reverse-scored); [Company name] is just paying ‘lip service’ to diversity (reverse-scored); [Company name] is genuinely trying to increase diversity” (1 = *strongly disagree*, 7 = *strongly agree*;  $\alpha = .95$ ).

**Trustworthiness.** We examined how trustworthy participants perceived the organization to be with the question: “As you think about the scenario above, to what extent would you view [Company name] as \_\_\_?” They then rated the company on four descriptors: “trustworthy, genuine, authentic, honest” (1 = *not at all*, 7 = *very much*;  $\alpha = .98$ ).

**Intention to Promote the Company to Others.** We evaluated participants’ intention to promote the company to others based on their agreement with the item: “I will speak positively to outsiders about [Company name]’s commitment to diversity” (1 = *strongly disagree*, 7 = *strongly agree*).

**Perceived Level of Diversity.** Using the same response scale, we assessed how diverse participants perceived the company to be based on their agreement with the item: “I think that [Company name] is racially/ethnically diverse.”

**Manipulation Check.** Participants completed one manipulation check item: “[Company name] was transparent in how it communicated regarding the goal of increasing diversity” (1 = *strongly disagree*, 7 = *strongly agree*).

**Perceived Importance of Diversity and Inclusion at Work.** We assessed differences in the perceived importance of diversity at work based on participants’ agreement with the item: “In general, I think it is important for organizations to promote diversity and inclusion” (1 = *strongly disagree*, 7 = *strongly agree*).

**Political Views.** We asked participants to indicate their political views on a 7-point Likert scale (1 = *extremely conservative*, 7 = *extremely liberal*).

<sup>3</sup> As recommended by the *simr* package creators, we set the alpha value for our simulations at .045 to compensate for potential bias when running power analyses that treat *t* statistics as *z* statistics.

## Results

As preregistered, we analyzed these data using linear mixed models, treating transparency as a fixed effect and companies as a random effect. This model allowed us to estimate the average effect of transparency across all 30 companies included in the study while accounting for the possibility that the characteristics of these 30 companies may vary from those of the broader population of companies. This model thus allowed us to draw more generalizable conclusions about the overall effects of transparency. Table 1 presents means, standard deviations, and correlations among variables.

### Manipulation Check

We observed a significant effect of transparency,  $b = 2.54$ , 95% confidence interval (CI) [2.41, 2.68],  $\eta_p^2 = 0.42$ ,  $p < .001$ , suggesting that our manipulation was successful. Participants perceived companies to be more transparent when they publicly disclosed their EEO-1 data ( $M = 5.56$ ,  $SE = 0.06$ , 95% CI [5.47, 5.66]) than when they did not ( $M = 3.02$ ,  $SE = 0.05$ , [2.93, 3.11]),  $d = 1.71$ .

### Perceived Progress Advancing Diversity

We observed a positive effect of transparency on participants' perceptions that companies had made progress advancing diversity,  $b = 0.36$ , 95% CI [0.23, 0.49],  $\eta_p^2 = 0.01$ ,  $p < .001$ . As the top panel of Figure 1 displays, participants believed that companies had made significantly more progress advancing diversity when they voluntarily disclosed their unfavorable EEO-1 data ( $M = 4.38$ ,  $SE = 0.06$ , 95% CI [3.90, 4.14]) than when they did not ( $M = 4.02$ ,  $SE = 0.06$ , [4.26, 4.50]),  $d = 0.23$ . We report the full regression results in Table S1 in the supplemental materials on the OSF page.

### Genuineness of Commitment to Diversity

We observed that transparency significantly increased participants' impression that companies are genuinely committed to diversity,  $b = 0.54$ , 95% CI [0.41, 0.67],  $\eta_p^2 = 0.03$ ,  $p < .001$ . Specifically, participants believed that companies were more genuinely committed when they voluntarily disclosed their unfavorable EEO-1 data ( $M = 4.37$ ,  $SE = 0.05$ , 95% CI [4.26, 4.48]) than when they did not ( $M = 3.83$ ,  $SE = 0.05$ , [3.72, 3.93]),  $d = 0.36$ .

### Trustworthiness

We also observed that transparency significantly enhanced companies' trustworthiness,  $b = 0.55$ , 95% CI [0.41, 0.69],  $\eta_p^2 = 0.03$ ,  $p < .001$ . Participants believed companies were more trustworthy when they voluntarily disclosed the EEO-1 data ( $M = 4.16$ ,  $SE = 0.07$ , 95% CI [4.02, 4.31]) than when they did not ( $M = 3.61$ ,  $SE = 0.07$ , [3.47, 3.76]),  $d = 0.34$ .

### Intention to Promote the Company to Others

In a similar pattern, transparency significantly increased participants' intention to promote the company,  $b = 0.35$ , 95% CI [0.22, 0.49],  $\eta_p^2 = 0.01$ ,  $p < .001$ . Participants expressed greater intentions to speak positively to others about the company when they disclosed their lagging EEO-1 data ( $M = 3.86$ ,  $SE = 0.06$ , 95% CI [3.74, 3.98]) than when they did not ( $M = 3.51$ ,  $SE = 0.06$ , [3.39, 3.63]),  $d = 0.23$ .

### Perceived Level of Diversity

Notably, transparency did not affect how racially/ethnically diverse participants perceived companies to be,  $b = 0.019$ , 95% CI [−0.11, 0.15],  $\eta_p^2 = 0.00$ ,  $p = .77$ . They perceived companies as comparably diverse when they disclosed their EEO-1 data ( $M = 4.00$ ,  $SE = 0.06$ , 95% CI [3.88, 4.13]) and when they did not ( $M = 3.98$ ,  $SE = 0.06$ , [3.86, 4.11]),  $d = 0.003$ .

