

How CFO's communicate financial information

- A pedagogical task in theory and practice

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Received: March 12, 2013 Accepted: April 07, 2013 DOI: 10.5296/ijافر.v3i1.3372

Abstract

An important result of communication is to gain a deeper understanding, and for the receiver to create meaning of that which is communicated by the transmitter. In a way, this can be described as the core of pedagogical communication. The premise of this study is that pedagogical communication can be understood and explained by means of financial reports (1), oral presentations (2), concepts and illustrations (3) and by the social context, the group where the communication takes place (4). The theoretical areas that form the basis of the first question in this study, how the communication can be designed, are based on these four areas. In a second part, 111 CFOs in Swedish municipalities have responded, via a web-based questionnaire, how they work with these areas. The result shows that they are largely working with several of the pedagogical areas, such as the financial reports and oral presentations, but that there are also areas such as the social context and the group's importance in the pedagogical communication that are not as developed. Although much is already working well, there are areas that can be developed to get the pedagogical communication of financial information to work even better.

Keywords: Pedagogical communication, Swedish municipalities, financial managers

1. Introduction

Each profession has its own concepts and ways of working. It is often described as expertise or experience. In most large organizations, there is a professional group of accountants who largely have their own language, and even live by their own logic, the economic rational. In many cases, they work with a financial mirror of the activities, a mirror to help various decision makers in the organization to better understand what is happening in the business and how it can be adjusted to work even better. To achieve this, the accountant has an obligation to communicate the financial conditions in a clear and meaningful way. This challenge, which can be described as a practical challenge, is the core of the research question that this study is based on (Booth, Colomb, & Williams, 1995). If the aim is to understand the pedagogical communication of financial information, the accountant becomes a logical and natural starting point. This study describes the pedagogical communication of financial information from two perspectives. First, from a theoretical perspective, focusing on how it should be designed, and secondly from a practical perspective where financial managers in Swedish municipalities are asked to respond to propositions about how they work with communication. The accountant is facing a major challenge, to learn to communicate financial information as pedagogical as possible, especially in the light of the power that is imbedded in the financial language (Rombach, 2005).

Pedagogical activities of various kinds occur in virtually all-social contexts (Trenholm & Jensen, 2000). This form of pedagogical practice is particularly obvious in a school context where the contextual conditions require a teacher and a student. But pedagogical activities are also present in a form of pedagogical practice between doctors and patients, architects and supervisors or middle managers in general and their colleagues (Bernstein, 2000). In a social context, the cultural and social events and phenomena are produced and reproduced (Macintosh, 1994). Basil Bernstein is a British sociologist interested in these issues in general and how pedagogical communication can be described in particular. One of his most important starting points is that pedagogical communication occurs in a social context, in what he calls a pedagogic discourse (Bernstein, 2000). He sees the text as a carrier of content that is related to a certain time and a certain context. This becomes the starting point for how pedagogical activities can be understood in a social context.

Language is also an important tool in a social context (Bickerton, 1995). The language's smallest parts, words or concepts are different forms of knowledge banks or stored meanings (Berger & Luckmann, 1991). Language thus becomes an interface where a common understanding and an ability to translate meaning are central (Hasan, 1992). Through language, everyday life becomes objectified and possible to communicate, and experiences that are hard to put into words become hard to communicate a meaning about (Berger & Luckmann, 1991). Although language was largely about face-to-face communication from the beginning, you can also use language as a basis for written communication. In some areas and disciplines, language is an expression of power and control (Bernstein, 2000). One such example is the financial language (Rombach, 2005). In many contexts, the financial language becomes a form of rational rhetoric in which emotions and irrational arguments do not bite. The financial language also simplifies an organizational context, which actually is very

complex, even though the language does not make the context less complex, just more graspable. The ability to communicate in a financial area is a skill that is increasingly valued by both teachers at universities and industry (Abdullah Zaid & Abraham, 1994; Andrews & Koester, 1979, Kavanagh & Drennan, 2008; Morgan, 1997). Through language different meanings are shaped, and the social context is produced and reproduced (Rönström, 2006).

According to Bernstein's (2000) models, language represents an important function used to transfer meaning through communication. But he also describes this transfer as a pedagogic function where a potential pedagogical meaning is transmitted, which is the purpose of pedagogical communication. The language itself is not free from meanings and values, which may be transferred, in a pedagogical communication, but the language is controlled by certain rules, which, for example, become clear in an argument (Toulmin, 2003). A certain rhetorical meaning or a way to build up the various claims makes the language the carrier of intention and not just opinion. From another perspective, one can also use language to create or produce an understanding, something, which Weick (2001) calls "enactment." The meaning or sense of what is communicated is created by the one who communicates, and the receiver benefits from the meaning. Language is thus not only a carrier of a given meaning, but also an understanding or meaning, an interpretation.

