estg
escola superior de tecnologia e gestão
INSTITUTO POLITÉCNICO DA GUARDA

The poetics of corporate reporting: evidence from the UK water industry

David Crowther

(London Metropolitan University)

Nota Introdutória

A Escola Superior de Tecnologia e Gestão (ESTG) do Instituto Politécnico da Guarda IPG) congratula-se pelo facto do Professor Doutor *David Crowther*, da *London Metropolitan University*, Reino Unido ter aceite o convite para realizar uma visita de trabalho e investigação científica a decorrer entre os dias 9 a 15 de Novembro de 2002. Temos a certeza que com esta visita será possível desenvolver um debate privilegiado entre toda a comunidade Docente e Discente.

É igualmente um enorme privilégio dar início à série *Estudos e Documentos de Trabalho* com seis *papers* da autoria do Professor David Crowther. Esperemos que este seja o estímulo e o incentivo que falta para que, em particular a comunidade académica da ESTG, apresente trabalhos científicos que estimulem a discussão científica.

Não se poderá deixar de agradecer à Fundação para a Ciência e Tecnologia que, através do Fundo de Apoio à Comunidade Científica, generosamente aceitou a nossa candidatura, bem como todos aqueles que directa e ii directamente contribuíram para a sua concretização.

Constantino Rei
Professor Doutor do Departamento de Gestão
Director da Escola Superior de Tecnologia e Gestão do IPG

The poetics of corporate reporting: evidence from the UK water industry

por

David Crowther [1]

(London Metropolitan University, UK)

---

[1] Paper apresentado no âmbito da visita do Professor David Crowther à ESTG-IPG nos dias 9 a 15 de Novembro de 2002.

The poetics of corporate reporting: evidence from the UK water industry

David Crowther, London Metropolitan University, UK

Introduction

It has been argued (Adams 1969) that there are two kinds of language – the poetic and the scientific – with the essential differences being that scientific language is literal language which has a single meaning while poetic language is metaphysical language which has many meanings. This view is supported by Merrill (1989) who distinguished language into the two types of the poetic and the prosaic, identifying these as being in binary opposition to one another. According to the Oxford English Dictionary poetics is defined in two ways: either as having the style of poetry of fine art and as being creative. There would appear therefore to be a general consensus that poetic language can be distinguished from other types of language and must therefore be interpreted differently. Indeed Merrill (1989) stresses that for poetic language there is a danger that facts, while being important to interpretation, might be over-stressed at the expense of that interpretation.

Poetics therefore can be considered to be a theory of reading of a particular text (Culler 1975) with the interpretation of that text being dependant upon a particular mode of reading with the readers relating of the next to the norms of interpretation making that interpretation more meaningful. Thus the extraction of a message from the text, when read poetically requires an interpretation in context utilising common codes and physical and psychological connections between the reader and the text (Jakobson 1960). Within that text the rules and conventions of composition provide the context for interpretation and provide a mechanism by which the metaphors used within the text can be interpreted by the reader (Culler 1975) in the, by implication, way in which the author of the text intended. Indeed in poems particularly the use of metaphor coupled with the conventions provide a picture of meaning to the reader, a suggested by Bird (1976: 70) who states:

> 'we are asked to think of a poem as a picture and to see its words as somehow representing an image for us in a way that words in non-poetic use do not'

The essential dichotomy of poetic language therefore is that, while it can be distinguished from scientific language with its single meaning, the multiple meanings possible within the language must be interpreted within the accepted conventions to such an extent that only a single meaning is expected to be derived from the text. In view of the dominant role which science plays in late twentieth century western society it is no surprise that discourses in the scientific paradigm are able to evoke powerful claims of truth, objectivity and reality. The social construction of such meaning serves to set up a relation of binarism between science and 'the other' in the same way as the Orient becomes defined by Western orientalists (Said 1992), a process which involves the West assuming primacy over the Orient. A violent hierarchy of this nature exists in relation to science and non-science in terms of its ability to represent truth.

Thus, by implication, the only difference between poetic language and scientific language is concerned with the richness of the image created by the reader from the text itself. This is predicated in the notion that the intentions of the author can, through shared conventions, be

extracted from the text by any reader of that text, thereby sharing in a common poetic. This idea is of course in contradiction with the arguments of Barthes (1988) concerning the death of the author and the privileging of the text itself from which the reader draws his / her own interpretation. This is because the only sharing between the author and the reader is the text itself and each individual either writing or reading that text based their understanding upon their own particular ontology. As Bradbury (1970: 34) states:

> 'All criticism, whether empirical or not, contains a poetic – which is to say a mode
> of analysis based on assumptions about the relevant object of attention in criticism,
> and the relevant procedures or modes of talking that can be brought to bear on it. We
> do not, as critics, read each work of literature anew; we come to it with certain
> assumptions and expectations derived from our prior experience of literature'

It is argued in this paper that all texts can be interpreted poetically and that the difference between scientific and poetic language becomes irrelevant from the viewpoint of the reader who creates his / her own image from the text whatever the nature of the text. Thus all interpretations become individual and draw upon metaphors either within than text or within the experiences of the author as a part of the mechanism of constructing meaning from that text. This argument in this paper is applied to corporate reporting, which could be deemed to be scientific language but in this paper will be examined poetically. First however the nature of the language of corporate reporting must be considered.

The language of corporate reporting

Accounting has often been described as the language of business (Davidson, Schindler & Weil 1974) and, as such, provides the technology by which an organisation may be represented by and to its stakeholders. The technology of this accounting language also provides a means by which the owners and managers of a business can communicate with each other, plan for the futu e, control the implementation of that planning and report upon the subsequent performance. This consideration of accounting as the language of business has been extended by Belkaoui (1978) who argues that accounting is not just the language of business but is actually a language in its own right, satisfying the grammatical and lexical characteristics of a language. The corollary of this perspective is however that accounting does not constitute an ontological category, as perhaps orthodox rationalists would contend, but rather is a socially constructed corpus of knowledge. On the basis of this argument rests some of the problems of interpretation of accounting information as accounting is not the native language of any person and so all users of the accounting language suffer from the interpretation problems of all users of a second language.

The acceptance of accounting as a language explains some of the interpretative difficulties with accounting data, but these difficulties can also be explained by the way in which accounting is used. Thus accounting as a language is capable of being studied linguistically in order to understand its use in practice. Language is a means of communication between people sharing a common culture, or at least sufficient commonality to enable communication to take place. Thus accounting as the universal language of business enables this communication to take place regardless of the original native language of the parties to the communication process. In this communication such language provides not merely a representation of objects and events which the communicator of information has in mind but also a representation of the desires intentions and goals of the communicator. These are either consciously embedded into the communication according to the communicator's intentions or unconsciously embedded despite the communicator's intentions. It is this deeply embedded nature of the language which accounts for the richness and complexity of the language, and in

this respect the accounting language can be considered to constitute a power / knowledge discourse (Foucault 1977) which circulates through, and is reinforced by, actors and institutions.

In order for communication to take place it is necessary for the language used to have some formal structure to ensure common understanding and this is the function of syntax and grammar, as well as of the meaning ascribed to individual words. Moreover, the architectural dimension of the accounting language is such that it even extends to a shared temporal reckoning system (see Clark 1987). Such a temporal reckoning system, ie the creation of an order based on a particular notion of time (compare the agri-novels of Thomas hardy with the writings of Henry Ford for an illustration), gives important clues as to the etymology of the language: for as sure as contemporary English is an Indo-European language, deriving from a blend of Germanic and Latin languages, so Anglo-Saxon Quaker values are imprinted on the temporal reckoning-system of modern day accounting. In this respect therefore accounting as a language has a clearly defined syntax and grammar with very specific rules concerning usage. Indeed it can be argued that this is one of the strengths of accounting language which enables precise communication between individuals spatially or temporally separated from each other, to such an extent that the communicators of information using the language of accounting can be certain that the recipients will understand the content of the message.

