

Ethos, Pathos and Logos; a Comparative Study of the Rhetorical Strategies Found in CEO Letters
in English Annual Reports of Finnish Companies after Desirable and Undesirable Financial Years

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MA Thesis

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May 2019

The originality of this thesis has been checked in accordance with the University of Turku quality assurance system using the Turnitin OriginalityCheck service.

TURUN YLIOPISTO Kieli- ja käänntieteen laitos / Humanistinen tiedekunta

MYLLYLÄ, KALLE: Ethos, Pathos and Logos; a Comparative Study of the Rhetoric Found in CEO Letters in Annual Reports of Finnish Companies after Desirable and Undesirable Financial Years
Pro gradu -tutkielma, 91 s., 8 liites. Englannin kieli, Kieliasiantuntijan opintopolku
Toukokuu 2019

The corporate annual report is a tool of corporate communication by which corporate image, brand, reputation and social responsibility are maintained and improved. Rhetoric, more specifically organizational rhetoric, is utilized to pursue these objectives by persuading the important stakeholders to take a desired action or remain inactive.

Within the corporate annual report, a section called CEO letter has attracted number of studies due to its characteristic of summarizing the whole of the report in the words of the CEO (Chief Executive Officer). In this study, eight CEO letters of corporate annual reports of four global Finnish companies were studied. Four of the letters addressed a financially undesirable and four letters a financially desirable year. To conduct the analysis, I used a close reading method complemented by rhetorical criticism to uncover rhetorical constituents that corresponded to the modes of persuasion – ethos, pathos and logos. Ethos refers to the general, persuasive credibility of the rhetor. Pathos focuses on evoking such emotions, values and needs in the audience that enable persuasion. Logos persuades the target audience by utilizing fact-based reasoning.

I set out to answer two questions in this study. First, in what linguistic forms do ethos, pathos and logos manifest in the texts. Second, does there seem to be a tendency of a certain mode to appear in a text that addresses either an undesirable or a desirable financial performance. The second question also formed my hypothesis for the study. I assumed that logos-based rhetoric would be emphasized in the letters that address financially desirable years. Moreover, I assumed that rhetoric based on ethos and pathos would be dominant in letters that address undesirable financial performances.

However, the results of the analysis did not correspond to the hypotheses of the study. There did not appear to be a clear difference in the use of the modes between letters addressing undesirable and desirable financial performances. Instead, logos was strongly present in both types of letters and comprised mainly of financial and operational (non-financial) references. While not as strongly present, also constituents for ethos were found, mainly manifesting through the use of active voice and complemented by logos. Finally, pathos stemmed from the lack of negative words and an abundance of positive words, hence correlating to the Pollyanna Hypothesis according to which positive words are recalled better and tend to be emphasized in human interactions.

While the results of the analysis were different than was hypothesized, the study demonstrates the multilateral nature of rhetoric concerning the modes of persuasion. That is, they tend to appear together, enabling their persuasive potential. Also, the study illustrates why rhetoric is not only ‘empty talk’ but rather a tool in providing value to a business and its key stakeholders. Further research could focus on promoting the target audience(s) from static ‘objects’ of rhetoric to active partakers in the persuasion process.

Key words:

Corporate communication, annual reports, CEO letter, rhetoric, organizational rhetoric, rhetorical criticism, modes of persuasion, ethos, pathos, logos

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1. Introduction

A corporate annual report is a document that is published annually and that has a prominent role in how the company transacts and communicates with the public concerning matters of the precedent year. This public might consist of many parties, to all of which the main function of the annual report is slightly different. However, the common nominal is that the report is to relay information to all those interested in the information it provides. Hence, it is not surprising that an annual report is a sum of several sections as it is meant for the eyes of a rather heterogenous audience.

One of the most well-known and researched sections of an annual report is the CEO letter, a textual statement of the CEO (Chief Executive Officer) in which matters concerning the scope of the report are addressed. In this study, I will observe rhetoric strategies utilized in the CEO letters of annual reports and the linguistic features that comprise these ways. Choosing rhetorical strategies in CEO letters in corporate annual reports of global Finnish companies as basis brings relevance to my thesis. This stands as only few studies have focused on Finnish companies from a rhetorical viewpoint. Also, none have observed the rhetoric by focusing on the modes of persuasion. In addition, none have considered rhetoric as an essential part of corporate communication, the strategic action of the company to maintain its brand, image, reputation and evermore social responsibility.

My focus will be in Aristotle's modes of persuasion: ethos (credibility and the character of the source), pathos (emotion of the audience) and logos (the nature, or, credibility of the message conveyed) (McCroskey 2005, 7). These were chosen as points of focus due to their straightforward nature amidst an otherwise rather multilateral concept of rhetoric. Also, the modes exemplify rhetoric from different angles: the message (logos), audience (pathos) and the rhetor (ethos). What is more, I will compare the presence of these modes in CEO letters published in annual reports in the end of a) years that can be considered strong or at least good as far as financial performance goes and b) for years during which the companies have suffered financial drawbacks. This way, I can bring more depth to my study by illustrating how rhetoric and rhetorical strategies manifest in different situations, concerning desirable and undesirable financial performances. However, while I base this study on Aristotelian concepts, it is only due to the said concepts still bearing a great influence even on modern views on rhetoric. In other words, I will not utilize Aristotelian views in their very original but rather in more refined and modified forms in which they appear in modern times. This note in mind, I will ground my study on organizational rather than pure Aristotelian rhetoric, while still addressing the latter.

Under organizational rhetoric, the three modes of persuasion are utilized to influence the key audiences of the audience. It is also for this reason that I will only provide a broad overview of the roots of the rhetoric and of Aristotle and his concepts. Figure 1 provides a summary of the dynamics between rhetoric and corporate communication.

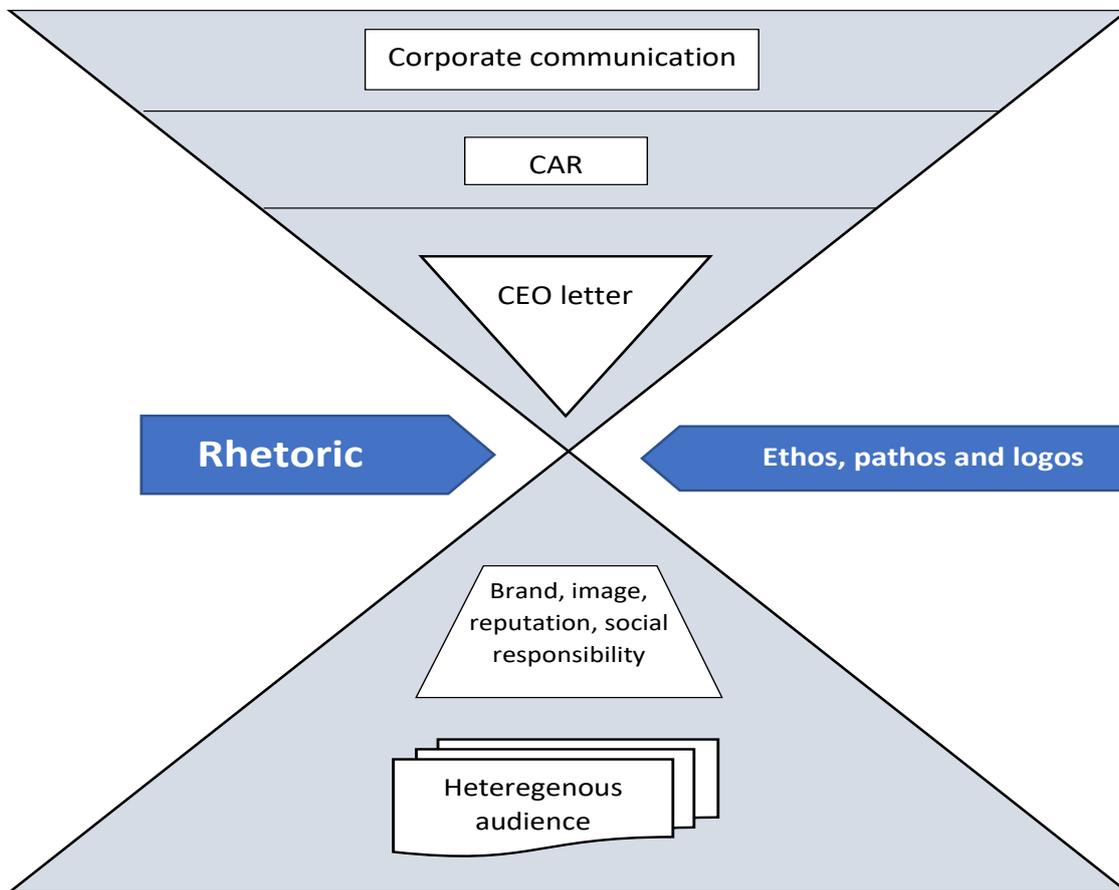


Figure 1 The dynamics between corporate communication and rhetoric

My main goal and research question, then, is to find out in what linguistic ways and in what degree each mode of persuasion manifests itself in the chosen CEO letters. These texts will be taken from annual reports of major Finnish corporations, written in English. Furthermore, I will observe whether the emphasis on these three rhetorical appeals changes after the company has gone through a shift from *undesirable* – outright poor or challenging – to *desirable* – good or promising – financial year. Should the emphasis change, I also attempt to provide possible reasons for such phenomenon. Furthermore, I have chosen to conduct a *qualitative* rather than a quantitative research, as the rhetoric studied here – the three modes of persuasion – is too multilateral to be put into illustrative figures within the limits set for the thesis. However, I will still utilize a quantitative approach where it is possible to illustrate a claim I make in a simple manner.

My hypotheses for the study are, firstly, that logos-, or simply fact-, based discourse and persuasion is greater in the letters that address financially desirable years than after a year that has seen a poor or challenging performance from the company. Secondly, I assume ethos- and pathos-based rhetoric to be emphasized more in the letters that address a year of undesirable financial performance. These two hypotheses stem from a simple fact that a company operates to guarantee value (e.g. profit) to itself and, for instance, shareholders (Friedman 1970). To ensure this via communication with CEO letters, the messages the key audiences receive must correspond to the context in which they appear to follow the characteristics of rhetoric. Hence, one could assume that logos-based rhetoric would be emphasized in CEO letters that address a financially solid annual performance as it provides more contextually significant and persuasive facts (e.g. statistics and operations). Vice versa, a financially challenging annual performance could diminish the number of persuasive facts which means ethos and could be emphasized. Thirdly, and finally, I expect this study to arrive at the conclusion that the reason for this possible shift in emphasis is that the persuasive potential of each mode of persuasion is realized at certain contexts. Lastly, close reading method will be utilized in the analysis due to its simple and qualitative nature that corresponds to the style of this study. I will also focus on rhetorical analysis, based on linguistic features, but will complement it with genre criticism to provide the base for the review of the results and discussion.

Concerning the structure of the thesis, a theoretical background for the concept of rhetoric and of the modes of persuasion as rhetorical strategies is provided in chapter 2. In chapter 3, I will discuss corporate communication as an umbrella term for the genres of corporate annual report and CEO letter. In chapter 4, I focus on the abovementioned approaches and methods of the study. Chapter 5 is dedicated to a short address of the data which will be analyzed in chapter 6, where every CEO letter will be analyzed separately to prevent confusion. In chapter 7, I will discuss the findings and, for instance, compare each CEO letter in relation to the findings. I will also compare the results of the analysis to the findings of other studies with similar standpoints. Finally, I will conclude the whole content of the thesis in chapter 8.

2. Rhetoric

In this chapter I will discuss what exactly is meant by the concept of *rhetoric*. First, I will provide a short overview about the relationship of rhetoric with two cross-cutting concepts, first and foremost persuasion but also shortly argumentation. Understanding rhetoric requires understanding the ideas behind these two terms. In addition, I will discuss rhetoric itself in more detail, including history behind the term as well as the actual definition(s) of and key concepts relating to it. I will also address its scope and structure (i.e. at which outcome rhetoric aims and how this outcome is reached). Second, I move on to discuss rhetoric on a microlevel by addressing Aristotle's famous modes of persuasion: ethos, pathos and logos.

2.1. Persuasion

As maintained by Wenzel (1990, 13), rhetoric very much draws from *persuasion* as will become clear in later chapters. Without successful persuasion there is no successful rhetoric. Despite their extremely close and one could argue even inseparable relationship, there are some points that help one to see the at times subtle differences. In this section, I will provide an overview of the concept of persuasion and its characteristics for it is the fundamental basis for the modes of persuasion that are under focus in this study. However, the overview will be rather concise as the study of persuasion has developed into an immense field and hence a more detailed review would be impossible to fit into this study. What is more, I also will not be focusing on rhetoric itself at this point as the term will be addressed in significantly more detail.

As is the case with rhetoric (see 2.2.), attempts to provide a definition for persuasion are plentiful. As a phenomenon, persuasion is found everywhere (e.g. in everyday grass-root social interactions, in politics, in economics, in education and so on). Hence, definitions vary even among scholars under specific field not to mention between different fields. Miller (1980, 3–6) maintained that persuasion refers to communication that causes desired responses in the target audience by utilizing symbolic transactions (messages) aimed at the reason and/or emotion of the one who is the target of persuasion. The symbolic transactions, or messages, are meant to either shape, reinforce or change the pursued response (ibid.; Stiff and Mongeau 2002, 4). In this sense, all forms of communication, discourse and/or language can be considered persuasion. McCloskey maintains (1994, 7) that persuasion is the “realm of rhetoric, unforced agreement [and] mutually advantageous intellectual

exchange”. Bettinghaus and Cody (1987, 3), on the other hand, regard persuasion as individual’s conscious action the purpose of which is to shape the beliefs, attitudes and behavior of another individual or group. Finally, with backgrounds in linguistics, Halmari and Virtanen (2002, 3) hold that any *linguistic* behavior that aims at either shaping the “thinking or behavior of an audience”, or to strengthen the possibly already shared beliefs can be considered persuasion. To give an illustrative example, the CEOs might attempt to persuade the readers of CEO letters by either referring to their credibility and/or character (ethos) or by utilizing logic (logos) as in hard data, say, statistics to warrant the argument(s) presented.

With argumentation, there are a number of perspectives that can be roughly divided into more classical Aristotelian, and into more applied, ‘neo-Aristotelian’ viewpoints. In a more classical Aristotelian manner, argumentation can be considered verbal and social activity that, through *propositions based on reason*, aims at influencing another individual’s perception of a certain point of view and who rationally either accepts or refutes the presented propositions (Van Eemeren et al. 1996, 5). A more ‘neo-Aristotelian’ and less rigid approach would regard argumentation as “an overall art of persuasion based on discursive efficacy and consisting of verbal strategies intended to make an audience adhere to a given thesis” (Amossy 2005, 87–88). Here it is worth noting that, as logos of the Aristotelean modes of persuasion is based on rational and logical persuasion, I will adopt the more classical and rigid perspective on argumentation in this study. This decision was made as the neo-Aristotelian definition blurs the differences between rhetoric and argumentation. Should I have chosen the latter, differentiating modes of persuasion from each other would prove disproportionately difficult. This is because in neo-Aristotelian approach argumentation rather than rhetoric has been emphasized more than is practical the scope of this study in mind.

To summarize, persuasion has its roots in how to influence “other people to change their attitudes or behavior regarding an issue through the transmission of a message, in an atmosphere of free choice” as Perloff (2003, 8) conveniently maintains in his summary of many differing definitions. I will also regard Perloff’s definition as basis for rhetoric in this study. What is more, rhetoric is an effective tool to cause the change mentioned in his definition and will be covered in the next section.

2.2. Rhetoric and its definitions

The most commonly recognized roots of rhetoric trace back to Ancient Greece and to the practices of sophists, Greek professional teachers, despite the very basic forms of it are mentioned already in the

societies in the area of Mesopotamia way earlier. Through centuries, these basic forms eventually developed in Europe (i.e. Ancient Greece), too. There, Aristotle (384–322 BC), one of the most renowned philosophers of all time and a student of Plato's, can be argued to have extensively refined rhetoric into such form that it came to be an actual object of study and pursuit (Hogan 2012). The end results of this refining have carried to this day and the ideas of rhetoric from Aristotle's point of view have become immensely influential especially to the Western philosophy. Of course, these ideas have also gone through reshaping of varying degree through the decades and years (McCroskey 2005, 9).

A simplified definition of rhetoric would maintain that it relates to discourse and encompasses the idea of how to write and/or speak effectively, or, persuasively (Perelman and Johnstone 1968, 15). *Discourse* can be viewed as interchange of ideas by utilization of speech and writing, and the ideas constitute ways in which “individuals act and think” (Mills 2004,55–56). In addition, discourse also refers to the language, that may be extremely characterized for a specific field, for instance already addressed political discourse (ibid.). Rhetoric, on the other hand, “may be defined as the faculty of observing in any given case the available means of persuasion”, as Aristotle himself maintained ([circa 350 B.C.] 2004, 6–7). In other words, rhetoric is a tool for reaching persuasive discourse. Furthermore, Aristotle added more content in the following way:

Rhetoric is the counterpart of Dialectic. Both alike are concerned with such things as come, more or less, within the general ken of all men and belong to no definite science. Accordingly, all men make use, more or less, of both; for to a certain extent all men attempt to discuss statements and to maintain them, to defend themselves and to attack others.

(Aristotle [circa 350 B.C.] 2004, 1)

Rhetoric, then, is a practice that concerns humans in general, not only those under one field or discipline. Furthermore, by discussing, maintaining and defending statements and attacking those made by the other(s), the available means lead to a successful persuasion. However, a thorough view on rhetoric requires more specifics as this definition is rather vague. This is achievable by looking into the concept of dialectic, which, according to the quote above, is the counterpart of rhetoric and as such reveals information on it.

Firstly, while Aristotle's definition acknowledges similarities and close relationship between these two perspectives in that they both cover discussing statements, maintaining and defending them as well as attacking the ones of others in order to persuade, dialectic point of view is mainly concerned

with persuasion through syllogisms in a formal manner (Allen 2007, 87–89; Krabbe 2000, 206–208). Syllogism refers to a logical and deductive reasoning from generally accepted statements, that follows a sequence of a major premise – a minor premise – a conclusion. An example of syllogism would be the following sequence: Corporate communication maintains the image, brand, reputation and social responsibility of a company. (major premise) Corporate annual report and CEO letters are tools in corporate communication. (minor premise) Therefore, corporate annual reports and CEO letters maintain the image, brand, reputation and social responsibility of a company. (conclusion) Should the orator/writer utilize incomplete and informal form of syllogism, enthymeme, then there are no generally accepted major premises but statements that are assumed to be accepted by the object. An example of an enthymeme would be the following statement: The image, brand, reputation and social responsibility of a company are maintained by corporate annual reports and CEO letters because they are tools in corporate communication. Secondly, dialectical discourse appears in occasions where there is distinct alternating interaction between two or more parties that do not share commonly accepted truths yet aim at finding them through syllogisms. Dialectic can be regarded as an interchange that relies on questions and answers, objections and counters (Blair and Tindale 2012, 248–250; Leff 2002, 53–54).

In contrast to dialectic, the persuasive discourse of rhetoric is mainly continuous on the speaker's side instead of being interactive, or dialogue-like. In addition, rhetoric seldom follows syllogism in its formal structure but rather in its incomplete form, enthymemes. This means, that the orators/writers assume acceptance of their persuasion from the other party as, unlike in dialectic, there is only little if any interaction. The modes of persuasion, on which this study focuses on and which will be discussed later in more detail, have much to do with syllogism and enthymemes. Rhetoric often also manifests discourses in which the orator is the main actor and the audience mainly remains static in contrast to dialectical interaction, such as speeches (Krabbe 2000, 210–11; Spranzi 2011, 162; Walton 2007, 7). To draw from these characteristics, rhetoric is dependent upon the context, and especially upon the audience. As Tindale (2004, 6) describes the defining nature of rhetoric, it holds the idea that “[w]hat is said has to be considered in relation to who is saying it and why” in addition to whom something is said.

Moreover, in this study, the definition of rhetoric established above will be that of organizational rhetoric. The main premise remains the same in that persuasion towards action or inaction in a context where the object of the rhetoric has a free choice to either accept or reject the attempts is pursued. However, the concept of organizational rhetoric specifies the idea of rhetoric and sets in a certain

context. Hoffman and Ford (2009, 7) define the concept as “the strategic use of symbols by organizations to influence the thoughts, feelings, and behaviors of audiences important to the operation of the organization”. Moreover, the use is strategic since, in order to meet wanted goals through persuasion, the messages must be in proper shape and form contextually (ibid.). Hence, the abovementioned definition of rhetoric provided by Hoffman and Ford (ibid.) corresponds to the scope of this study where persuasive texts in relation to the audience are studied.

To summarize the definition of rhetoric, it is an influential tool to gain local advantage through language use. Moreover, organizational rhetoric specifies the term even further in that the local advantage is pursued and gained by an organization, say, a company. As a form of discourse, it does not aim at arriving to accepted truths but rather at presenting propositions to the audience nonreciprocally. By utilizing rhetoric, these statements are assumed to be accepted by the audience after careful consideration of the context in which they are presented by the rhetor. Hence, rhetoric, as a medium of persuasion, strongly relies on the judgment of the audience (Rapp 2009, 592). The end goal of rhetoric would be the desired judgement and the resulting activity or inactivity from the audience on the basis of the discourse.