### Moderation by Participant Race, Gender, and Egalitarian Beliefs

Though not preregistered, we explored whether the effects of transparency varied by participant race/ethnicity, gender, and individual differences in egalitarian beliefs. We created a moderation model for each of the four outcome measures that demonstrated significant effects of transparency (e.g., progress advancing diversity). For each model, we submitted the relevant measure (e.g., race), transparency, and two-way interactions as predictors of the outcome. On three out of four outcome measures, we did not observe any significant two-way interactions. The only significant two-way interaction observed was between transparency and Black/African American participants on the genuineness measure,  $b = -0.57$ , 95% CI [−1.05, −0.10],  $\eta_p^2 = 0.00$ ,  $p = .02$ . This relationship suggests that Black (vs. White) individuals were less prone to view

**Table 1**  
*Study 1: Means, Standard Deviations, and Correlations*

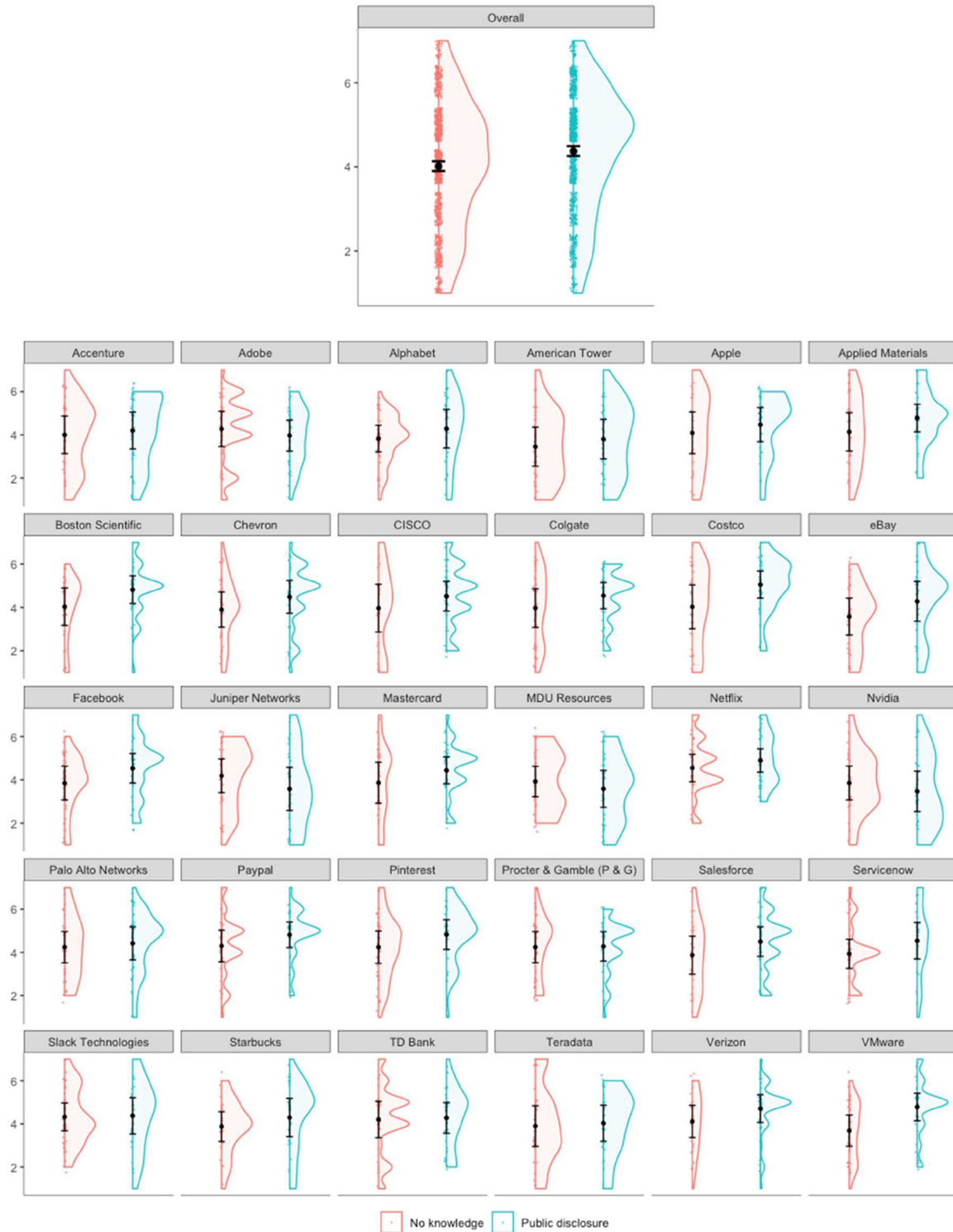
Measures	<i>M</i>	<i>SD</i>	0	1	2	3	4	5	6	7	8
0. Transparency	0.49	0.5	—								
1. Perceived progress advancing diversity	4.20	1.52	.11***	—							
2. Genuineness of commitment to diversity	4.09	1.49	.18***	.75***	(.95)	—					
3. Trustworthiness	3.88	1.61	.17***	.65***	.82***	(.98)	—				
4. Intention to promote the company to others	3.68	1.54	.11***	.63***	.72***	.75***	—				
5. Perceived level of diversity	3.99	1.5	0	.73***	.68***	.59***	.57***	—			
6. Familiarity with the company	2.73	1.59	−.02	.09***	.04	.06*	.02	.12***	—		
7. Prior impression of the company	3.21	0.69	.02	.26***	.36***	.47***	.36***	.26***	.29***	—	
8. Political views	4.89	1.72	.02	−.08***	−.11***	−.11***	−.07***	−.19***	−.03	−.12***	—
9. Perceived importance of diversity and inclusion	5.68	1.55	.03	.07**	.12***	.15***	.21***	−.05*	−.03	.07**	.55***

*Note.*  $n = 2,000$ . Transparency is coded as 0 = no knowledge, 1 = public disclosure. Values on the diagonal in parentheses are alpha reliability coefficients.  
\*  $p < .05$ . \*\*  $p < .01$ . \*\*\*  $p < .001$ .



**Figure 1**

*Effects of Transparency on the Belief That the Company Had Made Progress Advancing Diversity (1 = Strongly Disagree, 7 = Strongly Agree)*



*Note.* In Figure 1, and subsequent figures, we display raincloud plots (Allen et al., 2019), which allow for simultaneous visualization of raw data, their distribution, and summary statistics. The top panel shows the average fixed effect of transparency estimated from the linear mixed model; the bottom panel shows the raw means for each company. Error bars represent 95% confidence intervals. See the online article for the color version of this figure.

transparency as a signal of genuineness, perhaps because they tended to be more skeptical of the authenticity of organization's commitment from the onset. We report these results in full in the supplemental materials on the OSF page.

## Discussion

In Study 1, we used real EEO-1 data, depicting low and stagnating levels of racial/ethnic minority representation, to test the hypothesis that being transparent (vs. not) about lagging diversity numbers engenders more positive impressions. Our results support this theorizing: transparency increased perceptions of progress, genuineness, trustworthiness, and stimulated intentions to promote the company's diversity efforts. It is noteworthy that transparency did not change how diverse participants presumed a company to be; rather, the act of transparency colored the way in which they interpreted its struggles.