In a social context, that Schön call practice, communication is often a purely intuitive and almost automatic reflection (Schön, 1983). The reflection is not just about a given problem or situation, but also becomes a way to orient oneself, where the understanding of oneself becomes important. This understanding of self or the organization can then be communicated in different ways, transferred to others in a form of organizational sense making (Checkland & Holwell, 1998). The ability to communicate in a pedagogical way becomes crucial in order to transfer an understanding of the organization, and to develop the social context (Habermas, 1995).

For decision makers in large organizations to be able to understand what is going on in the operations, if changes are needed, and if business is good or bad, a working financial reporting is needed. This is the accountants' responsibility, especially when it comes to compile financial information, process it and then spread it. This is a common and classic approach to information management (Alter, 2002). With the increasingly extensive and complex information systems, the ability to compile and disseminate information has become more critical and central to large organizations. It is thus necessary to be able to communicate in a pedagogical way, and in this study, the aim is to try to understand how this communication can be developed further and become a more pedagogical communication.

In light of the reasoning, it is interesting to study how accountants and CFO's communicate financial information and meaning to the organization. The aim of this study is to clarify how a pedagogical communication can be described and understood in organizations in order to analyze and understand the meaning pedagogical communication contributes to a social context.

2. Theoretical background

Theories about communication in general, and communication of financial information in particular, basically describe how certain information has been compiled and then transferred from a transmitter to a receiver. Pedagogical communication is largely based on how a deeper understanding and meaning is achieved (Bernstein, 2000; Checkland & Holwell, 1998; Hines, 1988; Weick, 2001). This communication occurs in different types of information networks where different actors ensure that the right information reaches the right individual, for example, depending on the function or position s/he represents in an organization (Macintosh, 1994). There are four different areas interesting to study, and these can also be used to search for a deeper understanding of the pedagogical communication of financial information. The first area concerns how the reports are compiled, which can also be described as the written documentation. The second area concerns how the oral communication works. The third area has the concepts and illustrations in focus, and the last area is about how communication works in a group. Theories in these four areas are presented in this chapter, and they form the basis for the propositions that the survey is based on.

An important point in this chapter is that communication takes place in a context, i.e., in the organization, and that an understanding of reality is created and re-created with the help of the financial information that is communicated (Hines, 1988; Macintosh, 1994). This means that a form of discursive analysis is done where the communication phenomenon is studied from a financial managerial perspective in a given context, which is the municipality he/she is engaged in. All propositions and theoretical ideas are not directly linked to the discursive approach. It is still an interesting method and an important perspective to use to try to catch a deeper dimension of what is going on in an organization in general and how financial information is communicated in particular.

"In this chapter, discourse is viewed as a way of knowing or a perspective for understanding organizational life. It is a lens or a point of entry for seeing, learning and understanding ongoing events. As a lens, it provides a unique way to focus on the subtle aspects of organizing and to determine what is figure and ground in the framing of organizational events." (Putnam & Fairhurst, 2001, p. 79)

In the discourse used, the financial language becomes a base for communication, and this is an important part of understanding how successful pedagogical communication can be described and analyzed. The financial language is full of concepts and expressions that distinguish it from the everyday language used in the community. In the organization, the financial and accounting language become an important part of the pedagogical communication, and how the language is used becomes a way of understanding the finance and accounting function and its role in the organization.

Each section in the following chapter ends with one or more propositions, which are later used in the survey. The proposition is meant to be a kind of summary of the theoretical outline. In the questionnaire, the respondent should answer the proposition with a number on a scale of 1 to 7, where 1 means that he/she does not agree with the proposition, while 7 means that the respondent fully agrees with the proposition.

2.1 Financial reports - the written documents

In a large organization like a municipality, financial reporting is largely based on the reports produced in the computerized information systems. These are usually based on the accounting. They are a form of codes (Putnam & Fairhurst, 2001) that represent what has happened in the business and are the basis for financial reporting. But to succeed in the pedagogical communication of financial information there is also a need for non-numeric reporting. Andrews and Koester (1979), for example, emphasise "the significance of these nonnumerical reports". To work with a more active reporting, it is important that the financial reporting is supplemented with a non-financial/non-numeric reporting. This is the starting point for the first proposition.

1, In our organization, we are equally committed to communicating financial information both in figures and in written text.

