

Persuasion in business documents: strategies for reporting positively on negative phenomena

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Abstract

The research presented in this article focuses on the means and strategies of persuasion used in a particular type of specialised discourse, namely in the discourse of business. It looks into some sections of annual reports (chairman's statement, CEO's statement, review of the year, executive summary, letters to shareholders) as these can be considered persuasive. The paper largely deals with lexico-grammatical means utilised to persuade the target readers and communicate the intended propositions. It observes that implicit persuasion is more efficient in these genres than explicit persuasion, and that the credibility of the source must be carefully built by sticking to the facts, personalising the source and illustrating the data with specific examples and stories. The main focus of the paper is on strategies used to report threats to the business and other negative phenomena. Ten specific strategies have been identified, belonging to two large groups (namely facing problems vs. relativising problems), and these strategies are illustrated by extracts from a subcorpus of ten texts. Apart from highlighting the selection of appropriate lexis (such as semantically positive, vivid, concrete words) and grammatical structures, the research also notes how arguments are structured syntactically.

Keywords: annual report, attitude, business threats, credibility, explicit, image, implicit, persuasion, positive words, reputation, strategy

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1. Introduction

The ability to persuade is a crucial skill in business, since influencing people's minds and intentions is an essential condition for leading someone towards the decision to buy. The behaviour of the writer/speaker and the recipient is standardly explained by reasoned action theory (Yzer 2013, p. 120). Yzer states that persuasive messages change beliefs, and if the beliefs are selected properly, changes in them "affect attitude, perceived norms, or perceived behavioral control, which in turn should affect intention and behavior" (2013, p. 122). Authors of corporate statements must aim to change attitudes rather than influencing specific actions, i.e. the behaviour of their addressees. Investors, shareholders, business partners, and financial analysts – the main readership of the documents – have different goals and engage in different behavioural categories, so their exact reactions can neither be targeted specifically nor predicted accurately.

Although the role of attitude in behavioural predictions has been questioned and largely rejected in recent theories based on empirical research, and in fact suggestions have been made that attitude "be separated from its antecedents and consequences" (Fishbein, 1967, in Yzer, 2013, p. 122), it is still considered an important part of the belief-attitude-intention-behaviour chain. Efforts aimed at changing attitude cannot be very explicit, as this would rather discourage the target subjects. Contrarily, an implicit and tentative form of persuasion is more efficient since it preserves space for free decisions without unnecessary imposition. Thus, persuaders in business reports must be informative, objective, positive and credible, not overly assertive, imposing or pushy. According to Bülow-Møller, "persuasion *per se* rarely leads to the desired result by the active persuader" (Halmari and Virtanen, 2005, p. 17).

2. Aims and methodology

This research was carried out on a set of company annual reports of large businesses. The complete corpus used in the research is called the *Corpus of English and Czech Specialised Discourses* (abbrev. *CECSD*) and it contains two subcorpora (English and Czech), each of which is composed of an approximately identical number of words and a comparable number of texts. To be precise, the English subcorpus contains 60 documents with 115,503 words, and the Czech subcorpus contains 60 documents with 100,895 words. The English subcorpus is divided into 4 sections on the basis of the provenance of the business texts in English: those from Anglophone countries (25 texts), texts of Czech origin in English only (10 texts), texts of Czech origin with a parallel English version (15 texts) and texts from other non-Anglophone countries (10 texts).

For the purposes of this paper a part of the English subcorpus was compiled and examined, namely 10 texts produced by companies which are mostly either based in English-speaking countries, or multi-nationals. Only two of them come from annual reports of Czech businesses, a beverages producer and a bank reporting in English. The business texts were chosen on the basis of their presumed persuasive potential, i.e. from sections of annual reports which address readers explicitly and whose aim is to persuade

them of the good management and outlook of the company they invested in or trade with. Such genres include a chairman's statement, a CEO's statement, a letter from the Board of Directors, a review of the year, an executive summary, a letter to shareholders, and similar short texts.

