A CEO with many messages: Comparing the ideological representations provided by different corporate reports

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ABSTRACT

This study analyzes how corporate reporting can be used to reinforce particular worldviews in the ongoing discursive debate over sustainability. The use of language is compared in CEO letters from two types of disclosures: the annual and sustainability reports of two Finnish companies during 2000–2009. The analysis is based on Thompson's (1990) schema regarding the modes of ideology. Significant differences are noted; the CEO letters in the annual reports prominently use the economic discourse of growth and profitability, but they rely on the 'well-being' discourse in the sustainability reports. Despite the difference in discourse, by using different forms of ideological strategies, both types of disclosure serve the dominant social paradigm. The findings presented in this study highlight the need to further develop corporate sustainability reporting practices.

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1. Introduction

The relationships between business, society and nature appear to be under increasing scrutiny (e.g., Porritt, 2005; Victor, 2008). Global environmental problems are considered to be more challenging now than ever before (e.g., Meadows, Meadows, & Randers, 2004), and some commentators have voiced concerns over whether the current form of capitalism delivers long-term sustainable well-being to society (e.g., Fournier, 2008; Jackson, 2009; Latouche, 2009). Likewise, the role of business in societies' pursuit of sustainability continues to be debated (e.g., Newton & Harte, 1997; Prasad & Elmes, 2005). Simply put, business proponents (e.g., Holliday, Schimdheiny, & Watts, 2002) argue that corporate activities and business mechanisms are efficient ways of reconciling social, ecological and economic issues; conversely, those with a critical view (e.g., Beder, 2002) maintain that the quintessential profit imperative of the capitalist logic always remains hegemonic, and therefore, financial concerns take precedence over social and environmental concerns.

Accordingly, there is a great demand in contemporary society for companies to report on the social and environmental impacts of their operations to various stakeholders. Indeed, most large companies now publish sustainability (corporate responsibility)[1] reports (KPMG, 2008), through which the organizations communicate their views and activities regarding social and environmental issues. Sustainability disclosures have also become an integral element of the business discourse on sustainability. Their popularity has rapidly increased, and their mere existence is at times used as an indication of corporations' responsibility and benevolence. The quality of such reporting has, however, been challenged. These corporate disclosures are considered to offer a biased picture of business activities, as the corporations do not report on the whole range of their activities in a comprehensive manner (e.g., Cho, 2009; Tinker & Neimark, 1987). The current prac-

tice of corporate-sustainability reporting has been accused of being in line with the 'business case' of CSR/sustainability (Larrinaga-Gonzalez & Bebbington, 2001; O'Dwyer, 2002, 2003; Owen, Swift, Bowerman, & Humphrey, 2000; Spence, 2007) and, hence, unable to respond to the call for a more comprehensive way of ensuring the well-being of society. It is thus disputed whether the disclosures are of sufficient quality to provide the transparency that has often been called for (see Gray, 2010; Lehman, 1999; Spence, 2009). Hence, despite the wide-ranging field of literature on corporate (non)disclosure, there is a need for further research on both the societal role of these disclosures and the ways these practices can be further developed.

Milne, Tregidga, and Walton (2009) provide a concise synthesis of different social paradigms regarding the environment and development. Drawing on a wide-ranging review of the literature, they identify two major social paradigms: the dominant social paradigm, which is based on frontier economics and maintaining the status quo, and the new environmental paradigm, which calls for biocentric values and a major social transformation. Moreover, in the middle of this dichotomy, they position "the middle ground of sustainable development." This is the terrain in which the alternative approaches regarding the reconciliation of the social, economic and ecological are presented and debated. Our paper joins this "socio-environmental dialectic to resolve the ongoing conflict between the production-expansion thesis and its ecological antithesis" (Milne, Tregidga, & Walton, 2009, p. 1218). Further, Milne et al. (2009) argue that different social paradigms, such as the dominant social paradigm, can also serve as ideologies because they also serve to legitimize and justify particular courses of action. Moreover, Milne et al. call for further interpretations regarding how organizations use symbolic forms to represent both themselves and their activities in the "ongoing discursive and ideological contest over environment and development" (p. 1220).

This is the area of study towards which our paper seeks to contribute. In sum, this paper seeks to provide insights into how different forms of corporate reporting can be used to reinforce particular worldviews (see Eagleton, 1991; Thompson, 1990). In particular, we seek to shed light on the role of sustainability disclosures within the "socio-environmental dialectic" (Milne et al., 2009). Corporate sustainability disclosures are one example of organizational communication in which symbolic forms and language are used. To achieve our objective, we compare the use of language in two types of corporate disclosures: annual reports and sustainability reports. In our analysis, we focus on arguably the most powerful and influential type (Amernic & Craig, 2004; Amernic, Craig, & Tourish, 2007, 2010) of corporate reporting: CEO letters. By limiting the dataset to CEO letters, we are able to provide a more in-depth analysis of the linguistic features present in the texts. Our dataset thus consists of the CEO letters appearing in the annual reports and in the standalone sustainability reports of two Finnish companies over a ten-year period 2000–2009. To identify the ideological features of the disclosures, we base our analysis on Thompson's (1990, see also Ferguson, Collison, Power, & Stevenson, 2007, 2009) schema regarding the modes of ideology.

The structure of the paper is as follows. We begin by discussing the role of corporate-sustainability reporting in society. Next, we focus on ideology by briefly introducing the theoretical background of the concept and by elaborating on Thompson's (1990) schema, on which we rely in our analysis of CEO letters. This is followed by the presentation of our data and methodology. Our empirical findings begin with a description of contextual features and an introductory section describing how CEO letters appearing in annual reports differ from those appearing in sustainability reports. Thereafter, we present our empirical findings by framing them in the context of economic, social and environmental dimensions. The closing chapter discusses the findings and concludes the paper.

2. The role of sustainability disclosures

It is well known that the volume of corporate social and environmental disclosure in its various forms has risen rapidly over the last two decades (e.g., Unerman, Bebbington, & O'Dwyer, 2007). To communicate their perspectives, organizations use various media, including corporate websites, traditional annual reports and stand-alone environmental/sustainability/CSR reports. These sustainability reports, as they are often referred to, discuss the impacts of the corporation's activities from different perspectives. Such disclosures are, to a large extent, voluntary but have nevertheless become a widespread phenomenon in the business world (KPMG, 2008). Broadly diffused reporting standards, such as the Global Reporting Initiative, and other proposed schemes, such as the Connected Reporting Framework (see Hopwood, Unerman, & Fries, 2010), further highlight the position of corporate-sustainability disclosures in contemporary society.

The basic argument for social accounting has been the need for increased accountability to facilitate the creation of a more just and participatory society (see Gray, 2010). Spence (2007) argues that the principal argument for corporate-sustainability disclosures lies in their emancipatory and radical possibilities. Likewise, Lehman (2002, 1999) maintains that information provided through social and environmental disclosures can facilitate informed public dialogue and debate through civil institutions. Information beyond traditional financial disclosures has been considered to provide corporate stakeholders further opportunities to monitor the organization's activities. Indeed, the development and diffusion of sustainability-reporting practices has increased the amount of information corporations disclose regarding their activities.

The role of these disclosures is nevertheless disputed. There is a firm body of research suggesting that corporations engage in sustainability reporting mainly to consolidate their own positions and private interests (see, e.g., Cho, 2009; Laine, 2009; Tinker & Neimark, 1987; Tregidga & Milne, 2006). Organizations have been shown to use suitable rhetoric regarding social and environmental issues to pursue enhanced corporate legitimacy. The literature has highlighted how