In speech, as opposed to written language, this formal structure of language is simpler and the rules are often broken, with meaning being partly given by contextual information as well as speech content. Thus it is possible for a conversation to be understood by all parties to it which would be meaningless if written down and shown to a third party because the vital contextual and implied content of the communication is missing. Accounting as a language however differs from all other languages, other than dead languages such as Egyptian hieroglyphs, in that it has no spoken form but consists entirely of a written form. In this respect therefore accounting language equates to Bernstein's (1961) elaborated code and has no comparable restricted code. In this sense it is necessary to look to the role of the accounting bodies in their capacity to police the accounting language: their role, alongside government, in setting out the legally necessary, established conventions has helped to preserve the purity of the language in a way unrivalled by any language except perhaps Icelandic. In linguistic terms Halliday (1978) argues that the format of this code both determines social structure and is determined by such social structure and that the use of language socialises the child into the adult. This analogy can be extended to the use of accounting language where it can be argued that the familiarity with the use of accounting language socialises the organisational child into the organisational adult able to take his or her place in the management of an organisation. This rite of passage, or socialisation period, imbues the trainee with a sense of identity in which they constitute themselves as subjects through the prevailing power / knowledge discourse (in this case accounting).

Linguistic studies have shown that language is used to identify social class (eg Labov 1966, Klein 1965, Hewitt 1982) but that language also defines identity much more narrowly in terms of the social group to which one belongs. This view has been identified by Le Page (1968: 194) who stated:

> 'Each individual creates the systems for his verbal behaviour so that they shall
> resemble those of the group or groups with which from time to time he may wish to
> be identified'

Thus this view suggests that language acts like a membership card and assumes that language usage and behaviour is adopted to gain membership. A contrary argument from feminist

discourse however suggests that language is used as a source of power and dominance, and used in this manner by the dominant group in order to exclude others. Thus Lakoff (1975: 136) considers language in the context of power and dominance, stating:

> 'The language of the favoured group, the group that holds the power, along with its non-linguistic behaviour, is generally adopted by the other group, not vice versa.'

Thus the power of accounting in organisations can be based upon the argument that accounting is a language and therefore that knowledge of this language and acceptance of the precepts upon which it is based can be used to give or withhold power within the organisation. Furthermore, the accounting lexicon serves to define and categorise aspects of the organisation: for instance it is the accountant who defines what is profitable or what should be divested. These definitions take place through the language which is itself a social construction. Decisions are made in an organisation by those with the information necessary to make the decisions (or at least by those who perceive themselves to be in possession of that information) and the power necessary to enforce that decision. Thus Finkelstein (1992) argues that strategic choice in an organisation is dependant upon the power of the top management team. Accounting information provides a mechanism for giving power to that team or enabling the team to take power as it provides a source of expert and referent power.

The precision of accounting as a language, together with its existence only in terms of the elaborate code of its written form, suggest that there should be little problem in the interpretation of information conveyed through the use of accounting language. It must be recognised however that accounting language is rarely used for communication solely through that language, except between one accountant and another. When the communication is intended to be between non-accountants then the use of accounting language is normally accompanied with the use of another language, being the native language of at least one party to the communication. Thus accounting information for organisations is normally communicated partly in the language of accounting and partly in another language.

In this study the communication act (Hervey 1982) is encapsulated within the corporate reports produced by the organisations being studied, ie the annual reports and associated environmental reports produced. Within this communication act there are three transmission devices, two of which are linguistic and one of which is non-linguistic. These devices are:

- The natural language used in communication – in the case of the reports considered this is the language of English
- The language of accounting, considered by Belkaoui (1978) to be a language in its own right
- The non-linguistic devices used within the act, comprising pictures, graphs, colours etc which are an integral part of the communication event.

These three devices combine within the reports to make the communication act, and thereby the text. As such the texts which are to be poetically analysed comprises all three communication devices when used together.

Corporate reporting and accounting

Corporations produce annual reports which are designed to provide a representation of the existence of that corporation at a point in time, the year end position. In some respects these corporate reports are produced to satisfy the statutory reporting requirements for that organisation. They are also designed to provide the legal owners of the organisation, that is

the shareholders who are generally not involved in the operational activities of the organisation, with a statement of how the organisation has been managed on their behalf. Corporate reports are produced on an annual basis (with possible interim reports also) and hence provide a statement of the corporations existence over time which enables comparison from one time period to another. The temporal reckoning system embedded within accounting acts as a dividing practice (Foucault 1977, Du Gay 1996) which separates one period from another. Each annual report is however a statement in its own right designed to inform the owners at that point in time, regardless of whether or not they were owners at the time of the last report. Such reporting however has been extended in use to providing a statement of the activities of the organisation over the past period, and plans for the future, to any person or body who is interested. Thus such reporting is made freely available to anyone who requests such reports and can be considered to address not just shareholders but any stakeholder, or potential stakeholder to the organisation.

Corporate reporting can therefore be said to provide a representation of the organisation to the outside world and such reporting is the subject matter of this paper. When communication between an organisation and its external environment is undertaken in the form of published corporate reports then such reporting is undertaken partly in the language of accounting and partly in the appropriate natural language of the organisation's principal territorial location and the location of the perceived intended audience. These two languages are also accompanied by visual representations of the organisation and its activities designed, in combination, to provide a rich medium for the construction of meaning. This composite communication set can be considered in total and, as such, provides the basis for a poetic analysis and interpretation of corporate reporting.

The corporate reports which have been chosen to explore the nature of the poetics of corporate reporting are those of the UK water industry. Under the privatisation program instituted by the Conservative government the water supply and sewerage services in England and Wales were privatised into 10 separate companies. Each of these companies provide services to a distinct geographical area. As such these companies can be considered to be monopoly companies based upon the concept of a natural monopoly as identified by Mill (1848). Any competition therefore between companies is restricted to competition addressed to their investment community, and possibly also to their wider societal stakeholder community rather than being competition to attract customers, although steps are currently underway to facilitate competition geographically between these companies.

All of these companies were formed in 1989 as a result of the government privatisation programme, although the organisations themselves had been in existence since 1974 when there had been a reorganisation of the local provision of public services. This reorganisation combined some of the function of local authorities with those of water boards and various other public sector organisations to form regional water authorities. At that time nine regional water authorities were formed to cover the whole of the UK with one for Wales and one for Scotland, with various small water authorities remaining as anomalies for a variety of reasons. The 1989 privatisation programme transferred, at the same time, all the English and the one Welsh water authorities into private ownership through public sale of shares. All were large enough to enter the FTSE-500 listing of companies and, given their shared history, can be considered to comprise a relatively homogenous group, at least until the time of their privatisation. Since that time there is evidence that they have sought to differentiate themselves from each other, possibly to attract investment funds and possibly in preparation

for the enforced competitive environment in service provision announced at that time but without any associated timescale.

Two of these companies were however taken over during 1996 by other companies. Thus Northumbrian Water Group plc was acquired by Lyonnaise Europe plc and merged with two smaller water supply companies, North East Water plc and Essex & Suffolk Water plc, to form a new Northumbrian Water Group plc. This new company is 100% owned by Lyonnaise Europe plc and so is no longer a quoted company and has no share price information. Similarly Southern Water plc has been acquired by Scottish Power plc, after a competitive bid from Southern Electric plc, and also, as a wholly owned subsidiary, is no longer a quoted company and has no share price information.

