



## A narrative lens for financial communication: Taking the “linguistic turn”



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### ABSTRACT

In this paper I will discuss the possibility offered by the “linguistic turn” for narrative research in the realm of financial communication. I will propose three categories by which a narrative interpretive approach can be applied to financial communication: narrative-as-artifacts, narrative-as-practice and narrative-as-method. Such a constitutive communication approach challenges a mechanistic and functionalist view of communication as a tool to represent social realities in favor of an interpretive view that could remain sensitive to the production and reproduction of meaning by the actors involved.

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### 1. Introduction

In this paper I will explore the potential of a narrative lens for financial communication by highlighting the relevance and possibilities offered by a “linguistic turn” sensitivity. Financial communication will be viewed in these terms as constitutive of the contexts in which business activities, strategies and prospects are evaluated. The announcement of the Swiss Central bank on January 15th of the abandonment of its currency peg to the euro illustrates the potential of a constitutive approach where the announcement itself constitutes the reality of the Swiss Central Bank, shaping the immediate experience around it, redefining actors involved and paving the path for consequences on the financial markets.

Interest in financial communication (Beattie, 2014; Eshraghi, 2014; Gautier, 2012; Henry, Elizabeth, Peytcheva, & Sun, 2013; Henry, 2008; Jameson, 2014; Tuckett & Taffler, 2012) has grown in the last few years, with different scholars trying to bridge the gap between communication, finance and accounting to find paradigms with which to tackle the complexity of this research field. A multidisciplinary endeavor represents the starting point of my discussion and the rationale for this paper.

An increased interest and focus on the language of financial communication began from the 1990s in relation to communi-

cation theory (Deetz, 1992, 1994; Mumby & Stohl, 1991, Shotter, 1993; Shotter & Gergen, 1989), wherein an understanding of communication is paired with a view of social realities as discursively constructed ensembles of texts and performances. Such a constitutive view of language challenges and complements a functionalist view of language as a tool to represent social realities. The term “linguistic turn” was first used by Rorty (1967) to refer to the idea that philosophical problems can be solved either through language, or through a better understanding of it. In this article I will use “linguistic turn” to refer to a sensitivity toward the creative capacity of language and to the methodological potential of an approach that could contrast the idea that language mirrors reality in favor of an understanding of what language actually accomplishes. Different theoretical and cultural components have contributed to this turn, including linguistic philosophy (Wittgenstein, 1961, 1963), hermeneutics (Gadamer, 1975), phenomenology (Heidegger, 1962; Husserl, 1963; Schutz, 1967) and social constructionism (Berger & Luckmann, 1966). In communication theory terms, the linguistic turn challenges the discourse of representation in which “communication is conceived as the means by which internal ideas are externalized” (Mumby, 2012, p. 18). In a representational functionalist paradigm, communication is seen as a tool, vehicle or conduit through which we can express our knowledge of reality. This entails a separation between communication about social realities, and the social realities themselves. When companies communicate to members of the investment community regarding their operational and financial performance, the credibility of the writer or speaker (e.g. a CEO) will determine the likelihood that readers or listeners

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will make financial decisions that are good or bad for the corporation (e.g., to buy more stock or divest it). In contrast to the functionalist paradigm a constitutive view of communication as expressed through the linguistic turn entails a move beyond transmitting information models. The focus is then on the ways in which communication processes create systems of meaning and understanding, in which actors create social realities as they interact. Returning to the example of the CEO's written or spoken language, a linguistic turn sensitivity would consider not whether the language is "effective" in influencing shareholders/analysts/employees but what the language means about the ethos of the organization or the psychology of the leader or of some symbolic system.

The aim of this paper is to provide an alternative to the functionalist understanding of communication through a narrative interpretive perspective. An interpretive perspective stresses the meaning-making practices of the actors involved in the studied processes, while the narrative interpretive perspective addresses concerns raised by several scholars in accounting, finance and business communication in relation to narrative regarding the contextual and experiential aspects of financial communication. Following such concerns, I will propose a new categorization of narrative-as-artifacts, narrative-as-practice and narrative-as-method and show how and why this categorization enhances our understanding of financial communication.

A narrative interpretive approach deals with the constitutive nature of narrative, where storytelling and sense making apply to both the methodology employed by researchers, and the social realities and empirical material with which they deal.

Narrative is not only the way through which we get to know about financial data, but also the form in which those data are communicated, and the frame through which the actors involved shape their experience. In the next section, I will discuss narrative inquiry and highlight some of the elements of narrative definitions that can be a useful starting point for a discussion of a narrative interpretive lens for financial communication.

