The annual report – words, images and numbers

What is an annual report? This question might seem trivial and naïve – it is a report on the economic situation of a company, of scientific interest only for scholars in business studies. However, an annual report is much more than that; it is a combination of words, images and numbers, communicating a multitude of messages and responding to different formal and informal expectations. The aim of this project is to explore and unfold this multifaceted nature of annual reports. To fully understand this complex artefact we believe that there is a need to approach it from a multiple discourse perspective with different competences.

Annual reports are part of financial communication, which permeates our daily lives. The increasing volume of information about stock prices, corporate revenues and returns on invested capital is a sign of the growing importance of the financial economy throughout society. Not only publicly quoted companies and their shareholders are affected by the ups and downs of the financial economy; also ordinary people saving in pension funds and paying off their mortgages are intimately intertwined in the financial economy. Thus, financial reporting is an important element of the daily information flow in public media. Each year the 250 corporations on the Swedish stock exchange publish annual reports that are read, scrutinized, evaluated and interpreted by investors, savers, journalists, politicians, consumers and competitors. As part of financial communication, annual reports are increasingly important, but also increasingly ambiguous. An annual report do not only report on the economic situation of a company; it is also an answer to a call for accounts, a report produced in order to live up to legal requirements, a marketing device, an image management device, an information channel to investors, a part of the organization’s public relations and so on. Thus, the annual report is a multifaceted document with many functions, effects and audiences, as well as a multimodal artefact with words, images and numbers transcending several forms.

We believe that only through multidisciplinary cooperation can a deeper understanding of this complex nature of annual reports be reached. The group of the proposed Pufendorf theme therefore represents four disciplines: business administration, Scandinavian languages, strategic communication and sociology of law. To approach annual reports from different perspectives also provides a unique opportunity to reflect on multidisciplinary research. Therefore meta-reflections on multidisciplinary work will be a distinctive part of the project.

Previous research on annual reports

Research on annual reports is dominated by studies of the financial aspect with a managerial approach; i.e. numbers are studied. However, the discursive aspects of annual reports have also been analysed. One approach related to our project is the text-centred research studying accounting as a language in its own right. A conclusion drawn from this research is that if we want to understand how financial communication works we need to approach it as a linguistic system with its own grammar and vocabulary. Another research field that our project relates to
has focused on the construction and distribution of socially accepted images of corporation (e.g. Arnold and Oaks, 1998, Coupland, 2006). According to this research, annual reports is to a great extent engaged in impression management, for instance through storytelling (Amernic, Craig & Tourish, 2007; Bartlett & Chandler, 1997). Thompson (1991) has studied how corporations employ rhetorical strategies in order to marginalise some stakeholders and favour others. Besides studies of the annual report per se, researchers use the annual report as empirical material to study how different phenomena are represented, for instance the representation of women (Davison, 2011). Annual reports are regarded as an arena where trends, values and norms are articulated.

In contrast to previous research, which has mainly contributed with knowledge to one discipline, this theme adopts a holistic approach. The annual report is explored and problematized across disciplinary borders.

The activities and research within the theme
The overarching theme is structured in five seminars that will address different aspects and angles of the annual report. The different themes reflect the challenges of the annual report as well as the research interests of the research group. As the aim of the group is to bridge distances between disciplines, a combination of research methods will be used to study the annual reports. Also, several guests (both practitioners and researchers), representing various knowledge traditions, will be invited rather than a single guest researcher. The group will meet once a week discussing research articles, analysing selected annual reports from different scientific perspectives, preparing the seminars and summarizing important outcomes from the seminars. We will also devote time to continuous meta-reflections on multidisciplinary research and cooperation.

Seminar 1. The annual report as organizational communication (Nov 2016)
At this seminar we will explore the different functions of an annual report. Svensson and Paulsson will organize the seminar as they have previous experience in researching different forms of organizational communication and have been engaged in studies of organizations and work in general. To this seminar we will invite a practitioner with experience of organizational communication. Topics for the seminar are: How is the annual report used for branding the organization? Which visions are enhanced in it? How is it used for HR-communication? Is it mainly used for employer branding or for auto-communication, i.e. communication for the organizational members? How is it used for exercising leadership? Which values are important for different purposes and how are they combined, prioritized and negotiated?

Seminar 2. The annual report as a response to legal and formal requirements (Dec 2016)
The second seminar will address questions regarding the legal and formal pressure surrounding the production and publication of annual reports. Sandell (accounting expert) and Baier (sociologist of law expert) will jointly run this seminar combining general knowledge about
formal and informal norms with knowledge about the actual use of norms within the accounting sector. To this seminar we will invite a practitioner with experience of financial communication. One part of the annual report is governed by accounting regulations for companies, deciding in detail how and what to account for in the balance statement and in the profit and loss account. In contrast, the other part can be designed almost without formal regulations, rather according to expectations from the contemporary styling of this part of the annual report. In order to analyse this division of the annual report, discourse analysis is complemented with theoretical insights from sociology of law and regulatory regimes. A particular focus will be placed on how, and to what extent, the formal and non-formal requirements of the annual report are understood and reproduced through norms embedded in professions.