These UK water companies provide an interesting case for the study of the poetics of corporate reporting as they have attracted much attention in the UK. This can be considered in part because the privatisation of this service industry was not universally popular and in part because the service is an essential service provided to all citizens of the UK. Much of the press reporting of the performance of these companies has been uncomplimentary and there is widespread popular opinion that they are not serving the needs of all their stakeholders adequately. Additionally the actions of these companies affect local communities and the environment of the country. As such therefore the need to address a wide variety of stakeholders is a particular feature of these companies and the issues surrounding corporate reporting therefore are concerned with addressing a wider audience than merely shareholders. In this respect it is perhaps significant that the corporate reports of all of these companies include not just the annual report and accounts but also a separate environmental report. This environmental reporting is a growing feature of UK corporate reporting but in no other industry is this a universal feature. These two reports together are considered to the corporate report of the companies considered.

The poetics of water company reporting

The corporate reports of any particular company can be viewed as providing the story of that company as it unfolds diachronically over time. According to Forster (1962) every story needs a plot, people, fantasy and pattern. In the story of every company the people are apparent and comprise the major players in the corporate story (ie the board of directors with the chief executive as principle character) while the pattern is manifest in the unfolding of the story through the annual reporting cycle. The plot and the fantasy elements of the story however require further investigation. This can be undertaken through an exploration of some of the binarisms inherent in the corporate story. Each of these pairs of binary opposites will therefore be examined in turn for the corporate reports of the organisations comprising this analysis.

Synchronicity – diachronicity

Kim (1996) identifies that binary oppositions exist in every text in a synchronic manner, and consequently that the binary opposite of diachronicity also exists as the counterpart of synchronicity. Synchronicity refers to the timelessness of the text and provides a way for examination of recurring themes within the text. Thus in the context of the five years of this study the corporate reports produced, rather than being considered as individual texts for each company, can be considered to be a single text for each company which transcends the linearly temporal nature of corporate reporting. Thus some companies seek to depict this

timelessness in their reporting through the use of a common format for the reports. For example Wessex Water presents its reports with a common white cover for each year and the same format in terms of size. Layout and headings remains the same from one year to another. Similarly the look of the corporate report can be used to depict this timelessness within a single text and Wessex Water make use of this plain white cover for their reports with the same logo and title on each. In such manners the companies concerned therefore seek to signal the temporal independence of the text and the presentation of an image of the company as a contiguous atemporal whole.

Diachronicity, on the other hand, refers to the constituent elements of the text which unfold temporally as time progresses. Thus the actual accounts contained in the annual reports are essentially diachronic as the results of the business are reported year by year. Equally the report by the chairman tends to be diachronic as the activities of the company, and the effects of these activities upon reported results, are considered in succession from one year to another. Diachronicity in the context of corporate reporting tends to based upon a reference to past activities which is compared with the present, thereby implying the future of the organisation, almost always in the context of an implied progression of events which is depicted as an improvement. Indeed this linear progression from the past to the present to the future is one of the grammatical rules of the accounting language. Thus the present is always presented as an improvement upon the past while the future is suggested to be an improvement upon the present.

This is indicated in the following example taken from the introductory chairman's message:
> 'The principal management challenges for the year were four-fold: to increase operating efficiency in Severn Trent Water; to increase profitability in the non-regulated businesses; to deal with the problems associated with the drought; and to undertake an extensive review of the group's strategy. These challeng·s were successfully met group profit before tax increased (by)....15.7%.... In November 1994, Severn Trent was the first water and sewerage company to introduce a programme of benefit sharing for customers and shareholders....The board looks to the future with confidence as the work and investment continues to increase the robustness of the company" resources and systems and its efficiency....The board remains committed to acting in the best interests of its customers and shareholders. It will continue to make additional investment to improve services and share the benefits of efficiencies.'

<div align="right">Severn Trent plc Annual Report and Accounts 1996</div>

Other companies seek to show this improvement not just through such statements but also through a redesign of the presentation of their annual reports. Thus, for example, United Utilities demonstrated the change from its previous incarnation as North West Water by a total redesign of the shape, look and layout of its report in 1996.

In all cases therefore the companies demonstrate both synchronicity and diachronicity in their annual reporting. Both are important to all companies but the relative importance of each pole of the binarism will vary from one company to another at different points in time.

All binary opposition seeks to polarise the text in terms of the two opposite poles but this normally is undertaken in the context of portraying one pole as good and the other as bad. As Laclan (1990: 33) states
> 'Derrida has shown how an identity's constitution is always based on excluding
> something and establishing a violent hierarchy between the two resultant poles...'

An essential part of semiotic analysis therefore is in this depiction of the poles as desirable and undesirable. A dichotomy therefore exists when both poles are important and mediation within the text is attempted through other means when both poles are needed to appear good. In this context therefore the notion of a hierarchy of poles, rather than merely opposition, becomes important. This aspect of the dichotomous nature of corporate reporting will be considered further in terms of other binary oppositions.

Signification – meaning

According to Barthes (1973) a sign consists of three elements: the sign itself, a signifier and a signified such that

Sign = signifier + signified

Signification is the act of relating the signified with its signifier to create a sign. This signification occurs not only when a sign is created but also when meaning is extracted from the sign. Meaning is not transmittable however and because of this the meaning extracted by the reader is not necessarily the same as that sent by the author. Thus a sign leaves its interpreter to supply at least a part of its meaning (Pierce 1958). This means that signification can be considered as two independent processes on the part of the author and the reader of the text. This is one reason for the use of the press as a mediating mechanism in a desire on the part of the authors of corporate reports to bring these two signification acts into alignment.

The standardisation of corporate reports in terms of format and content is one way of closing the gap between these two significations as this helps to create a more common frame of reference for interpretation. So too does comment in the press. The use of accounting as one of the languages of signification also helps in this respect to create a common code of understanding and to include those who understand the language while excluding those who do not. This helps segregate the audience into those being addressed by the script and those who have access to the script but are not addressed. Thus the format of the script is determined to some extent by the demands of the audience being addressed (Metz 1974).

Signification is therefore about inclusion within the selected audience for the corporate reports on the assumption that those included understand the signification in a common way with the authors. This is based upon an assumed understanding of the code of signification used in corporate reporting.

Thus it is comfortable for the authors of the script to assume this shared signification, based upon an assumed shared understanding of the language used and the conventions of corporate reporting. This signification is enhanced through the use of the images incorporated in to the script which add to the truth value, or authenticity, of the information conveyed by the reports (Graves, Flesher & Jordan 1996), as will be considered later in this analysis. This shared signification may however be fictitious, and therefore part of the fantasy inherent in the story.

Accounting - non-accounting

Although the annual report is produced to satisfy statutory requirements, and this requires the production of the accounting information contained in the text, it is argued that this purpose is a secondary function which has been relegated to that of a by-product of the text actually

produced. The text is actually produced for the whole audience who might read the text and one of the main parts of that audience consists of shareholders of the business, either actual or potential. Thus the accounting information required to satisfy statutory requirements has in all cases been relegated to the back of the corporate report. Moreover the font used for the annual accounts is often smaller, and certainly never larger, than the font used in the rest of the text. Equally the use of colour is prevalent throughout the rest of the next but the accounting information is presented in single colour or at most two colours. The only financial information which is highlighted is that which is deemed important to the particular audience which the authors believe themselves to be addressing.