## 2. Narrative inquiry and narrative definitions

Narrative inquiry has provided a great body of research in the management and organizational field over the last 20 years (Boje, 1991, 1995, 2001, 2008, 2014; Czarniawska, 1997, 1998, 2004; Gabriel, 1991, 2004), where narrative has dealt with both the phenomena studied and the method employed. Narrative scholars have studied stories and storytelling performed by organizational members, and have used a narrative lens to study organizational phenomena.

At least two aspects intersect the different classifications provided by narrative scholars in the management and organizational realm. These aspects enter the heart of the problematic implications of a linguistic turn and a constitutive view of language in such contexts. On the one hand, narratives have provided a powerful representational tool for managerial realities, while on the other the argument has been that of studying narrative as a practice, or an action (Boje, 2014).

In order to get to the center of narrative inquiry concerns, a review of narrative definitions becomes relevant, where different scholars have provided narrative definitions according to their epistemological foundations and the purposes of their analyses.

As an initial definition of narrative, I highlight the work of literary theorists who were interested in narratology (Todorov, 1965, 1986) – that is to say, the analysis of the structures of narrative literary texts (What are the possible basic structures of narratives?). As Chatman asked, "What is narrative per se? What properties must a text have to be called a narrative, and what properties disqualify it?" (Chatman, 1984, p. 258).

Narratologists have considered one of the key elements of every narrative text to be temporal development (Chatman, 1978; Prince, 1982). Every narrative text is characterized by a development, or a set of events that follow one after the other, and which are able to signal the passage from one opposite to the other – from an initial to a (different) final state (often in the form of conflict). Using the words of two prominent narratologists, narrative "may be defined as the representation of real or fictive events and situations in a time sequence" (Prince, 1982, p. 1), or can be viewed as "the shift from one equilibrium to another ... separated by a period of imbalance" (Todorov, 1986, p. 328). The constant element of narrativity for narratologists seems to be a sort of evolution – a shift that can be related to a time sequence. However, the time of the events does not always correspond to the time of narration; that is, events are presented in narrative in a way that does not always correspond to their chronological evolution. From the Russian Formalist tradition comes the distinction between the notions of *fabula*, indicating events in their chronological sequence, and *syzhet*, indicating events in the order presented in the text. In the words of formalist narratologists, the way in which events are presented follows specific patterns that, although different in each story, can be assimilated. Similarly to the structural interpretation of myths, formalist narratology emphasizes the structure of every story, rather than its ever-changing material or the contextual aspects under which stories come to be recounted. In this sense, an interesting and alternative point of view comes from a narratologist named Genette (1972), who distinguished between story (*histoire*), discourse (*récit*) and narrative (*narration*). The first term (*histoire*) refers to events that are the object of a discourse – the signified or narrated content. The second term (*récit*) refers to the utterance of an account of one or of a series of events, through which the events are presented; in other words, the signifier or the narrative text itself. The third term (*narration*) refers to the act of telling itself. This represents the starting point for studies of storytelling as a practice, such as those that have flourished in the social sciences.

When talking about the definition of narrative/discourse/story it is impossible not to mention the notion of plot (which is often presented as a synonym of narrative/discourse/*syzhet*). According to Brooks (1984), plot can be defined as the organization and presentation of the narrative. Without this organizational plot, it would not be possible to bring together apparently distant and non-continuous elements into the coherence of a story.

Plot is, first of all, a constant of all written and oral narrative, in that a narrative without at least a minimal plot would be incomprehensible. Plot is the principle of interconnectedness and intention which we cannot do without in moving through the discrete elements – incidents, episodes, actions – of a narrative: even such loosely articulated forms as the picaresque novel display the device of interconnectedness, structural repetitions that allow us to construct a whole; and we can make sense of such dense and seemingly chaotic texts as dreams because we use interpretive categories that enable us to reconstruct intentions and connections, to replot the dream as narrative (Brooks, 1984, p. 5).

If we look up the term "plot" in the *Oxford English Dictionary*, and as suggested by Brooks himself, there are at least four definitions. The first refers to a secret plan to do something illegal and harmful; the second refers to the act of devising and presenting the events in a play, novel or film; the third refers to the marking of a territory; and the fourth highlights the relation between two variables in a diagram. The Italian *trama* and the French *trame* (both meaning plot respectively in Italian and French) together with the first and second English definitions provided above, refer to texture and weaving, as *trama/trame* is the web that is passed over and under

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