Study 1 also raises questions about the nature of these effects. Namely, one alternative possibility is that participants assumed that companies that disclosed their EEO-1 data must have done so because they made strides increasing diversity, and thus wanted to publicize these numbers. This reasoning differs sharply from our theorized account, which instead posits that the act of transparency itself fosters positive impressions. Another methodological concern is that the different amounts of information presented in the two conditions contributed to our observed effects.

## Study 2

In Study 2, we sought to test the scope and processes underlying our theoretical predictions in a way that would disentangle these alternative interpretations and methodological questions. To do so, we compared the effects of voluntarily disclosing (vs. privately learning of) diversity outcomes when this information suggests that an organization has (or has not) increased diversity. We utilized a visual depiction of change in the representation of racial/ethnic minorities over time to hold constant the precise degree to which the organization increased its racial/ethnic minority representation per its stated goal—or, conversely, to portray a situation in which there has been no increase at all. This design enabled us to assess the effects of transparency holding constant both information about the favorable/unfavorable state of diversity outcomes as well as the amount of information presented overall. If the alternative “assumption of progress” account for Study 1 is valid, we would expect that correcting this assumption with explicit information about unfavorable diversity outcomes would eliminate the positive effects of transparency. If our theoretical account is valid, we would expect the positive effects of transparency to persist when the data disclosed are unfavorable.

In all conditions, participants considered these communications in the context of their own company, which allowed us to examine the generalizability of our effects beyond observers' responses to external companies. Finally, we preregistered empirical tests of the theorized process underlying our effects and their conditionality on individual difference measures associated with concern for egalitarianism. In a separate study (Study S1 described in the supplemental materials on the OSF page), we observed no differences between the private knowledge condition (described here) and a control condition (as in Study 1) wherein participants had no information about unfavorable outcomes. Thus, we only included the private knowledge condition in Study 2.

## Method

### Participants

We recruited 850 full-time U.S. employees from Prolific Academic using the same cover story as in Study 1. As preregistered, we excluded 21 participants who indicated that they were not working full-time. This left us with a sample of 819 employees (342 male, 467 female, 10 nonbinary;  $M_{\text{age}} = 36.46$  years,  $SD = 11.23$ ), including 629 White (77%), 74 Asian (9%), 43 Black (5%), 37 Hispanic (5%), 31 Multiracial (4%), and five “other” race individuals. A G\*Power (Version 3.1; Faul et al., 2007) analysis determined that this sample size would provide 80% power to detect an effect size ( $\eta_p^2$ ) of 0.01.

### Procedure and Materials

After providing consent and completing a Captcha question, we asked participants to consider their own organization. Mirroring the language used in Study 1, participants in all conditions read an initial statement indicating that their organization had made a commitment to increase the representation of underrepresented racial/ethnic groups over the coming year. We then randomly assigned participants to one of four conditions, corresponding to a 2 transparency (public disclosure vs. private knowledge)  $\times$  2 favorability of data (favorable vs. unfavorable) between-subjects design.

In the public disclosure condition, participants learned that their organization had also committed to being transparent, and would share data regarding the representation of racial/ethnic minorities in the workforce as well as details about the effectiveness of programs, policies, and changes made to achieve their diversity goal.

Participants in the public disclosure condition then read:

A year later, your organization publicly reaffirms its commitment to increasing diversity.

Because the organization has made the data public, you can see from the diversity dashboard that the organization has [made substantial progress/not made progress] toward the goal of increasing diversity. You see the following data from the past year.

In the private knowledge condition, we did not include the statement regarding transparency. Instead, immediately after the initial statement, participants in the private knowledge condition read:

A year later, the organization publicly reaffirms its commitment to increasing diversity.

Though the data has not been made public, you privately learn from a colleague in HR that the organization has [made substantial progress/not made progress] toward the goal of increasing diversity. The colleague shows you the following internal data from the past year.

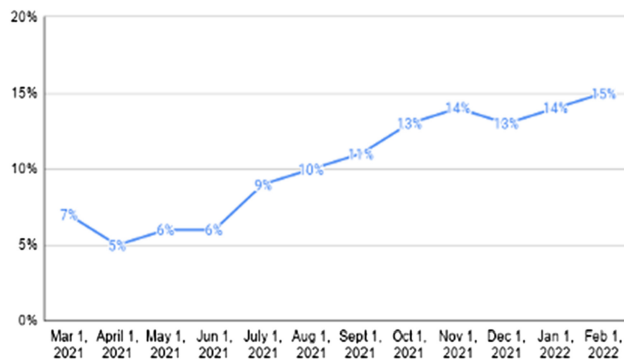
We then presented all participants with an explicit visual depiction of change in the representation of racial/ethnic minorities over time, which portrayed either an eight percentage-point increase (favorable condition) or zero change (unfavorable condition; Figure 2).

All participants then responded to the main dependent measures used in Study 1, a manipulation check item, and provided demographic information. Finally, they completed one item assessing their prior impression of their organization, the same two individual differences measures obtained in Study 1, and an eight-item measure of tolerance for social inequality.

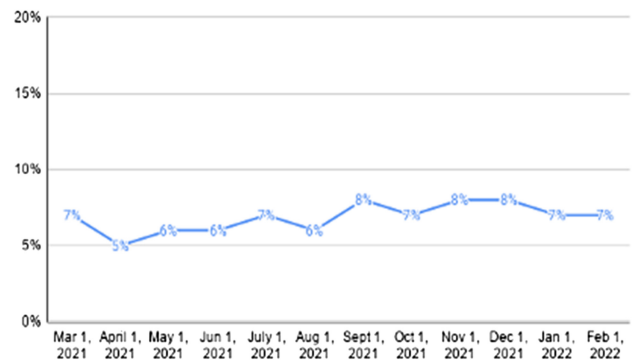
**Figure 2**

*Stimuli Presented in the Favorable Condition (Left Panel) and Unfavorable Condition (Right Panel) in Study 2*

Percent of Employees Identifying as Racial/Ethnic Minorities



Percent of Employees Identifying as Racial/Ethnic Minorities



*Note.* See the online article for the color version of this figure.