This information is generally presented both numerically and graphically, presumably in the belief that the graphical depiction will aid communication particularly to the financially illiterate. Indeed, over time, such considerations have served to establish a conventional form which the report is expected to take. Thus for example the information highlighted is as follows:

Thames Water Annual Report and Accounts 1996:
- Pre tax profit
- Post tax profit
- Earnings per ordinary share
- Dividend per ordinary share

Anglian Water Annual Report 1994:
- Group turnover
- Group profit before tax
- Group investment expenditure

The financial figures highlighted in th's v/ay always compare the year being reported on with the preceding year in order for the story to progress and to illustrate the way in which performance has improved. Presumably the highlighted figures are selected carefully to give this impression. The graphical illustrations of these financial highlights however always compare the results for several years, thereby reinforcing this message of continual improvement with the year being reported on being the 'best yet'. The implication of this message of continual improvement is that next year will be even better - a point made when considering diachronicity. The number of years selected for graphical illustration mostly consists of five years but does however vary from one company to another. Thus for example Anglian Water use between 3 and 5 years while Severn Trent merely compare the reporting year with the preceding year. It is argued that these selections are made with care in order to create a positive impression in the minds of the readers of the script, and to reinforce the signification in terms of continual improvement. It is perhaps also significant that many annual reports are not even titled 'Annual Report and Accounts'. For example Anglian Water and Northumbrian Water merely entitle their production as the 'Annual Report'.

The non accounting part of the text makes use of both language and non-linguistic devices such as pictures, graphs and charts. Moreover the language part of the text makes use of different colours, different font sizes and different layouts, as well as including a few key accounting numbers. This part of the text is always at the beginning of the script with the accounting information relegated to the end. Over time this part of the script has gradually increased in size, largely through the inclusion of non-linguistic devices. Indeed arguable the linguistic part of this has reduced in terms of word count through the greater use of highlighted text and bullet points to reinforce the message. This careful management of

meaning serves to create the idea of an interesting script and consequently an interesting company – one to be involved with!

Thus the accounting pole of this binary pair, while not being portrayed as 'bad', has certainly been portrayed as of secondary importance and relegated almost to the point of incidentality; at best its role is one of a supporting actor which is drawn upon to illustrate a particular point. The non-accounting pole at the same time has been promoted in importance as part of the creation of the image deemed desirable by the authors of the script.

Past – future

Accounting information as produced to satisfy statutory requirements, and hence as manifest in corporate reports, provides merely a snapshot view of an organisation at a point in time and a review of its activities over a past period. Thus the plot of the story inevitable unfolds from one report to the next. The locus of such accounting is therefore firmly entrenched in the past of the organisation. The corporate report however is designed to provide not merely a picture of the past of the organisation but more importantly a view of the present and future of that organisation. In this respect the report upon the past of the organisation provides merely a metaphor for painting a picture of the future of the organisation. This future must of course be painted in terms which suggest that the future will be more glorious than the past and the focus of the report is upon achieving this end. Thus the past pole of this pair of binary opposites must be portrayed as bad in order to make the future pole seem good.

This can be illustrated through the following comments regarding the future:
'Since I became Chairman on 23 April 1996, I have initiated a review of our corporate strategy. This is taking place against the following five aims: earning the trust of customers through quality, reliability and fair price of our services; being innovative in identifying customer needs and devising business solutions; making full use of the talents of our people; contributing to the protection of the environment; delivering value to shareholders through the effectiveness of our operations and financial structures.
The vital services which the group provides to its domestic and commercial customers are all subject to major change. We will respond positively to these changes and, at the same time, deliver value to our shareholders, who are the ultimate providers of the capital needed to finance and support our development.'
<div align="right">Yorkshire Water plc Annual Report and Accounts 1996</div>

In this case the Chairman seems to wish to imply that his appointment alone is sufficient to take the company into the better tomorrow implied. It is interesting to note that one of the innovative business solutions devised to meet customer needs was the erection of standpipes in the streets of Bradford.

Financial performance – environmental performance

It has been argued that financial performance and environmental performance are different dimensions of the performance of the performance matrix (Crowther 1996), each responding to different pressures from different stakeholders to the organisation. One outcome of such an argument is that only one of these two dimensions of performance can be adequately met, and this at the expense of the other dimension. Thus, according to this argument, for the City stakeholders financial performance would be represented as good while environmental performance would be represented as bad. For the environmentalist stakeholders however the

opposite would be the case as good financial performance could only be achieved through the sacrifice of environmental performance. The actuality is of course that neither of these two dimensions of performance is maximised, and is not possible to be maximised because of other pressures upon corporate operational performance originating from other stakeholders of the organisation. The corollary is that there is a constant tension between the two dimensions which is resolved in a negotiated order. Thus financial performance, from the point of view of shareholders, is sacrificed for the needs of other stakeholders such as employees and society at large. The extent to which environmental performance is sacrificed is however more problematical as it is unclear what exactly constitutes good environmental performance.

Adopting the view that good environmental behaviour is concerned with sustainability and with negating the effect of the activities of the organisation upon choices available for future generations does not make the position any clearer, as Popper's (1945) concept of the poverty of historicism suggests that future impact cannot be determined by extrapolation from the past and present. Additionally environmental activity normally represents a trade off between one environmental effect and another. For example the building of a new reservoir by a water company provides not just water but also leisure facilities both in the present and in the future. At the same time however this reservoir may damage wildlife habitat for some species (albeit maybe also improving the habitat of other species) and limiting other leisure activities. Evaluating the net effect of such an activity depends upon the perspective of the person undertaking the evaluation as different weightings would be attached to each effect depending upon their respective utility to the person undertaking that evaluation. Moreover it is impractical to determine the environmental impact of any corporate activity merely by the summation of the impact upon all individuals. Thus the net environmental impact of many corporate activities is impossible to assess and evaluate. It is accepted however that the general ethical position of society at large determines that some types of performance are environmentally bad, such as poisoning the local environment through emissions from the organisation as a result of its activities, while some are good, such as landscaping the local environment of the organisation's location. Any such assessment is however temporally determined depending upon the mores of the time; an evaluation undertaken in the nineteenth century, for example, would give a very different evaluation of environmental performance to one undertaken in the present. Similarly the activities of the present will most likely be evaluated differently in the future on the basis of the knowledge and attitudes prevailing at that time. Thus in any given epoch a dominant power / knowledge regime of truth will be in existence, defining what actually constitutes the environment and, following on from this, what can be taken to be 'good' environmental practice.

Given the difficulties of evaluating environmental performance it might be expected that the organisations studied would make reference to this difficulty as means of obviating the need to report upon such environmental performance. This is not however the case as this would make the plot incomplete for some readers. All organisations therefore comment, to a greater or lesser extent, upon environmental issues surrounding the organisational performance. This is undertaken in the same way as the comments made upon financial performance considered earlier. Thus the organisations through their annual reports seeks to represent their environmental performance as good in the present but expected to even better in the future, and this promised improved future is because of actions taken in the present by the authors of the script.

It can be argued that no measures of environmental performance exist which have gained universal acceptability and so any messages concerning environmental performance cannot be made which allow a comparative evaluation to be undertaken. This is helpful to the image creation activity of the corporate reporting as the authors of the script are able to create an image which cannot be refuted through any quantificatory evaluation. Instead such images can be created through the use of linguistic and non-linguistic means. The non-linguistic mechanisms employed are mostly the use of pictures. The relationship of these images to the actual activities of the organisations concerned is sometimes tenuous, as far as their normal activities are concerned, but the relationship of the images to the message desired to be portrayed through the script is more direct. Comfortable and picturesque images of friendly environmental matters conveys the image of environmental concern for the organisations and an image of an organisation taking steps to conserve, and even improve, the environment. In this respect the images are symbolic and their role is part of the myth creation function of these corporate reports. In this respect they can be considered to be a non-linguistic equivalent of the jargon of authenticity (Adorno 1973).