2.3. Pathos, ethos and logos – modes of persuasion

A famous triad of rhetorical composition, originally coined by Aristotle, yet widely recognized and still used nowadays, is that of modes of persuasion – or, rhetorical appeals. The triad binds together the context in which the rhetoric occurs, making the discourse more persuasive. These organizational techniques, or strategies, for rhetoric are called pathos, ethos and logos as has become briefly noted already (see sections 1. and 2.1.) (Tindale 2004, 20; Halmari and Virtanen 2005, 6). They are usable in speeches, texts and other forms of persuasive presentations. Through the triad, rhetoric envelops the ideas of what is and why something is said (logos), to whom something is said (pathos) and finally who says (ethos). These are questions which all should be answered and considered in order to succeed in persuasive communication.

2.3.1 Pathos

From the perspective of rhetorical appeals, pathos encompasses appeals through which one can consider the question of to whom the proposition is presented in persuasive manner. The appeals that fall under pathos are meant to evoke certain emotions and/or needs in the audience. For instance,

Aristotle himself maintained that there are seven basic opposite pairs of emotions: anger and calmness, friendship and enmity, fear and confidence, shame and shamelessness, kindness and unkindness, pity and indignation and lastly envy and emulation (Kennedy 2007). For comparison, Plutchik (1980) has maintained that there are eight basic and eight advanced emotions. The former includes joy and sadness, trust and disgust, fear and anger as well as surprise and anticipation. Advanced emotions are optimism and disappointment, love and remorse, submission and contempt and lastly awe and aggressiveness (ibid.). The targeted emotions can be then harnessed to serve the object of the rhetor by influencing the public towards the desired way (Meyer 2017; Halmari and Virtanen 2005, 5–6).

What makes pathos an effective and highly persuasive tool for organizing rhetoric is the fact that there is little doubt of emotions affecting the decision-making processes (Schwarz 2000, 433; Hoffman and Ford 2009, 29). In fact, emotions, awoken by the appeals under pathos, can influence the public and their acceptance or rejection the presented statement(s) by the rhetor due to number of reasons. Firstly, the goals at which the rhetor aims with the help of appeals of pathos may become more approachable and easily acceptable by the audience in the case the emotions awakened are results of relatable stories and examples. Secondly, by utilizing eclectic language, through for instance metaphors and single words in addition to similes, stories and examples, the rhetor can make not only the presented ideas more approachable but also the public more receptive (Schwarz 2000, 433).

Thirdly, to follow a more contemporary rather than a traditional understanding of pathos, it is also possible to reach commonly held values and to awake sensation of need, which then can be offered to be fulfilled by utilizing pathos (Hoffman and Ford 2009, 29). Should rhetors manage to influence the target groups of their needs being fulfilled or the commonly held values followed, they may be able to steer the audience towards a wanted direction by altering “a thought, feeling, or behavior” (Hoffman and Ford 2009, 29). *Values* in corporations can be thought as those fundamental ideas on the basis of which the business operates (e.g. growth and ensuring profit) (Serrat 2010, 703–704). To follow the famous model of hierarchy of needs by Maslow, after the very basic and innate (e.g. food and water) as well as security and safety-related *needs* guaranteed, those needs that relate to belonging, esteem (i.e. achievement) or self-actualization could be utilized by the rhetor (Campbell 1998, 239). To exemplify relevantly to this study, in a case of a CEO letter, the commonly held value could be the main goal of the company in maximizing profit and shareholder value (Friedman 1970).

Then, a need could be that of the company bringing concrete value, wealth and hence social status, to the existing shareholders (see sections 3; 3.1. and 3.2. for more detailed discussion).

2.3.2. Ethos

If pathos mainly addresses to whom the persuasive discourse is directed and how to influence the target audience, ethos is based on who is stating something. In other words, ethos establishes credibility through authority and consideration of the character (Meyer 2017, 5; Tindale 2004, 20). From a broad point of view, credibility (i.e. the degree of credence of the source in the eyes of the audience) is the base for ethos and enables the statements of the rhetor to become persuasive. Ethos can be strengthened by references to, for instance, the rhetor's skills, experiences and personal interest in the topic (ibid.). From a detailed viewpoint, ethos includes three dimensions that then make up credibility: competence, trustworthiness, and dynamism (Stiff and Mongeau 2002, 105).

Competence denotes a rhetor's expertise concerning the matters that are addressed (Stiff and Mongeau 2002, 105). Also, rhetors can enhance their perceived competencies by utilizing, say, fact-based rhetorical strategies in the discourse (ibid.). *Trustworthiness*, on the other hand, necessitates the rhetor to communicate in a credible, accurate manner without, for instance, manipulation attempts. Both the overall nature of the messages and the individualities of the rhetor contribute to the trustworthiness. In addition, the general principles of communication ethics, which denotes to moral affecting the behavior of individuals and communication as a result (Arneson 2007, xiii), affect trustworthiness. That is to say, for instance, that while the rhetor contextually takes into account the audience throughout the rhetorical process, manipulation and other morally ambiguous concepts may eventually affect the trustworthiness negatively.

Dynamism, the most speech-oriented out of the three dimensions of ethos and hence only shortly addressed here, refers to the liveliness and active spirit of the speaker in a degree that contributes to the persuasiveness his/her rhetorical messages (Stiff and Mongeau 2002, 105). Dynamism also encompasses charisma and energy. The former refers the speaker's attractiveness from the viewpoint of an audience. The latter, on the other hand, can increase the dynamism of rhetoric and thus its influence on the audience by presenting the idea and relevant content enthusiastically and using engaging delivery strategies (ibid).

Leff (2003) emphasizes the importance of ethos in rhetoric and maintains that it can also be divided

into other triad of dimensions (although mainly regarding texts): embodiment, enactment, and evocation. *Embodiment* refers to a situation where the rhetor embodies values and interests shared with the audience in such way that it becomes receptive to rhetorical persuasion and is eventually influenced in a desired way (Leff 2003, 261). An easy example to imagine embodiment ethos would be one in which a reverend speaks, or writes, to members of a church. *Enactment*, on the other hand, is a dimension of ethos in which the persuasiveness stems from what the text does rather than what it says (Tindale 2004, 21–22; Leff 2003, 263). Enacting ethos would occur in a situation where a politician must create an image of righteous persona to be conveyed to the public in order to cause the desired effect. Lastly, *evocation* occurs when contradictions are revealed by the rhetor between what the audience has valued and held true and what the situation really is. In other words, by successfully bringing to light “suppressed or undetected inconsistencies” (Leff 2003, 257), a rhetor creates a new perspective that increases his/her credibility. A successful attempt of a civil rights activist to influence public would be an example of evocation. Also, Beason (1991) concludes through his study that ethos can comprise of deference and/or expertise, similitude, the desire towards success and self-criticism. While other terms are self-explaining, similitude and deference may require clarification. The former refers to persuasion on the basis of similarities between the rhetor and the audience while the latter denotes the rhetor’s recognition of “the rights and feelings “ of the audience (Beason 1991; Higgins and Walker 2012, 198).

2.3.3. Logos

Of the three modes of persuasion, logos refers to the reasoning, logic and rationality behind the rhetoric and answers the question of what is stated (Meyer 2017, 4). To simplify, rhetoric of logos aims at persuading intellectually, leaving emotions and general credibility of the character of a rhetor aside. For instance, in a rhetorical text, logos might be composed of presentations of credible facts which are also warranted by citations. In fact, research supports the effectiveness of the use of logos in persuasion as clearly warranted and articulated messages cause the desired action in the target audience more easily (Stiff and Mongeau 2002, 139). In other words, rhetorically strategic choice to include contextually relevant and verifiable facts contribute to logos. Users of rhetoric can also utilize logos by “citing personal experience and providing the credentials and/or qualifications of sources of information” (Hoffman and Ford 2009, 37–38). Also noteworthy is that logos-based rhetoric benefits from the rhetor considering and then refuting views from opposition. This stands as persuasiveness of the messages strengthens when different sides of the idea are conveyed and when the messages “refute the opposing side” (Stiff and Mongeau 2002, 143). In short, by clearly

demonstrating the superiority of one statement in relation to some other, the rhetor prevents the target audience from forming thoughts that might negatively affect the logos-based persuasiveness. An important point to consider is that, of the three modes, logos has most to do with arguments. It can therefore be regarded almost synonymous with logical argumentation (Meyer 2017, 5), which was, as an umbrella term, discussed in more detail in section 2.1.

Logos can be divided into two sub-categories: induction and deduction. Under the former, persuasive reasoning occurs when the rhetor provides such facts to the audience that are commonly accepted but then draws such generalizations and/or conclusions from the said facts that are not. Inductive reasoning must also be based on a sufficient amount of reliable evidence (Hoffman and Ford 2009, 38). A simplified example of such approach to building logos could be the following proposition: As speed bumps reduce speeds (specific starting point), they increase safety on the roads (generalization). Deduction can be viewed as a counterpart to inductive reasoning: Adopting deductive logos means that one begins with a generalization, that has been endorsed by the public, and then applies it to a specific case. Deductive reasoning has much to do with syllogism which follows a structure of major premise → minor premise → conclusion (i.e. $A+B=C$; (see page 7 for more discussion and examples). However, as was also noted earlier when syllogism and its nature were addressed, most of rhetoric does not follow such a formal structure. Instead, an informal one, enthymeme, is present in which at least one stage (often major premise) is missing. The resulting rhetorical proposition is simply assumed to persuade the object(s) as it is (Hoffman and Ford 2009, 38).

2.3.4. Challenges of rhetorical criticism

However, it should be noted that, as with every concept, there are drawbacks when one chooses to analyze a communicative event by focusing on rhetoric. Firstly, from a more general point of view and concerning the whole idea of rhetoric, the audience might not realize that rhetorical, or influential and persuasive, event is taking place. This ignorance renders the rhetoric practiced useless, whether the modes or some other tools are utilized (Cockcroft and Cockcroft 2005, 13). What is more, should the audience respond to the rhetoric utilized, the unpredictability of the response may also have a similar effect; the response can be compliant as well as it can be opposing – and anything in between (ibid.).

An important note also to consider is that persuasive rhetoric consists of contextually appropriate proportions of each mode of persuasion. That is to say, the modes should intersect in the rhetorical

discourse (Drout 2006, 42–45; McCormack 2014, 152–153; Higgins and Walker 2012, 203–206). For instance, if the rhetor utilizes ethos by itself, it may lead to a negative reaction from the audience as excessive subjectivity and lack of expertise may be revealed. This stands as the persuasiveness and attempts to achieve it is fully dependent upon the credibility and character that make up the attractiveness of the rhetor. For instance, should rhetors only rely on their seemingly authoritative title or characteristics in forming the credibility without, say, logos, the audience may call out pretentiousness, subjectivity, and should the title not be sufficient after all, also lack of expertise. In the case of pathos, if a rhetor solely rely on pathos, a result may be that the presented statements are empty. In other words, there is no credibility regarding the author that would otherwise stem from utilizing ethos and/or pathos. Lastly, logos provides the rhetor with a way to persuade intellectually and logically. However, should the rhetor rely solely on logos, the statements may become too impersonal, non-intriguing and confusing or at the worst case false if fallacies occur – all of which undermine the persuasiveness of the discourse. That is to say, the rhetoric is at its most persuasive level when all three modes are utilized together, in right proportions. To conclude the chapter on rhetoric and the section on modes of persuasion, I have visually summarized the relationship between the two in figure 2. The figure has been created based on my understanding and knowledge.

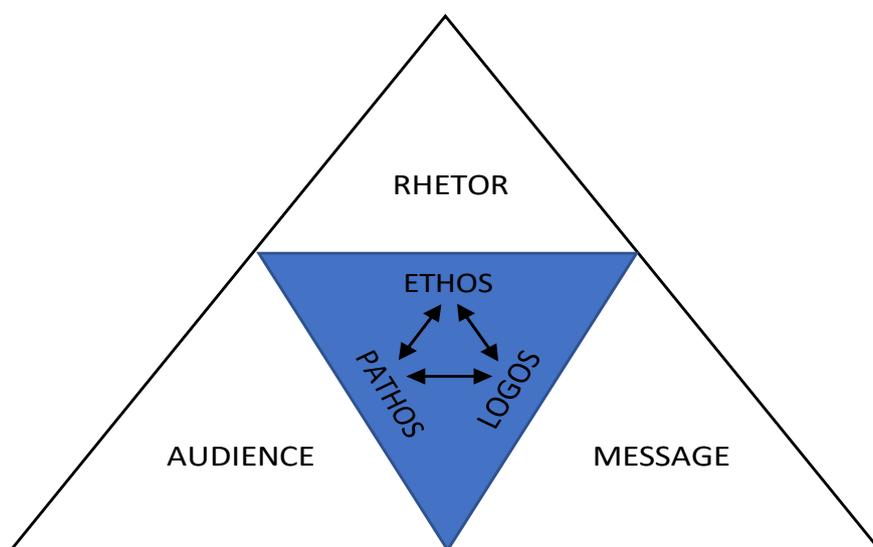


Figure 2 Modes of persuasion in relation to the rhetoric triangle

3. Corporate communication

Corporate annual reports (CARs as they will be referred at times from this point onwards) and CEO letters as their components are part of a larger entity, *corporate communication*, in companies. Hence, I will provide a concise overview on the concept and the relationship between it and CARs.

The reason for my inclusion of corporate communication into this study is to provide more depth into the eventual analysis of the CEO letters. As a CEO letter is a section in an annual report, which in turn is a tool in corporate communication, the findings in the letters regarding rhetorical strategies can be addressed based on this hierarchy. In addition, I will discuss the corporate annual report while attempting to answer the following questions: What components form CARs? What characteristics and functions do these components have? Why do companies publish these documents? These are also the questions to which I will attempt to provide an answer when I move to discuss one component and the main focus of this study, the CEO letter. Lastly, I will go through some previous studies on annual reports and/or CEO letters and connect such studies to my thesis.

Corporate communication, in its core, refers to the processes and operations that manage how the organization, in this case a company, communicates with the parties that are somehow interested and/or already immersed in the company (Cornelissen 2014; 4–5, 276). Perhaps more importantly, however, the companies' visions, strategies and missions are transmitted to the important audiences (Frandsen and Johansen 2014, 223). Thus, in fact, the whole identity, the “uniqueness and reality”, of the company is conveyed (Gray and Balmer 1998, 696). Moreover, the target audiences to which the company image is conveyed are not only literal shareholders but also potential ones as well as groups that contribute to the attractiveness of the public image of the company, such as partners ranging from public organizations to government, media and other companies (Frandsen and Johansen 2014, 223). To put it simply, corporate communication widens the aim of the communication of companies from markets and general public to encompass “*all stakeholder groups on which organization depends, and not just shareholders or customers*” (Cornelissen 2014, 8; emphasis as in the original). The target groups of corporate communication will be discussed in more detail in chapter 3.1. under annual reports. Due to the aforementioned scope of corporate communication, the term *stakeholder* will be used henceforth should there be no preventing reason. The special role of a concrete and a potential *shareholder* will, nevertheless, still be maintained.

Moreover, corporate communication is seldomly, if ever, a result of a single process within the organization. Rather, as Frensdén and Johansen explain, “[the] communication activities are distributed among a series of disciplines, which are selected and combined from company to company” (2014, 223). That is, corporate communication as a strategical practice comprises actions relating to several components, such as communication channels. Each component, then, has differing yet the same end goal of “establishing and maintaining favorable reputation with stakeholder groups” (Cornelissen 2014, 5) as discussed above. The multilateral and interrelated nature of corporate communication manifest in the form of annual reports which will be discussed in chapter 3.1.

The most important and commonly found components of corporate communication are *corporate branding*, *corporate image* and *corporate reputation* (Carrillo et al. 2011, 127). Sometimes, *corporate social responsibility* is also included. Branding refers to “an enduring constellation of perceived attributes for a company, or for its products and services, for which stakeholders hold positive and negative sentiment”, whereas image is a more temporary, immediate perception of a company in a given moment (Carrillo et al. 2011, 128). For instance, the brand of Coca-Cola has been long in the making to be one of the most recognizable in the world, but the image of the company could change in an instant (ibid.). An example of such sudden change is the case of Volkswagen. The globally large and renowned car manufacturer was caught for emission manipulations and thus especially its image was affected negatively. Corporate reputation forms when stakeholders judge the same attributes that form the brand (Carrillo et al. 2011, 128–129; Grau and Balmer 1998, 697). Corporate social responsibility refers to the attempts of companies to meet the social expectations set by the environment (ibid.), by for instance mentioning sustainable policies.

To summarize, corporate communication is a strategic management of communications that is aimed at all stakeholders with the goal of creating value by maintaining and forming new relationships. Corporate communications comprise mainly of four components – brand, image, social responsibility and reputation – that form a base for different types of communicative practices. In the next sections, I will discuss two genres under corporate communication, the annual report and the CEO letter.

3.1. The corporate annual report

In this section, I shift my focus onto the concept of corporate annual report that, as a tool of corporate communication, provides the data for my study. I start by providing an overview of the term. I also give an answer to questions such as what an annual report is as well as why a company makes and

publishes it. In other words, the functions of an annual report will be discussed. I will also discuss other sections found in an annual report to differentiate them from a CEO letter. Finally, I will consider some previous studies conducted on corporate annual reports. However, it should be kept in mind that my focus is in describing the publications from the Finnish perspective as the corporations are also Finnish. This becomes relevant when I later address the legislation concerning annual reports.

As briefly mentioned in the closing remarks of the previous section, corporate annual reports have two major functions. First, they are formal documents that act as *one* means in how the corporations communicate with the public concerning their financial performance and operations in the preceding calendar year (Rutherford 2004, 349; Stanton and Stanton 2002, 478; Schnitzer 2017, 198). The information is, by nature, numerical and narrative, nuanced by pictures (Leppiniemi and Virtanen 2003, 11; De Groot 2014, 240). The other tools for communicating with the public are, for instance, "interim reports, preliminary announcements, analyst presentations, corporate Web sites, media releases [and] direct contact with large investors" (Rutherford 2004, 349). However, they are not under focus in this study. Second, as annual reports can be regarded as "key communication instrument[s]" (Garzone 2004: 314; Schnitzer 2017, 199) for companies, they act as a medium in which the above-discussed features of corporate communication manifest. Furthermore, an important note is that under the viewpoints of corporate communication addressed in the previous section, annual reports are meant to correspond to the functions of corporate communication. That is to say, corporate brand, image, reputation, and increasingly social responsibility are maintained partly by annual reports. Conveying a favorable image of the company is also pursued to secure the current and draw in potential new associates (Garzone 2004, 315; Rännäli 2004, 10).

Relating to their communicative nature, annual reports also play an important role in managing the public image the term *public* in the sense that it is referred here includes not only the current shareholders (while still considered the main target (Kohut and Segars 1992, 7)) but also other already involved investors and/or and stakeholders and potential ones as well. Inclusion of the potential shareholders and stakeholders widens the target audience significantly. For instance, the target audience might include internal stakeholders such as employees and an executive board or external stakeholders such as clients, investors, suppliers, competitors, media, local community, and so forth (Frandsen and Johansen 2014, 223). Annual reports are therefore fundamentally a communicative narrative through which stakeholders receive accurate information (Ditlevsen 2012, 379–380; Leppiniemi and Virtanen 2003, 12).

As annual reports are notable instruments in communication between a heterogeneous public and the company, also the contents of CARs are diverse. This diversity requires providing enough information to stakeholders (not to be confused with actual shareholders) with different points of interest. Consequently, annual reports have several differing sub-sections that serve the higher purpose of conveying information to those concerned but in different ways (Schnitzer 2017, 198–199). Also, as annual reports comprise of various sub-segments and each has a specific function, they are a sum of distinct yet interrelating sections, each of which represents a different kind of text type and sub-genre, that come together to serve a larger yet again different purpose (Garzone 2004, 314; de Groot 2014, 239–241). In other words, a CAR has certain functions, but so does each distinct sub-section.

Yet, Ditlevsen (2012, 379) also maintains, perhaps in a more restrictive manner, that the primary reason for annual reports to exist in the first place is due to legislation concerning business activity. Only after that do they serve as a tool for communication. That brings forth the second major function annual reports have: most Western economies have legislation that requires certain codes of conduct which the companies have to follow. Often, as in Finland, the most fundamental legal principle concerning annual reports is that the information conveyed should be in the spirit of “true and fair view regarding the matters discussed” (Leppiniemi and Virtanen 2003, 11: my translation). In other words, no material misstatements (i.e. critically inaccurate or flawed information) nor untruthfulness regarding the financial performance and the state of the body (i.e. the company) are allowed (ibid.). Additionally, as annual reports also commonly include financial statements (discussed below in more detail), corporations are affected by and must operate accordingly to securities market¹ (i.e. financial market for pursuing ownership of fungibles, say in companies via stocks), community² and accounting laws³ (ibid.). However, one should keep in mind that legislation and the widespread adoption of annual reports in corporate communication are only partly explained by the need to meet laws. After all, for instance in Finland, legislation only concerns a very small percentage of the document, leaving most of its contents to be freely decided and formed by the corporations. Also, “variations in length and specificity of information” naturally appear in CARs (Garzone 2004, 314) between companies both under the same and differing fields as well as between companies from different cultures. The same variability can also be present in CEO letters as the study by, for instance, Rännäli points (2004).