## Measures

We used the same measures from Study 1 to capture perceived progress advancing diversity, genuineness of commitment to diversity ( $\alpha = .83$ ), trustworthiness ( $\alpha = .97$ ), and perceived level of diversity. Instead of referring to a specific company (e.g., “Starbucks”) in these measures, we used the term “my organization” to reflect the personalized vignette we used in Study 2. We also used the same manipulation check item and measures of political views and perceived importance of diversity. We detail items not described in the main text of Study 1.

### Intention to Promote the Organization to Others

We broadened our measure of participants’ intention to promote their organization’s commitment to diversity. Participants indicated their agreement with the item presented in Study 1 as well as two new items: “I would recognize my organization’s commitment to diversity on social media (e.g., LinkedIn, Facebook, etc.),” and “I would submit a positive review about my organization’s commitment to diversity on an employee review website (e.g., Glassdoor, Indeed, etc.)” (1 = *strongly disagree*, 7 = *strongly agree*;  $\alpha = .92$ ).

### Social Dominance Orientation

We used the eight-item SDO<sub>7</sub> scale (Social Dominance Orientation; Ho et al., 2015) to measure the extent to which participants tolerate group-based inequality (e.g., “An ideal society requires some groups to be on top and others on the bottom”; 1 = *strongly oppose*, 7 = *strongly favor*). The supplemental materials on the OSF page report all eight items ( $\alpha = .88$ ).

## Results

### Manipulation Check

We observed a significant main effect of transparency,  $F(1, 817) = 317.20, p < .001, \eta_p^2 = 0.28$ . Participants in the public disclosure condition ( $M = 5.70, SD = 1.29$ ) perceived the organization to be more transparent than participants in the private knowledge condition ( $M = 3.76, SD = 1.77$ ),  $d = 1.24$ , suggesting that our manipulation was effective.

### Perceived Progress Advancing Diversity

We observed significant main effects of both transparency and favorability of data,  $F(1, 815) = 41.07, p < .001, \eta_p^2 = 0.02$  and  $F(1, 815) = 1,308.31, p < .001, \eta_p^2 = 0.60$ . Specifically, participants believed that their organization had made more progress advancing diversity when it publicly disclosed its diversity data ( $M = 4.57, SD = 2.02$ ) than when they learned of it privately ( $M = 3.98, SD = 2.22$ ),  $p < .001, d = 0.28$ , and separately, when the data it disclosed were favorable (i.e., revealing an increase in the proportion of racial/ethnic minorities;  $M = 5.97, SD = 0.99$ ) versus unfavorable (i.e., revealing no such increase;  $M = 2.61, SD = 1.61$ ),  $p < .001, d = 2.50$ .

Critically, supporting our theorizing, we observed a strong two-way interaction,  $F(1, 815) = 16.32, p < .001, \eta_p^2 = 0.07$ , indicating that the benefit of transparency was only evident when the data disclosed were unfavorable. In the favorable condition, participants perceived a similar degree of progress, regardless of whether their organization had publicly disclosed this positive information ( $M = 5.98, SD = 0.98$ ) or they had privately learned of it ( $M = 5.95, SD = 1.01$ ),  $p = .99, d = 0.03$ . Notably, however, in the unfavorable condition, participants believed that their organization had made significantly more progress advancing diversity when it publicly disclosed these unfavorable data ( $M = 3.03, SD = 1.72$ ) than when they privately learned of it ( $M = 2.26, SD = 1.42$ ),  $p < .001, d = 0.50$ . This effect is noteworthy because all participants in the unfavorable condition viewed the identical figure explicitly portraying no increase in the representation of racial/ethnic minorities, yet the act of transparency shaped the way in which participants perceived these data.

### Genuineness of Commitment to Diversity

We observed an analogous pattern of main effects of transparency and favorability of data,  $F(1, 815) = 48.48, p < .001, \eta_p^2 = 0.06$  and  $F(1, 815) = 292.26, p < .001, \eta_p^2 = 0.26$ , respectively. We report mean comparisons for all main effects of this and subsequent measures in Table S15 in the supplemental materials on the OSF page. More importantly, as Figure 3 displays, we again observed the predicted two-way interaction,  $F(1, 815) = 19.67, p < .001, \eta_p^2 = 0.02$ . In the favorable condition, participants believed their organization was genuinely

committed to diversity, regardless of whether their data were publicly disclosed ( $M = 5.48$ ,  $SD = 1.30$ ) or privately gleaned ( $M = 5.32$ ,  $SD = 1.30$ ),  $p = .70$ ,  $d = 0.12$ . By contrast, in the unfavorable condition, participants believed that their organization was more genuinely committed when it publicly disclosed this unfavorable outcome ( $M = 4.20$ ,  $SD = 1.59$ ) than when they learned of it privately ( $M = 3.13$ ,  $SD = 1.63$ ),  $p < .001$ ,  $d = 0.66$ .

### Trustworthiness

We observed main effects of transparency and favorability of data,  $F(1, 815) = 37.33$ ,  $p < .001$ ,  $\eta_p^2 = 0.04$  and  $F(1, 815) = 233.87$ ,  $p < .001$ ,  $\eta_p^2 = 0.22$ , respectively, as well as a two-way interaction,  $F(1, 815) = 11.22$ ,  $p < .001$ ,  $\eta_p^2 = 0.01$ . In the favorable condition, participants viewed their organization as similarly trustworthy, regardless of whether their data were publicly disclosed ( $M = 5.32$ ,  $SD = 1.35$ ) or privately gleaned ( $M = 5.12$ ,  $SD = 1.42$ ),  $p = .55$ ,  $d = 0.14$ . In the unfavorable condition, however, participants perceived their organization to be more trustworthy when it