Another way to understand how financial communication works in an organization is based on the structures communication and reports are based on (Putnam & Fairhurst, 2001). In many cases, a given structure from the report templates are used, but it may also be that the structure has been adapted to the receiver in order to focus on and emphasize the information that is most important for that particular recipient. Here, the value of communication is increased through an adjustment of the report structure rather than a use of the general statements. This is the starting point for the second proposition.

2, The structure of the written financial reports is largely tailored to the recipient, and we rarely use general statements.

The information compiled and communicated is often the basis for various kinds of decisions in an organization (Alter, 2002). In its simplest form, this is done automatically in the systems controlled by machines, but in most cases decisions include some form of human intervention. When a decision maker has to choose between two or more alternatives there is usually also a need for some kind of judgment or interpretation of an analysis. In order to identify what the options are, the ones involved need to define and demarcate the area that decision affects, and the consequences and effects of the decision. The information communicated creates opportunities to evaluate various options and the effects that the options will generate. An important function and a common use of the financial information are as the basis for analysis and decision, as the third argument focuses on.

3, The written financial reporting is very common as a basis for analysis and decision.

"Because people need information to participate in economic life, the extensive use of computerized information sources ... raises questions about whether technical progress will divide the haves and have-nots in society even further." (Alter, 2002, page 297)

A requirement to conduct the daily work in many organizations is to have access to appropriate information. The need for financial information and communication can be understood from the responsibility a particular recipient of the information has. Access to the information is then controlled by the task or work the receiver does, a constraint of the

dissemination of information, basically communication (Alter, 2002). A form of physical control of communication can also be done with passwords or restrictions on the locations where the information is available. It is common to this type of analysis of the availability of information that those who work in a particular area or a particular part of the business should have access to information, which is the basis for the fourth proposition.

4, The financial information is easy to access for those who work in our organization.

2.2 The presentation - oral communication

As the language is an important part of communication in a social context it also becomes an interesting dimension to study (Taylor, 1999). Communication can then be understood in part as a set of rules or procedures that supports communication and in part as different stories and narratives that create the organization's identity (Browning, 1992). With the help of the narratives and the stories, an organizationally rooted knowledge is created in a group. As a first step, it is important that it is done at all, which is the basis for the following proposition.

5, We are used to present (we present regularly) financial information verbally.

One way to understand the communication is that it evolves in two steps, where a translation is made (Taylor, Cooren, Giroux, & Robichaud, 1996). First, a sentence from a report is translated into a conversation, a written text transformed to talk, and in the next step the conversation is translated into text. With the help of this translation process, an organizational identity is created, in the complex network of people that the organization represents. Since it is important that a meaning is transmitted, it is natural to consider how a message is perceived. This is particularly central in a financial context where meaning is strongly linked to an activity and may have implications for decision. Transmission of meaning can also be understood as something that is non-verbal, i.e. where one message and meaning is reinforced in a particular situation and social context, which is sometimes part of a more elusive power language. Abdullah Zaid and Abraham (1994) describe it as follows.

"Such a framework may be particularly relevant to accounting because consideration would be given to the accuracy of the transmission, the exactness with which the meaning of the transmission is conveyed and the extent to which the conveyed meaning produces the desired conduct, thus allowing an increased concentration on non-verbal communication skills. "

This reasoning is the basis for the following two propositions.

6, In our organization we often choose to present financial information verbally because then we can see if the receiver understands what we want to communicate.

7, When the financial information has been presented, it is important for us to listen to questions and try to clarify the meaning of the information, if there is anyone who did not understand the meaning of the message.

With the help of oral communication the sender may also use a more casual language, which in itself makes a message or a meaning more accessible. This is especially important when there is a meaning that should be communicated (Bernstein, 2000), and when there is an

understanding that needs to be created (Weick, 2001). This is the starting point for the next proposition.

8, When we present financial information orally, we always try to use a language that is accessible and does not make it harder for the recipient to understand the meaning of information.

2.3 The content of the communication - concepts and illustrations

Financial reporting and communication is largely characterized as being about content and meaning. But this does not exclude that the form of communication is important. A core competence of an accountant is the ability to formulate a concept and thus a meaning (Andrews & Koester, 1979). The concepts are means to convey and communicate a deeper meaning, where for example a budget is not just a compilation of numbers but also an expression of responsibility and authority (Emmanuel, Otley, & Merchant, 1990). This ability is the basis for the next proposition.

9, Our reporting is based largely on communicating a meaning, a concept, rather than just numbers.