¹ For securities market legislation, see <https://www.finlex.fi/en/laki/kaannokset/2012/en20120746>

² For community legislation, see <https://www.finlex.fi/en/laki/kaannokset/2001/en20010244>

³ For accounting legislation, see www.finlex.fi/en/laki/kaannokset/1997/en19971336

Yet some sections of annual reports are rather constant, ‘obligatory’ in a sense (but not always). Such components are, in addition to CEO letter, the following in short:

- *Description of the company* focuses on describing the blocks that form the entity of an operating business. These blocks include, for instance, divisions, offices and products (either concrete products or abstract services) (Needles and Powers 2006, 49–53; Garzone 2004, 314; Leppiniemi and Virtanen 2003, 11; Rännäli 2004, 9–10).
- *Company report proper* simply refers to the section that includes other directors’ account of the operations (Needles and Powers 2006, 49–53; Garzone 2004, 314; Leppiniemi and Virtanen 2003, 11; Rännäli 2004, 9–10).
- *Financial highlights* often comprises graphs and/or other numerical data and widens the period of time of which the report gives information from the preceding year to even ten years (Needles and Powers 2006, 49–53; Garzone 2004, 314).
- *Management discussion and analysis* is the section where management addresses and discusses the operations of the company and the results of them. Providing reasons for changes in these results can also be expected (Needles and Powers 2006, 49–53; Garzone 2004, 314; Leppiniemi and Virtanen 2003, 11; Rännäli 2004, 9–10).
- *Financial statements* is at the same time the name of the section as it is the name of the document that is required by law. The document, and consequently the section, typically includes a balance sheet, a profit and loss report, a statement of cash flow and equity changes statement (Needles and Powers 2006, 49–53; Garzone 2004, 314; Leppiniemi and Virtanen 2003, 11; Rännäli 2004, 9–10).
- *Auditor’s report* is again the name of both the document and the section it forms. The document is the result of a performed audit and it states the validity of the information presented in the report (Needles and Powers 2006, 49–53; Garzone 2004, 314; Leppiniemi and Virtanen 2003, 11; Rännäli 2004, 9–10).

To summarize, an annual report is both a result of a need of corporations to communicate with a heterogenous public with different interests regarding information and a result of legislation. Beyond being a formal document to meet the legislation, and a more informal document meant to satisfy the informational needs of the stakeholders, however, annual reports have become vital textual media and tools for maintaining favorable corporate brand, image, social responsibility and reputation – corporate identity, so to speak. By upholding these components of corporate communication at a favorable and wanted level in annual reports, internal and especially external stakeholders are persuaded to either stay with the companies or to form new relations that benefit the company. Rhetorical strategies, in this study the modes of persuasion, are thus essential means to reach such persuasion and worth studying.

3.2. CEO letter

It is at this point, that the actual position of CEO (Chief Executive Officer) should be discussed, for

doing that provides a basis for addressing the section of a CAR in more detail in this chapter. Kontes (2011, 4) maintains that the primary responsibility of a CEO is to manage the resources the company has, whether these resources are human (for instance workforce), physical (for instance raw material) or capital (for instance budget) by nature. This management follows the strategies formed by the board of directors to whom a CEO is liable. These strategies, by default, aim at somehow increasing profits in the long run. Hence it follows that as CEOs are responsible for management of resources by following preset strategies aimed at increasing profits, they can also be argued to oversee the financial performance and health of the company.

More specifically, the position can be divided into three more closely related yet different sub-roles as stated by Cohen (2003, 79–80). Each complements the primary role of a *manager* of resources. First, CEOs are key *decision makers* in that they not only manage resources but also steer the operations actively day-to-day to meet the set goals by deciding, for instance, matters relating to the policies and preset strategies of the company. Second, CEOs can be viewed as *leaders* for they “drive change in the organization” as well as motivate personnel and third, and perhaps most relevant to the scope of this study, CEOs can be also viewed as *communicators* (ibid). This stands because CEOs “provide an interface” through which communication is transmitted internally between the board and the personnel as well as externally between the company and the outside world, the latter including all interested stakeholders (ibid.).

The CEO letter (also known by numerous other names but here only referred as a CEO letter to avoid confusion) was chosen as the point of focus. This piece of text often addresses the current situation of the company and the performance (i.e. the financial and operational) of the preceding year as well as the direction towards which the company is heading in the future (Garzone 2004, 321). The text also appears as if it is written the CEO him/herself. This is in contrast with the other sections of the CARs the formulations of which is often outsourced or designated to the internal communication department (Rännäli 2004, 20). A CEO letter is, by nature, rather lenient regarding the style of the text (Leppiniemi and Virtanen 2004, 42) compared to some other sections of the CAR. One should also note that the word *letter* in CEO letter does not describe the section well as it is, by default, “a one-way communication” (Garzone 2008, 179–180) as compared to the nature of a standard letter. In other words, the document is “not meant to evoke a concrete reply from the addressees” (ibid.). The word *letter* thus means ‘message’.

As Schnitzer points out (2017, 204), the CEO letter tends to garner the most attention overall from

the audience as it is a summary of an annual report which is, at times, long, diverse and complex by content. In other words, as many lack the know-how, time and/or other incentives to go through whole of the report, they turn to the CEO letter section (ibid.). Moreover, the CEO letter offers an opportunity to conduct an interesting linguistic study, as the section consists of the words of the person who is mainly responsible for the annual financial and operational performances of the company that form the public image of the company. This, together with the absence of major statutory regulations concerning the section, means that the temptation to communicate with and persuade the public surely increases. For instance, a CEO can comment, present claims, evaluate and report and by doing so, promote the company (Rännäli 2004, 20). Therefore, at least some attempts to influence the public can be expected, as the platform appears ideal to do so. To put it simply, the CEO letter very commonly holds more than meets the eye as their function is more than to plainly provide information. Indeed, out of all the commonly found sections in CARs, CEO letters are considered the most promotional in that they promote the capability of the company to provide value to the key stakeholders (Rännäli 2004, 11). In this characteristic, lies the broad motive for this thesis.

However, one should bear in mind that in most cases the actual CEOs do not themselves write the section of the CEO letter or they are only partially involved (Cross 1990, 174; Cato 1985, 19-21). In other words, the text appears to be in the words of the CEOs but not necessarily written by them. To be more precise, the actual process of writing the section may have been done by professional ghost-writers, whoever they may be. Be that as it may, I do not find this of great importance or impact for my study as I will only conduct this study on the text piece itself and what the genre of a CEO letter holds regarding rhetoric. That is to say, the rhetoric goal of text and the ways to reach that goal remain the same despite the words not being the CEO's own, per se. This stands since the prestige and significance of the position CEO contributes to the fundamentally promotional nature of the section and the CAR.

Concerning the structural elements of the genre of CEO letters, there can be a short preface followed by the actual body text that varies in length, as are the cases with the texts analyzed in this study. More importantly, the possible preface and the first sections of the body text contribute to the evaluation of the performance of the and the precedent year in itself (Garzone 2004, 321). A large part of the text tends to focus on presenting contextually significant and persuasive facts (ibid.). Such facts can be, for instance, references to the financial and operational performance. The genre of the CEO letter usually also includes some sort of a future outlook, where the direction and plans of the company are addressed (ibid.). The structural elements of the CEO letters can be observed in

Appendices 1 and 2.

To conclude this section on the position of a CEO and on the genre of CEO letters, the characteristics of the former manifest in the latter. In more detail, the roles of CEOs – manager of resources and consequently financial performance, communicator, leader and key decision maker – are reflected through the text. The text also functions, in a way, as a summary of the whole annual report. The past (the financial performance of the precedent year), the present (the situation as it stands at the time of the writing) and the future (strategies and visions regarding the days to come) are concisely and creatively addressed in the words of the CEO.

The letter is a tempting and often very successful and important promotional tool even among other sections that bare the same goal. In other words, a CEO letter, together with the entirety of an annual report, create value for the company. This results from not only satisfying the current stakeholders but by also providing the right kind of information in a right way to potential new ones – persuasively, by utilizing rhetoric. Moreover, according to main principles of corporate communication and to the role of annual reports in it, CEO letters contribute to the maintenance and development of the brand, image, and reputation and the increasingly to the social responsibility of the companies. Figure 1 illustrated the overall dynamics of corporate communication and rhetoric (see page 2).

3.3. Previous studies on annual reports and CEO letters

As was discussed in earlier sections, CARs and hence CEO letters have a prominent role as a promotional and value-adding tool in corporate communication. Hence, it is only natural that this prominence has led to both aspects having been studied extensively from various standpoints. In the following section, I will present studies concerning the genres of annual reports, documents similar to it and especially CEO letters. The studies addressed here will provide points of focus and comparison to my analysis.

From a Finnish point of view, the studies are fewer in number which is, as a reminder, also the main reason for my study. Nevertheless, as has been cited number of times already, Rännäli (2004) observed the differences in the use of rhetorical strategies in CEO letters (*Chairman's statement* as referred by her) of CARs of Anglo-American and Finnish companies. She concluded that the use of rhetorical strategies was lesser and more neutral by nature in the texts of Finnish businesses than they were in the texts of Anglo-American companies. In the latter, there were more active and varied

attempts to soften the undesirable financial performances and/or matters in general, for instance, by downplaying them with emphasis on positive aspects. In Finnish CEO letters, the difficulties relating to the financial performance were referred only shortly and plainly. As CEO letters from CARs of Finnish companies are studied also in my thesis, I will observe whether the modes of persuasion correlate to the abovementioned findings by Rännäli. For instance, in Finnish CEO letters, which modes form the plainer references to the undesirable financial performance and to the positive aspects that downplay and with how much emphasis.

Higgins and Walker (2012) observed in their study how ethos, pathos and logos contributed to the presentation of corporate responsibility in discourses of social/environmental reports in New Zealand. Similarly to my thesis, the pair utilized close reading method and concluded that the modes intersected with each other in multiple occasions and they contributed to making the texts compelling and convincing, hence rhetorical. Also, Judd and Tims (1991) show that while the section is included in a CAR, a large proportion of (manufacturing) businesses ignore the potential of a CEO letter in communicating customer commitment. Hence, the studies by Judd and Tims as well as Higgins Walker provide an incentive for me to observe a) whether the rhetorical modes intersect frequently and b) whether there exists a gap between the potential of the letters to communicate customer commitment and the situation in reality.

In their study, Rezaee and Porter (1993) observed how the annual report has shifted from a more complex type (a traditional annual report) to a more condensed one (a summary annual report). In this way, companies could utilize the full promotional potential the document has. It will be interesting to observe in my thesis whether the CEO letters follow the same trend by, for instance, containing references to many different, relevant topics that are addressed in the rest of the annual report. From a standpoint of rhetorical strategies, the topics presented in a CEO letter could hold rhetorical value as they have deemed worthy of emphasis by including them to the letter. Somewhere in the middle of the abovesaid types of CARs stand Herramans and Ryans (1995) who remained doubtful in their study about the value-adding and promotional potential that CARs really hold. This stems from the diverse target audiences. The diversity leads to an issue where the report needs to satisfy both extremes of the spectrum, those with more profound knowledge and those with less. In chapter 7, I touch the matter and observe how the rhetoric in the letters might or might not correspond to the doubts of Herramans and Ryans.

Subramanian, Insley, and Blackwell (1993) observed the performances of companies in comparison

to the readability of CARs. Their findings implied that the annual reports addressing a good financial performance were easier to read than those that discussed a poor performance. Their findings were very much connected to the use of passive and how its more complex structure effects to the readability of the text itself. Hildebrandt and Snyder (1981) studied the relative proportions of positive words in relation to negative ones in a rhetorical discourse. The researchers came to a conclusion that corresponded to the *Pollyanna Hypothesis*. The hypothesis suggests that regardless of the situation, humans have a tendency to use positive words which, as more pleasant than negative words, will be recalled better (ibid.). Hence, the language in the corporate annual report will be predominantly positive even if the financial performance of the precedent year was undesirable. The uses of both active and passive voices as well as positive and negative words are observed in this study and the findings will be compared to the findings by Subramanian, Insley and Blackwell as well as Hildebrandt and Snyder.

Garzone (2004) focused on ten CEO's letters in English from Italian companies and ten from other European and American businesses. The purpose of analysis was to observe the rhetorical components and the cultural markedness present in the text pieces. The results of the study state that the most frequent words that are present in the text samples were the pronoun *we* and the determiner *our*. Both words contribute to the contextuality of the texts in that their role, according to Garzone (2004), is to involve the target audiences through communications. Also, the findings of Garzone's study (ibid.) concerning involvement of the target audiences will be compared to the results of this thesis. As one of the key functions of corporate communication, and hence CARs and CEO letters, is to maintain existing and developing new relationships with target audiences, inclusion of them is likely to occur in the Finnish CEO letters, as well.

4. Approach and method

This study will be conducted from a qualitative point of view. Under this research approach, the general method of close reading is combined with the more specific standpoints of the rhetorical criticism. Moreover, the rhetorical constituents under focus in this study are linguistic and will be addressed more specifically under this section.

In this chapter, I provide an overview regarding the concept of *rhetorical criticism* as well as which perspective under this general approach I employ. Furthermore, I will also concisely touch the concept of close reading method. Finally, genre criticism is addressed, which I will use to set a context for the aforementioned combination of analyses. To put it simply, the approach and methods in this study can be thought to form a reversed triangle where qualitative research stands the highest, followed by close reading method, after which comes genre criticism and finally rhetorical criticism.

Close reading method, under a qualitative research, is understood here as a broad action that entails careful investigation of a text piece in order to reveal the constituents of it that create meaning (Ruiz De Castilla 2017, 136). The meaning sought after in this study is a persuasive effect. Rhetorical analysis, or rhetorical criticism as it is also known and henceforth referred to, closely connects to close reading method. Both entail the processing of a text by careful reading as is illustrated by the steps for rhetorical criticism provided by Zachry (2009), addressed below in more detail. More specifically, rhetorical criticism refers to the process of classifying, analyzing, interpreting and evaluating selected rhetorical instances (Zachry 2009, 67; Kuypers 2009, 13). Rhetorical criticism focuses on these particular communicative instances from a viewpoint of symbols and components (Medhurst 2014, cp. 10) that can be observed in combination or isolation (Zachry 2009, 69). To exemplify, in this linguistic study, the artifact is a piece of text (a CEO letter) and the isolated and/or combined symbols are words that further make up structures, such as phrases, clauses and sentences. The linguistic elements under focus will be addressed in more detail later on in the section. All symbols combined, then, form persuasive discourses. Moreover, as the rhetorical instances or the processes behind them concerning “meaning, implications, or significance” are seldomly transparent (Zarefsky 2008, 633), there is a need for rhetorical criticism. That is, it is only after utilizing rhetorical criticism that one uncovers how the rhetorical instance is meant to persuade the audience (ibid.). In addition, through rhetorical criticism it is also possible to address the usefulness of the gained

knowledge on how the rhetoric is formed in the instances under observation (ibid.). For instance, the analyst may reveal a pattern of rhetoric that can be argued to be especially persuasive and hence successive one.

Broadly, rhetorical criticism can be seen to follow a sequence of four actions by the analyst. By following the simple model provided by Zachry (2009, 70), this sequence starts by *identifying* the artifacts, in this case CEO letters and their rhetorical constituents (discussed in more detail in chapter 6). After identification an analyst should *categorize* the studied instances in accordance with their types and purpose. As has been discussed earlier, CEO letters have a promotional, value-adding, purpose that corresponds to the body of which they are part. The process of categorization is followed by *searching and identifying* the different constituents that are found in the text and possess rhetorical potential. To end the sequence, one ought to “interpret and discuss one or more configurations of the parts and/or whole of the text [...] in relationship with some overarching theoretical concept(s)” (Zachry 2009, 70). In my thesis, I regard the overarching theoretical concepts as ethos, pathos and logos that comprise of parts of the text that I aim to uncover and analyze. The reason I chose Zachry’s view on rhetorical criticism is due to its simplicity and rigor, considering the steps that enable thorough enough study on rhetoric.

As a rather multilateral concept, rhetorical criticism holds several theoretical perspectives. Thus, the outcome of the study is greatly affected by the choice which perspective to adopt. The two main perspectives addressed here are *traditional* as well as *neo-rhetorical* (Zachry 2009, 70). Traditional, or neo-Aristotelian, theoretical perspective on rhetoric draws heavily from the early stages of rhetoric, especially from the works of Aristotle. Advocates of traditional rhetoric, despite its significance diminishing as neo-rhetorical perspective has gained prominence, may be drawn towards this perspective due to its ideas that audiences are persuaded through discourses and that from these discourses one is able to separate and study the constituents that evoke persuasiveness (ibid.). As such, traditional rhetorical theory correlates to the discussion about the nature and definition of rhetoric earlier in this paper (see 2.2.). The traditional rhetorical perspective regards the audience mainly as a target, not a participator per se. This does not, however, mean that the view completely dismisses it as successful rhetoric always requires acknowledgement of the context that often is the audience. As McGee argues in his article (1975), persuasion demands a common ground between the rhetor and the audience (‘the people’, as referred by him). Only after the common ground, such as financial facts, references to emotions and/or character of the rhetor, has been accepted by the audience in the given context, will the persuasion become successful.

In addition to the traditional perspective, rhetorical criticism also entails a theoretical approach that aims to broaden the former – a neo-rhetorical perspective, or, New Rhetorics. According to the advocates of neo-rhetorical perspective, the traditional rhetorical criticism pays too little attention to the context as well as the audience, the latter as no more than a target of persuasion (Benoit and Smythe 2003, 96). New Rhetorics tends to study rhetoric from a more interdisciplinary and social standpoint and include the audience into the rhetorical process. The scope of the neo-rhetorical perspective is to regard rhetoric as an all-embracing “social force that can organize communities, structuring their beliefs and values in ways that allow them to pursue ethical goals and to live a common good life” (Ritivoi 2015, 706–707; Van Eemeren et al. 2014, 262–266).

However, regarding the nature and scope of this study, also the perspective of *genre*, or *generic criticism* is applicable. According to this perspective, the analysis of the rhetorical artifact is based on the idea that “a critic can use genre conceptions both to explain why a given work has the shape and content it does and to evaluate that work by comparing it to others of the same generic class” (Conley 1979, 49). *Genre* refers simply to a category. More specifically, a genre consists of a concentration of linguistic “modes of interaction” that comprise “conceptualizations of language forms” (Fisher 1980, 291). Furthermore, by applying generic criticism as a method to analyze rhetoric, the result of the processes of explaining, evaluating and comparing the artifacts of the same class reveals why and how the studied artifact is persuasive.

In this study, I resort to the traditional perspective on rhetoric in the analysis of the data. It enables me to investigate the constituents that form the persuasive nature of CEO letters. Furthermore, despite of the critique towards this perspective regarding its tendency to consider the audience only as a target in the rhetorical process, the traditional perspective does recognize the need for the rhetor to match the rhetoric to the characteristics of the audience. The traditional perspective also maintains that the context must enable a free choice to either accept or reject the persuasion attempt(s). My choice is also to do with the fact that I have no means to include audience(s) of the CARs into my study. Moreover, I will combine the traditional perspective with that of generic criticism. This combination enables me to both study the genre of CEO letters as parts of the larger genre of annual reports as a whole as well as uncover why and how the chosen artifacts are persuasive, or, rhetorical.

In addition, when discussing a given text sample and presenting findings, I will move from a broad to the most specific level. These levels range from the overall choices for the structure to active and

passive voice and finally to lexical choices in the most specific end. In addition, I attempt to connect the modes of persuasion to each level and exemplify how they manifest. Moreover, I will address the levels under my focus below in order to avoid excessive repetition with each letter. In other words, in so doing, I can connect the modes of persuasion to the text through examples in a straightforward fashion since the general base has already been laid.

First, starting from the broad end, I will search and identify references to the *operational* (or, *non-financial*) or to the *financial performance*. The genre of the CEO letter tends to address the past (year), the present (situation) and the future (outlook) of the company from those financial and operational viewpoints (see 3.2.). In either case, the two types of references are relevant to the rhetorical value of the text. Operational allusions can be thought as constituents in the text that, while not addressing the main role of the company in profit maximization, still bring value – vital information – to the stakeholder by maintaining the favorable brand and image of the company. To exemplify, in a case of an undesirable financial year, the rhetorical choice of mainly focusing on rather neutral or even positive operational aspects enables the avoidance of addressing a financial negative performance. As the purpose of the CEO letter is to persuade the reader, the rhetor must take the audience into account, who in this case seek value in some shape or form.