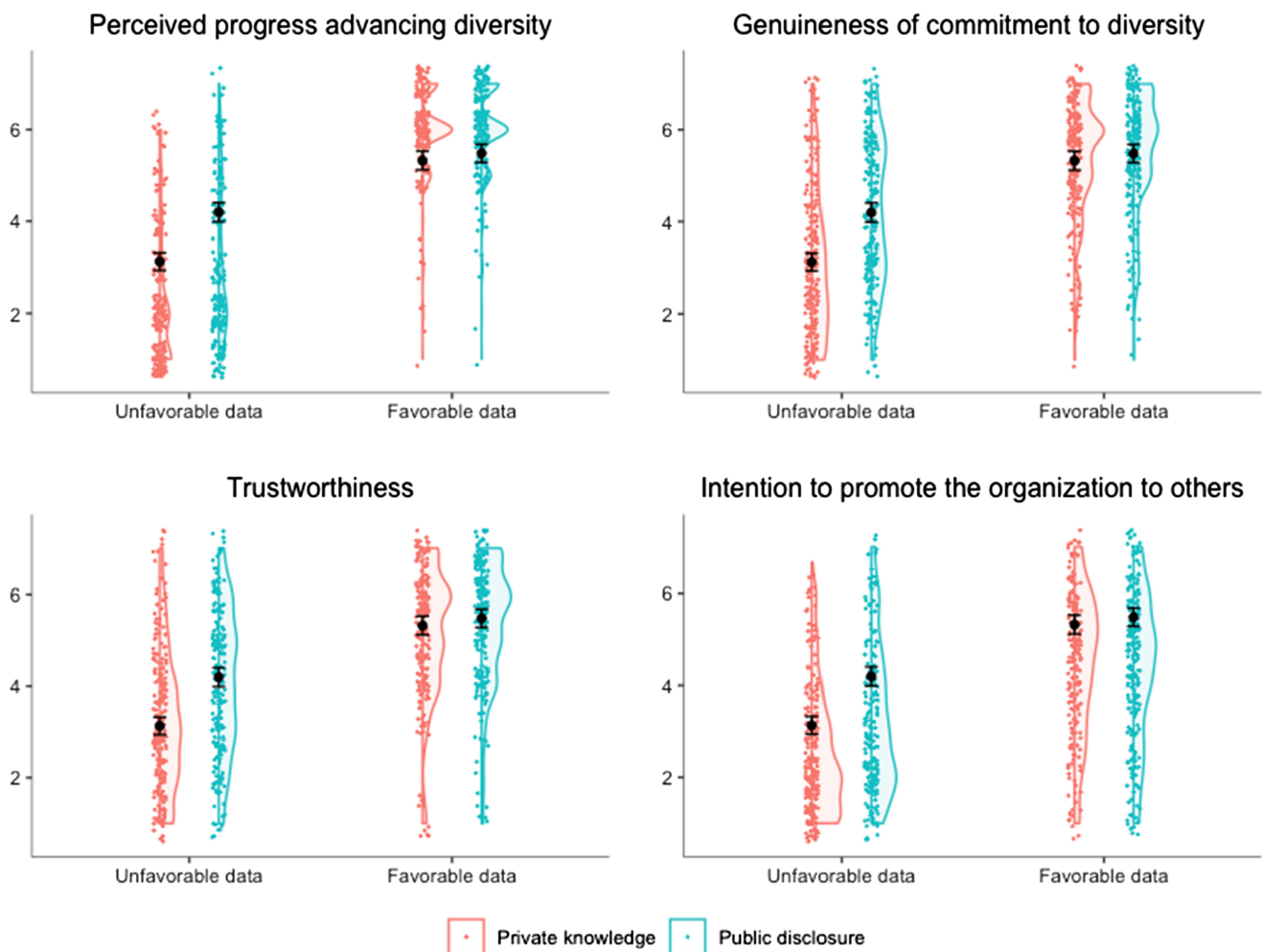
publicly disclosed these unfavorable diversity data ( $M = 4.09$ ,  $SD = 1.59$ ) than when they privately learned of them ( $M = 3.21$ ,  $SD = 1.53$ ),  $p < .001$ ,  $d = 0.57$ .

### Intention to Promote the Organization to Others

Lastly, in a similar pattern, we observed main effects of transparency and favorability of data,  $F(1, 815) = 14.06$ ,  $p < .001$ ,  $\eta_p^2 = 0.02$  and  $F(1, 815) = 201.03$ ,  $p < .001$ ,  $\eta_p^2 = 0.20$ , respectively, and again, the critical two-way interaction,  $F(1, 815) = 11.13$ ,  $p < .001$ ,  $\eta_p^2 = 0.01$ . In the favorable condition, participants' intentions to promote their organization were comparable, regardless of whether they publicly disclosed these favorable data ( $M = 4.39$ ,  $SD = 1.62$ ) or they were privately obtained ( $M = 4.43$ ,  $SD = 1.56$ ),  $p = .99$ ,  $d = 0.03$ . In the unfavorable condition, participants intended to promote their organization's diversity efforts more so when their organization publicly disclosed their data ( $M = 3.23$ ,  $SD = 1.61$ ) than when they privately learned of them ( $M = 2.55$ ,  $SD = 1.37$ ),  $p < .001$ ,  $d = 0.46$ .

**Figure 3**

*Effects of Transparency on Four Measures When Diversity Data Disclosed Are Favorable Versus Unfavorable in Study 2*



*Note.* Error bars represent 95% confidence intervals. See the online article for the color version of this figure.



### Perceived Level of Diversity

We observed main effects of transparency and favorability of data,  $F(1, 815) = 22.81$ ,  $p < .001$ ,  $\eta_p^2 = 0.03$  and  $F(1, 815) = 459.19$ ,  $p < .001$ ,  $\eta_p^2 = 0.36$ , but the two-way interaction was not significant,  $F(1, 815) = 3.68$ ,  $p = .06$ ,  $\eta_p^2 = 0.02$ .

### Moderated Mediation

Next, to evaluate our theorized account, we used a bootstrapped moderated mediation analysis (PROCESS Model 7; Hayes, 2013) with 5,000 samples and biased corrected 95% CIs. This model tested whether the perceived genuineness of an organization's commitment to diversity (mean-centered) mediated the effect of transparency (0 = *private knowledge*, 1 = *public disclosure*) on each of three measures in which we observed significant differences (e.g., perceived progress advancing diversity) when the data disclosed are unfavorable (vs. favorable; 0 = *favorable*, 1 = *unfavorable*). The results of these analyses, as described in detail in the supplemental materials on the OSF page, support moderated mediation. For instance, the effect of transparency on perceived progress advancing diversity through genuineness beliefs was moderated by the favorability of data, index of moderated mediation = 0.78,  $SE = 0.18$ , 95% CI [0.43, 1.13]. Specifically, there was a significant positive effect of transparency on perceived progress advancing diversity through genuineness only when the diversity data were unfavorable, indirect effect = 0.92,  $SE = 0.14$ , 95% CI [0.63, 1.19]. No such effect emerged when the diversity data were favorable, indirect effect = 0.14,  $SE = 0.11$ , 95% CI [-0.08, 0.35]. This analysis treats perceived genuineness as a mediator, as preregistered; however, because we observed relatively strong correlations between this mediator and other reputational outcome measures, we interpret these process results with a degree of caution.