The actual language used in the reports to convey environmental activity is much more direct and is used to make statements of what the organisation has actually done, and moreover is going to do in the future, to protect the environment. Examples include:

'Every part of our business is concerned with protecting and improving the environment. For many companies this is only a peripheral part of their responsibility; for us, it is a core one. Each year we publish an objective assessment of our environmental performance to highlight our 'green' credentials. Anglian Water is the largest investor in environmental improvement in the region with a ten year £4bn programme aimed at improving the quality of drinking water, bathing waters, and waste water treatment systems.'

Anglian Water Annu il Report 1994

'Southern Water is an environmentally responsible company and the regulated business is committed to ensuring that domestic and industrial wastes are treated safely and effectively; this requires extreme care and environmental sensitivity. The Company's seven – point policy, published in its annual Conservation and Environmental Report makes clear its determination to minimise the impact of its activities on the environment, conserve natural resources, comply with statutory standards and ensure the health and safety of its employees. Environmental responsibility extends well beyond the Company's statutory obligations and there are numerous areas where support is offered for environmental projects. These range from creating new wildlife habitats to preserving heritage sites and practical help aimed at improving town and village environments. A good example is 'Pond Week', Southern Water's joint scheme with the British Trust for Conservation Volunteers which goes from strength to strength. The 1995 event involved more that 1,000 volunteers cleaning out or creating some 90 ponds – the UK's biggest wetlands conservation project.'

Southern Water plc Annual Report 1996

'As a major public company operating over some 8,000 square miles in the centre of England, the company is conscious of its responsibilities to the communities it serves. Much of its community affairs programme is completely altruistic.'

Severn Trent plc Annual report and accounts 1994/95

The need to demonstrate environmental concern and activity is manifest in the annual reports of all companies in the sample and seems to be an essential part of the script. Again the image created is that of responsible behaviour and continual improvement towards a better future. Some of the statements are rather nebulous however, such as Severn Trent's reference to altruism. Equally some of the companies are making a virtue out of necessity by depicting their meeting of statutory obligations as environmental concern. This is particularly obvious in the cases of Southern Water with its focus on waste treatment and Anglian Water with its focus on investment.

In the annual reports of the companies however environmental reporting is restricted to the creation of images of the companies being active in the area of environmental concern, supported by actions which are essentially trivial in terms of the scale of the companies' activities. In none of the reports is there any attempt at quantification of environmental performance or any reporting thereon. Several of the quotations used in illustration however make reference to separate environmental reports and all water companies actually produce such reports, either annually or periodically. The implication to be drawn from this tendency to report upon environmental performance separately from financial performance is that the script has been divided because each part of the script is intended to be directed at a different part of the audience. Thus one way of tackling the dichotomy between the opposite poles of any particular binarism in the script is not to relegate one pole to a secondary position, represented as bad, but rather to segregate the readership and represent a different pole as the dominant pole when presenting the script to different parts of the audience.

Myth – ritual

The myth creation role of corporate reporting is a part of the fantasy inherent in any corporate reporting script. This myth creation role has several aspects but one aspect is the creation of the myth of the unified whole. As Nietsche (1956: 156) states:
> 'Only a horizon ringed about by myth can unify a culture.'

One of the purposes of the corporate report therefore is the creation of the myth of the unified culture of the story and its readers – in other word the common cultural bond of identity between the authors of the script and the audience. This is achieved by the creation of a symbolic order which is an autonomous order of reality independent of the things symbolised (Jenkins 1979). The myth itself is a symbolic form (Brandist, 1997) which assumes a life of its own.

Thus myth has the power to present a single viewpoint as directly expressive of the existence of the organisation, which consequently exists in the form presented in the annual report. The corporate report as myth therefore provides an authoritative discourse about the organisation. Thus the corporate report replaces the organisation itself as the real through this power assumed from its myth creation role. The concept of the corporate report can therefore be considered to have attained a life of its own through the resurrection of the myth of its origin and authenticity. It can therefore be considered to have attained hyperreality through becoming more real than reality (Baudrillard 1981).

In addition to the myth creation role of corporate reporting for the individual organisation, Campbell (1949) argues that all myths have an underlying commonality which transcends the individual myth. Thus as far as corporate reporting is concerned the common elements can be seen in the common format of such reporting, the common style and the use of common

language – natural, accounting and non-linguistic – to provide a unified myth concerning corporate reporting as the authoritative discourse of organisational existence and activity. Thus the history of all organisations unfolds through this corporate reporting (Campbell 1976) but unfolds in a manner which is common to all organisations and can therefore be depicted as universal and immutable. This unfolding of history can be seen from the development of corporate reports over time (McKinstry 1996) but the mythical role of such reports ensures that the image of the organisation remains immutably fixed in the present.

One further purpose of myth creation in this context is the reinforcement of organisation boundaries, and hence the restatement of organisational existence. It is argued that corporate reporting is essentially for external consumption and that the accounting of organisations, and other information systems of those organisations, is subverted within the text to this end. Corporate reporting for external consumption can be considered as a myth creation mechanism for the redefinition and reinforcement of organisational boundaries which are in reality obsolete for performance determining purposes and hence part of the fantasy of the corporate story. External reporting serves the function of providing a statement to the external world that the organisation exists as a discrete entity and the production of the annual report, although required by law for all public limited companies, actually is designed to fulfil this role. Moreover the design of the report is carefully considered to make a statement not just that the organisation exists but also to create an image of that organisation. Thus over time corporate reports have become more full of information, statements from the chairman and others, and pictures of organisational activities. These corporate reports have therefore become more of a symbolic representation of the organisation designed to give to the (by implication) 'discerning' reader the impression that this is an organisation to be interested in, with a dynamic present and an even more interesting future. The legal purpose of reporting past performance is almost irrelevant as the focus is upon the prospects for the future. These prospects are always suggested to be an improvement upon the present and this provides a means of signalling the importance of the organisation and of its existence.

Despite the assertions of Norris (1990), language creates reality which then becomes truth. Thus, as Barthes (1988) claims, meaning is not in the linguistic structure of a message but in the image created by the recipient of the message. Accounting by its nature creates an image of the organisation, the decision making within the organisation and the future of that organisation. This is achieved though the use of the language of accounting and the perceived certainty attached to that language. One of the purposes of such external reporting is to continually recreate the myth of organisational existence as certainty in the uncertain world. This certainty is of course a myth and one important function of accounting therefore is to act as a myth creation mechanism for the organisation as a statement of organisational existence as immutable.

One of the purposes of myth making is to remove temporality from the perception of the onlooker (Levi Strauss 1966), who in this case is an external consumer of the information supplied by the organisation. Removing temporality has the effect of conflating the past and present into the present and to make this present contiguous with the future, and in so doing to create the plot necessary for the unified story. In doing so the uncertainty of images made through accounting, from one period to the next, is disguised within the omnipresent organisational myth based upon the eternal present. Rationality and predictability through using accounting information within the metanarrative myth of organisational immutability therefore seems reasonable within any discourse of organisational reporting. This removal of temporality has the concomitant effect of focusing upon spatiality. As far as spatiality is

> 14

concerned the organisation seeks to create the myth of itself as omnipresent through the attention given to both the local and the global aspects of organisations al existence. This is achieved through the use of appropriate text and image.

For example, Severn Trent is by definition territorially bounded to the central part of the UK but produces a picture indicating its existence throughout the UK. Additionally it signals its global presence through text such as:
> 'In addition Severn Trent water international is working with the appropriate authorities to deliver water and waste services in Swaziland, Puerto Rico, Mauritius and India.'