Hence, it also follows that the financial references are used as a rhetoric means when they will have a positive persuasive effect. Financial references, thus, may be stressed when a CEO letter addresses a financially positive year, since it contributes to the main role of the company in profit maximization and value creation. In addition, references to financial performances can be divided into indirect and direct ones. For instance, a reference to the profit made by the company in a form of a, say, percentage would be a direct one. An indirect financial reference would be one where, for instance, sales figures are addressed since they do not imply a desirable or an undesirable financial performance by themselves (more detailed discussion follows in chapter 5). In other words, the division between direct and indirect financial references depends on how well one can pull conclusions from them regarding the financial performance of the company. Nevertheless, operational and financial references share factual nature, and contribute to the genre of CEO letter as a summary of the information that is found in rest of the annual report. Finally, as one of the tools in corporate communication, a CEO letter is used to convey the companies' visions, strategies and missions to the relevant instances (Frandsen and Johansen 2014, 223). It can be argued that the financial and operational references contribute the all three points. Hence, both types of references can be regarded as rhetorical constituents.

In addition, active voice enables the rhetor to paint vivid and immediate pictures of people (or things) doing something as it denotes agency and emphasizes the doer of action (the subject). In contrast, passive voice enables the rhetor to avoid assigning or taking responsibility by omitting the agent all together while still emphasizing the action or the instance being acted upon even if the agent is included. In CEO letters, both active and passive provide rhetorical value. Yet, due to their differences, it follows that they are utilized differently when a certain picture and resulting effect is pursued in the text. As Thomas maintains (1997, 52–53), active voice enables an image of a proactive and properly ambitious company amidst the market. In contrast then, passive voice distances the rhetor from the message as implied above (*ibid.*). Hence, the voices also correspond differently to the modes of persuasion. For instance, should CEOs want to directly refer to their character and credibility in their letters to stakeholders and thus build ethos, passive voice would not be the best alternative as it leaves out or blurs the doer of action. However, ethos could also be achieved through passive voice if it is used to for description, say, of the financial year which then contributes to the credibility of the rhetor. On the other hand, active voice provides more options for the rhetor utilizing ethos. For example, in CEO letters, active voice in first person may engage the audience to be persuaded as CEOs themselves seem to address something from their own point of view. Moreover, as Subramanian, Insley, and Blackwell (1993) maintain, a text addressing a poor financial performance will be more complex to read in a fairly large part because of the use of passive voice and its more complex structure. Hence, it will be in my interest to see, for instance, whether passive voice is used more in letters discussing undesirable financial performances and active voice addressing desirable ones.

In the most specific end, there are lexical choices that can be seen as persuasive. Their rhetorical potential has been recognized, for instance, by the formation of Pollyanna Hypothesis which states a tendency of humans to resort to the use of positive words despite an otherwise negative situation (see page 23). Moreover, words comprise larger bodies with additional rhetorical value. The references to operational and financial performances are considered as those larger bodies in this study. My intention is to mainly analyze individual words and their rhetoric value in a straightforward manner due to the guidelines and limits of this study. Concerning the triad of rhetorical appeals, lexical choices can present any of the three. For instance, in addition to logos and ethos that were briefly discussed above, a word can also appeal to emotions of the audience (*pathos*) (Waddel 1990; Lindquist, McCormack and Shablack 2015).

5. Data

As already discussed (in chapters 3.1. and 3.2.), corporate brand, image, social responsibility, and reputation are maintained partly by annual reports. As the main purpose of businesses can be argued to *maximize profit* and thus *create (maximum) value for shareholders* (Friedman 1970), financial performance is tightly connected to all four aspects and lays a ground for them. In this study, the main point of interest is in locating and analyzing the rhetorical constituents in CEO letters that concern the financial performance by, for instance, amplifying or downplaying it.

However, while I accept Friedman's notion of the utmost importance of shareholders, I reject the idea that they are the only instance the company should care about. I will follow the view under corporate communication which highlights the importance of all stakeholders yet recognizing the special position of the shareholders. In addition, due to the increase in social consciousness in current times, there is also a widespread consensus that value is not measurable only in concrete wealth (Dimitriades 2002). Rather, it is also measurable in social issues that intersect with the operations of the company and hence are addressed by the business, as Porter and Kramer (2011) maintain in their article on a theory of *Shared Value*. In this study, therefore, the amplifying and/or downplaying factors towards financial performance include non-financial matters even though the issues relating to financial performance are considered superior.

The data will be gathered from annual reports of major and well-known Finnish publicly quoted corporations (i.e. shares of companies are traded in stock markets) due to apparent lack of studies conducted from this point of view. These corporations are *Metso*, *KONE Corporation*, *UPM-Kymmene Corporation* and *Neste Corporation*. It should be noted that the list of choices for data is limited as some major and well-known Finnish corporations provide CARs to the public only through inquiries, the publications are limited to the most recent years and/or in some cases the section of CEO letter is left out. Also, limits set for this study rule out larger data. Nevertheless, the final number of CEO letters chosen for this study will be eight; four addressing desirable and four relating to undesirable years of financial performances. In addition, the global statistics provider Statista as well as the financial information provided in the web pages and/or in the actual annual reports of the companies have been used in selection of the CEO letters. I shall mention, with every text piece addressed, from where and what kind of information was gathered for selection purposes.

With KONE, I have chosen to study the CEO letters addressing the years 2005 (303 words) and 2006 (627 words). The lengths of the two texts have been put into parentheses as is the case with the other letters that now follow. CEO letters addressing the years 2008 (450 words) and 2009 (592 words) were selected from Metso. Concerning UPM, the years 2009 (498 words) and 2017 (781 words) were chosen. From Neste, I opted for the years 2008 (1060 words) and 2013 (1386 words). However, I address the more specific details, that I used to choose the years, under each sub-chapter. Moreover, in this case and in the rest of the thesis where certain words in the letters have been counted for illustrative purposes, I have used the freeware, browser-based word counter *Word Count Tool* due to its extensive features.

Regarding the material and thus the data, I consider two unfortunate shortcomings present in this study worth noting. The first one relates to the means I have used to differentiate between desirable and undesirable financial years of the companies. I have had to, in some cases, utilize numbers that would not normally be the most optimal ones to conclude on desirable/undesirable financial performance. More precisely, I would optimally utilize *net* or *operating profit*. The former refers to subtracting all costs from the business from gross profit, that is the difference between “revenue from the sales” and “the costs of production” (Cohan 2003, 357). The latter, on the other hand, reveals the share of earnings before interests and taxes (EBIT) (Cohan 2003, 144). Adjusted version would be earnings before interests, taxes and amortization (EBITA) or depreciation (EBITDA) added. However, I have had to, in some cases, resort to *net income*, which is broader and more directional. It refers, without relativity, to the profit of a financial year after all costs, such as taxes, are taken out (Darnay and Magee 2007, 772). However, under the circumstances of this study, I consider the term adequate for use as a last resort. Moreover, I have opted to use word choices ‘undesirable’ to depict poor and challenging and ‘desirable’ to describe good or promising financial years. The word choices enabled me to deal with the situations where optimal figures for choosing the data were not found. As mentioned in the first paragraph, the main goal of a business is to maximize profit and stakeholder value along with it. Thus, a desirable financial year would be one with as high of a net or operation income as possible. An undesirable year would present the opposite.

The second shortcoming relates to the apparent inconsistency and broadness in the chosen years of the annual reports since not all chosen CARs are from the same years. However, it is quite natural that the nature (i.e. objectives, size, field of operations and so on) of the company determines desirable and undesirable financial performances. That is to say, if one corporation has performed poorly,

another one from a different of even from the same field might have performed better in the same year(s). For instance, not even the global financial crisis of 2008 necessitated that all companies performed poorly during that year.

I have now taken the two shortcomings into account. I have also concluded that, while they might have an impact to the credibility, they do not prevent me to successfully conduct this study. My purpose, after all, is first and foremost to conduct a study through rhetoric and linguistic instead of a business point of view. The latter serves major yet only supportive role.

6. Analysis

In this chapter, after now having laid out a theoretical and factual base, I will proceed to analyze the CEO letters and linguistic constituents found in them. These points of focus, per discussion in chapter 5, will be from broadest to most specific the use of direct and/or indirect financial as well as operational (non-financial references; the use of active and passive voice and finally lexical choices. All three levels of can be thought depicting the three modes of persuasion – ethos, pathos and logos – in organizational rhetoric.

The structure of the chapter is as follows. I will cover the five letters concerning undesirable and desirable financial years. Moreover, I have opted to address the letters as well as compare the findings one company at a time for the sake of clarity. In other words, a subchapter is dedicated to each company under which the letters regarding undesirable and desirable financial years are studied. In each case, I begin with the former. Second, I will conclude the chapter by concisely recapitulating the analysis and the findings.

6.1. KONE Corporation

KONE Corporation is a global Finnish manufacturer of elevators, escalators and doors and provider of maintenance and surveillance services (KONE 2019). In its fields, the company is one of the market leaders. What follows are analyses of the CEO letters from the annual reports of 2005 and 2006. Based on the figures given in the annual reports, the year 2005 saw a drop of 34 % in its net income compared to the previous year (KONE 2006). The year 2006, on the other hand, was an immense success where the net income rose by 115 % from 2005 (KONE 2007). Both figures here were regarded as contextually significant differences and the selection of the years was based on them.

6.1.1. Year 2005

KONE's corporate annual report 2005 can be found through the websites of the company. Henceforth, all analysis is based on and quotations taken from the CEO letter found in the document (KONE 2006, 6). In the text piece, the CEO of KONE at the time and the face of the rhetoric in the text, Antti Herlin, reflects on the overall performance of the company. In the text, from a more general point of

view, there is a clear focus on operational aspect as the changes in the organization structure and operations of the company are emphasized. This is done on the expense of references to the financial performance. To demonstrate, firstly, the short preface to the letter addresses the year as “a remarkable one for KONE and its stakeholders [...]” (KONE 2006, 6). However, it is remarkable mainly due to the abovementioned changes, as becomes evident in the rest of the preface. There, the demerger into two companies, newly redefined strategy as well as the new President are addressed:

- (1) From a shareholders’ perspective, one of the most significant events was the demerger of the company into two separately listed corporations. KONE, which has refocused on the elevator and escalator business, successfully redefined its strategy under the leadership of President Matti Alahuhta. (KONE 2006)

In the body text, examples of the emphasis on operational rather than financial performance continue as the focus points presented in the preface are addressed in more detail. For instance, the successful demerger of the original company into two, KONE, under focus in this study, and Cargotec, was referred as having been “extremely successful from both our company’s and our shareholders’ points of view” (KONE 2006, 6). Moreover, the redefinition of the operation strategy of KONE “and main targets for change were defined during the early spring, and the company’s operational model was revamped to provide better support for the new strategy” (ibid.). In addition, the change of the presidency took place “at a very challenging time, when pressure for change was created by both the global competitive environment” (KONE 2006, 6). Finally, the genre of CEO letter often provides guidelines regarding outlooks for future of the company (see 3.2.). Hence, Herlin also addresses that “KONE’s outlook is, at the beginning of 2006, much better than it was a year ago” (ibid.).

There is, thus, a clear lack of references to the financial performance in the text sample. In fact, there were only two *direct* references to the financial performance:

- (2) [P]ressure for change was created by [...] certain internal forces that had weakened our growth and profit development (KONE 2006, 6).
- (3) The growth and profit development achieved during the year create a strong foundation for reaching the targets set according to the new strategy (KONE 2006).

In addition, there is a strikingly comprehensive discussion from Herlin’s part regarding shares of the company. While shares are tightly connected to the financial performance of a publicly quoted

company such as KONE, matters related to them do not always correspond to the said performance. In other words, a tough financial year does not automatically translate to a poor performance of the company in the stock markets. Therefore, references to shares are considered here as *indirect* allusions to the financial performance. The whole discussion on company shares is as follows:

- (4) The share price development of both companies following the listing reflects investor confidence in the future of the companies. The KONE share increased in value nearly 50 percent after the demerger. KONE remains among Helsinki Stock Exchange's 10 largest companies by market capitalization, and its class B shares are among the most actively traded stocks. To support the liquidity of the shares, a 2-for-1 stock split was implemented in November 2005. (KONE 2006)

In the example 4, there is little base for conclusions about the financial performance. The segment can be argued as being a rhetorical choice to present the trust of the audience (i.e. the shareholders and investors) in the company even in more difficult times. This is also directly stated in the text as “[t]he share price development of both companies following the listing reflects investor confidence in the future of the companies” (KONE 2006, 6).

The abovementioned examples in mind, *logos* is the dominant appeal in both operational and financial references. As its persuasion value is based on factual reasoning, *logos* brings sturdiness and straightforwardness to the text. As a result, the audience is less likely to reject its rhetoric persuasiveness. There is, however, a noticeable absence of *digits*. Only two such instances can be found, and they refer to the financial performance indirectly (see example 4). First, it is stated that “[t]he KONE share increased in value nearly 50 percent after the demerger” (KONE 2006, 6). Second, it is maintained that “KONE remains among the Helsinki Stock Exchange's 10 largest companies by market capitalization” (ibid.). In both cases, *digits*, as a form of statistical facts, are used in cases where they strengthen an already positive statement. However, as the text addresses a year of poor performance, there were surely difficulties in finding *digits*, that strengthen the persuasiveness of direct financial references in the context, such as those relating to EBIT or income forms.

Both active and passive voice are utilized in the text. The emphasis, however, is clearly on the former. In fact, the emphasis on active rather than passive voice makes the latter stand out. There are, in total, only three uses of passive voice (emphasis added):

- (5) To support the liquidity of the shares, a 2-for-1 stock split *was implemented* in

November 2005 (KONE 2006, 6).

- (6) [...] [P]ressure for change *was created* by both the global competitive environment and certain internal forces that had weakened our growth and profit development (KONE 2006, 6).
- (7) KONE's strategy and main targets for change *were defined* during the early spring, and the company's operational model *was revamped* to provide better support for the new strategy (KONE 2006, 6).

Moreover, the examples above, in which passive voice has been utilized, address mainly the hardships of the company in 2005, both directly (*profit development*) and indirectly (*growth*) in example 6 and indirectly in example 7. In addition, in example 6, the agency in the passive is brought forth. Yet, the agent is rather broad and abstract as to downplay its significance while still acknowledging it. Example 5 seems to mainly refer to the financial performance indirectly and emphasize a taken action.

Active voice in the letter, on the other hand, is used to cover all other topics but not the undesirable aspects. Furthermore, active voice is used in either first or third person. Most of the text is written in third person in an explanatory, descriptive and formal style. What is more, the abundant use of third person can also be seen as a factor that contributes to the ethos of the text. For instance, the rhetor uses logos through third person in the text which contributes to the trustworthiness and competency as dimensions of ethos (see page 10). Also, three active sentences with five instances of first person and determiners relating to first person stand out as listed below. They bring attention to Antti Herlin, the CEO and engage the reader to be persuaded through his credibility and character as an individual, in the end, responsible for the performance of the company (emphasis added):

- (8) *I* am pleased to confirm that KONE's outlook is, at the beginning of 2006, much better than it was a year ago (KONE 2006, 6).
- (9) *I* would like to thank both the new President and *our* employees who energetically embraced the change program (KONE 2006, 6).
- (10) *Let's* continue in *our* determined efforts to implement change in the coming year as well (KONE 2006, 6).

For instance, in example 8, ethos is comprised together with logos as the rhetor's credibility is based on not only his position in the company but also on the facts that can be found in the report itself. In example 9, in addition to logos (relating to the presented fact about the embrace of the change

program), ethos is achieved by referring to the similarities between the rhetor and the target audience. In this case, and per the multiple functions of annual reports (see section 3.1.), the primary audience of this remark is the staff of the company as being a stakeholder group. In example 10, however, the audience seems to be both shareholders *and* stakeholders as both are key support for the company. What is more, active voice manifests when such audience-inclusive personal pronoun as *I* (occurs two times) and the determiner *our* (occurs five times) are used. Also, the abbreviated phrase *Let's* (i.e. *Let us*) constitutes as a rhetoric, inclusive use of active voice.

Finally, in addition to the personal pronouns and determiners addressed above, there are lexical choices, that can be seen rhetorical in their context. The other lexical choices similarly evoke emotions, or pathos, in the audience. First and foremost, the text contains only two negative words, which is striking considering that the year 2005 saw an undesirable performance from the company. The negative words are *challenging* and *weakened*. In their context, however, even their negative affect is diminished by other rhetorical choices. For instance, while the pressure for the changes in the operations was caused by “both the global competitive environment and certain internal forces that had weakened our growth and profit development” (KONE 2006, 6), it is not only the passive voice but also the broad, distancing lexical choices (i.e. “certain internal forces” and “the global competitive environment” (ibid.)) that downplay the negativity and perhaps hence also their counter-persuasive effect.

In contrast to the scarcity of negative words, there is an abundance of words that denote positivity in the context they stand. Such words include *remarkable, successfully, successful, investor confidence, increased, largest, actively, support, better, pleased, better again, embrace, energetically, growth, profit development, strong, foundation, reaching, new* and finally *determined*. Moreover, some are also determined by superlatives (e.g. *most actively*) or complemented by adverbs (e.g. *extremely successful*) or prepositions (e.g. “among the [...] largest” (KONE 2006, 6)). Hence, the proportional difference between the positive and negative lexical choices imply that relying on positive words is an attempt by the rhetor to de-emphasize negativity in a context that is at least somewhat negative (i.e. description of financially undesirable year).

6.1.2. Year 2006

The year 2006 was quite successful compared to 2005, and the rhetoric in text piece is also different. The position of the CEO, in contrast to Antti Herlin from the previous year, has changed to Matti

Alahuhta. Furthermore, the CAR can be found through the website of the company. All analysis and the related quotations henceforth are based on its CEO letter (KONE 2007, 9–10).

Similarly to the letter from the previous year, rhetoric through references to both operational and financial performances is strongly present in the text. Also similarly, the emphasis is on references to the operations of the company. Moreover, as a possible consequence from the change of the CEO and his preferences as well as from the financially solid performance, the letter addressed is considerably longer (measuring in 627 words compared to 303 words in the letter of the previous year). Consequently, a number of operational (or non-financial) references are present. Demonstrative examples include: the revision of company's strategy two years ago; the success in making the company "more customer-driven and sharper and competitive in terms of product competitiveness" (KONE 2007, 9–10); strengthening sales network and management; applying new tools for customer activities; introduction of "global customer relationship management system" (ibid.); application of e-business solutions; "development of product and service portfolio; improvement of cost competitiveness of the products; "the KONE InnoTrack™" innovation et cetera (ibid).

While the emphasis is on describing operations, financial references are nevertheless present. However, they number in only four. This low number is perhaps a bit surprising considering that year of 2006 was significantly more desirable from a financial point of view:

- (11) We also set our business targets at a clearly higher level (KONE 2007, 9–10).
- (12) Our business growth, in terms of both sales and especially orders, outperformed the market growth (KONE 2007, 9–10).
- (13) Our profitability improvement in the past year surpassed even our own forecasts to some extent (KONE 2007, 9–10).
- (14) Also our cash flow developed positively (KONE 2007, 9–10).

However, there are, as a point of interest, forecasts that relate directly to financial aspects regarding the year 2007. Hence, they act in the same persuasive way as those concerning the past year by taking into account their role of bringing value to the stakeholders:

- (15) In 2007, our objective is to continue growing faster than the market, while also

further improving the profitability of our operations. Our long-term goal is to systematically develop a KONE that will be as strong as possible in terms of both market position and profitability. (KONE 2007, 9–10)

In addition, such indirect references to financial performance as the stock matters in the 2005 CEO letter are absent. In fact, there are no indirect references whatsoever. In addition, statistical and/or numeral facts as basis for the rhetoric are also absent. As a result, logos in the text consists mainly of descriptions of the operational activity of KONE in 2006, moderately strengthened by direct financial allusions. The reason for the apparent scarcity of financial references may be that there is no need for highlighting successful profit maximization or financial value to the shareholders as such facts are easily locatable in the section of, say, financial highlights. In such case, there is also less need for the rhetor to use direct or indirect financial references. Rather, logos-based rhetoric in the text appeals to the current and potential shareholders as well as stakeholders by providing value to them through a notion of an active, innovative company in which it would indeed be worth investing at the point of writing and henceforth.

As was the case in the CEO letter from 2005, logos also contributes to ethos in the currently analyzed text. Ethos is strengthened again through presented facts amplifying the conception of a trustworthy and competent writer – the CEO, in this case. However, a differentiating element between the two texts is that while the year 2005 was addressed through *both* active and passive voice, the latter having been used mainly to cover negative sentiments, Mr. Alahuhta addresses the year 2006 entirely through active voice. This can be seen as a rational, rhetoric choice as active voice highlights the doer of action and there is no reason to avoid assigning or taking responsibility through passive voice. Consequently, some of the subjects of the operational references (see the first paragraph on page 38), as signs of an active business, are stressed as they fill the role of semantic agent and/or grammatical subject in the sentence. For example, it is “[t]he strengthening of the product portfolio” that “positively influenced our order intake” (KONE 2007, 9–10). Also, “[t]he new technology” is the factor that “benefits the customer by making the installation of autowalks easier and more flexible, and more economical in terms of building costs” (ibid.).

