



UNIVERSITY OF SOUTH AUSTRALIA

## Accounting Forum

### Special Issue of Accounting Forum



## Analysing the Quality, Meaning and Accountability of Organisational Reporting and Communication

### Co-Editors:

Professor Russell Craig (University of Canterbury, Christchurch)

Associate Professor Glen Lehman (UniSA, Adelaide)

Professor Markus Milne (University of Canterbury, Christchurch)

Dr. Helen Tregidga (AUT University, Auckland)

Many organisational annual reports, CEO speeches, corporate press releases, advertisements, and more recently, stand-alone environmental, triple bottom line and sustainability reports exist in the public domain. These reports and other communication mediums have, not surprisingly, provided a ready source of data to analyse. Extant literature has now fairly extensively researched 'who' is reporting, 'what' they report, 'how much' they report, and to a lesser extent 'why' they might report. Annual reports, their narratives, graphs, and more recently photographic images, have provided a basis for accounting, and to a lesser extent business communication research, for some time (e.g., Anderson and Imperia, 1992; Beattie and Jones, 1992; 2001; Bettman and Weitz, 1983; Clatworthy and Jones, 2003; 2006; Courtis, 1986; 1995; 1998; Cooper and Sherer, 1984; Davison, 2002; Frazier *et al.*, 1984; Graves *et al.*, 1996; Hilderbrandt and Snyder, 1981; McKinstry, 1996; Preston *et al.*, 1996; Smith and Taffler, 2000; Sydserff and Weetman, 2002; Amernic and Craig, 2006). Report content, particularly accounting narratives (as opposed to graphs and pictures), has also provided the basis for an extensive range of social and environmental accounting research.

To date, however, with the exception perhaps of work in the communication literature (e.g., Hyland, 1998, Livesey, 2001, 2002ab; Thomas, 1997), studies analysing photographic images (e.g., Davison, 2002, 2007; Graves *et al.*, 1996; Preston *et al.*, 1996), research associated with critical accounting scholars (e.g., Lehman, 1992; Niemark, 1992; Craig and Amernic, 2004), and some other exceptions (e.g., Smith and Taffler, 2000), mainstream research has been dominated by rather mechanistic and somewhat reductionist analyses of text. Dominant among the methods used are content analysis, word/sentence counts, concern with syntactical and other form-oriented linguistic structures (e.g., active/passive verbs, personal pronouns), readability measures, and assessment of relative proportions of good/bad news. Typically, such research uses quantitative volume and proportion measures of textual characteristics to draw statistical inferences about the types and intent of narrative annual report disclosures. In some instances there has been a focus on the relative *quality* of annual report disclosures (e.g., Wiseman, 1982; Toms 2002, Hasseldine *et al.*, 2005), but even here such issues are often tackled using quantitative surrogates.

The 'nature' and 'meaning' of reporting and communication and its 'effects', however, have appeared to be of significantly less interest to researchers. Similarly, while much is known about the content of formal reports, much less is known about ad hoc communications such as CEO speeches, corporate press releases, and organisational submissions to legislative processes. How organisational reporting and communication is both constructed and its potential consequences (both intended and unintended), we argue, remains underdeveloped. Little is known about the *messages* that these reports and communications entail, and the manner in which they are crafted and why. As such, the

*process* and *context* of reporting and other communications, and the *production* and *consumption/interpretation* of the messages contained within needs further investigation. Little is also known about the manner in which NGOs, social movement organisations and others, for example, seek to interpret, dispute and counter these organisational communications.