The financial language in itself is an important means of communication. In international organizations, it may even be perceived as more important than English (Macintosh, 1994). The financial language can also be a form of power language as it is difficult to argue with someone who uses financial and accounting concepts in an argument (Rombach, 2005). It is therefore important that the person who receives a report is aware of the concepts that make up the structure of the report, which the next proposition is about.

10, The recipient is fully aware of the meaning of the concepts we use in reporting.

As the business administration methods often have an inherent structure, which, for example, becomes clear in a financial statement, it is natural to use that structure in the regular reporting (Frenckner, 1982, Smith, 2006). But it is also important that the message communicated is amplified by the structure used, and the way that the message is organized (Andrews & Koester, 1979). A suitable structure is not necessarily better or worse than a standard structure as long as the structure supports the purpose of the communication. This is the basis of the following proposition.

11, When financial information is communicated it is to a large extent based on a well thought out structure and with a clear purpose.

Using illustrations such as graphs, more dimensions can be added to what is communicated (Moriarty, 1979). In many cases, the report can be a graphical interface where the recipient receives a deeper understanding by using illustration (Alter, 2002). The following proposition is about this.

12, Our reports often contain graphic illustrations of the financial information, such as charts.

2.4 Communicating together – the role of the group

One way of analysing financial information is with the help of a work team or a part of an organisation. This gives the group a very important role in creating a common understanding of what is reported (Taylor et al., 1996), where the group or organization becomes part of a process creating meaning (Checkland & Holwell, 1998). The ability to create contexts and meetings where a meaning is developed is an important part of the pedagogical communication (Taylor, 1999), and this forms the basis of the following two propositions.

13, It is often the case that we communicate financial information to a group working on a particular task, which means that they can interpret the meaning of the information together.

14, In our organization, it is common to discuss the financial information reported to each other in order to understand what it means.

The group creates an understanding or meaning based on the translation of texts that is done in the group and by the narratives that create the identity of the group, the organization (Browning, 1992; Checkland & Holwell, 1998; Taylor et al., 1996). Together, each member of the group contributes to "interpret the language of numbers into understandable information" (Abdullah Zaid & Abraham, 1994). This process thus deals with the meaning rather than the numbers to a very large extent (Taylor, 1999; Taylor et al., 1996), which the next proposition is about.

15, When financial information is communicated, we are very keen on communicating its meaning and not just a number or a report.

If the group will use the information for decision making or as part of an evaluation of its own operations, it is also important that the information is adapted to the context in which the group is in, the reality that the financial information helps to create (Hines, 1988). The information may for example involve that only the figures relating to the group's operations are presented. This is illustrated by the following proposition.

16, The financial information is largely adapted to the group that receives the information.

With the help of these four dimensions, financial reports, oral presentation, communication content and communication to a group, this study focuses on areas that enable and clarify how financial information can and to some extent should be communicated. This becomes a form of operationalization of an area that could be perceived as vague and that could be studied from many perspectives. There is still much to be done in the field of pedagogical communications and communicative action (Englund, 2007), where this schematic description of the four areas is a way to understand the field.

3. Method

This study is about how CFO's in Swedish municipalities are working to communicate the financial information in a pedagogical way. It is a survey (Bryman & Bell, 2005; Holme & Solvang, 1991) in which all 290 Swedish municipalities were included, and CFO's in all municipalities were contacted. Municipalities are interesting as they work with so many

different stakeholders, and thus are in major need of communicating financial information. The CFO is responsible for communicating financial information in an efficient and pedagogical manner. With the ambition to undertake a broader study follows the intent to try to describe a broader picture in which more general observations are presented and analyzed (Holme & Solvang, 1991; Rienecker & Jorgensen, 2008). A natural consequence, given this initial position, is that material needs to be collected using a method suitable for this, especially from an efficiency perspective. The method chosen was a survey with standardized questions where comparable responses were collected (Fowler, 1995). Since the aim is to use questions based on deductive thinking this was the most appropriate method. The questions are formulated as statements, which respondents are asked to relate to, using a Likert scale (Clason & Dormody, 1994). The statements are a form of operationalization of the theoretical foundations that the study is based on. If the respondent answers 1 on the Likert scale it means that he/she agrees to a very small extent with the statement, while the answer 7 means that he/she agrees to a large extent. The empirical data, which a survey method is based on, can be collected in different ways. The most classic is the use of a questionnaire, which is distributed through mail. In this study, an email with a link to a web page, which lead the respondent to a questionnaire, was sent to the CFO's. The email sent with the cover letter was directed to "The CFO" in the title, which meant that the email was forwarded to the municipal finance officer. The questionnaire was compiled in the Google tool surveys, and the link between the answers in the questionnaire and the underlying Excel sheet was handled by Google's homepage. The questionnaire includes 20 questions and propositions where four questions are about the municipality that the respondent works in. The remaining propositions are formulated using the theoretical areas, where each area is represented with two questions. The questionnaire for this study represents a suitable form, and using the web interface is a way of collecting data in an efficient way. 111 CFOs out of the 290 contacted responded, giving a response rate of 38%. This response rate is above the 36.83% that Sheehan's (2001) study showed as the average for this type of web surveys. This means that this study is neither better nor worse than comparable studies, but follows average.