Moreover, relating to the use of active voice, first person and related linguistic options are widely used as a constituent of rhetoric. In total, the first-person plural *we* is used 21 times compared to naught in the letter from the previous year, the first person singular *I* two times similarly to the text from 2005 and the determiner of possession *our* 31 times compared to the five times it was used in the letter from the previous year. Furthermore, while the word choices *our* and *we* refer to the

company as a whole (Garzone 2004), the rhetor included, they also incorporate the audience. After all, out of the targeted audience, the current shareholders and investors already possess, and potential ones could in the future, ownership in the company. Moreover, other stakeholders, such as the staff, are a key part of the base of the company, thus also worth incorporating. Hence, the words *we* and *our* seem to acknowledge the relevant stakeholders' role in the financially successful year. In addition, in the sentence "I am happy that our employees have enthusiastically taken up these challenges" (KONE 2007, 9–10), Matti Alahuhta, as a significant figure in the company, recognizes the importance of the employees in the success of the company. Active voice in this case enables formal and vivid factual description of the successful year, with references to mainly operations, which then increases logos of the text. Moreover, logos then contributes to ethos, the general credibility of the rhetor as was the case in the letter addressing the year 2005.

Moreover, in active voice, the substantial use of the personal pronoun *we*, complemented by *I*, and related determiner *our* have created foundation for pathos. Lexically, the foundation is further amplified by the lack of negative words. Consequently, the rhetoric incorporation of the audience into the successful year may create emotion of, say, trust or a need of belonging which then causes persuasion towards desired action (such as commitment to the company). Furthermore, it can be thought that both ethos (who is saying) and logos (what is said) contribute to the pathos (to whom is said) in Mr. Alahuhta's, even more so than in Herlin's, rhetoric. Of course, then, pathos also upholds logos and ethos.

6.2. Metso

Metso is a Finnish company of industrial machinery, providing the necessary technology and related services in the fields of mining, aggregates, oil and gas, recycling as well as pulp and paper (Metso 2019). Here, under the observation will be CEO letters from the annual reports of years 2008 and 2009. On the basis of the statistics found in Statista (Statista 2019a) and the annual reports themselves (Metso 2010), year 2008 presents a desirable year as the EBIT increased by 10 % from 2007 and was also 54 % higher than that of 2009. It then follows that 2009 is considered an undesirable year, a decision which is further bolstered by the fact that in 2010 EBIT had risen by 23 %.

6.2.1. Year 2009

The global economic downturn, that begun in 2008 and immediately had a negative impact to Metso,

was fully underway in 2009. As a result, the CEO, Jorma Eloranta, has used similar rhetoric means in the letter. In other words, the focus of the text studied here (Metso 2010, 4–5) appears to be on emphasizing positive aspects while downplaying or avoiding the adversities of the undesirable financial year.

The short preface already suggests such approach through its references to the financial (16) and operational performances (17):

- (16) Despite the turbulence in the global economy, our cash flow in 2009 was strong and our profitability was satisfactory (Metso 2010, 4–5).
- (17) In the long-term, global megatrends support our sustainable, profitable growth (Metso 2010, 4–5).

Financial allusions are also present in the body text. For instance, in addition to the points made in the preface, it is directly maintained that “[a] strong financial position is imperative when it comes to growth investments and distribution of profits” and that the company, despite the apparent year of undesirable financial performance, “maintained a strong financial position by releasing a significant amount of net working capital and by keeping our investments at a moderate level” (Metso 2010, 4–5). Finally, the apparent solid financial situation even after the adversities of 2009 was and will be strengthened as the “long-term profitable growth” of the company and its customers “is supported by global megatrends” (ibid.). Moreover, factual reasoning is also warranted with figures as in the following sentences (emphasis added):

- (18) [...] [O]ur free cash flow was our best ever, EUR 717 million, and our profitability remained satisfactory (Metso 2010, 4–5).
- (19) Last year Metso was a good investment for its shareholders: Total Shareholder Return (TSR) was *197.3 percent* (Metso 2010, 4–5).

However, the audience may have a reason to reject the logos-based persuasion in the financial references. For instance, while it may hold true that the cash flow (example 18) – here apparently meant as free cash flow which simply translates to capital expenditures subtracted from cash from operations (Jensen 1986, 323) – was the best ever the recorded in the history of the company and is a rather good indicator of profitability, the concept by itself is hardly enough to cancel other figures present in the rest of the CAR, that imply undesirable performance. Also, the profitability of the company, while perhaps having been satisfactory as maintained by Mr. Alahuhta, was nevertheless

significantly worse than in 2008. In other words, the logos may be rejected because of the contradiction between the rhetoric of the text and statistical figures presented in other parts of the text and the consequential use of enthymemes (i.e. simply an incomplete factual reasoning, supposed to be persuasive without proper warrant; see more specifically on page 8). After all, logos is based on presenting facts. Therefore, any doubt in the target audience would hamper the persuasion attempt.

Hence, perhaps because rhetorically significant references to the financially undesirable performance have problems with their persuasiveness as pointed above, the main emphasis in the references is on operational allusions. This way, addressing the financial performance can be avoided yet a positive, thus persuasive, image of the situation and the company is still conveyable. For instance, such matters are discussed as adjustment measures taken during and after the challenging year (e.g. continuation of “long-term development programs” (Metso 2010, 4–5)); operational as well as organizational changes during the year (e.g. acquisitions and renewal of operating model) and finally estimates regarding the future (e.g. a globalizing economy, the rise of emerging economies, demographic changes and sustainability as bases for growth).

While the operational allusions mainly constitute a positive image as exemplified above, there are two cases in which the negative matters of the year are addressed honestly. For instance, in sentences “Securing our competitiveness has required the closing of some of our smaller units and sizable personnel reductions in several of our units.” (Metso 2010, 4–5) and “The decisions were unpleasant but necessary [...]” (ibid.), the negative consequences of the year and relating operations are alluded. Still, such honest allusions contribute to the logos of the text. After all, the actions, while unpleasant, enabled the company to maintain its competitiveness. It can be thought that here, all three appeals are at work: logos lays the factual ground, which increases the writer’s authority which together then builds trust in the reader that the action was just, even if unpleasant.

Relating to the active and passive voice, the letter utilizes the former entirely. Interestingly, through active voice, the rhetor in more than few cases reflects the performance of Metso in synergy with the customers of the company. For instance, “[t]he global downturn that began in late 2008 quickly affected all our customer industries all over the world” (Metso 2010, 4–5) on the basis of which also Metso was affected. Also, while addressing the future sights, the writer maintains:

- (20) Even though the market situation will remain challenging at least in the first half of 2010, we are seeing signs of demand picking up and our customers’

capacity utilization rates slowly improving. We estimate that the mining industry and the power suppliers that utilize renewable energy sources will be our customer industries that experience the fastest recovery. Also infrastructure construction seems to be recovering in Asia and in parts of South America. (Metso 2010, 4–5)

In this way, not only logos but also pathos is evoked as the responsibility of the company in its performance is, in a sense, divided and hence, smoothed. Also, again, personal pronouns and related determiners have a strong presence, contributing to the evoking of persuasion-enhancing emotions in the audience and to the character of the rhetor; *our* is found 35, *we* 12 and *us* two times and *I* one time. In the cases of *our*, *we* and *us*, the words are used instead of more neutral and impersonal alternatives such as ‘a company’, ‘a business’, ‘an organization’ or ‘a corporation’. Thus, similarly to other letters analyzed in this study, the

Finally, lexical choices, in addition to the pronouns and determiners mentioned above, are for the most part positive in order to transmit a favorable image of the situation of the company. While such negative words were found as *uncertainty*, *difficulty*, *unpleasant* and *challenging*, their possible negative effects are stymied by positive lexical choices. To demonstrate, closing down some units (negative) is downplayed by securing of the competitiveness as a result (positive). In addition, the decision to close some units (negative, in this context) is softened claiming the necessity of it. Finally, the estimates of a possibly difficult start to the year 2010 are downplayed by predictions that the “customers’ capacity utilization rates [are] slowly improving” and the demand picking up (Metso 2010, 4–5).

6.2.2. Year 2008

In the letter, (Metso 2009, 5), the CEO of Metso at the time, Jorma Eloranta, immediately states that while 2008 was a record and desirable year for Metso financially, the global economic downturn had already had negative effects:

- (21) For the global economy, and for Metso, 2008 was paradoxical. Measured in operating profit and net sales, it was our best year ever. Our operating profit margin rose to 10 percent, which was the target we set in 2006. However, towards the end of the year we had to initiate significant measures to adjust our operations and cost structure to correspond with the quickly weakened market situation. In April, we paid an ordinary and extra dividend totaling three euros per share, but the Total Shareholder Return (TSR) was negative in 2008. Also Metso’s share price development reflected the overall uncertainty in the

markets. (Metso 2009, 5)

- (22) At the moment our focus is on measures to improve our competitiveness, cash flow and profitability. There is a lot of room for improvement, particularly in reducing net working capital and in inventory management (Metso 2009, 5).
- (23) We estimate that Metso's net sales this year will decrease and profitability will weaken from the 2008 figures. However, our order backlog is substantial and our financial situation is stable, so we estimate that profitability and cash flow in 2009 will be satisfactory in spite of the challenging market situation. In fact, the premise of our management is that the company will come out of the global economic crisis stronger and more competitive. (Metso 2009, 5)

The quotations above include numerous, mainly direct but also indirect, financial references. Concerning the former, references to such financial terms as *operating profit*, *net sales*, *operating profit margin*, *profitability*, *financial situation*, *cashflow* and “global economic crisis” bring the financial performance into the forefront. However, not all direct financial references are positive in their context. For instance, whereas *operating profit* and *net sales* are addressed in a positive way, *profitability* and again *net sales* appear in a negative manner. Similarly, positive indirect financial reference to *order backlog* is contradicted by the negative reference to the apparently disappointing share price development. There, then, appears to be a contradiction with the financially solid year and the financial references within the section quoted above. There is perhaps a rhetorical reason for this contradiction. As the writer factually addresses not only the financial performance of the past year (21) and the situation at the time of the writing (22) but also estimates regarding the grimmer future (23) through the references, the shareholders and other key stakeholders could prepare for more difficult times. Hence, they could be persuaded, through the logical reasoning of logos, to a wanted action – to stay involved in or with the company.

In addition, operations of 2008 have also been addressed. In contrast to financial references, the operational allusions have not been used to cover the financial hardships in an otherwise solid year. Instead, the fact-based description of operations appears to lay foundation for the financial references regarding the problems experienced and those that, at the time, awaited in the future. More specifically, while referring to, for instance, the strategy-supporting global megatrends or to the already possessed “know-how, the right technology and a strong local presence” that enables seizing new opportunities, the rhetor persuades the audience to accept that the company is prepared for the more difficult times ahead.

Again, by discussing the year from financial and operational points of view, logos is enabled. Moreover, logos is further strengthened by the fact that only active voice is utilized in the text. This decision naturally highlights the subjects found in the text. As a result, the constituents in the text that convey an image of a prepared company (discussed above) become emphasized since they have the role of the subject in many cases. The four examples below demonstrate how the buffering factors become highlighted with active voice (emphasis added):

- (24) *Urbanization and the general increase in prosperity* are, over the long run, boosting demand for our customers' products.
- (25) However, *our order backlog* is substantial and *our financial situation* is stable [...].
- (26) *Strengthening technology leadership* and *developing our competence* globally are priorities for us.
- (27) *Metso's continuous, deliberate development* is beneficial to all our stakeholders.

In addition, similarly to the CEO letter in KONE's annual report 2006, not only the logos-based references but, more specifically, also active voice contributes to ethos of the text. Active voice produces more direct and formal description, which then adds to the dimensions of competence and trustworthiness of the CEO. In addition, personal pronouns and related determiners are used to engage and incorporate the reader as well as increase the persuasive character of the rhetor. In total, *our* was used 20, *we* 9 and *us* 2 times as well as *I* one time. For instance, in many cases, the words *we*, *our* and *us* are used in lieu of the *company*. That is, *our focus* could be rephrased to *the company's focus*. Similarly, instead of *we*, *the company* could "have the know-how, the right technology and a strong local presence close to our customers" (Metso 2009, 5).

While the personal pronouns and determiners above contribute to ethos, they also increase pathos of the text. They can evoke such emotions in the reader, and in the target audience in general, as trust, anticipation, confidence or calmness or such needs as appreciation, inclusion and respect. Moreover, the choice of including acknowledgment of past and future financial hardships to a text that covers a year of solid performance for the most part, can also be seen as a constituent that adds to pathos. By first acknowledging that the year was not financially successful throughout, and then knowingly and factually addressing it in the letter, the recognition becomes a rhetoric constituent of pathos by evoking trust in the reader(s). There is, after all, basis for that trust as the rhetor conveys, through

logos and ethos, an image of a company with means to address such adversities.

6.3. UPM

UPM is one of the world-leading firms in forest-based bioindustry (UPM 2019a). The CEO letters studied in this chapter will be from CARs of years 2009 and 2017. Information regarding the financial performances was gathered from the global statistic provider *Statista* (2019b) and from the annual reports of years 2010 (UPM 2011, 158) and 2018 (UPM 2019b, 120).

In 2009, chosen instead of the even worse 2008 to bring variability to this study, the firm saw a drop in EBITDA of 142 million EUR, or 1.1 percent. In addition, in year 2010, the same figures were 281 million EUR, or 1.2 percent, higher. Hence, the year 2009 is considered here as an undesirable performance. Moreover, regarding the year 2017, EBITDA had risen by 71 million EUR, or by 0.4 percent from 2016. Moreover, the seemingly small improvement is put into perspective if compared to the numbers from 2009 (i.e. positive increase of 569 million EUR and of 2.5 percent). Hence, the year 2017 is here considered as a desirable performance.

6.3.1. Year 2009

The CEO letter analyzed here (UPM 2010, 6–7) addresses the company in a situation when one year has passed since the global financial crisis of 2008 begun. In the preface, the rhetor of the text, CEO Jussi Pesonen, maintains that the “[y]ear 2009 was characterised by the global economic slowdown but also the implementation of the first steps of UPM’s vision as the Biofore Company” (ibid.). The letter, then, starts by immediately acknowledging the hardships but in a rather neutral way (as the connection between the slowdown and the company itself is not illustrated). Also, the reader’s attention is brought to the development program of UPM.

In the actual body text, logos of the text is again formed by operational and financial references. The former, mainly to the past year but also to the future, dominate to the detriment of the latter. However, as will be discussed later in more detail, references to the financial performance, even if negative, might serve a rhetoric purpose. Therefore, both positive and negative as well as direct and indirect financial references are present. To illustrate this diversity, a direct reference to a negative aspect in the financial performance can be seen in example 28; a direct reference to a positive aspect in example 29; an indirect reference to a negative aspect in example 30, and finally an indirect reference to a

positive aspect in example 31:

- (28) Demand for all of our products was affected by the global recession, and our sales dropped by 18% during the year, severely impacting the profitability of our operations (UPM 2010, 6–7).
- (29) Operating cash flow was healthy and we were able to reduce our debt by € 591 million (UPM 2010, 6–7).
- (30) Earnings per share, excluding special items, were € 0.11, compared with € 0.42 in the previous year (UPM 2010, 6–7).
- (31) Cost savings and temporary production curtailments were applied in all of our business areas (UPM 2010, 6–7).

Hence, despite the dominance of operational references, the year is also covered in diverse way from financial points of view. Moreover, as financial field is the principal focus of the company, referring to it, even in more challenging times, creates logos-based rhetoric.

Operational allusions in the text focus on addressing the different areas of business of UPM and, more precisely, how the adversities have manifested and how they have been countered. For instance, necessary internal improvements were implemented in Paper and Label areas and requisite restructuring procedures made in Finland in Plywood and Timber areas. Moreover, the redefinition of the company into “The Biofore Company” (UPM 2010, 6–7) is discussed. It seems, then, that the rhetor’s decision to go through each area separately is a rhetoric, logos-based decision which provides a more profound picture of the operations of the company. Moreover, the financial references are complemented as the discussion about operations elucidates the areas from which, say, the incomes, cash flows and profits are derived.

The text utilizes both active and passive voice. However, it appears that the characteristics of passive voice in blurring or omitting the ‘doer of action’ and highlighting the ‘receiver of action’ are not utilized rhetorically. In other words, the semantic or grammatical agents are not omitted or blurred as an intent to avoid or assigning responsibility. Hence, the more straightforward active voice is rhetorically more significant in the text. Moreover, the emphasis that active voice puts onto the ‘doer of action’ highlights the important actions taken in order to ensure the maximum results achievable in an otherwise challenging setting. For instance, the knowledgeable target audiences, such as stakeholders, are perhaps more receptive to the indirect (32, 35 and 36) and direct financial (33 and

34) allusions below. In them, the ‘doer of action’, or the subject, is highlighted robustly in active voice (emphasis added):

- (33) *Cost discipline and cash preservation* were necessary measures to cope with the challenging business environment (UPM 2010, 6–7).
- (34) *The company’s fixed costs* decreased by € 300 million from the previous year (UPM 2010, 6–7).
- (35) *Operating cash flow* was healthy and *we* were able to reduce our debt by € 591 million (UPM 2010, 6–7).
- (36) In 2010, *the operating environment* will continue to be challenging (UPM 2010, 6–7).
- (37) *Demand recovery* seems to be at hand, but *the speed and strength of it* is uncertain (UPM 2010, 6–7).

Relating to the more significant nature of active voice in the text, lexical choices have a role in engaging and persuading the audience. For instance, personal pronoun *we*, used five times, includes the reader into the same entity as the CEO – the company. The incorporation, strengthened by determiner *our*, which is used 12 times, contributes to pathos of the letter as needs and emotions are invoked (e.g. trust, approval et cetera.). Moreover, while the ethos of the text forms throughout the text from the use of logos (as the position of a CEO denotes competency which then merges with the fact-based description in the letter), pathos compounds with both on the basis of the words used. For instance, when Mr. Pesonen thanks, through first-person, the employees for staying focused and contributing to the response of the organization to “the weakened economy” (UPM 2010, 6–7), he increases not only his ethos but also pathos of the text in the eyes of two target audiences: those of the concrete shareholders as well as stakeholders, into which the staff can be included. By considering the employees, the image of a socially responsible leadership as well as a company is transmitted, which may compensate the financially challenging year.

Additionally, the negative words used in describing the undesirable year or in estimating a somewhat difficult year to come might cause, say, an emotion of compassion and/or a need of, say, acceptance. Also, mentioning and discussing the redefinition of the company into “The Biofore Company” contributes to pathos:

- (38) The concept captures the essence of UPM’s strategy. Bio stands for future

orientation, sustainable products and solutions, as well as good environmental performance. Fore stands for versatile and advanced use of forest biomass, but also for being in the forefront, being first. This is where we see our company heading.

Here, the paragraph brings forth other values than that of ensuring solid financial performance. To exemplify, sustainability and environmental friendliness are emphasized.

6.3.2. Year 2017

What now follows is the analysis of the CEO letter from the CAR of 2017 (UPM 2018, 9). The year saw a desirable performance from the company which also the CEO, and the rhetor, of the letter, Mr. Jussi Pesonen, immediately maintains: “2017 was a great year for UPM” (ibid.). Both indirect (39) and direct financial references (40–43), the last two of which in the end part of the text complement the statement, with statistics strengthening the persuasiveness:

- (39) Once again, our business model, performance culture and effectiveness in capital expenditure delivered excellent results (UPM 2018, 9).
- (40) Our comparable EBIT grew by EUR 149 million or 13 % in 2017 (UPM 2018, 9).
- (41) Our cash flow was consistently strong, and we reduced our net debt by EUR 957 million over the course of the year, ending a record low of EUR 174 million (UPM 2018, 9).
- (42) Our share price increased by 11 % during the year (UPM 2018, 9).
- (43) UPM’s Board of Directors has proposed a dividend of EUR 1.15 (0.95) per share for 2017, up 21 % (UPM 2018, 9).

However, concerning logos, the allusions do not focus as much on the past year as they do on the future. To illustrate, in addition to the examples 39–43, the following direct financial reference is an estimate about the future: “Over the next few years, we can allocate more capital to growing and transforming the company while simultaneously increasing the distribution to our shareholders and maintaining headroom in our strong balance sheet” (UPM 2018, 9).

