A Taxonomy of Text and Discourse Analysis Approaches in Corporate Narrative Reporting Research

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This paper develops a classification scheme of text analysis approaches in corporate narrative reporting research building on Laughlin’s (2007) three ‘family trees’ of modal research approaches. We argue that text analysis approaches are applied philosophical positions which inform specific methods of text analysis (Haverland and Yanow, 2012). We provide a taxonomy which serves as a heuristic device for viewing similarities and differences between text analysis approaches. These are due to specific ontological, epistemological, and methodological positions which, in turn, are associated with particular research approaches. We acknowledge that each text analysis approach has variation and that it is not always possible to precisely delineate each from the other (Duberley et al. 2012, p. 16). The purpose of the taxonomy is to enable corporate narrative reporting researchers to pursue the integrity of a particular text analysis approach from beginning to end, i.e., ‘from its philosophical underpinnings to the specificity of the subtle nuances that it may adopt in its methodological procedures’ (Holloway and Todres, 2003, p. 346). By making the philosophical assumptions underlying text analysis approaches explicit, corporate narrative reporting research can be judged using the appropriate evaluation criteria.

We define corporate narrative reporting research as research from any discipline which either focuses on corporate narrative reporting as a phenomenon of study (e.g., annual
report readability – Clatworthy and Jones, 2001; obfuscation in corporate reports – Courtis, 2004) or which uses corporate narrative documents as a means of studying a variety of phenomena (e.g., mergers and acquisitions – Demers et al., 2003; privatisation – Craig and Amernic, 2004). Corporate narrative documents can be found in a variety of sources, including annual and other corporate reports (Jones and Shoemaker, 1994).

In accounting research, content analysis constitutes the ‘dominant’ approach (Craig et al., 2010, p.1) for analysing corporate narrative documents. Despite its prolific use, there is little agreement amongst accounting researchers regarding its definition, scope, methodological assumptions, and delineation from alternative text analysis approaches. Our taxonomy differs by virtue of its view of text analysis approaches as methodological choices which are based on and informed by the philosophical assumptions and characteristics of the research approach in which researchers locate themselves. These, in turn, shape specific methods of text analysis.

This paper has four purposes: (1) to provide a classification scheme of text analysis approaches in corporate narrative reporting research, (2) to provide methodological guidance on their application to the analysis of corporate narrative documents, (3) to provide criteria for evaluating the quality of such research, and (4) to provide guidelines on how to satisfy specific quality evaluation criteria by using examples of good practice from prior research.

We argue that the text analysis approach chosen needs to be consistent with the underlying assumptions of the research approach adopted. However, in the majority of corporate narrative reporting research, ontological, epistemological, and methodological assumptions underlying text analysis approaches are either not articulated or are ignored. This gives rise to two separate but interrelated problems. First, it may result in inconsistent and incoherent ways of undertaking text analysis due to the mixing and matching of unrelated elements (Laughlin, 2007). This ‘methodological slurring’ (Suddaby 2006: 636) reduces research quality. Second, a lack of awareness or explicit articulation of philosophical underpinnings may result in misunderstandings or lack of appreciation by readers (Haverland and Yanow, 2012). By drawing attention to the underlying philosophical assumptions of text analysis approaches, we help corporate
narrative reporting researchers make informed choices, thus increasing the integrity, quality and publication potential of their research. We do not advocate a rigid application of methodological principles and evaluation criteria. However, without awareness or appreciation of methodological issues and evaluation criteria, archival accounting research based on corporate narrative documents, rather than quantified financial accounts, will struggle to convince some audiences of its legitimacy (Johnson et al., 2006). The criteria (i.e., internal validity, external validity/generalisability, and reliability) used to evaluate quantitative accounting research cannot be universally applied to corporate narrative reporting research using qualitative text analysis approaches.

Our taxonomy builds on Laughlin’s (2007) three modal research approaches with the purpose of developing three broad ‘family trees’ of text analysis approaches in which the similarities are considered more important than the differences (Holloway and Todres, 2003; Laughlin, 2007). These text analysis approaches are aligned with the three main research approaches in accounting research (Chua, 1986), namely (1) content analysis (mainstream approach), (2) critical text analysis (critical approach), and (3) constructivist text analysis (constructivist approach). Research approaches constitute ‘coherent epistemological viewpoint[s] about the nature of enquiry, the kind of knowledge that is discovered or produced and the kinds of methodological strategies that are consistent with this’ (Holloway and Todres, 2003, p.346). Following Laughlin (2007), we conceptualise the three text analysis approaches as different positions on a continuum in terms of (1) the level of prior theory used to explain phenomena (theory choice), (2) the level of prior specification of research methodology (methodology choice), and (3) the level of advocacy for social change (change choice). Text analysis approaches are informed by a network of theories relating to the complex phenomenon of corporate narrative reporting, including philosophical and epistemological approaches, social theories, linguistic theories, communication theories, and theories of corporate reporting.
References