4. Results

The empirical material gathered through the survey is initially grouped according to the four theoretical perspectives. In this first part, a description based on the distribution of answers per question is interesting along with the mode values that can be identified (Bystrom, 1990; Eriksson, 1978). This is followed by a section based on an attempt to weigh the answers in average, despite the fact that a Likert scale is not really suitable for this.

4.1 Financial reports - the written documents

The four propositions which form the basis for the financial reports category show a relatively high and equal distribution among the three next highest alternatives, 4, 5 and 6, as seen in the table below. One observation that perhaps stands out is that 5 respondents answered 2, i.e. to a small extent agree with the second contention. This could mean that they use more general reports and few costumed reports. Another observation worth noting is that as many as 16 respondents answer with the highest response, 7, in terms of communicating

financial information both in numbers and in written text. Even to question 3 there is a large number, 10 respondents with the number 7 on the proposition that they use financial reports as a basis for analysis and decision.

Table 1. Answers to proposition 1 to 4

Proposition	1	2	3	4	5	6	7
<i>1, In our organization, we are equally committed to communicating financial information both in figures and in written text.</i>	1		6	10	37	40	16
<i>2, The structure of the written financial reports is largely tailored to the recipient and we rarely use general statements.</i>	1	5	19	32	29	22	2
<i>3, The written financial reporting is very common as a basis for analysis and decision.</i>	1		2	13	32	49	10
<i>4, The financial information is easy to access for those who work in our organization.</i>		3	8	20	38	36	5

The most common answer that is the mode value for the first question is 6, indicating that a large proportion of the respondents answered that. This is similar for the third question, where 49 respondents, representing 46% of the respondents, indicated value 6 on a Likert scale. Thus, a large proportion agrees with the statement. For the second and fourth questions, the distribution is more even among several alternatives. The second question's mode value was 4, marginally before 5, and for the fourth question the mode value was 5 with an even smaller difference to 6. Overall, the propositions were answered with high responses, with a slightly more even distribution of question 2 and 4.

4.2 The presentation - oral communication

The distribution between the different responses in the second theoretical group is shown in Table 2 below. What can be observed is that the respondents, to a very large extent, present the financial information verbally (proposition 5), but there are also a number of respondents who differ and say they almost never present information orally. Although the sixth

proposition has a relatively high but slightly more even distribution around 5, responses indicating that the respondents are dealing with the ambition that the recipient should understand the information. However, virtually all state that they listen to questions, proposition 7, which in itself is an interesting observation since there is a group of respondents who do not present orally. Even the eighth proposition has a relatively high distribution and lacks answers in the lowest response options. The respondents seem to work actively to use an easy-to-understand language so that the recipient should understand what is communicated. They also agree to try to answer questions to clarify if there is anyone who listened but did not understand the message.

Table 2. Answers to proposition 5 to 8

Proposition	1	2	3	4	5	6	7
<i>5, We are used to present (we present regularly) financial information verbally.</i>	1	2	2	4	22	44	35
<i>6, In our organization we often choose to present financial information verbally because then we can see if the receiver understands what we want to communicate.</i>	2	4	6	20	46	27	4
<i>7, When the financial information has been presented, it is important for us to listen to questions and try to clarify the meaning of the information, if there is anyone who listened that did not understand the meaning of the message.</i>			4	12	28	43	22
<i>8, When we present financial information orally, we always try to use a language that is accessible and does not make it harder for the recipient to understand the meaning of information.</i>		2	3	10	31	51	13

The mode value for the eighth proposition is 6, answered by 51 respondents, that is, they use an easily accessible language. Around the mode value for proposition 7 and 6, and in some sense also 5, there is a clear distribution, almost shaped like a normal distribution. Proposition 6 has mode value 5, and proposition 7 and 5 have mode value 6.