Also, while operational references are more abundant than financial ones, only three operational

allusions concern the year 2017. The first two examples (44, 45), however, also address the future and even highlight it by only concisely covering the past year. Emphasis is added to these examples to highlight the references to the past and hence the difference between focus on the past and the future:

- (44) *Our strategic guidance remained unchanged:* Our portfolio consists of six competitive businesses with strong market positions and high barriers to entry. Performance, growth, innovation and responsibility continue to be the four cornerstones we build on. With such a strong foundation, we are now aiming higher. (UPM 2018, 9)
- (45) *In 2017, we revised our purpose and vision statements.* These statements crystallise the why and what of our company direction. **Our purpose is to create value by seizing the limitless potential of bioeconomy.** It means numerous profitable business opportunities, be it products or services, which are providing safe and sustainable solutions for growing global consumer demand. (UPM 2018, 9; emphasis in italics added, bolded as in the original)
- (46) Over the course of the year, UPM received recognitions from several third parties. UPM was listed in the global Dow Jones Sustainability Index as an industry leader and was invited to the United Nations Global Compact LEAD forum as the only representative of forest industry, and the only Finnish participant. (UPM 2018, 9)

As the strong financial performance is quickly covered, the letter contains more ‘room’ for creating value for the stakeholders and stakeholders in other ways. Thus, the logos-based persuasiveness of the text emerges from creating an image of company that has been, despite of an already desirable financial performance, active in laying a strong foundation for the future. For instance, in addition to the rhetorical emphasis on the purpose of the company in example 44, the following four statements demonstrate the value-creation by putting emphasis on the future instead on the past:

- (47) We are building a more sustainable future by replacing oil-based and other nonrenewable materials with renewable ones, by using them efficiently and creating entirely new kinds of products and services. Through innovation, we have the possibility to expand into completely new business areas. (UPM 2018, 9)
- (48) Furthermore, we are now well-positioned for new transformative projects. I am pleased that we have reached a cornerstone agreement with the Government of Uruguay, outlining the local prerequisites for a potential pulp mill investment. The infrastructure projects and the pre-engineering of the mill are in progress. For UPM’s pulp business, the potential mill would imply a change in business size and earnings. (UPM 2018, 9)

- (49) Another opportunity for transformation comes with the emerging biomolecules businesses, biofuels and biochemicals. During the fourth quarter, we started a basic engineering study regarding a potential industrial-scale biochemical refinery in Germany. Biochemicals business could provide UPM with significant growth platform for decades to come. (UPM 2018, 9)
- (50) All in all, UPM is well-positioned for 2018 and beyond. UPM businesses provide sustainable and safe solutions for the growing global consumer demand, both today and in the future. Bioeconomy offers us limitless opportunities for value creation and growth. (UPM 2018, 9)

All the examples (47–50) listed above also reveal the prevalent use of active voice in the text, which contributes to ethos of the text. Active voice highlights the financial and operational aspects which contributed to or illustrated the strong performance of 2017 and/or which will be of importance in the future. For instance, in examples 40–42, “our comparable EBIT”, “our cash flow” and “our share price” (UPM 2018, 9) are highlighted as signs of the solid performance, and provide relevant information to a, say, stakeholder in a straightforward manner. Moreover, in example 49, it is [b]iochemicals that “could provide UPM with significant growth platform” (ibid.), thus providing a thought of a safeguard of profitable investment to a current or potential stakeholder.

The use of personal pronouns and related determiners add to both ethos and pathos of the text. In this case, especially a shareholder but also some other stakeholder is committed through the use of pronoun *we* and determiner *our*, the former having been used 19 and the latter 31 times. Also, concerning the persuasive credibility of the rhetor, the CEO, the pronoun *I* is used two times. In the first instance, Mr. Pesonen expresses pride towards the employees of the company. Thus, he acknowledges their role in the success of the company, enhancing the persuasiveness of the text by strengthening his credibility by transmitting a socially responsible image. Hence, also pathos of the text is increased. In the second instance, Mr. Pesonen states that “a cornerstone agreement with the Government of Uruguay” (UPM 2018, 9) has been reached which refers to the controversies that have occurred due to the plans of UPM to establish the world’s largest pulp mill to the country (Mikkonen 2018) (see example 48). As Mr. Pesonen does so from his own point of view as the CEO, the reader is persuaded to belief that the agreement indeed is solid and hence beneficial.

Additionally, regarding lexical choices, there are no words that in their context denote negativity. Also, as a point of interest, value for shareholders and other stakeholders is also created through references to the important subject matters of sustainability, environment and social responsibility. While they can be considered part of the operations of the company, the references also hold rhetorical

value as a separate ‘entity’ due to their quantity. For instance, related words (quantity in parentheses) include *responsibility* (5), *sustainable* (3), *innovation* (3), *renewable* (2), *bioeconomy* (2), *biochemicals* (2) and *sustainability* (1). Also, it was stated together with the financial references in the beginning of the text that the “fossil CO2 emissions decreased by 419,000 tonnes or 6%.” (UPM 2018, 9), thus amplifying rhetorical value of the statement concerning, say, evoking emotions.

6.4. Neste

Neste, previously known as *Neste Oil Corporation*, is a global company operating in the field of oil refining. Neste is known nowadays for being the largest and leading producer of renewable diesel in the world (Neste 2019). The CEO letters analyzed in this section have been taken from the CARs of years 2008 and 2013. The necessary information has been gathered from annual reports from 2009 and 2014. Out of the CEO letters studied so far, the letters from Neste are the longest. The letter addressing the year 2008 has 1060 words and the one discussing the year 2013 has 1386 words. Consequently, quantitative figures that I use will appear in greater number.

Year 2008 is here regarded as financially undesirable as the operating profit (EBIT) had fallen 615 million EUR, or 5.4. % as a share of the revenue, from 2007. Also, in 2008 compared to 2009, the numbers are 149 million EUR and 2.3 % lower (Neste 2010, 78). As a result, the year 2013 is here regarded as a financially desirable year; the operating profit is 310 million EUR greater than in 2012 and 482 million EUR greater than in 2014 (Neste 2015, 175).

6.4.1. Year 2008

The following analysis is based on the CEO letter from the CAR of the year 2008 (Neste 2009, 4–5). The CEO of the company at the time, Mr. Matti Lievonen, begins by maintaining that “Early 2009 has been dominated by the challenging situation that continues to face the world economy” and that “Companies’ ability to act responsibly – financially, socially, and environmentally – and to change where needed is put to the test in times like these” (ibid.). The stage is then rhetorically already set for the reader, as the indirect financial as well as the operational references following it imply of an undesirable year.

References to the operational aspects follow the abovementioned ‘preface’. Consequently, an image of a company that has actively attempted to adapt to and anticipate the hardships forms. For instance,

to do this, the reorganization of the company, that took place in 2009, “is intended to enhance [...] potential to implement [...] strategy, cut costs, and secure our long-term profitability” (Neste 2009, 4–5). However, it is noteworthy that the letter begins by addressing the current state at the time and not the precedent year. This can be seen as a *logos*-based rhetoric constituent which softens the following discussion of the challenging precedent year.

The covering of the year 2008 begins with the following, indirectly finance-related statements: “2008 was a challenging year in many respects” and “The year began with an ongoing upswing and ended in the beginnings of a recession” (Neste 2009, 4–5). However, the rhetor immediately downplays the apparent negative statements by maintaining that “Neste Oil performed relatively well in these circumstances, and [...] comparable operating profit for 2008 remained at virtually the same level recorded in 2007” (*ibid.*). Also, even when the financial performance is negatively alluded (51), the rhetor again refutes the allusion with a positive reference (52). In addition, a seemingly negative factor (i.e. the changed economic situation) to the performance of the company can be turned into a positive aspect (53). Three illustrative examples are listed below (emphasis added):

- (51) We did not achieve all our financial targets, however. While our leverage ratio was on-target, *our return on average capital employed after tax of 13.1% was below target* (Neste 2009, 4–5).
- (52) The Board of Directors will propose *a dividend of EUR 0,80 per share for the year to the AGM, which reflects our confidence in the company and its future* (Neste 2009, 4–5).
- (53) Thanks to *the changed economic situation*, it is now possible to negotiate *better terms for project contracts and make cost savings, and we have benefited from this* (Neste 2009, 4–5).

Also, more distantly relating to the financial references, the rhetor has undertaken greater effort to provide more detailed, exogenous reasons for the challenging year, ranging from prices of crude oil to petroleum products and finally of raw material and products “in the renewable fuels area” (Neste 2009, 4–5). By providing such logical reasoning, the rhetor persuades the reader to believe that the financial hardships were ‘inevitable’. However, the logical reasoning takes a form of enthymemes (e.g. if an increase in relevant material or product prices, then tougher financial times). Examples (54–55) below demonstrate the reasoning:

- (54) The oil market saw some dramatic developments during the year. Crude oil

prices in US dollars have never risen as high as they did in July, and never have we seen such a rapid and sharp drop in them as we did after the summer. Prices fell from a peak of USD 147 a barrel to under USD 40 a barrel. It took two years and two months to reach those peak prices and only five months for them to drop back so dramatically. (Neste 2009, 4–5)

- (55) A similar trend has been seen in petroleum product prices, although fuel taxes reduced the extent of this in most countries. The downturn also made itself felt in raw material and product prices in the renewable fuels area, although demand for these fuels is continuing to rise. The drop in the price of crude and crude-based products reduced the relative competitiveness of renewable fuels, as they are based on more expensive raw materials. (Neste 2009, 4–5)

The challenges UPM faced are also downplayed by focusing on the operational aspects of the company, mainly focusing on the future and not on the past. For instance, in the rhetor's words, financial adversities can be countered by "focusing on the operational reliability of our refineries, above all" (Neste 2009, 4–5). This means not only developing existing opening new refineries but also focusing on, what has now become a global staple for UPM, the renewable diesel. For instance, it is emphasized that the company will "will continue with implementing [...] strategy and the capital investment program it calls for "regarding the "cleaner fuel strategy" (ibid.) from 2006. This manifests in renewable diesel plants in Porvoo, Singapore and Rotterdam being opened in the future. Indeed, cleaner fuel program *NExBTL* is brought into the forefront as a topic and as an 'anchor' on which the company and the stakeholders can lean in the future.

Logos of the text then forms from addressing the tough financial year yet countering it through operational references, that mainly address the future. Both features of the text contribute to ethos, the credibility of Mr. Lievonen. As the text utilizes mostly active voice, it not only contributes to ethos by making the text straightforward and efficient, but it also enables the CEO to address matters from his point of view – a familiar feature also in the other CEO letters studied thus far. For instance, while *we* (used 18 times) and *us* (used 6 times) are used synonymously to UPM into which the reader is included, the possessive *our* (used 25 times) reflects the concrete subjects to which the reader, say, a stakeholder, is connected (e.g. *our organization, our strategy, our potential, our business*). Also, in the end of the text, Mr. Lievonen addresses his position as a fairly new CEO in the company and highlights the positive aspects and his responsibilities in the company:

- (56) Although I only took over as President & CEO as recently as in December 2008, I have already had the opportunity to experience the enthusiasm and innovative spirit typical of Neste Oil in many ways (Neste 2009, 4–5).

- (57) [...] [O]ne of the most important aspects of my job is to ensure that Neste Oil's resources and those of everyone working for us are focused on the right things and that we always monitor how well we perform (Neste 2009, 4–5).

Since at the time of the release of the CAR Mr. Lievonen had just been appointed to the position of CEO, the first of the statements above (56) mainly evokes pathos, which then contributes to ethos of which the second statement (57) is a straightforward example. That is, the praises of the company coming from a significant position create, for instance, trust or appreciation in the reader, which then contribute to the character and credibility of the rhetor – and eventually to the persuasion of the text. Example of such is also the acknowledgment of the stakeholders below:

- (58) I would like to thank everyone – our shareholders, our customers, our partners, and our personnel – for their contribution in 2008 (Neste 2009, 4–5).

Moreover, pathos comprises not only of the inclusion of the reader (e.g. through the use of *our*, *we*, *us*, *I* and *my*) or of the praises by the CEO but also of the lexical choices generally. As already touched, negative words are used where they are due (examples 51–53), hence also creating pathos of honesty. However, as the use of negative words is, as mentioned, countered by positive references, the result is that the use of positive words is dominant in the text in a general.

6.4.2. Year 2013

The following analysis and the quoted examples are based on the CEO letter from CAR 2013 from Neste (Neste 2014, 10–11). In the text, the CEO, Mr. Matti Lievonen, discusses the desirable performance of the company. The text begins by a general remark from the CEO, in which he states that “Following the economic downturn that set in during 2008, we have systematically developed our operations, and in 2013 we were able to enjoy some of the fruits of this work” (ibid.). Also, he states that “The success of Renewable Fuels in making its business profitable was one of our key achievements during the year” (Neste 2014, 10–11). The statements both summarize the whole letter extremely concisely, and thus rhetorically, as well as form a miniature version of the letter itself.

Financially, year 2013 is only covered (directly in 58, 60 and 61, indirectly in 59) in the following examples:

- (59) The success of Renewable Fuels in making its business profitable was one of our key achievements during the year (Neste 2014, 10–11)
- (60) One of these is that we have increased our sales to North America significantly; around half of our NExBTL renewable diesel output went there in 2013 (Neste

2014).

- (61) Although I only took over as President & CEO as recently as in December 2008, I have already had the opportunity to experience the enthusiasm and innovative spirit typical of Neste Oil in many ways (Neste 2014, 10–11)
- (62) Strong cash flow is one of the best foundations that a company can rely on and is generated not only by active sales but also by managing working capital effectively. We succeeded well in the latter area in 2013 (Neste 2014, 10–11).

Since 2013 was, statistically, a strong financial performance, focusing more on financial aspects would have surely conveyed concrete value to the stakeholders and persuaded them, through logos, to continue or commence their involvement in the company.

Similarly to UPM's letter from 2017, however, a notable characteristic of the letter is its emphasis on factual description of operations, and non-financial matters in general. For example, such general topics as sustainability (63), social responsibility (64), competition and operation environment situation (65) and environmental-friendliness (66) are discussed instead, reflecting operational aspects of the company. The following references are examples of the references to operations:

- (63) We published the Neste Oil No-Deforestation and Responsible Sourcing Guidelines in spring 2013 to further underline our commitment to avoiding bad practices (Neste 2014, 10–11).
- (64) As part of the Productivity Value Creation program, we have an internal change program focusing on improving safety (Neste 2014, 10–11).
- (65) The rapid growth in shale gas and tight oil in the US has also increased competition in Europe. The situation facing the European oil refining industry can only be resolved by shuttering capacity (Neste 2014, 10–11).
- (66) We started collaboration with TFT, a non-profit organization focused on preventing deforestation, and we have opened up all the non-commercial information related to our supply chain to them so that they can evaluate how our supply chain operates. (Neste 2014, 10–11)

Efficiently descriptive and straightforward active voice is used throughout the relatively lengthy and topically diverse text. This form contributes to all logos and ethos as well as pathos, as in the following example: “[...] [T]he longer I have served as Neste Oil's President & CEO, the more I have come to understand the extent of our people's[sic] commitment to continuous improvement” (Neste 2014, 10–11). Also, as with previous letters analyzed in this study, personal pronouns and affiliated determiners are used extensively to both facilitate the credibility of the rhetor and evoke emotions in the reader

that enhance persuasion. Personal pronoun *we* is used 36 and the determiner of possession *our* 41 times whereas objective *us* and personal pronoun *I* five times both. As a point of interest, the proper noun *Neste* is only used 11 times, even when it could replace all pronouns *we* that were used in the text .

Regarding other lexical choices, only few negative words are used yet they occur in a context where they possess only little if any negative impact. For instance, “[f]ollowing the economic *downturn* that set in during 2008” (Neste 2014, 10–11; emphasis added), only operations development followed and in 2013 “fruits of the work” resulted. Also, when it is stated that the company invested “*less* than [...] originally planned in 2013” (Neste 2014, 10–11; emphasis added), the focus is still turned to how the company is learning to manage its “investment needs more effectively” (ibid.). Mainly pathos occurs in such cases.

6.5. Summary of analysis

I have now analyzed eight CEO letters, four addressing undesirable and four discussing desirable financial performances. I have studied the texts by using close reading method and, more specifically, through rhetorical criticism. The latter holds the following steps to which I have adhered: First, I have identified the analyzed artifacts as texts and constituents of rhetoric under the genre of CEO letters. Secondly, I have categorized the studied artifacts accordingly to their promotional, value-adding purpose. Thirdly, and finally, I have searched and identified the constituents that hold rhetoric value. Moreover, on a broad-to-specific axis, I have focused on structural elements of the text concerning financial and operational (non-financial) references; the use of active and passive voice as well as lexical choices. The rhetorical constituents have been uncovered from the aforesaid points of focus.

In addition, I have attempted to connect each modes of persuasion – ethos, pathos and logos – to each level of specificity. I have also provided examples of and discussion on why a certain constituent contributes to a given mode of persuasion. Moreover, all modes of persuasion were identified in each text. The findings will be discussed in more detail in the next chapter.

7. Discussion

As briefly mentioned in the summary of chapter 6, the rhetorical constituents uncovered from letters of both undesirable and desirable years correspond to all three modes of persuasion. In this chapter, I will discuss the findings and connect the rhetorical strategies they comprise to a wider context. I will focus mainly on corporate communication as being the wider context. I will also compare the CEO letters with each other and, by doing so, observe whether there are differences in the emphases on the modes of persuasion. Each mode will be addressed separately, starting from logos and ending in pathos. I will compare the results to other studies, most of which have already been addressed in this study (see subchapter 3.3.).

To begin, logos, with its rhetorical foundation in persuasion by factual reasoning, manifests in the financial and operational references. The former includes indirect and direct statements, and the latter, broadly speaking, non-financial matters. Moreover, both references are present in both types of letters, ones that address financially undesirable as well desirable years. More specifically, while direct financial references appear in all texts, there is an inconsistency in how the facts presented are warranted, or, strengthened. For instance, direct financial allusions (examples 11–14) are not strengthened with statistics concerning KONE’s financially desirable year 2006 nor UPM’s undesirable year 2009 (examples 28–29) yet they are in Metso’s letter regarding the undesirable year 2009 (examples 18–19) and UPM’s desirable year 2017 (examples 39–43). Similarly, statistics are used in indirect financial references of Metso’s letter regarding the tough year of 2009 (19) but not in Neste’s letter concerning the solid performance of 2013 (example 59). Moreover, the subject matters of logos-based financial references are rhetorically, in many cases, such that the surely at least somewhat knowledgeable reader (i.e. a stakeholder by a definition of a, say, shareholder) has incentive to ‘accept’ the persuasion. Such topics include cash flow, profit(ability), share prices and dividends and EBIT.

With operational and/or non-financial references, amplification through fact-based statistics is lesser in quantity. However, such instances can be found. For instance, in UPM’s letter from CAR 2017, it is stated that the “fossil CO2 emissions decreased by 419,000 tonnes or 6%.” (UPM 2018, 9) Additionally, in the letter that discusses Neste’s desirable year of 2013, the CEO maintains that the

company produced “enough NExBTL renewable diesel from waste and residues during 2013 to power over a million cars for an entire year” (Neste 2014, 10–11). One common feature for both the financial and operational references is that the concrete numbers are mainly used in instances where they rhetorically amplify a positive matter in the given context. Negative issues, however, are referred only twice by utilizing statistics, which can be seen to have rhetoric value, for instance, concerning ethos and pathos (discussed later). The two references that demonstrate the scarcity of negative references amplified by statistics have already been listed in other context, and they include examples 28 and 51.

The past and the present situation as well as the future are addressed in the letters, regardless of the quality of the financial performance. The times also reflect the three main functions of the genre of CEO letter in how the text provides as comprehensive of a (see more in section 3.2.). Moreover, on the basis of the analysis, the financial references in the texts mainly focus on the past and sometimes on the present. This stands as financial references lose their factuality regarding the future due to the inherent uncertainty of estimations. Nevertheless, the emphasis seems to be that, regardless of the financial performance of the precedent year that the letter addresses, the focus was in the future at the point of writing. Examples include, for instance, those that were found in letters that describe financially desirable years (24–27 and 58–61) as well as in letters that discuss tough years (17, 20 and 38).

The operational, non-financial allusions dominate the references to the future. Moreover, the references tend to focus on issues such as organizational structures and their rearrangements, sustainability, environment-friendliness, social responsibility and other types of development programs. Hence, it seems that the corporations have, in their acknowledgement of the nature of the audience, utilized the viewpoints of Shared Value (Porter and Kramer 2011). In other words, value for the stakeholders is created not only through financial aspects but through preparations that take future into account concerning other issues. That is, by bringing forth abovementioned issues and the image of an active and well-prepared business, the rhetor provides more concrete value for the stakeholders. In other words, the reader, a stakeholder, is persuaded to commit to the business by trusting in its capabilities to both remain profitable and withstand financial adversities, and thus ensure value for the stakeholder. Financial references – indirect and direct ones – appear throughout the studied texts and hence are too numerous to be all listed here. However, the following, already listed examples illustrate: 15, 17, 20, 24–27, 36–38, 44 and 47–49.

From a more general point of view, the financial and operational references consist mostly of enthymemes rather than syllogisms, the latter of which become illustrated in examples 54–55. That is, enthymemes are incomplete in their reasoning and base their persuasive effect on the common knowledge on the given topic that the audience also possess. For instance, as stated by the CEO of Metso (example 17), “global megatrends support [...] sustainable, profitable growth” (Metso 2009, 4–5) without a generally accepted major premise (i.e. global megatrends are always known to contribute to sustainable and profitable growth). A similar enthymeme can be found in the statement of the CEO of Neste (example 53) where “the changed economical situation” enables negotiations of “better terms for project contracts and make cost savings” (Neste 2009, 4–5). Additionally, an enthymeme can be found in the operational reference of the CEO of Neste where the reveal of “Neste Oil No-Deforestation and Responsible Sourcing Guidelines in spring 2013” is considered a sign of “commitment to avoiding bad practices” (example 62) (Neste 2014, 10–11). Again, a commonly accepted premise is missing. Despite only two examples having been addressed here, enthymemes are numerous throughout the examples listed in this study. Nevertheless, the logos-based rhetorical value of enthymemes is based on the fact that it allows the audience to fill the missing premise and leap into conclusions about what is trustworthy and hence acceptable (Arthos 2017, 10). In a sense, the audience persuades itself in a result of the rhetor using enthymemes (Bitzer 1959, 408). However, as Arthos also states (ibid.) , the sole logical reasoning in the text is rarely enough, and more than facts are needed.