Taking a broader discursive and communications perspective, we suggest, not only opens up organisational reporting and communications research to a variety of alternative research approaches, but can also enable more explicit theorisation of the politics of communication. As Friedman and Miles (2004, p. 95) note, we need to view stakeholder communication practice as ‘decentered’ from the organisation, we need to focus on message reception and counter messages as much as organisational messages. The role of intermediaries (e.g., PR consultants) and the media, too, are identified as crucial to this communication contest. Put another way, and consistent with approaches taken to accounting (reports) by Cooper and Sherer (1984), Neimark (1992), Lehman (1992) and Collison (2003), Moloney (2000, 2004) views public relations as ‘weak’ propaganda and sees it as part of a pluralistic society in which value-laden, self-interested (but not necessarily knowingly deceptive) messages clash for attention and advantage. Messages are presented, (more or less) scrutinised, (more or less) countered and, on the basis of such contests, policy or opinion advantages emerge. And within the management literature, Phillips *et al.* (2004) have called for institutional theory to focus on the processes that bring about institutions and legitimacy, to take a discursive approach to refocus attention on power and politics, and to recognise that actors act and communicate with political purposes to gain particular ends. They suggest (Phillips *et al.*, 2004, p. 646) a need to examine not only the content of texts, but also their trajectories – where texts emanate from, how they are used by organisational actors, and what connections are established among texts. While impression management, public relations, and notions of corporate legitimation are often attached as explanations for organisational communication, we would argue such notions are typically only superficially researched using relatively crude indicators (e.g., volumes of disclosures, percentage of good news/bad news, etc.). There is a need, we argue, for research that takes seriously the public relations, rhetorical, propaganda and political aspects of corporate messages on the environment and society as presented through annual reports, stand-alone environmental reports and other organisational communications, as well as the processes of their making and reception.

This special issue calls for research that shifts away from the ‘safety’ of content analysis to the more unfamiliar territory of qualitative and interpretive methodologies (e.g., narrative, rhetorical, visual, and discursive methods) which attempt to improve understanding of organisational communication and its disputation.

Contributions which explore organisational communication, accountability and contest (e.g., hegemonic, antagonistic and counter-hegemonic communication) from a wide variety of qualitative research methods (e.g., narrative, rhetorical, visual, discursive), are welcomed - including that associated with: annual and standalone reports; shadow and anti-reports; organisational and stakeholder lobbying; websites; marketing campaigns, advertising and culture- including ad-busting; press releases; CEO speeches and video clips.