4.3 Content of the communication - concepts and illustrations

The third group of propositions has a relatively even distribution between several of the responses, as seen in the table below. The majority of respondents, for example, answered 5 or 6 with a normal distribution similar frequency of responses 4 and 7. A slightly clearer normal distribution can be seen for the responses to proposition 10, which is centered on 5. Proposition 11 and 12, however, are more evenly distributed. The first two propositions, whether a meaning is communicated and if the recipient is aware of the implications, show a more normally distributed frequency, indicating that respondents are quite unified in their opinions, while the responses vary more in terms of whether they use a clear structure and if they use graphic illustrations.

Table 3. Answers to proposition 9 to 12

Proposition	1	2	3	4	5	6	7
<i>9, Our reporting is based largely on communicating a meaning, a concept, rather than just numbers.</i>		2	8	14	39	36	12
<i>10, The recipient is fully aware of the meaning of the concepts we use in reporting.</i>		4	8	25	46	19	4
<i>11, When financial information is communicated it is to a large extent based on a well thought out structure and with a clear purpose</i>	1	1	5	14	39	43	6
<i>12, Our reports often contain graphic illustrations of the financial information, such as charts.</i>	1	6	10	15	30	38	10

It is really just for the tenth proposition with a clear mode value, that it is meaningful to talk about a traditional mode value. 46 respondents answered 5 on the proposition if the respondent is well aware of the meaning of the concept being communicated. For the other three propositions, there are even distributions between 5 and 6. This is also high, even slightly higher than in the tenth proposition, but it indicates a broader view than what is shown with a mode value.

4.4 Communicating together – the role of the group

The fourth and last group of propositions shows the greatest variation compared to the previous groupings, with one exception. The fifteenth proposition, whether it is a meaning that is communicated, has a large, clear percentage that answered 5. In the other propositions,

the respondents have a slightly wider and more diverse understanding where the answers vary evenly between the numbers 4, 5 and 6. The three claims are more clearly linked to how the group interprets and manages the information, indicating that this is solved in different ways in the studied organizations. It is also clear that only the mode value of the fifteenth proposition is meaningful to highlight. In the other propositions, the difference between the responses is too small, which means that the mode value is misleading.

Table 4. Answers to proposition 13 to 16

Proposition	1	2	3	4	5	6	7
<i>13, It is often the case that we communicate financial information to a group working on a particular task, which means that they can interpret the meaning of the information together</i>	2	4	13	26	37	18	5
<i>14, In our organization, it is common for us to discuss the financial information reported to each other in order to understand what it means</i>	1	3	7	23	41	32	3
<i>15, When financial information is communicated, we are very keen on communicating it's meaning and not just a number or a report</i>	1	1		14	27	51	15
<i>16, The financial information is largely adapted to the group that receives the information</i>	1	3	7	26	36	31	6

An overview based on the results could be described as follows: CFO's in the studied municipalities operate in a satisfactory way with the written documents and oral presentations, while there are slightly lower response distributions and greater variation in terms of how they work with concepts and illustrations, and especially how they use the group to interpret what is communicated. It is also interesting that respondents generally respond with relatively high responses, and that in many cases there are natural normal distributions on the responses,

indicating that the responses are focused. There is no proposition that has a majority of low responses. All propositions had the majority of the answers to the top half, which means that the CFO wants to communicate the financial information in a pedagogical way.

4.5 A more general description

Since the survey and propositions are based on a Likert scale it is not suitable to calculate mean and standard deviation. But in trying to illustrate and communicate the results in a pedagogical way, means and standard deviations were calculated for the various propositions and then presented in a radar chart. The results of the calculations are in line with the previously reported results. The responses are relatively even and high with fairly centered spread. The calculation is shown in the table below.

Table 5. Mean and standard deviation for each proposition

Proposition nr	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Mean	5,42	4,43	5,45	5,01	5,87	4,84	5,61	5,5	5,22	4,75	5,22	5,01	4,58	4,89	5,55	4,91
Standard-deviation	1,11	1,22	0,99	1,11	1,16	1,19	1,04	1,03	1,14	1,08	1,06	1,36	1,26	1,12	1,04	1,18

If one were to analyze this calculation into three groups, the first would include propositions that the respondents are working a lot with and has experience from. Here we find high averages with fairly tight standard deviations suggesting a narrow normal distribution. The propositions that fall within this group is 1, *to communicate both in figures and in written text*, 3, *the financial report is the basis for analyzes and decisions*, 5, *people are used to present the information orally*, 7, *listening to questions*, 8, *using an easy-to-understand language* and 15, *they want to communicate a meaning*. An interpretation of the answers could be that these are areas that they have developed routines and ways of working with. The group of propositions that would be the opposite is the ones that have lower numbers as weighted responses. 4 means a position in the middle of a Likert scale, and it can in a way be understood as if they neither agree nor oppose the proposition. The propositions that have the lowest weighted average is 2, *the structure of the reports are customized*, 6, *to present orally to ensure that the receiver has understood*, 10, *the recipient is aware of what the concepts mean*, 13, 14 and 16 about *the group interpreting the information together*. These are areas that one could possibly interpret as having room for development, especially in terms of how groups work with the information together. The remaining four propositions end up right in between what works well and what can be developed.