### Moderation by Participant Race, Gender, and Egalitarian Beliefs

Finally, we turned to the question of whether participant race, gender, or individual differences in egalitarian beliefs (i.e., perceived importance of diversity and inclusion at work, political views, and SDO) shape the observed effects of transparency. We tested whether these factors moderate the effects of transparency in the critical theorized context of lagging diversity numbers. Hence, for each outcome (e.g., progress advancing diversity), we created five separate moderation models. For each moderation model, we submitted the relevant measure (e.g., race, political views), transparency, favorability of data, and their two- and three-way interactions as predictors of the outcome. Overall, we did not observe any significant three-way interactions, suggesting that the key interaction between transparency and favorability of data did not vary by participant race, gender, or individual differences in egalitarian beliefs. We report these results in full in the supplemental materials on the OSF page and consider their implications for theory and generalizability in the General Discussion section.

### Discussion

Study 2 provides key evidence regarding scope conditions and process. When diversity outcomes are favorable, individuals view organizations positively regardless of whether they are transparent or not. However, when these diversity data are unfavorable, transparency

enhances positive impressions. Study 2 further suggests that transparency about lagging numbers buoys positive impressions because it signals a genuine commitment to diversity. These results support our theorized account and suggest that it is unlikely that the alternative interpretation and methodological issues raised in Study 1 underlie our observed effects. Finally, we observe no evidence in Study 2 that the effects of transparency vary by participant gender, race, or individual differences in egalitarianism beliefs.

### Study 3: A Replication Removing Language Contextualizing the Organization's Efforts to Be Transparent

To mirror the way in which companies typically contextualize their efforts to be transparent, our manipulation in Study 2 indicated that the organization would transparently share data about representation and the effectiveness of diversity processes implemented. While this added language enhances the external validity of the manipulation, it raises a potential question regarding internal validity. Namely, to what degree does this added context in the transparency condition contribute to our observed effects? Though we observed that transparency fosters positive impressions in Study 1 in the absence of this context, it remains an open question in relation to Study 2. We therefore conducted a preregistered replication of Study 2, removing this language from the manipulation. As we report in the supplemental materials on the OSF page, Study 3 ( $n = 852$  full-time employees) replicates the pattern of results in Study 2 with the exception of the intent to promote the organization measure (Figure 4). We do observe smaller effect sizes, however, suggesting that whereas providing greater context for the transparency is not necessary to observe the theorized effect, it may enhance it.

### Study 4: A Replication With Information About the Industry Average

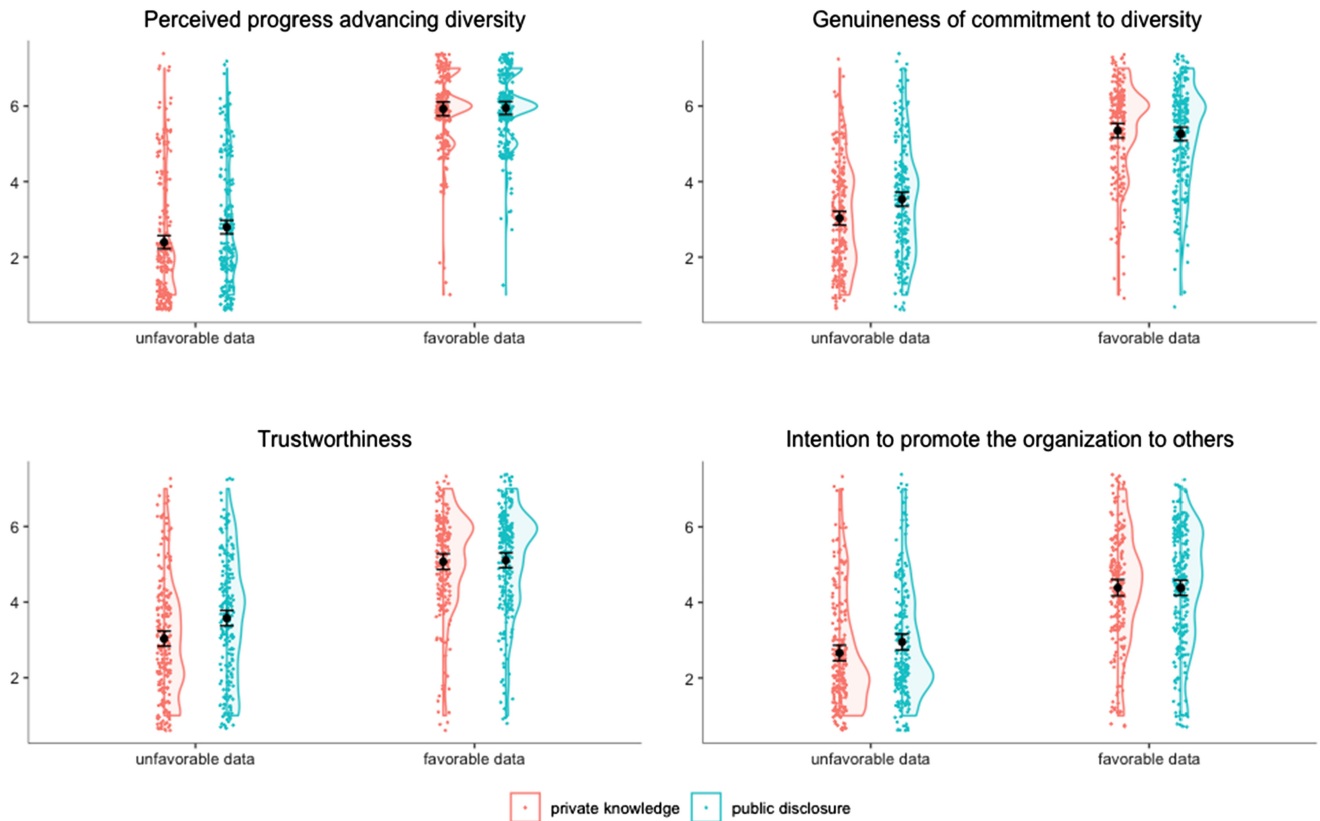
We also consider a different alternative account: it is possible that participants assume that companies that voluntarily disclose their lack of diversity do so because their overall levels of minority representation remain favorable relative to other companies in the industry. To assess this possibility, we conducted a preregistered replication of Study 2 but included information depicting the "industry average" for the percentage of employees identifying as racial/ethnic minorities (Figure 5). Critically, this information made explicit that the organization's level of diversity ended up being above or below the industry average. As we detail in the supplemental materials on the OSF page, Study 4 ( $n = 812$  full-time employees) replicates the predicted pattern of results with the exception of a nonsignificant simple effect on the intent to promote the organization measure (Figure 6).