Relating to the overall credibility of the rhetor – ethos –, there are three major ways in which it manifests regardless of the letter addressing a poor or a strong financial performance. Firstly, relating to the broadest level of specificity in financial and operational/non-financial references, the persuasive credibility arises from the use of logos, or presentation of facts, in the texts, which then contribute to the competence of the writer, or, the CEO. Ethos comprising of these constituents is present in all letters. What is more, when strengthened by logos, ethos corresponds to Leff’s (2003) three dimensions (see pages 10–11). *Embodiment* ethos, in which the CEO (i.e. the rhetor) incorporates values shared with audience to the rhetoric discourse, occurs when, for instance, 1) financial matters are alluded and especially shareholders are taken into account or 2) when social issues such as sustainability is addressed in a way that stakeholders in general are considered. Examples of the former include 11–15 for KONE’s year 2006, and of the latter 47–50 concerning UPM’s year of 2017.

Enactment ethos relates to the function of the rhetoric discourse, in this case the function of the letter, being highlighted rather than its contents. In the analyzed CEO letters, enactment ethos emerges from their function in producing value to the stakeholders. Hence, enactment ethos is emphasized in the texts that address financially undesirable performances as a favorable corporate image of the company needs to be conveyed, which is possible through the credibility of the rhetor. In both types of letters, enactment ethos is illustrated, for instance, by the avoidance of negativity or countering it immediately after acknowledgement. To illustrate, in the letters of KONE and Metso, the references to the undesirable performance were scarce (example 2 relating to KONE and example 16 concerning Metso). Even when the undesirable performance is addressed, as in UPM's letter, the negativity is refuted by positive references (examples 28–31).

Evocation ethos refers to the capability of the rhetor to reveal contradictions between the truths the audience holds and the real situation. For instance, in the case of the CEO letters, the CEO might persuade the target audience to believe that the situation, even in the light of seemingly convincing numbers and other information, is not as bleak as it appears. For instance, the focus by the rhetor on operational references in the letters that address a tough financial performance can be seen to contribute to evocation ethos. This is because the target audiences do realize, on the basis of the shared values and needs, that the financial performance was poor. However, they could be persuaded to believe the rhetor that the value they seek can be guaranteed by, say, restructuring the organization model (examples 63–66). Evocation ethos can be also been seen in examples 51–53 where the rhetor downplays the and/or inverts the negative issues after acknowledging them and thus capitalizes the gap between the shared values with the audience and the real situation.

Moreover, based on the study by Beason (1991), ethos in the letters also is composed of the categories of similitude, deference and/or expertise, self-criticism and the desire for success. The dominance of active voice in each letter analyzed in this study also contributes to each category. As a result, the findings by Subramanian, Blackwell and Insley (1993) were countered. In brief, the trio maintained that the readability of the annual report becomes more difficult, in large part due to the use of structurally more complex passive voice, if a poor financial performance is addressed (for more detailed discussion, see 3.3.). Of the categories, *similitude* is the most apparent throughout the letters, regardless whether they address an undesirable or a desirable year. The category manifests in the use of straightforwardly inclusive lexical choices. These choices include mainly personal pronouns *we* and *I* and related determiners *us* and *our* that appear in abundance. Thus, the results of the analyses partly correspond to the study by Garzone (2004) where the pronoun 'we' and the determiner of

possession ‘our’ were the most frequent words used in a data of 20 CEO letters, creating inclusiveness of the target audiences. In other words, the key stakeholders, such as shareholders, are involved into the company and its operations into which the audience is persuaded join or in which to stay. Moreover, the end result is a sense community or commonality (Cheney 1983, 154). *Deference* is, as a rhetoric ethos-based category, much rarer. There is, however, one instance where the rhetor acknowledges the audience’s conceptions and feelings. In the lexical plea *Let’s* (i.e. *Let us*) (example 10) in KONE’s CEO letter regarding the year 2005 denotes tactfulness.

Expertise, on the other hand, stems from the use of logos as if the factual description and reasoning concurs with the position of a CEO. Self-criticism occurs mainly but not solely in the letters that address financially undesirable years as the rhetor accounts for the hardships the company has had. For instance, in examples 2, 23, and 28, the rhetor acknowledges the negative aspects that came to be under their charge. However, even when in all three examples the allusions to the negative issues are refuted by positive matters, self-criticism as a category for ethos amplifies the honest and trustworthy character of the rhetor. Finally, the desire for success is found in all letters. However, in letters addressing an undesirable performance, the category manifests primarily, but not entirely as positive individual aspects are chosen from the past as well, in addressing future prospects. In contrast, in letters that describe a financially desirable year, desire for success is much more comprehensively stated by the rhetor – regarding the past, the present and the future. Below four new examples are listed in which inclination towards success is illustrated in letters that cover a tough year (67–68) and in letters that describe a year of solid performance (69–70):

- (67) At the moment our focus is on measures to improve our competitiveness, cash flow and profitability. We will also continue to strengthen our product and services offering and to develop our operating models to create a competitive advantage for us that benefits our customers. (Metso 2009, 5)
- (68) The worldscale NExBTL plants being built in Singapore and Rotterdam are sister facilities, and our decision to phase their construction will enable us to benefit from the combined scale and similarity of the projects, and the experience built up in Singapore, which will come on stream first. (Neste 2009, 5)
- (69) Going forward, we will maintain our focus on performance supported by our culture of continuous improvement and innovation. We will also continue to grow our businesses with attractive focused growth investments. (UPM 2018, 9).

- (70) Growing prosperity in emerging markets and urbanization are increasing the need for e.g. minerals, infrastructure and energy, which reflects favorably on our own operations. (Metso 2010, 5)

In the most specific end of the linguistic levels focused on in this study, lexical choices with rhetoric value and concerning the modes of persuasion have been observed in this study. While the personal pronouns and related determiners are highlighted, contributing to all logos, ethos and pathos, other lexical choices mainly concern pathos. For instance, the negative words used to describe the hardships of the company, both when a desirable and undesirable financial performance is discussed, serve the purpose of evoking pathos through, say, emotions of anticipation, trust and joy or through a need of the audience for honesty. Moreover, reflecting negative aspects even while addressing a year of otherwise a solid financial performance may prevent the excess expectations to form among the stakeholders. Should that happen and those expectations not met, for example a shareholder's commitment to the company might suffer (Grönroos 2009, 351). This will also surely affect the trustworthiness of the organization and the rhetor and hence persuasion negatively.

Also, mainly concerning pathos but also applicable to logos and ethos, findings of this study contrast with the findings by Judd and Tims (1991). In their study, it was concluded that only a small percentage of manufacturing companies take advantage of the rhetoric potential of CEO letters of the annual reports in communicating customer commitment. Communicating customer commitment entails aims at incorporating or 'attaching' key stakeholders to operations of the company in order to receive acceptance or rejection of policies from them (Högström 2002, 23). The sheer volume of addresses to the audience through the use of personal pronouns and determiners (such as those partly reflected by Garzone in her abovementioned study) as well as other lexical choices in the texts studied here imply a strong customer commitment communication. For instance, while both personal pronouns and determiners have already been addressed extensively, such words as *customer(s)* (28), *stakeholder(s)* (3), *shareholder(s)* (16) and *personnel/employee(s)* (14) occur throughout the letters (the total numbers in parentheses). Table 1 shows through illustrative figures how and with how much (statistical) emphasis are customers and other key stakeholders rhetorically addressed in an attempt to 'attach' them to the company.

Also, as there is a notable abundance of words that denote or connote positivity in the context (e.g. sentence) they appear. More detailed discussions on positive lexical choices can be found on pages 37 concerning KONE's financially undesirable year of 2005 and 51 relating to UPM's financially desirable performance in 2017. The purpose for the rhetors' faith in positive words – as parts of

positive references to the past, present or the future – might stem from the fact that as tools for corporate communication the CARs and CEO letters are used to maintain and develop the corporate image, brand and reputation as well as, increasingly in modern times, to social responsibility. Thus, also added value to the stakeholders follows. Regarding the lexical choices, the findings confirms with the Pollyanna Hypothesis in that, regardless of the situation at hand, there is a universal tendency with humans to the use of positive words. In this case, this translates to the language in the report to the stockholders being predominantly positive even when the financial performance of the precedent year has been undesirable (Hildebrandt and Snyder 1981).

		The CEO letters studied (length in words in parentheses) the number of occurrences bolded; the percentage of the overall length italicized						
Lexical choices that involve audience(s)	Metso 2008 (450)	Metso 2009 (592)	UPM 2009 (498)	UPM 2017 (781)	Neste 2008 (1060)	Neste 2013 (1386)	KONE 2005 (303)	KONE 2006 (627)
customer(s)	6 <i>1.33</i>	7 <i>1.18</i>	-	1 <i>0.13</i>	2 <i>0.19</i>	7 <i>0.51</i>	-	5 <i>0.8</i>
shareholder(s)	4 <i>0.88</i>	5 <i>0.84</i>	-	3 <i>0.38</i>	1 <i>0.09</i>	-	3 <i>0.99</i>	-
stakeholder(s)	1 <i>0.22</i>	-	-	2 <i>0.26</i>	-	-	-	-
personnel/staff/employees	2 <i>0.44</i>	3 <i>0.51</i>	1 <i>0.2</i>	3 <i>0.38</i>	1 <i>0.09</i>	1 <i>0.07</i>	1 <i>0.33</i>	2 <i>0.32</i>
us	2 <i>0.44</i>	2 <i>0.34</i>	-	2 <i>0.26</i>	6 <i>0.57</i>	5 <i>0.36</i>	-	1 <i>0.16</i>
our	20 <i>4.44</i>	35 <i>5.91</i>	11 <i>2.21</i>	33 <i>4.23</i>	25 <i>2.36</i>	41 <i>2.96</i>	5 <i>1.65</i>	31 <i>4.94</i>
we	9 <i>2.0</i>	12 <i>2.02</i>	5 <i>1.0</i>	25 <i>3.2</i>	18 <i>1.7</i>	36 <i>2.6</i>	-	21 <i>3.35</i>
I	1 <i>0.22</i>	1 <i>0.17</i>	1 <i>0.2</i>	2 <i>0.26</i>	4 <i>0.38</i>	5 <i>0.36</i>	2 <i>0.66</i>	2 <i>0.32</i>

Table 1 Most significant involvements of the audience(s) in the studied CEO letters

Finally, per the discussion on pages 12–13, the rhetorical modes did indeed intersect throughout the letters regardless of the focus of the texts on either undesirable or desirable year. While logos appears to be the dominant mode in both types of letters and provided base for ethos and pathos, it is rarely found alone. For instance, the straightforward references to financial aspects in examples 39–43 or the operational allusions to the situation at the time of writing and to the future in examples 24–27 not only persuade through presentation of facts (logos). Rather, the references do so also by

amplifying the credibility, more specifically competence, of the rhetor (ethos). Finally, the facts presented reflect such *values* of the organization that are most likely shared with the target audience as pursuit for profit and/or growth; such *needs* as belonging (e.g. to a community) and prestige or such *emotions* as joy and trust (pathos).

Summa summarum, the results imply the presence of interdependence within the modes of persuasion. That is to say, rhetoric through ethos, pathos and logos requires all of them to be used interchangeably, in proportions that is deemed right taking the audience into account. While figure 2 (see page 2) illustrated the dynamics of the modes of persuasion per my comprehension of the theory surrounding the general concept of rhetoric, the findings of the analysis of this study provide a more specific viewpoint to how rhetoric manifests through modes of persuasion in a framework of corporate communication in CARs of major Finnish companies. In addition, some previous studies have been considered and their findings compared to mine.

8. Conclusion

The reasons I conducted this study were two-fold. First, I set out to observe the appearance of rhetoric and modes of persuasion in CEO letters of corporate annual reports from four globally major Finnish companies. I wished to study whether the emphasis on the modes of persuasion would change when undesirable and desirable financial performances are addressed. Second, and more specifically, I hypothesized that logos would be the dominant mode in letters addressing years of desirable financial performances and ethos and pathos the prevalent modes in those texts that discuss financially undesirable years. The initial rationale behind this sentiment was that a financially desirable year would provide a stronger base and more alternatives for persuasive factual reasoning (logos). It would materialize by the utilization of, for instance, hard data such as contextually significant numbers. Then, concerning a financially undesirable year, the lack of persuasive facts would force the rhetors to resort in either their own credibility and character (ethos) and/or in reflecting shared values and needs in evoking such emotions that enables successful persuasion (pathos).

I studied the genre of a CEO letter as a section and a sub-genre of a CAR, acting as a summary of the whole report, as well as a tool with promotional potential in corporate communication. I also provided a framework for the rhetorical strategies, or the modes of persuasion, I set out to study. That is, the rhetoric present in the CEO letters aims at persuading the stakeholders, prioritizing shareholders, of such a corporate image, brand, reputation and increasingly social responsibility that would maximize value for them. The value-adding is usually achieved through references to not only the past year but also to present time and future. Moreover, proper use of rhetoric could then also incorporate, or 'attach', the key stakeholders to the company.

To conduct the study, I adopted the method of close reading, complemented by generic but mainly rhetorical criticism. The linguistic features that compose rhetorical strategies and on which I focus were decided based on the functions of the CEO letter as a section of a CAR as well as on other studies with similar focuses. First, factual *operational* (or non-financial) and *financial references* were chosen as the points of focus as a CEO letter nearly always addresses the past performance, the present situation and the outlook for the future (Garzone 2004, 321). As a result, a preferable and persuasive image of the company is transmitted. This benefits not only the business but the

stakeholder as well as, per one of the most crucial roles of the company, value is brought to the stakeholders, concrete shareholders in front (Friedman 1970). Second, the decision to focus on the *use of active* and *passive voice* relate to the study by Subramanian, Blackwell and Insley (1993). In their study, the findings implied that the readability of the annual report became more difficult when an undesirable financial performance is addressed as the use of the structurally more complex passive voice increased perhaps due to its characteristic of both blurring the agency and hence not assigning responsibly. *Lexical choices* were chosen as a linguistic point of focus due to the capabilities of words to evoke emotions (Lindquist, McCormack and Shablack 2015) which contribute to rhetorical strategies and persuasion. Also, in their positive form, words are recalled better and tend to be utilized more than negative words despite the situation otherwise possibly not corresponding to such positivity (Hildebrandt and Snyder 1981). The linguistic features were analyzed from the broadest to the most specific end. To follow this order, the financial and operational (or, non-financial) references were followed by the use of active and passive voice and finally lexical choices.

Concerning the connection between the linguistic points of focus and the modes of persuasion, the financial and operational references constituted mainly logos as they needed to be factual based. Second, the observation of the use of active and passive voice favored the former extensively, which then contributed to ethos, the credibility of the CEO as the apparent writer behind the letter. Additionally, the rigid and straightforward description of the matters of the precedent year, the present and the future supports also logos and pathos. Finally, the lexical choices seemed to correspond to the Pollyanna Hypothesis in that words that denote and/or connote positivity were mainly used. It follows, that such a dominant presence of positive words evokes emotions, reflects values and fulfills needs that enable persuasive discourse.

Moreover, the findings in relation to my hypothesis were somewhat contradictory in that logos appeared as the dominant mode in letters of *both* undesirable and desirable years. The logos manifests in the financial and operational references that concern the past, the present and especially the future. The findings of the analysis also imply strong interdependence between the modes; logos is complemented by both ethos and pathos in, for instance, the abovementioned ways.

There also limitations that have affected this thesis as is the case with every study. First and foremost, the sample size is rather limited and provides only tentative results. Second, the method of close reading is rather subjective since its foundation is on the interpretations of the scholar. That is also to say, as the findings of the analyses are not quantitatively warranted, they mainly reflect my

observations on the rhetoric and modes of persuasion. Thus, they cannot be easily falsified to follow a Popperian thought. It should be of course noted that the whole concept of rhetoric is rather ambiguous, and to resolve that issue requires a scholar to conduct an extensively more in-depth study and analysis. Third, and relating to the aforesaid point, the stance for my rhetorical criticism being the modes of persuasion, their interdependence complicates conducting an exhaustive, more definite study. Lastly, this study has been conducted purely from a textual point of view, yet the genre of a CEO letter also might also include such features as pictures, figures, tables, colors and the overall appearance that contribute to the persuasiveness of the text. However, such features have not been considered here.

Nevertheless, rhetoric is not only 'empty' talk, with suspicious means and ends. While the findings of this study did not meet with the hypothesis I set in the beginning, they still highlighted the other side of the rhetoric. That is, rhetoric, and the modes of persuasion, is an influential tool to gain local advantage through language use. In the case of corporate communication, its skillful use can bring value not only to the stakeholders but the company itself. Further studies, therefore, could focus on promoting the target audiences from static objectives of rhetorical persuasion to actual. active partakers in the process.

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Appendix 1: A CEO letter addressing an undesirable financial performance

Metso Annual Report 2009 (Metso 2010, 4–5)

From the CEO

Despite the turbulence in the global economy, our cash flow in 2009 was strong and our profitability was satisfactory. In the long-term, global megatrends support our sustainable, profitable growth.

DEAR SHAREHOLDER,

The global downturn that began in late 2008 quickly affected all our customer industries all over the world. With the uncertainty of the market situation and difficulty in securing external financing, our customers delayed their investment decisions.

In light of the general market situation, I am satisfied with our achievements last year. We were able to make quick decisions to secure our competitiveness and our profitability. We maintained a strong financial position by releasing a significant amount of net working capital and by keeping our investments at a moderate level. As a result of these measures, our free cash flow was our best ever, EUR 717 million, and our profitability remained satisfactory.

A strong financial position is imperative when it comes to growth investments and distribution of profits. In the midst of the downturn, we have continued our most important long-term development programs to further strengthen our product and services portfolio and to expand our presence in emerging markets. We also carried out acquisitions last year to complement our offering. We have renewed our operating model so that we are able to serve our customers even better and more efficiently, and we continued our key personnel and competence development programs.

Securing our competitiveness has required the closing of some of our smaller units and sizable personnel reductions in several of our units. The decisions were unpleasant but necessary.

THE CHANGING WORLD BRINGS US PROFITABLE GROWTH

Even though the market situation will remain challenging at least in the first half of 2010, we are seeing signs of demand picking up and our customers' capacity utilization rates slowly improving. We estimate that the mining industry and the power suppliers that utilize renewable energy sources will be our customer industries that experience the fastest recovery. Also infrastructure construction seems to be recovering in Asia and in parts of South America.

Our own and our customers' long-term profitable growth is supported by global megatrends: a globalizing economy, the rise of emerging economies, demographic changes and sustainability. The decline in the global economy doesn't appear to have impacted the advancement of these megatrends. Growing prosperity in emerging markets and urbanization are increasing the need for e.g. minerals, infrastructure and energy, which reflects favorably on our own operations.

COMPETITIVENESS REQUIRES CONTINUOUS RENEWAL

Metso in its current form was a result of the merger of two strong companies in 1999. The world has changed dramatically during the past decade. We have aimed to respond to the changes in our operating environment by renewing and continuously improving our operational efficiency.

In fact, in ten years Metso has evolved into a truly global company with flexible operating models. Our services business has doubled to over two billion euros. Close to half of our orders received come from emerging markets, compared to less than one fifth in 1999. The environmental business – particularly bioenergy and recycling solutions – is an important growth area for us.

We will continue developing our operating model and our offering because we want to be an important cooperation partner for our customers also in the future. Satisfied customers are the best guarantee for continued profitable growth, which in turn creates value for our shareholders. Last year Metso was a good investment for its shareholders: Total Shareholder Return (TSR) was 197.3 percent. A renewing, flexible and profitably growing Metso benefits our customers, our shareholders and our personnel.

Jorma Eloranta

President and CEO Metso Group

Appendix 2: A CEO letter addressing a desirable financial performance

Metso Annual Report 2008 (Metso 2009, 5)

From the President and CEO

For the global economy, and for Metso, 2008 was paradoxical. Measured in operating profit and net sales, it was our best year ever. Our operating profit margin rose to 10 percent, which was the target we set in 2006. However, towards the end of the year we had to initiate significant measures to adjust our operations and cost structure to correspond with the quickly weakened market situation. In April, we paid an ordinary and extra dividend totaling three euros per share, but the Total Shareholder Return (TSR) was negative in 2008. Also Metso's share price development reflected the overall uncertainty in the markets.

We estimate that Metso's net sales this year will decrease and profitability will weaken from the 2008 figures. However, our order backlog is substantial and our financial situation is stable, so we estimate that profitability and cash flow in 2009 will be satisfactory in spite of the challenging market situation. In fact, the premise of our management is that the company will come out of the global economic crisis stronger and more competitive.