## **Deadline for Paper Submissions - 31 August 2010**

### **Submissions and expressions of interest to:**

**Dr. Helen Tregidga – [helen.tregidga@aut.ac.nz](mailto:helen.tregidga@aut.ac.nz)**

**Prof. Markus Milne – [markus.milne@canterbury.ac.nz](mailto:markus.milne@canterbury.ac.nz)**

**Prof. Russell Craig – [russell.craig@canterbury.ac.nz](mailto:russell.craig@canterbury.ac.nz)**

## References

- Amernic, J., & Craig, R. (2006). *CEO-Speak: The Language of Corporate Leadership*, McGill-Queen's University Press, Montreal and Kingston.
- Anderson, C., & Imperia, G. (1992). The corporate annual report: a photo analysis of males and female portrayals. *Journal of Business Communication*, 22, 113-128.
- Beattie, V.A., & Jones, M.J. (1992). The use and abuse of graphs in annual reports: a theoretical framework and an empirical study. *Accounting and Business Research*, 22(88), 291-303.
- Beattie, V.A., & Jones, M.J. (2001). A six-country comparison of the use of graphs in annual reports. *International Journal of Accounting*, 36, 195-222.
- Bettman, J.R., & Weitz, B.A. (1983). Attributions in the board room: causal reasoning in corporate annual reports. *Administrative Science Quarterly*, 28, 165-183.
- Clatworthy, M.A., & Jones, M.J. (2003). Financial reporting of good and bad news: evidence from accounting narratives. *Accounting and Business Research*, 33(3), 171-185.
- Clatworthy, M.A., & Jones, M.J. (2006). Differential patterns of textual characteristics and company performance in the chairman's statement. *Accounting, Auditing and Accountability Journal*, 19(4), 493-511.
- Collison, D.J. (2003). Corporate propaganda: its implications for accounting and accountability. *Accounting, Auditing and Accountability Journal*, 16(5), 853-886.
- Cooper, D. & Sherer, M. (1984). The value of corporate accounting reports: Arguments for a political economy of accounting. *Accounting, Organizations and Society*, 9(3/4), 207-232.
- Courtis, J.K. (1986). An investigation into annual report readability and corporate risk-return relationships. *Accounting & Business Research, Autumn*, 285-294.
- Courtis, J.K. (1995). Readability of annual reports: Western versus Asian evidence. *Accounting, Auditing and Accountability Journal*, 8 (2), 4-17.
- Courtis, J.K. (1998). Annual report readability: tests of the obfuscation hypothesis. *Accounting, Auditing and Accountability Journal*, 11(4), 459-471.
- Craig, R., & Amernic, J. Enron discourse: the rhetoric of a resilient capitalism, *Critical Perspectives on Accounting*, 15(6/7), 813-52.
- Davison, J. (2002). Communication and antithesis in corporate annual reports: a research note. *Accounting, Auditing and Accountability Journal*, 15(4), 594-608.
- Davison, J. (2007). Photographs and accountability: cracking the codes of an NGO. *Accounting, Auditing and Accountability Journal*, 20(1), 133-158.
- Frazier, K.B. Ingram, R.W., & Tennyson, B.M. (1984). A methodology for the analysis of narrative accounting disclosures. *Journal of Accounting Research*, 22, 318-331.
- Friedman, A.L., & Miles, S. (2004). Stakeholder theory and communication practice. *Journal of Communication Management*, 9(1), 95-97.
- Graves, O.F. Flesher, D.L., & Jordan, R.E. (1996). Pictures and the bottom line: the television epistemology of US annual reports. *Accounting, Organizations and Society*, 21, 57-88.
- Hasseldine, J. Salama, A.I., & Toms, J.S. (2005). Quantity versus quality: the impact of environmental disclosures on the reputations of UK Plcs. *British Accounting Review*, 37(2), 231-248.
- Hilderbrandt, H.H., & Snyder, R. (1981). The Pollyanna hypothesis in business writing: initial results, suggestions for research. *Journal of Business Communication*, 18, 5-15.
- Hyland, K., (1998). Exploring corporate rhetoric metadiscourse in the CEO's letter. *Journal of Business Communication*, 35(2), 224-245.
- Lehman, C. (1992). *Accounting's Changing Roles in Social Conflict*. London: Paul Chapman.
- Livesey, S. (2001). Eco-identity as discursive struggle: Royal Dutch/Shell, Brent Spar, and Nigeria. *The Journal of Business Communication*, 38(1), 58-91.
- Livesey, S. (2002a). The discourse of the middle ground: citizen Shell commits to sustainable development. *Management Communication Quarterly*, 15(3), 313-349.
- Livesey, S. (2002b). Global warming wars: rhetorical and discourse analytic approaches to ExxonMobil's corporate public discourse. *The Journal of Business Communication*, 39(1), 117-148.
- McKinstry, S. (1996). Designing the annual reports of Burton plc from 1930 to 1994. *Accounting, Organizations and Society*, 21(1), 89-111.
- Moloney, K. (2000). *Rethinking PR: The spin and the substance*. London: Routledge.

- Moloney, K. (2004). Democracy and public relations. *Journal of Communication Management*, 9(1), 89-92.
- Neimark, M.K. (1992). *The Hidden Dimensions of Annual Reports: Sixty years of social conflict at General Motors*. New York: Markus Weiner Publishing.
- Phillips, N. Lawrence, T.B., & Hardy, C. (2004). Discourse and institutions. *Academy of Management Review*, 29(4), 635-652.
- Preston, A.M. Wright, C., & Young, J.J. (1996). Imagining annual reports. *Accounting, Organizations and Society*, 21(1), 113-137.
- Smith, M., & Taffler, R.J. (2000). The chairman's statement – a content analysis of discretionary narrative disclosures. *Accounting, Auditing and Accountability Journal*, 13(5), 624-646.
- Sydserrff, R., & Weetman, P. (2002). Developments in content analysis: a transitivity index and diction scores. *Accounting, Auditing and Accountability Journal*, 15(4), 523-545.
- Thomas, J. (1997). Discourse in the marketplace: the making of meaning in annual reports. *Journal of Business Communication*, 34(1), 47-66
- Toms, J.S. (2002). Firm resources, quality signals and the determinants of corporate environmental reputation: some UK evidence. *British Accounting Review*, 34(3), 257-282.
- Wiseman, J. (1982). An evaluation of environmental disclosures made in corporate annual reports. *Accounting, Organizations and Society*, 7(1), 53-63.