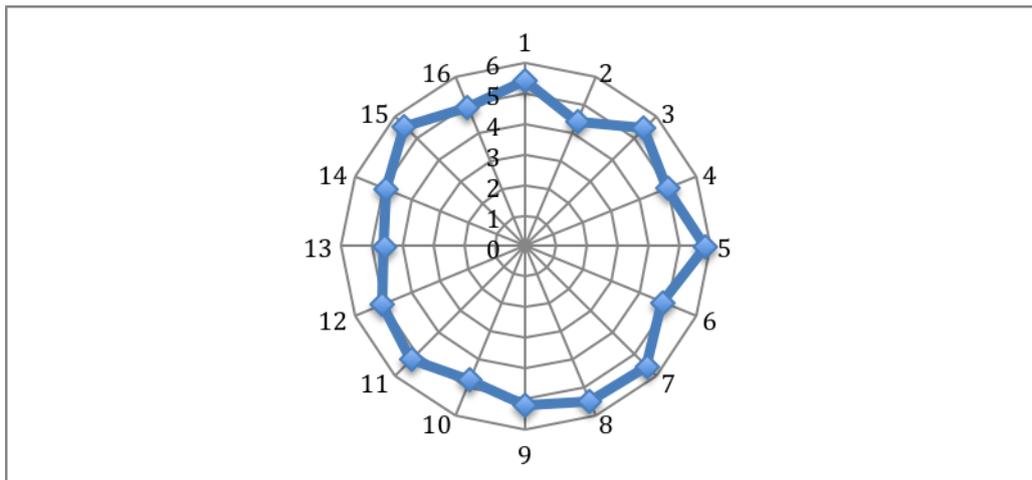


Figure 1. Illustration of mean for each proposition

One possible way of illustrating mean could be in a radar chart. Every mean from each proposition is placed on one of the lines in the radar chart. Within the chart there is also a possible classification where the first four propositions belong to financial reports. Here we have an even distribution except for proposition 2, which is slightly lower. In the second classification or category, propositions 5-8 are found, and this group also has a high mean with a slightly lower mean of the sixth proposition. The third classification includes proposition 9 to 12, and here we find a very even distribution with virtually no top or bottom. And the last classification includes propositions 13 to 16, where the mean is low for three of the propositions, but higher for the fifteenth proposition. This illustration is really just another way of showing what has already been presented in the previous table. The visualization can possibly help with an enhanced visual appearance where the graph itself can contribute to the understanding and interpretation.

5. Discussion

There are two areas that this paper has focused on. The first is about what should or could be included in the work with pedagogical communication of financial information. This has mainly focused on the theoretical review, which in turn formed the basis for the second part: how the pedagogical communication is perceived by CFO's in practice in Swedish municipalities. This discussion will be organized according to these two areas, followed by conclusions.

5.1 The design of pedagogical communication, focusing on economic information

After reviewing different theories and previous research, a number of words and concepts crystallized, which came to play a central role in the paper. These can, in a sense, summarize what pedagogical communication means in a financial context. In the simplest form, communication is about a message transferred from a transmitter to a receiver. In this study, the transmitter is the CFO, which formed the basis for the practical part. The recipient receives something that is communicated, which in this paper is financial information. In a way, this is the essence of pedagogical communication. The concepts that have been used to

capture this transfer are partly about the structuring of information: if the information is communicated by numbers or text, if it is readily available, if it is presented with graphic illustrations and the language used. But the study also included the forms in which communication takes place, such as verbal communication as a complement to the written reports. Another important part of the pedagogical communication is that several theories deal with meaning and understanding, a meaning for the recipient. It has also become clear that the communication from a transmitter is both to an individual and to a group of receivers. According to the theories, the group, together, interprets the meaning, , enabling a common understanding where meaning is created. Again, the alignment of communication and meaning is at the center. As a final step in a planned sequence, the communication of financial information works as a basis for analysis and decision. These concepts and areas are a form of operationalization of the meaning of pedagogical communication of financial information.