Global megatrends support Metso's long-term strategy: Several countries are directing stimulus packages to infrastructure[sic] investments; the significance of solutions that are more eco-friendly and support sustainability is becoming more emphasized. Urbanization and the general increase in prosperity are, over the long run, boosting demand for our customers' products. Consequently, they are also boosting our customers' willingness to invest in the mining and construction industry, in the energy sector, and in the pulp and paper industry. There are substantial growth opportunities in the services business. All these factors create new opportunities for Metso. To seize them, we have the know-how, the right technology and a strong local presence close to our customers.

At the moment our focus is on measures to improve our competitiveness, cash flow and profitability. There is a lot of room for improvement, particularly in reducing net working capital and in inventory management. We will also continue to strengthen our product and services offering and to develop our operating models to create a competitive advantage for us that benefits our customers. Strengthening technology leadership and developing our competence globally are priorities for us.

Metso's continuous, deliberate development is beneficial to all our stakeholders. By being competitive, we generate results for our customers, development opportunities for our personnel and shareholder value.

In 2008, the number of Metso shareholders increased from about 25,000 to 42,000. I want to thank all shareholders – both new and old – for their confidence. It is my hope that our personnel have the drive to champion for Metso's success in spite of the difficult market situation. We will continue working to strengthen Metso's competitiveness to benefit our customers.

Jorma Eloranta
President and CEO
Metso Group

Finnish summary

Yritysviestintä luo pohjan voittoa tavoittelevalle organisaatiolle sille tärkeiden sidosryhmien huomioimiseen ja sitouttamiseen. Kenties tärkein yksittäinen sidosryhmä ovat noteeratun osakeyhtiön konkreettiset osakkeenomistajat. Muita sidosryhmiä ovat esimerkiksi potentiaaliset osakkeenomistajat kohdeyleisöstä sekä toiset organisaatiot julkisista yksityisen sektorin yrityksiin, valtio ja media. Oikein hoidettuna yritysviestintä on strateginen toiminto, jonka kautta yritys ylläpitää ja kehittää yrityksen imagoa, brändiä, mainetta sekä enenevissä määrin yhteiskuntavastuuta. Positiivisina kaikki neljä ovat tärkeitä rakenneseosia yrityksen menestymisessä. Näin ollen se myös sitouttaa sille tärkeitä sidosryhmiä toimintaa tukemaan.

Eräs yritysviestinnän työkaluista on vuosiraportti, joka koostuu erinäisistä, yrityksen mennyttä vuotta, kirjoitushetkeä ja tulevaisuutta käsittelevistä osista. Vuosiraportin sisältö vaihtelee lainsäädännön ja julkaisijan intressien mukaisesti. Usein raportista löytyy kuitenkin toimitusjohtajan katsaus (CEO letter tai vastaava), jossa toimitusjohtaja omasta näkökulmastaan tarkastelee yrityksen tilaa. Lisäksi teksti toimii ikään kuin tiivistelmänä yksityiskohtaisesta ja pitkästä raportista tehden siitä erään vuosiraportin luetuimmista osioista. Tämä puoli katsauksesta yhdessä toimitusjohtajan roolin mukanaan tuoman arvovallan kanssa tekee tekstistä promotionaalisen koko raportin luonnetta seuraten.

Retoriikka voidaan yleisellä tasolla määrittää kontekstisidonnaisena ja epämuodollisena vaikuttamisena kohteeseen, usein suostuttelun muodossa, siten, että aiheutuu toimittomuutta tai toimintaa retoriikan harjoittajaa hyödyttären. Esimerkiksi retoriikan harjoittajan haluama toiminta voisi olla kohdeyleisön, vaikkapa sijoittajan, sitoutuminen yritykseen jatkossakin. Retoriikan kohteella on oltava kuitenkin mahdollisuus hylätä tai hyväksyä vaikuttamisyritykset; kohde päättää, toimiako halutulla tavalla vai ei. Retoriikka ilmenee puhutussa tai kirjoitetussa kommunikaatiossa, jossa luodaan käsillä olevaan teemaan tunnistettavia merkityksiä (esimerkiksi lingvistinen, oikeudellinen tai poliittinen diskurssi). Lisäksi retoriikka on usein asiayhteydessään toispuoleinen ilmiö interaktiivisuuden sijaan. Toisin sanoen vaikuttamisyritysten kohdeyleisö ei osallistu diskurssiin aktiivisena vaan ikään kuin ”ottavana” osapuolena. Tässä tutkielmassa tutkittu organisatorinen retoriikka tarkoittaa muuten varsin laajaa retoriikan käsitettä, ja määrittää sen nimenomaisesti organisaation strategisiin, diskursiivisiin yrityksiin vaikuttaa sille tärkeiden yleisöjen ajatuksiin, tunteisiin ja käyttäytymiseen.

Merkityksensä vuoksi toimitusjohtajan katsaus onkin varsin tutkittu vuosiraportin alagenre. Tutkielmaani liittyen tutkimuksia on tehty myös retorisisista näkökulmista. Esimerkiksi Rännäli (2004) tutki väitöskirjassaan retoristen keinojen esiintyvyyttä ja erilaisuutta suomalaisten ja

angloamerikkalaisten yritysrapporttien toimitusjohtajan katsaus -osioissa. Tutkimuksen tulokset osoittivat angloamerikkalaisten tekstien olevan retoriltaan strategioiltaan suomalaisia monipuolisempia. Mainittakoon myös Higgins ja Walkerin (2012) tutkimus, jossa oman tutkielmani kaltaisesti tarkasteltiin retoriikkaa päätöksen, eetoksen ja logoksen kautta uusiseelantilaisissa yritysraportteissa. Heidän tutkimuksensa tulokset kielivät kyseisten kolmen retoristen strategioiden keskinäisvaikutuksista. Toisin sanoen diskurssin vaikuttava retoriikka toteutuu vähintäänkin toisen mutta mieluiten kaikkien kolmen ollessa läsnä. Judd ja Tims (1991) taas tutkivat toimitusjohtajan katsauksien retoriikkaa yritysviestinnän näkökulmasta. He tulivat lopputulemaan, jonka mukaan katsaukset vain harvoin hyödyntävät potentiaaliaan sidosryhmien (heidän tutkimuksensa tapauksessa asiakkaiden) sitouttamisessa. Omassa tutkielmassani hyödynsin sekä edellä mainittujen että muutamien muiden tutkimuksien tarjoamia näkökulmia analysoidessani katsauksia sekä käsitellessäni analyysien tuloksia syventävässä osiossa.

Vaikuttava diskurssi eli retoriikka voidaan myös jakaa tarkemmin kolmeen lajiin: eetokseen, päätökseen ja logokseen. Retoriikka, joka pohjaa eetokseen, pyrkii vaikuttamaan kohteeseen perustamalla diskurssin vakuuttavuuden ja/tai suostuttelevuuden puhujan tai kirjoittajan uskottavuuteen. Uskottavuus pohjautuu asemaan, saavutuksiin, kompetenssiin, luonteeseen tai näiden kaikkien pohjalta luotettavuuteen. Eetos on jaettavissa kolmeen alalajiin: ilmentävään, asettavaan sekä kuvailevaan eetokseen. Ilmentävällä eetoksella tarkoitetaan kohdeyleisön kanssa jaettujen arvojen ja intressien havainnollistamista. Esimerkiksi toimitusjohtaja voi vahvistaa eetostaan mainitsemalla yrityksen onnistuneen tuottamaan lisäarvoa sijoittajille. Asettava eetos pohjautuu retorisen diskurssin funktioon ja pyrkimykseen konkreettisen sisällön sijaan. Esimerkkinä voidaan ajatella toimitusjohtajan pyrkimys vaikuttaa kohdeyleisöön huonon taloudellisen vuoden jälkeen. Tällöin hänen on korostettava vaikkapa kompetenssiaan, jotta sijoittajien ja muiden sidosryhmien silmissä ei-toivottavan vuoden vaikutukset jäävät mahdollisimman vähäisiksi. Kuvailevassa eetoksessa puhuja/kirjoittaja hyödyntää kohdeyleisöissä esiintyviä yleisesti hyväksytyjen näkökantojen ja varsinaisen tilanteiden välisiä epäjohdonmukaisuuksia. Esimerkiksi yleisesti hyväksytyjen lukujen valossa taloudellisesti huonon vuosisuorituksen jälkeen yrityksen toimitusjohtaja voi eetoksellisella retoriikallaan vakuuttaa kohdeyleisön siitä, että suoritus ei monien muiden näkökantojen osalta ollutkaan huono.

Logokseen perustuva retoriikka taas ammentaa vaikuttavuutensa faktapohjaisesta perustelusta, esimerkiksi ”kovan datan”, kuten statistiikan, tukemana. Toisin sanoen logos on tiedollista, älyllistä vaikuttamista. Logos pohjaa kolmesta retoriikan lajista siten eniten argumentaatioon. Siinä esitettyjä toteamuksia ja väitteitä tuetaan niin että vastaavasti mahdolliset vastaväitteet menettävät tehoaan ja vakuuttavuuttaan. Logos-pohjainen vaikuttavuus pohjautuu retoriikassa argumentaatiosta poiketen myös usein vajavaisiin perusteluihin, entymeemeihin, joissa keskeistä premissiä ei mainita vaan

looginen ”aukko” jätetään kohdeyleisön hyväksyttäväksi (tai pahimmillaan hylättäväksi).

Paatos herättää kohdeyleisössä tunteita, jotka auttavat puhujan ja/tai kirjoittajan pyrkimyksiä aiheuttaa tietty toimettomuus tai toiminta. Lisäksi paatos voi hyödyntää kohdeyleisön, esimerkiksi yrityksen sidosryhmien, jakamia arvoja ja tarpeita niihin. Paatokselle tärkeistä tunteista mainittakoon yritysraportin genren mukaisesti esimerkiksi onnellisuus, arvoista voiton ja/tai yleisesti arvon tuottamisen merkitys ja tarpeista yksittäisen sidosryhmäläisen tarve saavutuksiin ja arvovaltaan.

Edellä käsitellyn teorian pohjalta keskityn tutkielmassani neljän suomalaisen, kansainvälisen yrityksen englanninkielisten vuosiraporttien toimitusjohtajien katsauksiin ja niissä esiintyvään retoriikkaan, tai tarkemmin retoriisiin strategioihin, joita eetos, paatos ja logos edustavat. Yritykset ovat KONE Corporation, Metso, UPM ja Neste. Kaikkiaan analysoin kahdeksan toimitusjohtajan katsaus -tekstiä. Kahdeksasta tekstistä neljä ovat osia vuosiraporteista, jotka käsittelevät ei-toivottavaa taloudellista, vuosittaista suoritusta ja vastaavasti neljä osia raporteista, jotka kattavat taloudelliselta suoritukseltaan toivottavat edeltävät vuodet. Näin ollen kykenen vertailemaan eri lähtökohdat omaavien tekstien esiintyvää retoriikkaa, ja sen mahdollista vaihtelua. Olen valinnut tutkimuskohteekseni toimitusjohtajan katsaus -osion, sillä sen ominaispiirteet, kuten koko raportin sisällön tiivistäminen toimitusjohtajan itsensä näkökulmasta, tekevät osiosta erityisen potentiaalisen kanavan vaikuttamiseen ja siten retoriikan hyödyntämiseen.

Tässä tutkielmassa vastaan kahteen kysymykseen. Ensinnäkin, mitkä retoriikan kolmesta lajista ilmenevät teksteissä ja missä muodossa? Toiseksi, painottuuko jokin kolmesta lajista toisten kustannuksella katsauksien käsitellessä taloudellisesti ei-toivottavaa vuotta verrattuna toivottavaan vuoteen? Jälkimmäiseen kysymykseen liittyy myös tutkimukseni kaksiosainen hypoteesi. Ensinnäkin oletin logos-pohjaisen retoriikan olevan vallitsevana niissä toimitusjohtajan katsauksissa, jotka käsittelevät taloudellisesti toivottavaa vuotta. Olettamukseni perustui ajatukselle järki- ja faktapohjaisen retoriikan vaikuttavuuden vahvuudesta suhteessa muihin retoriikan lajeihin kyseisessä asiayhteydessä. Vahvuus johtuisi esimerkiksi kohdeyleisön silmissä vakuuttavan ”kovan datan” runsaudesta (esimerkiksi sellaisten positiivisten talouslukujen muodossa kuin EBIT). Toisekseen otaksuin ei-toivottavia taloudellisia suorituksia sisältäviä vuosia käsittelevien katsauksien keskittyvän eetokseen ja paatokseen, sillä fakta- ja järkipohjaiseen vaikuttavuuteen ei ole yhtä vahvaa pohjaa kuin käsiteltäessä taloudellisilta suorituksiltaan vahvoja vuosia.

Yleisesti ottaen keskityin kvalitatiiviseen eli laadulliseen tutkimukseen. Hyödynsin kuitenkin myös kvantitatiivista eli määrällistä tutkimusta mutta vain esimerkeissä, joilla havainnollistin löydöksiäni. Lisäksi analysoin edellä mainitut kahdeksan toimitusjohtajan katsaus -tekstiä lähilukumetodilla.

Teksteissä esiintyvän retoriikan sen kolmen lajin (eetos, paatos ja logos) osalta jäsentelin retorisen kritiikin (tai retorisen analyysin) kautta. Lisäksi hyödynsin genreanalyysiä, jonka pohjalta on mahdollista tutkia yritysviestinnälle, vuosiraportille ja toimitusjohtajan katsaus -tekstille ominaista retoriikkaa. Retorisen kritiikin osalta seurasin kolmea tasoa. Ensiksi tunnistin retoriset diskurssit toimitusjohtajan katsaus -osioiksi. Toiseksi erotin tekstit niiden tarkoituksen mukaisesti toisista vastaavista instansseista. Lyhyesti katsauksen tarkoitus on toimia yritysviestinnässä ja tarkemmin vuosiraportissa roolissa, jossa sen kautta välittyy yritykselle ja sen sidosryhmille lisäarvoa tuottava kuva. Kolmanneksi etsin ja tunnistin ne retoriset rakenneosat, jotka vastasivat eetoksen, paatoksen ja logoksen määritelmiä ja piirteitä.

Tekstien retoriikkaa tutkiessani keskityin sellaisiin kielellisiin rakenneosiin kuin (laajimmasta spesifimpään tasoon) taloudellisiin (epäsuoriin ja suoriin) ja operationaalisiin (ei-taloudellisiin) viittauksiin; aktiivin ja passiivin käyttöön sekä yksittäisiin leksikaalisiin valintoihin. Analyysin tulosten pohjalta selvisi, että taloudelliset ja operationaaliset viittaukset muodostavat suurilta osin tekstien logos-pohjaisen retoriikan. Tarkemmin operationaaliset viittaukset olivat hallitsevassa osassa myös riippumatta raporttien käsittelemien vuosien luonteesta. Epäsuorat ja suorat taloudelliset viittaukset olivat läsnä kaikissa teksteissä, joskaan niiden toisistaan eroavaa painottumista ei-toivottavia tai toivottavia vuosia käsitteleviin katsauksiin ei voitu tutkielmassa täsmällisesti todentaa. Huomattavaa logos-retoriikan esiintyvyydessä oli kuitenkin faktapainotteisen perustelun fokusoituminen kirjoittamishetken tilanteeseen ja eritoten tulevaisuuteen edeltävän vuoden sijaan. Näin yritykset pyrkivät huomioimaan kohdeyleisönsä (sidosryhmät, etunenässä osakkeenomistajat) ja tuottamaan sekä niille että samalla itselleen lisäarvoa vahvistamalla valoisaa tulevaisuutta. Toisin sanoen retorinen valinta keskittyä viittauksien avulla tulevaisuuteen mahdollistaa yrityksille tärkeiden sidosryhmien sitoutumisen yritykseen myös jatkossa, oli edeltäneen vuoden taloudellinen suoritus ei-toivottava tai toivottava.

Analyysini pohjalta eetoksellinen retoriikka pohjasi pitkälti aktiivin ja passiivin käyttöön katsauksissa. Aktiivin käyttö oli kuitenkin huomattavan dominantti. Passiivia ja sen ”puhujaa” etäännyttävää ominaisuutta ei hyödynnetty juurikaan edes tekstien käsitellessä yrityksen ei-toivottavaa taloudellista suoritusta ja sen negatiivisia vaikutuksia. Aktiivin käytön myötä retoriikan harjoittaja, tutkielmani tapauksessa toimitusjohtaja, kykeni vahvistamaan eetostaan eli retorista vaikuttavuuttaan. Tämä tapahtui turvautumalla faktojen rehelliseen esittelyyn (logokseen) mennyttä vuotta, nykyhetkeä tai tulevaisuutta koskien. Lisäksi huomattava keino hyödyntää eetoksellista retoriikka oli käyttää sellaisia sidosryhmiä sisällyttäviä ensimmäisen persoonan pronomineja ja määritteitä kuin esimerkiksi minä (I), me (we), meidän (our) ja meitä (us). Lisäksi valtaosassa teksteistä sellaisia tärkeitä sidosryhmiä kuten konkreettisia osakkeenomistajia, työntekijöitä ja muita sidosryhmiä puhuteltiin suoraan heidän kyseiset roolinsa mainitsemalla. Sen lisäksi että tarkastelin

eetosta retoriikan harjoittajan kompetenssiin, asemaan ja saavutuksiin kohdistuneiden viittausten kautta, huomioin myös samankaltaisuutta kohdeyleisön kanssa, (kohdeyleisön) arvostusta ja rehellistä itsekritiikkiä ilmaisevat rakenteet. Toisin sanoen eetos rakentui sekä faktojen esittelystä että tunteisiin, tarpeisiin tai arvoihin vetoavista viittauksista.

Paatos eli kohdeyleisön tunteisiin vetoava retoriikka ilmentyi teksteissä monin eri tavoin. Esimerkiksi operationaalisten viittausten tuoman logoksen ja vaikkapa kompetenssipohjaisen eetosläsnäolojen teksteissä voi katsoa edesauttavan myös niiden paatosta. Paatos syntyi teksteissä erityisesti negatiivisten sanojen ja ilmaisujen vähäisestä määrästä, mikä erityisesti korostui tekstin käsitellessä taloudellisesti ei-toivottavaa suoritusta. Näin ollen tekstit seurasivat Pollyanna-hypoteesia (Hildebrandt and Snyder 1981), jonka väittämä on ihmisten taipumus positiivisten sanojen ja ilmaisujen käyttöön niiden jäädessä miellyttävinä paremmin mieleen. Analysoimieni tekstien paatoksen voi kuitenkin katsoa myös syntyneen negatiivisten sanojen harkitusta, joskin vähäisestä käytöstä, jolloin kohdeyleisössä herännee luottamuksen tunne. Lisäksi eetoslaustasta puhuttaessa listatut yksittäiset esimerkkisanat (esimerkiksi we, I, us ja our) edesauttavat myös paatoksellista retoriikkaa. Kohdeyleisö kokee olevansa esimerkiksi arvostettu ja hyväksytty yhteisöön (kuten yritykseen ja/tai sille tärkeään sidosryhmään).

Tutkielman alussa esittämäni hypoteesi osoittautui lopulta analyysin tulosten pohjalta vääräksi. Retoriikan lajeista logos ei esiintynyt määrällisesti juurikaan enempää niissä toimitusjohtajan katsauksissa, joissa käsiteltiin ei-toivottavaa taloudellisesta vuotta, verrattuna niihin, joissa tarkasteltiin toivottavaa vuotta. Vastaavasti myös eetos ja paatos olivat läsnä molemmissa tekstityypeissä. Ne eivät kuitenkaan olleet merkittävästi suuremmassa roolissa epätydyttävää taloudellista suoritusta ja vuotta käsittelevissä teksteissä. Analyysin kenties tärkein tulos oli kuitenkin retoriikan monitasoisuuden havainnollistaminen eritoten sen kolmen lajin osalta. Kaikki kolme retoriikan lajia – eetos, paatos ja logos – täydensivät ja siten vaativat toistensa läsnäoloa, jotta retorisen diskurssin koko kohdeyleisöön vaikuttava potentiaali voidaan hyödyntää. Toisin sanoen esimerkiksi näennäisesti yrityksen kannalta haitallinen ei-toivottava taloudellinen suorituskin on käännettävissä sille ja tärkeille sidosryhmille lisäarvoa tuottavaksi tekijäksi, kun retoriikan kolme eri lajia käytetään strategisesti yhdessä, kontekstiin sopivassa oikeassa suhteessa

Tässä tutkielmassa retoriikkaa pidettiin pitkälti yksipuoleisena retoriikan harjoittajan toimintana, jonka ”ottavana” osapuolena kohdeyleisö staattisesti toimi. Siksi lisätutkimukset voisivat liittyä retoriikan harjoittajan ja kohdeyleisön dynamisempaan suhteeseen vaikuttavassa diskurssissa. Koska yritysviestinnässä käytetyn retoriikan kautta luotujen odotuksien täyttämättä jättäminen liiketoiminnassa ei ole yrityksen kannalta edullinen vaihtoehto, on syytä suhtautua skeptisesti käsitykseen retoriikasta niin sanottuna ”onttona puheena”.