Thus the myth of organisational existence is created by this means and this existence is continually recreated as atemporal and omnipresent, but also extremely local. In this manner synchronicity and diachronicity are conflated and subsumed within the myth. Likewise the past is removed in favour of the eternal present and better future as the organisation signals its existence and importance through this mythical role of corporate reporting.

This myth of organisation importance is naturally of concern to the authors of the text. If the organisation is important then, by implication, those managing the organisation (ie the authors of the script) must also be important. Thus the form of corporate reports is designed to create an image of the importance and permanence of the organisation and hence of those managing that organisation. This therefore explains the increased dominance, not of accounting information, but of messages from members of the dominant coalition managing the organisation and particularly the chairman, managing director and increasingly other powerful members of the management team. This message is designed to indicate the need for the organisation to exist as a discrete entity, defined through the reinforcement of the organisational boundary and reinforced through the production of appropriately constructed corporate reports. At the same time such reports demonstrate just how necessary those members of the dominant coalition are to maintenance of the organisation and to its future. The language of the statements from these people tends therefore to be used in the sense of corrupting thought (Orwell 1970) through being used as an instrument to prevent thought about the various alternative realities of the organisation's existence, in terms of the multiple representations of the organisation which are apparent through the use of the technology of accounting.

These realities imply that in a postmodern environment, if the organisational boundary is irrelevant, or even deleterious, b organisation performance, then so too are the managing team of that organisation. Therefore reporting to the external environment must be made to appear the most important function of accounting information with other purposes made subservient to this need in order to demonstrate the need for the dominant coalition of senior managers. Thus the myth of the organisation is extended to the authors of the script and their essential contribution to the success of the organisation (as indicated by the expensive product of that success, the corporate report) is made into reality (Barthes 1973). Accounting information therefore becomes a defensive instrument, not for the organisation, but for the senior management of the centre and a means to retain power through using accounting to symbolise the necessity of their continued existence, with the whole control and use of accounting information and systems being directed towards this end.

In binary opposition to myth as far as corporate reporting is concerned is ritual. For an individual ritual is an essential part of personality integration – a process of becoming a whole (Perls 1975). Rituals therefore are steps along the way to completion of the whole. So too for

> 15

organisations rituals are steps to be completed along the way to wholeness and the completion of the story. In the case of the organisation however the integration needed is not that of parts of the organisation but that of the various people involved in the organisation into a unified whole, based upon the rituals of organisational religion. This religion, of necessity, becomes institutionalised into the organisation and its culture and form part of the way in which the organisation conducts itself both internally and in relating to its external environment.

Institutionalised thought and action is embodied in the routines and rituals of an organisation: the accounting reports produced within an organisation, and the way in which they are used in decision making and the evaluation of performance, provide examples of this type of ritual which shape organisational behaviour but also provide legitimation to the decisions made based upon these rituals. The rituals can be formal routine behaviour such as the budgeting procedure or the annual reporting procedure but also informal behavioural patterns based upon norms for behaviour developed over time. A key feature of this institutional perspective of the use of accounting information and managerial decision making is based upon this following of precedents - the past influencing current and future behaviour. It is argued that this is one way in which the uncertainty surrounding decision making can be eliminated (or at least controlled).

The rituals of organisational behaviour need however to be separated into two distinct behavioural components: rote behaviour and rites. Both behavioural components are based upon past referential behaviour for legitimation but whereas rote behaviour represents routinised action which continue to be performed because they have always been performed, for example a monthly budgetary control meeting, regardless of meaning, rites serve a purpose in the organisation through providing symbols of the continual existence of the organisation and its movement from one stage of its existence to another. Thus the rites surrounding the production of the annual budget and the annual financial report can be likened to the rites surrounding the passage of the biannual equinoxes undertaken within pagan religions (Frazer 1947) - routinised behaviour fulfilling a symbolic purpose and at the same time maintaining the social cohesiveness of the organisation through the joint participation of the members of the organisation in these rituals. Similarly the regular performance reporting rituals can be likened to the regular meeting of a church congregation, providing an opportunity for the purging of sins (of omission and commission), a reinforcement of jointly held self belief and an opportunity for the priesthood (ie the dominant coalition of management as authors of the script) to reinforce the congratulatory message of continuous improvement.

One of the purposes of such ritual behaviour is to remove spatiality from the discourse of organisational activity and to focus attention upon the temporal dimension. Thus organisational existence is legitimated in this manner as a temporal sequence proceeding from one rite of organisational existence to the next in a smooth flow of routinised ritual activity. The use of accounting information in such a ritual way serves the purpose of an organisational religion and, when used in this way, is essentially inward looking for internal consumption. The rituals, for maximal effectiveness also need to encompass external stakeholders and the corporate reporting ritual serves in this way. This reporting ritual serves to both include these external stakeholders, as audience of the script, within the rituals of organisational religion as worshippers of the organisational deity and its priesthood and to distance this priesthood from its acolytes, both internal (ie employees) and external (ie the audience).

Thus in the corporate reports the authors enable the story to progress by both signalling that the organisation is moving forwards to better times, in the manner previously outlined, but also by signalling themselves as the priesthood and the audience as acolytes. This is achieved through the language of the report which clearly sends the message that the authors of the report are the decision makers for the organisation and that their knowledge enables them to make the best decisions on behalf of the other stakeholders who merely worship from afar and accept the received wisdom of the priesthood. Thus, for example, the following statements are made:

> 'I am pleased to report another successful year for the Group, with our water and sewerage business making excellent progress and our other subsidiaries operating well.'

and

> 'The benefits of the improvements we have delivered and planned for the future are now becoming apparent.'

> South West Water plc Annual Report and Accounts 1994

The role of the audience is merely that of worship from afar through approval of the actions taken by the priesthood and to anticipate salvation in the future. The shareholder community however have one additional rite to perform which is to approve the actions of the priesthood and reaffirm their worship. For this additional rite they are rewarded by the priesthood acting on behalf of the deity, in a manner determined by that priesthood – that is by the receipt of their annual dividend.

It has been argued from a Jungian perspective (Mitroff 1983) that the organisational coalitions which have evolved, together with individual behaviour patterns, produce a tendency towards institutionalised behaviour, and this is evidenced in the organisation rituals outlined. This is because these organisational routines and rituals provide a validation of the present through its connection to the past, and the sanctity of that past. Thus the institutional and Jungian perspectives coincide in their interpretation of an individual's drive to interpret and legitimate the present through reference to the past. In both perspectives the symbolic functions associated with the actions provide a validating purpose for those involved and in this context accounting routines fulfil a quasi-religious purpose within the organisation for the members of that organisation, both authors and readers of the text of corporate performance.