A somewhat more difficult question is how the pedagogical communication should be designed. The simplest answer would be that it depends on the organization. Another natural starting point would be to focus on the keywords identified in the theory section, which are summarized in the paragraph above. The design is probably more a matter of thinking through four different perspectives, e.g. operationalization of the pedagogic communication. It has become clear that the report or the written communication is a natural and obvious base for the financial communication, which forms the first group. These are frequently used, and have in a way become synonymous with communication. However, one may ask if the sender reflects on how the report is received, and if the meaning is understood. It is also natural to talk about the financial information as something that is communicated verbally, often in different meetings and briefings. This is the second group. These become a natural context in which meanings and understanding are important. In a conversation, a two-way communication, it becomes clear if the recipient has understood what has been said. The core issue of the design is here more about the contexts in which financial information is presented, and how an oral presentation becomes a written supplement. In a third group, the content of the communication was in the center, particularly the concepts and illustrations. Here, the focus is on the transmitter's purpose of the communication and the concepts used. A fourth group focuses on pedagogical communication where the recipient is not a person but a group. This is of course a natural starting point for many organizations, especially where work is not done individually, but in groups. Again, the meaning and understanding is at the center, which in a sense can be described as the outcome and purpose of communication.

The concepts and the four groupings constitute a basis for how the pedagogical communication of financial information can be understood and developed. Based on the type of organization and the type of leader the CFO wants to be, there are various possible approaches and priorities. The common denominator is that the four areas can contribute to create a more pedagogical communication. The next part of the paper is about how pedagogical communication of financial information is done in practice, from a CFO perspective

5.2 How the pedagogical communication works in Swedish municipalities

The first impression is that CFO's see themselves as very skilled at communicating financial information in a pedagogical way. If the Likert scale is divided into three parts, the answers 1, 2, 3 is a low group where you do not work with the area concerned in a particular proposition. The second part is in between with the answer 4, and the third part is answers 5, 6, 7, where a group agrees on what the proposition describes. There are several statements where an overwhelming majority of the 111 respondents think that they recognize themselves in the third part. 101 respondents regularly communicate financial information orally; 95 respondents want to use an accessible, easy-to-understand language; 93 respondents communicate financial information both in writing and in figures; 93 respondents think it is important to communicate a meaning and not just numbers; 93 respondents clarify a meaning if the receiver has questions related to an oral presentation and 91 respondents answer that it is very common that the financial information underlies the analyzes and decisions. Within these six areas, an overwhelming majority feel at home. However, you are less able to adapt the structure of the reports, 53 respondents answered 5, 6 or 7; information is interpreted together, 60 respondents answered and it is not so certain that the receiver knows the meaning of the terms used, 69 respondents answered, to take three examples. These are potential areas for development.

The results also show that in many cases there are natural, almost normal distribution, patterns among the responses. The respondents perceive that they are working with the areas this paper has identified as central to financial information.

6. Conclusions

Several different conclusions about how pedagogical communication of financial information should be designed and how it works in practice could be recognized. Pedagogical communication is much more than just a report. It has become clear that the report itself is central and still very important, but it is even more important to communicate a meaning and understanding. CFO's in Swedish municipalities actively work with most of the key areas within pedagogical communication, as defined and described in this study. Despite the high number of responses to many of the propositions, there are still areas in which development can take place, such as the group's ability to understand and interpret a report, e.g. create meaning. It is common to many of the propositions and responses gathered that it is the result of communication, the understanding and creation of meaning that is important. Communication is the agent, which generates a result.

In this paper, the educational communication has focused on the importance of communicating a meaning and a purpose. This is theoretically based on Checkland and Holwells (1998) theory of organizational sensemaking and Weicks (2001) theories of sensemaking. Several of the propositions had this focus, and some propositions had that meaning even though it is not explicitly requested. A summary conclusion could possibly be that the respondents have the ambition to communicate a meaning and a purpose, while they are not always sure that the recipients of the information are able to interpret the information and understand its meaning. In the light of this reasoning, one can possibly see the financial

reports, the oral presentation, the content of the reports and the group as tools that will lead to understanding and meaning being communicated.

As the CFO's formed the empirical material in this study, it would have been interesting to compare their perceptions with the perception of those who they communicate with. To compare the transmitter and receiver perceptions of financial information could provide a deeper understanding of pedagogical communication. It would also have been interesting to conduct interviews with some selected CFO's in comparable municipalities to get a deeper understanding of how they work with communication in practice. There is much more that can be studied in the context of pedagogical communication, and ultimately communicative learning processes. Englund (2007) argues that it is a virtually unexplored area. Meaningful pedagogical communication processes is thus the future.

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