### General Discussion

A large and growing cadre of organizations commit to increasing diversity. This goal is centered in CEO speeches, town hall meetings, company websites, and recruitment materials. In fact, a full 100% of S&P 100 companies list diversity as a goal (Mayer et al., 2015). Yet few publicly disclose how diverse they are. Conventional wisdom and related research on impression management in organizations suggest that, underlying this disconnect between the professed importance of increasing diversity and the reluctance to be transparent about workforce demographics, are reputational concerns.

**Figure 4**

*Effects of Transparency on Four Measures When Diversity Data Disclosed Are Favorable Versus Unfavorable in Study 3*



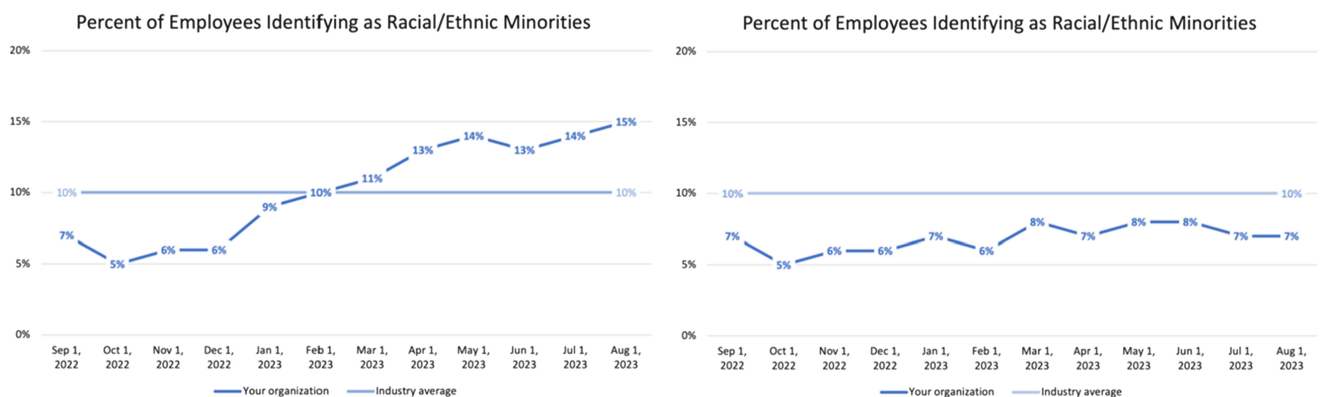
*Note.* Error bars represent 95% confidence intervals. See the online article for the color version of this figure.

We devised four preregistered studies to assess how and why transparency about unfavorable diversity outcomes influences impressions of organizations. We consistently observed that transparency about struggles to increase the representation of racial/ethnic minorities increased perceptions that organizations have made progress advancing

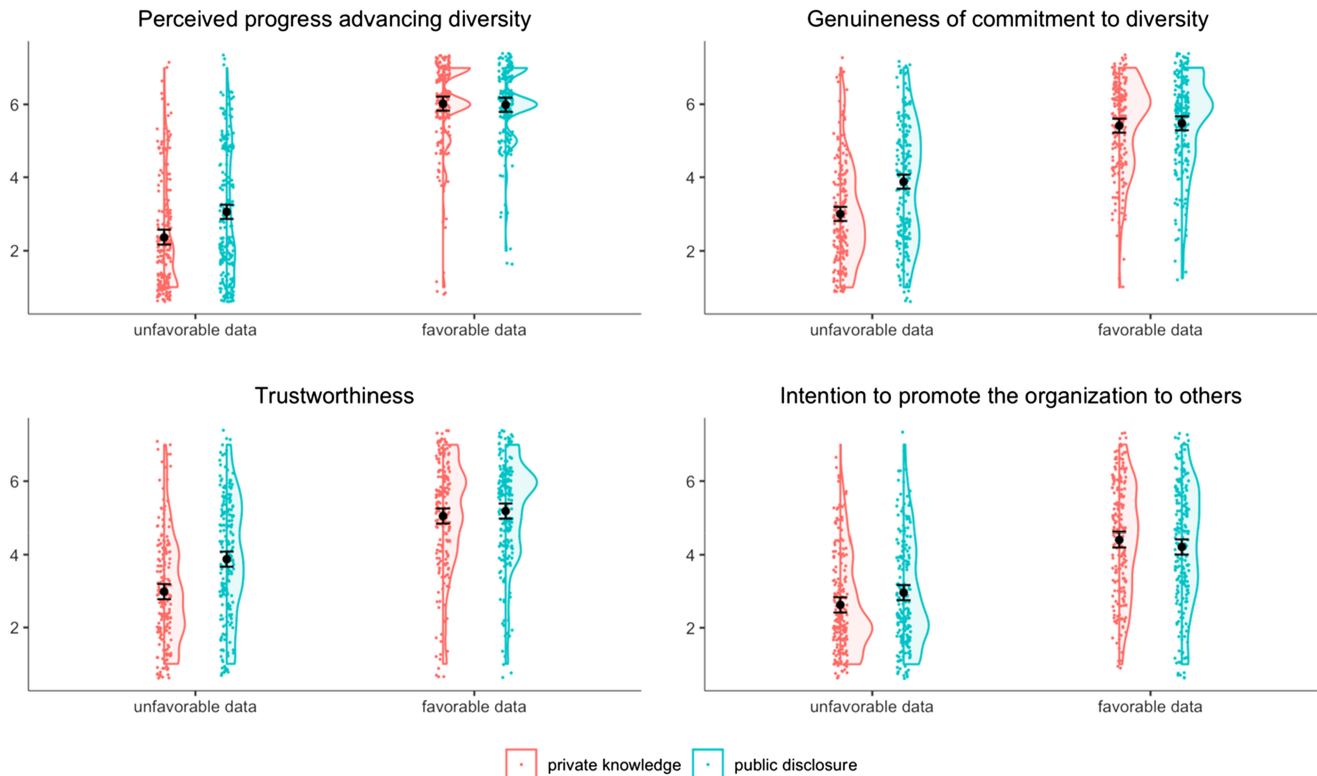
diversity, are genuinely committed to such efforts, and are trustworthy—critical markers of a positive reputation. Critically, our data indicate that transparency does not change how diverse individuals presume an organization to be, but rather, it changes the lens through which people view an organization's struggles.