City - environmentalists

The water companies have a difference from the other sectors in terms of the production of environmental information and this difference is very significant. This difference is in the form of an addition to the audience and that addition is the regulator, Ofwat. Moreover this part of the audience is also a mediating pressure on the performance of these companies due to its role in the regulation of both price and performance. Addressing this part of the audience through environmental reporting may thus very well play a major part in the determination of the future regulatory environment, and thereby future financial performance, of these companies. This is of particular significance as the regulator separately assesses and reports on the performance of these companies and produces reports such as 'Leakage of water in England and Wales' (May 1996) which contains critical statements such as

- 'Within the companies there seem to be serious deficiencies of knowledge as to the most cost – effective means of reducing leakage.' (p. 4)

- 'The summer of 1995 demonstrated that leakage from water mains can severely exacerbate supply problems to the detriment of customers. Companies have taken action by setting themselves targets for reducing leakage. Some companies have simply reinstated previous targets...' (p4)

- 'It is of particular concern that high levels of leakage arise in some of the largest water and sewerage companies and so account for a greater proportion of the total volume of losses.' (p14)

- 'Companies must ensure that customers enjoy adequate supplies of water and must demonstrate through actions and processes that they are managing their distribution systems in an efficient and prudent manner. They will be required to demonstrate that management is well – informed on the local balance between the costs of leakage reduction and resource costs.' (p5)

In the July 1994 statement regarding the outcome of the periodic review, entitled 'Future Charges for Water and Sewerage Services' the following statement was made

'We believe services can be improved by targeting expenditure on customer expectations. We would be disappointed if companies were to take the view that there is little scope for service improvements or use the Periodic Review as an excuse for justifying lapses in present standards. We know that customers will be looking for maintenance and improvement of services.' (p58)

These statements in formal reports were reinforced by the issue of press releases such as 'Ofwat publishes proposals to improve company trading practices' (January 1997) and 'Water customers should expect a reduction in prices at the next review' (February 1997). Such press releases were also taken up by the press, acting as a mediating mechanism in the discourse. This resulted in press reporting wi a such headlines as

'Water company complaints double. High salaries and charges make customers see red'
Guardian, 10/6/92

'The river of cash returns'   *Guardian, 12/7/94*

'Severn Trent cuts leaks and lifts dividends'   *Times, 11/6/97*

'Water firms spend less on leaks since privatisation'   *Sunday Times, 11/5/97*

It is argued that the universality of the production of environmental reports by the water companies is due to this place on the stage of the regulator and is an essential part of the poetic story. Moreover it is argued that this part of the script is addressed to the regulator alone, with other readers of the script being incidental to this. This argument is supported by the fact that some of the information contained in such reports may be of meaning to the regulator but to very few other readers. For example:

'Our environmental performance throughout this year is described in detail in this Environmental Review. The following are key achievements of which we are particularly proud.
- Best ever compliance with drinking water quality standards at 98.9%

- Avoided a hosepipe ban and maintained drinking water supplies to customers despite extreme summer drought and harsh winter
- Certificate of Endorsement for contribution to improvements in the quality of the River Thames
- Significant improvement in sewage effluent consent compliance, rising to 98.5%
- Best ever compliance with sewage biosolids recycling to agricultural land
- 100% compliance with sewage biosolids dispersal at sea
- Won eight environmental awards
- Achieved and exceeded policy target to improve energy efficiency by 10% by 1996, against projected levels from 1992 baseline'

<div align="right">Thames Water Environmental Review 1996</div>

It is interesting to note that this company feels able to congratulate itself on the non – achievement of compliance targets and present this as a key achievement. Thus the image of environmental responsibility and achievement can be fostered whatever the actual level of performance.

Any evaluation of performance is always comparative, either temporally with previous periods or spatially with comparable organisations. The temporal evaluation is undertaken within the company and using the measures which each company decides upon itself. All the measures used show an improvement of past periods.

Thus Thames Water (1996) reports upon measures such as
- Abatement notices served
- Renewable energy generated through combined heat and power
- Fuel use
- Waste recycling

Southern Water (1995/96) reports upon such measures as:
- Drinking water microbiological compliance
- Bathing water compliance
- Leisure use of reservoirs

Anglian Water (1996) reports upon such measures as:
- Number of sewage samples tested
- Classification of water quality samples
- sewage sludge disposal
- number of capital schemes assessed for environmental impact

Thus each company is able to select measures which create the myth of environmental responsibility and continual progress through the selective use of measures which support this myth. As a consequence a spatial evaluation of performance, through a comparison of the performance with other water companies, is not possible and the temporal evaluation is all that remains. This temporal evaluation has of course been determined by the authors in order to support the myth of improvement. It is true however that any measure of environmental performance does not have universal acceptance as a measurement tool and so each company must determine its own priorities for environmental performance and develop appropriate measures for reporting upon impact. It is convenient however that these companies, all undertaking very similar operations, have chosen different measures of performance which all show their performance as being not just good but by implication the best that can be achieved. Significantly the only companies which chose to measure and report upon leakages

were those such as Anglian Water which had been singled out by Ofwat for praise in this regard.

The use of titles to the reports for some of the companies is also used to help create the desired image of responsibility. Thus the following titles are used:
Environmental Protection and Stewardship (Yorkshire Water 1996)
Safeguarding the Environment (North West Water 1995)
Enhancing the Environment (South West Water 1996)
Stewardship (Severn Trent 1996)
Conservation and the Environment (Southern Water 1994/95, 1995/96)

Thus the script for the environmental reporting part of the text closely parallels the financial reporting part of the text. Each are designed to look forwards and to create images of a dynamic active organisation with an irrelevant past, a good present and an even more promising future. This is achieved through the use of linguistic and non-linguistic devices to create an image of the organisation and a continual recreation of the myth of existence and purpose. Facts, and particularly accounting and other quantitative facts, are largely irrelevant to the text unless they are useful in supporting the image being created – only the fantasy element of the story is of significance. The only difference between environmental reporting, as constituted through the environmental reports, and financial reporting, as constituted through the annual report, is that there is no overlap between the message and no overlap between the part of the segregated audience which is addressed.

A comparison of the images depicted in the texts of the annual reporting script and the environmental reporting script shows that they area designed to convey different messages to such an extent that they seem to be depicting different companies. Thus in the annual report the images concern technical efficiency and managerial competence while the images in the environmental reports concern pleasant environments.

A poetic of corporate reporting

Approaching this analysis through the mechanism of exploring the concept of binary opposition has given insights into the poetic of such reporting. It can be seen that one pole of each binarism can be relegated into insignificance even when it cannot be portrayed as bad. This is necessary in order to present the opposite pole as the important pole. In this way the plot of the story is created and the characters assume importance in controlling the plot. At the same time however the fantasy essential to the plot is also created as the poetic image need have little relationship to accounting performance, despite the semiotic of such relevance being assumed.

Segregating the audience however means that these poles can be replaced according to the section of the audience being addressed. Moreover it enables those poles which are represented as indifferent to become represented as either good or bad as the needs of that part of the audience demand. Thus for example the accounting binarism can become important when the statutory return is required and the rest of the report becomes bad. Equally it can become good when the ritual pole of the myth – ritual binary opposition is paramount as it can provide legitimation for the acolytes rewards in the form of either increased or reduced dividends payable. For most purposes meaning must however be represented as bad as this gets in the way of the corporate myth creating role of the reporting and the essential fantasy of

the story. In some circumstances however this pole may be good when it can be used to help in this myth creation role.
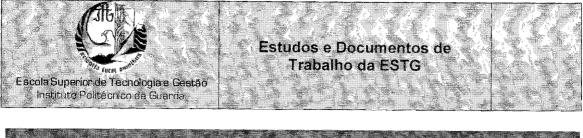
The understanding of the poetics of corporate reporting in this manner is of importance as it allows the consideration of the relationship between the audience and the authors of the script to be explored. It is clear however that the authors of the script are also the stars of the story and are seeking to control the way in which the corporate story is interpreted. The readers of the story have essentially supporting roles in approving the script and admiring its authors. Occasionally however these other actors have cameo roles in a starring part such as, for example, when the shareholders are called to the centre of the stage to approve the actions of the authors and at the same time approve and accept their rewards for good performance. The authors of the script are of course, as previously identified, the dominant coalition of management who control not just the script of corporate reporting but also the activities of the company whose performance determines the corporate report.