Seminar 3. The annual report as a meeting point for discourses and voices (Jan 2017)

The annual report seems to comprise an array of discourses and voices, belonging to different genres and addressing different audiences. Svensson and Rahm will organize this seminar as they have experience of discourse analysis in various fields and are organizers of the multidisciplinary seminar The Discourse Meeting (http://seminarium.ht.lu.se/en/diskursmotet/).

In order to shed light on text production from a narrative perspective, we will invite a professional writer and/or communicator to this seminar. We will explore the heterogeneity of the texts in the annual reports. Questions to be asked in this regard are: Which themes are reoccurring in the reports? Which discourses, ideologies and genres are visible? Which perspectives are at stake? Underpinning these questions are questions of power and knowledge production. Based on the notion that language and communication shapes beliefs and actions, critical discourse analysis offers a broad theoretical perspective enabling the examination of this power and knowledge production. The ambition with this seminar is to draw upon this broad theoretical perspective in order to examine the annual report as a meeting point for different discourses and voices.

Seminar 4. The annual report as a multimodal document (Feb 2017)

As mentioned, the annual report combines a variety of modes of communication, for instance words, images and numbers. The fourth seminar is dedicated to the relations between these modes. Rahm and Thelander are specialized on texts and images respectively. They will together organize the seminar addressing modes of communication. Practitioners, for instance art directors and public relation officers, will be invited to present and discuss their experience from producing and communicating annual reports. The development over time will also be addressed. Tentative questions are: What modes are used for what purposes in what discourses and in what genres? When do the modes cooperate and underpin each other? When not? When and why are verbal modes, visual modes and pictorial modes dominant?
**Seminar 5. The annual report as a text lacking authors and readers? (March 2017)**

A common sense premise is that texts are the products of (more or less defined) authors and that they are read (or at least intended to be read). In this fifth seminar we will explore whether this premise makes sense for the annual report. The production of the annual report will be problematized. Which are the authors and what is the role of various agencies involved in the process? For this seminar guests representing authors and readers will be invited to contribute to the discussion. Drawing upon the lively and rich debate within post-structuralism and critical discourse analysis on the author’s lack of authority over his or her own work, this seminar seeks to contribute to this debate by decentring the role of the author and understanding the annual report as an outcome of structures.

**Two day conference (April 2017)**

The aim of the two-day conference is to integrate the topics addressed in the five seminars. Guests, academics as well as practitioners are invited to contribute to the theme. The conference will result in defining crucial research topics for research applications. We will also summarize our reflections on and learning experiences from working in a multidisciplinary research team.

**Final meeting (May 2017)**

The team will summarize the activities and plan for future activities. New and crucial insights will be pinpointed with the intention to develop them into research applications. Other ideas will form the foundation for journal articles.

**The group of researchers**

The common denominator of the theme group is an interest in and experience of studying language, communication and organization. From this shared point of departure our specific competencies will allow us to reach a richer and fuller understanding of the multifaceted annual report.

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<tr>
<th>Researcher</th>
<th>Affiliation</th>
<th>Research background and contribution to the theme</th>
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<tr>
<td>Henrik Rahm (coordinator)</td>
<td>Associate Professor in Scandinavian Languages</td>
<td>Henrik Rahm will contribute with expertise in discourse analysis, intertextuality and genre analysis. He will analyse structure, content and relations in and between discourses, texts and genres.</td>
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<tr>
<td>Matthias Baier</td>
<td>Associate Professor in Sociology of Law</td>
<td>Matthias Baier will contribute with expertise in the relations between formal and informal norms. He will analyse how the normative expectations influence the discourse in different parts of the annual reports.</td>
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<tr>
<td>Alexander Paulsson</td>
<td>Senior lecturer in Business Administration</td>
<td>Alexander Paulsson contributes to the theme with knowledge about different economic processes, such as marketization, commodification and bureaucratization. He will analyse discourses of growth, sustainability and work.</td>
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<tr>
<td>Niklas Sandell</td>
<td>Senior lecturer in Business Administration, Accounting</td>
<td>As a lecturer in accounting and as former auditor and controller, Niklas Sandell’s main contribution to the project is the interpretation of how texts relate to numbers and to the regulations behind those numbers.</td>
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Outcomes

We will contribute to the knowledge and understanding of the discourse of the annual report. The seminars mentioned indicate the outcomes of the interdisciplinary work. Moreover, we also expect continued collaboration with the invited guests. In this way, students of our disciplines can also benefit from enhanced knowledge, guest lectures as well as contacts for writing theses. Reflections from working multidisciplinary will result in concrete examples and advices, which will enrich the understanding of all the participants and contribute to the Pufendorf environment.

As the core idea of theme research at Pufendorf is opening up new perspectives and cooperation, we cannot predict how the group will cooperate post June 2017. However, the outcomes will most probably be applications for research grants and/or scientific publications in the fall of 2017.

References