**Figure 5**

*Study 4 Stimuli Presented in the Favorable Condition (Left Panel) and Unfavorable Condition (Right Panel)*



*Note.* See the online article for the color version of this figure.

**Figure 6***Effects of Transparency on Four Measures When Diversity Data Disclosed Are Favorable Versus Unfavorable in Study 4*

Note. Error bars represent 95% confidence intervals. See the online article for the color version of this figure.

## Theoretical Contributions

This research advances theory in several important ways. In addition to demonstrating (and replicating) the beneficial effects of transparency, our research identifies key conditions under which these effects are likely to emerge (e.g., when outcomes are unfavorable vs. favorable), and elucidates the underlying theoretical process. Accordingly, this research illuminates the powerful (and counterintuitive) role that transparency can play in the arena of communications regarding diversity. We find that it is better to be transparent about lagging diversity numbers than not because doing so signals a genuine commitment to improve—an empirical result and theoretical mechanism that contrasts starkly with prior research on impression management in organizations and the actions of many companies.

These findings also extend previous theorizing on self-disclosure in interpersonal settings, which finds that the disclosure of personal information begets greater liking and rapport (Ajzen, 1977; Altman & Taylor, 1973; Reis & Shaver, 1988). This past research has predominantly documented the positive effects of disclosing personal information (e.g., feelings and emotions) in friendships or intimate relationships. The present research, by contrast, broadens this scholarship to the context of organizations and to the arena of communications regarding diversity. It focuses on the distinct psychological dynamics that emerge when organizations face the decision to disclose or withhold poor diversity numbers to a range of individuals in and outside of the company who will then form impressions of

their progress, commitment to deliver on their stated goals, and reputation, more generally.

More broadly, this research demonstrates that informational transparency—and specifically, “diversity disclosures”—can be an influential factor in the context of managing diversity. In doing so, our research demonstrates the importance of transparency to extant scholarship in intergroup relations and diversity. Just as previous research has demonstrated the benefits of straightforwardly talking about race in the context of intergroup interaction (Apfelbaum et al., 2008), our work suggests that transparency in how organizations communicate about diversity numbers and practices may be a consequential yet underexplored principle for promoting more positive perceptions and behaviors at scale. In these ways, this research both advances and bridges theory, laying the foundation for generative cross-pollination of these disparate literatures.

Finally, with the exception of one result in Study 1 indicating that Black (vs. White) participants were less inclined to view transparency about lagging numbers as a signal of a genuine commitment to diversity, we observed no evidence that participant race, gender, or endorsement of egalitarian beliefs moderated our observed effects. These null empirical effects may be theoretically meaningful. One possibility is that both individuals more versus less apt to support diversity (based on beliefs or social group membership) welcomed transparency because of its capacity to assuage different forms of skepticism. For instance, those supportive of diversity efforts may have viewed transparency about lagging numbers as addressing their skepticism that the organization is merely paying

“lip service” to the issue whereas those wary of diversity efforts may view this act of transparency as assuaging concerns that the organization is concealing underhanded practices aimed at boosting diversity. Additional research is required to evaluate these and other theoretical possibilities, and to examine whether the null results we observe here indicate that these effects generalize across demographic and ideological differences.

## Practical Implications

That our theorizing and empirics defy conventional managerial practices speaks to the practical importance of using empirically driven scholarship—versus intuition—to manage issues of diversity and inclusion, among other areas. Our research critically advances existing theories of why efforts to manage diversity fall short by highlighting the role of organizational inaction; in this case, the dominant practice of not disclosing diversity numbers. This contribution is noteworthy in that it suggests that just as leaders may hold misplaced intuitions about the effectiveness of common diversity actions (e.g., programs, policies, practices; Leslie, 2019), their assumptions about the value of inaction (e.g., withholding diversity data) may similarly prove to be misguided, and even counterproductive.

In addition, this research is consequential because it directly compares the consequences of multiple realistic paths organizations may take when it comes to handling their workforce demographic data: voluntarily disclosing it, withholding it successfully (such that employees or the public never learn of it), and withholding it unsuccessfully (such that individuals privately learn of it). We observe no evidence that it is advantageous to withhold versus disclose unfavorable workforce diversity data, even when these data are effectively kept under wraps. Our findings are particularly consequential when considered in the contemporary context of omnipresent social media and online platforms where individuals post anonymous comments and reviews. Indeed, organizations face newfound challenges with keeping internal information private (be it about workforce demographics or other topics). From a practical standpoint, therefore, this calls into question not only the effectiveness, but also the feasibility of withholding diversity data.

## Constraints on Generality and Limitations

Despite these advances, we acknowledge constraints on generality, limitations, and unanswered questions for future scholarship. Our research utilized samples of U.S. participants with an internet connection. We situated our research in the United States context given the large number of organizations that have pledged to increase diversity. Though increasingly common, not all organizations make commitments to diversity, and it remains unclear to what degree our results generalize to such settings or to cultural contexts outside the United States. Presently, most U.S. organizations do not disclose their diversity outcomes, thus those that do are salient. The dynamics we observe may change if laws, regulations, or societal expectations evolve in ways that make transparency the norm. Furthermore, our research focused on pledges to increase racial/ethnic representation, however, future research is needed to examine whether our observed effects generalize to commitments to increase diversity with respect to gender, religion, and other group memberships. Finally, one important question is how long observers would be willing to give organizations that disclose

unfavorable outcomes the benefit of the doubt. Companies utilizing transparency for the sole purpose of enriching their reputation are unlikely to have lasting success in this arena, and may even become targets of backlash. Ultimately, an organization’s reputation regarding diversity will hinge on its ability to deliver on its goals, suggesting that the positive impressions we observe here may diminish over time if an organization repeatedly shows no observable increase in diversity. This too is an important avenue for future work.

## Conclusion

The present research suggests that the intuition implicit in the actions of many organizations—that disclosing lagging diversity numbers will harm their reputation—may be misplaced. In fact, our findings suggest that there is a substantial upside to transparency in this context. Successfully fostering a diverse workforce is a complex and challenging endeavor that takes time. Transparency may represent one key piece of a broader repertoire of practices needed to hold organizations accountable to their diversity goals and to the establishment of a trusting culture that can support these changes.

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