References

- Adams H (1969); The Interests of Criticism; New York; Harcourt Brace.
- Adorno T W (1973); The Jargon of Authenticity; trans Tarnowski K & Will F; London; Routledge & Kegan Paul.
- Barthes R (1973); Mythologies; trans A Lavers; London; HarperCollins.
- Barthes R (1988); The Semiotic Challenge; trans. R Howard; Oxford; Basil Blackwell.
- Baudrillard J (1981); For a Critique of the Political Economy of Signs; St Louis; Telos.
- Belkaoui A 1978; Linguistic relativity in accounting; Accounting, Organisations & Society Vol 3 No 2 pp 97-104.
- Bernstein B 1961; Social Structure, Language and Learning; Educational Research Vol 3 pp 163-176.
- Bird O A (1976); Cultures in Conflict; London; University of Notre Dame Press.
- Bradbury M (1970); Introduction: the state of literature today; in M Bradbury & D Palmer (eds), Contemporary Criticism; London; Edward Arnold pp 11-38.
- Brandist C (1997); Bakhtin, Cassirer and symbolic forms; Radical Philosophy No 85 pp 20-27.
- Campbell J (1949); The Hero with a Thousand Faces; Princeton, N J; Princeton University Press.
- Campbell J (1976); Creative Mythology Vol 4: The Masks of God; London; Pengiun.
- Clark P (1987); Anglo-American Innovation; Berlin; Du Gruyter.
- Crowther D E A (1996); Corporate performance operates in three dimensions; Managerial Auditing Journal Vol 11 No 8 pp 4-13.
- Culler J (1975); Structuralist Poetics; London; Routledge & Kegan Paul.
- Davidson S, Schindler J S & Weil R L (1974); Accounting: the Language of Business; Thomas Horton & Daughters; New York.
- Du Gay P (1996); Consumption and Identity at Work; London; Sage.
- Finkelstein S. (1992). 'Power in top management teams: dimensions, measurement and validation', Academy of Management Journal, Vol 35 No 3, pp 505-538.
- Forster E M (1962); Aspects of the Novel; Harmondsworth; Penguin.
- Foucault M (1977); Discipline and Punish; trans A Sheridan; London; Allen Lane.
- Graves O F, Flesher D L & Jordan R E (1996); Pictures and the bottom line: the television epistemology of U S annual reports; Accounting, Organisations and Society Vol 21 No 1 pp 57-88.
- Halliday M A K 1978; Language as Social Semiotic; London; Edward Arnold.

- Hervey S (1982); Semiotic Perspectives; London; George Allen & Unwin.
- Hewitt J 1989; White adolescent creole users and the politics of friendship; Journal of Multicultural and Multilingual Education Vol 3 No 3.
- Jakobson R (1960); Linguistics and poetics; in T Sebeok (ed), Style in Language; Cambridge, Mass.; MIT Press pp 350-377.
- Jenkins A (1979); The Social Theory of Claude Levi – Strauss; London; Macmillan.
- Kim K L (1996); Caged in our own signs: a book about semiotics; Norwood, N J; Ablex Publishing.
- Klein J 1965; Samples from English Cultures; London; Routledge & Kegan Paul.
- Labov W 1966; The linguistic stratification of 'r' in New York City department stores; in W Labov; Sociolinguistic Patterns; Philadelphia; Pennsylvania University Press.
- Laclan E (1990); New reflections on the Revolution of Our Time; London; Verso.
- Lakoff R 1975; Language and Woman's Place; Cambridge; Harper & Row.
- Le Page R 1968; Problems of description in multilingual communities; Transactions of the Philological Society 1968 pp 189-212.
- Levi Strauss C (1966); The Savage Mind; London; Weidenfeld & Nicolson.
- McKinstry S (1996); Designing the annual reports of Burton plc from 1930 to 1994; Accounting, Organisations and Society Vol 21 No 1 pp 89-111
- Merrill J C (1989); The Dialectic in Journalism; London; Louisiana State University Press.
- Metz C (1974); Film Language: a Semiotics of the Cinema; Oxford; Oxford University Press.
- Mill J S (1848); Principles of Political Economy; London.
- Mitroff I I (1983); Stakeholders of the Organisational Mind; San Francisco; Jossey-Bass.
- Nietsche F (1956); The Birth of Tragedy; New York; Doubleday.
- Norris C (1990); Lost in the funhouse: Baudrillard and the politics of postmodernism; in Boyne R & Rattansi A (eds); Postmodernism and Society; Basingstoke; Macmillan; pp 119-153.
- Ofwat (1994); Future Charges for Water and Sewerage Services; Birmingham; Ofwat.
- Ofwat (1996); Leakage of water in England and Wales; Birmingham; Ofwat.
- Orwell G (1970); Collected Essays, Journalism and Letters Vol 4; Harmondsworth; Penguin.
- Perls F S (1975); Theory and technique of personality integration; in J O Stevens (ed); Gestalt Is; Moab, Utah; Real People Press.
- Pierce C S (1958); Collected papers Vol 5: eds P Weiss, C Hartshorne & A Burks; Harvard; Harvard University Press.
- Popper K R (1945); The Open Society and Its Enemies; London; Routledge & Kegan Paul.
- Said E W (1992); Orientalism; London; Chatto & Windus.

Content: *Estudos e Documentos de Trabalho da ESTG* or *Studies and Working Papers of ESTG* publish papers that promote the dissemination of knowledge developed by researchers in the ESTG and in other higher education institutions. Also, EDT Series provide a means of pre-publishing paper that is being or will be submitted as one or more journal articles and to publish detailed material and reports that have intrinsic merit but, at this moment, it is in progress The Editorial Board of *Estudos e Documentos de Trabalho da ESTG* strive to promote critical discussion and consideration of fields of inquiry that are pertinent to our professional, intellectual and contemporary global concerns.

Submission Process: Authors must send the manuscript to director.estg@ipg.pt and then we will start the review process of *Estudos e Documentos de Trabalho da ESTG*. The manuscript sent for publication should not exceed, in general, 15.000 words, and the abstract must include 250-300 words.

Format: All articles must follow the Harvad style and carefully checked for completeness, accuracy and consistency. Please consult these and review the paper carefully prior to submission. All citations must be fully listed as references at the end of the paper, and all references listed must be cited in the text.

Review Process: *Estudos e Documentos de Trabalho da ESTG* uses a blind editorial process, which means that all papers are read anonymously by the Editorial Board and Scientific Committees of different entities. The Editorial Board is responsible for suggesting, reviewing and approving contributions for the EDT Series. The overall responsibility for the development of the *Estudos e Documentos de Trabalho da ESTG* lies with the ESTG Board. Depending on their recommendations, one of the following will happen:
1. we will reach a decision to publish the piece as is,
2. we will reach a decision to publish the piece on the condition that the author make the necessary changes as described by our readers,
3. we will decide not to publish your paper.

Regardless of our decision, and provided your paper meets our minimum requirements, **we will send you extensive feedback** that will provide you with constructive comments from your colleagues. They will write an assessment of the sophistication of the language of the paper, the embeddedness and relevance of your argument, the articulation of your thesis statement, additional secondary sources you may want to review, and include other thoughtful suggestions and critiques for you to take into account as you revise your work. It is vital that authors be prepared to revise their papers according to the comments made by our readers in a timely fashion. We make every effort to provide our readers and authors with sufficient time to conduct evaluations and revisions. For the editorial process to function well, we require that our researchers comply with our deadlines. We will not accept submissions that do not meet these requirements.

Escola Superior de Tecnologia e Gestão da Guarda

Série

ESTUDOS E DOCUMENTOS DE TRABALHO

Número Ano 2002	Autor	Título
01/02	David Crowther	No accounting for fashion: the flawed quest for shareholder value
02/02	David Crowther	The poetics of corporate reporting: evidence from the UK water industry