Text	Specification	Number of words	Code in the corpus CECSD in <i>Sketch Engine</i>
ABB Group. <i>Annual Report 2016</i>	Chairman and CEO letter	2,661	BUS_ENG_electr-eng-14.txt
British Airways. <i>Annual Report 2016.</i>	Strategic report / management review	1,594	BUS_ENG_transport-2.txt
British Airways. <i>Annual Report 2016.</i>	Director's report	1,666	BUS_ENG_transport-3.txt
Burberry. <i>Annual Report 2016/2017.</i>	Strategic report / Chief Creative and CEO's letter	3,297	BUS_ENG_fashion-6.txt
Citi. <i>Annual Report 2016.</i>	Letter to shareholders	1,814	BUS_ENG_bank-15.txt
HSBC. <i>Annual Report 2016.</i>	Group Chairman's statement	1,967	BUS_ENG_bank-1.txt
Komerční banka. <i>Annual Report 2016.</i>	Strategy and priorities for 2017	957	BUS_ENG_PAR_bank-2.txt
Microsoft. <i>Annual Report 2016.</i>	Business	7,340	BUS_ENG_comp-8.txt
Pivovary Lobkowicz Group. <i>Annual Report 2014.</i>	Operational & financial rReview	1,396	BUS_ENG_CZENG_food-2.txt
Rolls Royce. (2016). <i>Annual Report 2016.</i>	Strategic report / market review	888	BUS_ENG_eng-13.txt
Totals	10 texts	23,580	

Tab. 1. Selected English subcorpus – texts, their specifications and wordcounts.

The reports were studied qualitatively, without any numerical analysis of the established persuasive features. This paper represents a pilot stage of the research, before the complete parallel English and Czech corpora are analysed contrastively through the programme *Sketch Engine* and linguistic correlates to selected persuasive strategies are identified quantitatively. Methodologically, qualitative analysis has its advantages in identifying

ideological bias and intentions. Cresswell (2014, p. 239) asserts that qualitative research, unlike its quantitative counterpart, enables purposeful sampling, which is essential for understanding the problem and answering the relevant research questions.

The paper aims to answer the following questions:

1. What are the typical linguistic devices used for reporting positive facts, i.e. the core type of information with persuasive force?
2. What are the typical linguistic devices used for reporting negative facts, i.e. undesirable phenomena from the point of view of persuasion?
3. How are negative phenomena reported so that the writer does not lose face and the reader considers the information to be unbiased, credible and true and does not feel misinformed?
4. How is the position of the author of persuasive texts, who possesses the inside information and also holds some power, communicated successfully so that the outsider addressee attributes the source high credibility and trust?

The analysed texts reflect the persuasive strategies of their writers, and these strategies can probably be considered to be general. The micro-analysis approach, according to Van Dijk (1993, p. 261), is construed on the idea that linguistic choices are intentionally determined by the speaker/writer as their aim is to convey specific messages. Lexical and grammatical devices are selected purposefully to moderate or strengthen certain propositions, so they perform a persuasive function. Also, as Fairclough (1995, p. 210) puts it, the selection of one language item implies the exclusion of some others. What is said and how it is said is thus as important as what is not said and how.

3. Importance of credibility and implicitness in persuasion

Persuasion in business texts is used to manifest a writer's professional credibility and, through its acceptance by readers, to make them accept the writer's evaluation and interpretation of the situation of a business entity or a certain segment of the market.

The authoritative marketing theorist Philip Kotler claims that new and interesting stories, articles and events seem to be much more trustworthy to the public than (direct) advertising (Kotler and Armstrong, 2004, p. 638). Consequently, even annual reports are full of examples, pictures, and "case studies".

Persuasive means used in public business genres need to be rather implicit, without direct imposition and pressure on the target audiences, as audiences might feel offended and thus discouraged by direct and overly pushy persuasion. As Bülow-Møller claims, "overt, explicit persuasion is a signal of a deadlock in a negotiation; for maximal success, persuasion needs to be subtle and implicit" (as paraphrased in Halmari and Virtanen, 2005, p. 17).

Non-explicitness of persuasion can be achieved by using euphemisms and mild, positive, pleasing language. These devices are a demonstration of linguistically marked behaviour (cf. Fowler, 1991). As such, it relies on the intentional choice of lexis and referential approaches which maximise the benefits of the speaker/writer by maximising the positive image of self and the reality associated with one's interests in the eyes of the addressees.

The model of persuasion known as "Persuasion as implicit anchoring" is based on the idea of persuasion as implicitness. It distinguishes three parameters: *coherence*,

politeness and *involvement*. While coherence is understood as mappings “between a text and the socio-cultural context in which it emerges and which it helps construct” (Östman in Halmari and Virtanen, 2005, p. 21), politeness concerns the situational context of a text. The last parameter, involvement, refers to the interlocutors’ expression of emotions. Östman examines three notions with negative or taboo associations and their collocations in newspaper language: *propaganda*, *manipulation*, and *persuasion* (2005, p. 21). According to him, only implicit persuasion can be successful. He asserts that certain linguistic elements are “specifically geared towards the task of implicit anchoring – so much so that they do not have any propositional content” (paraphrased in Halmari and Virtanen, 2005, p. 22).

The question arises whether authors of persuasive analytical business documents follow any techniques consciously, and if they do use the same techniques, whether this persuasion is done consciously in business as compared with other areas. Halmari and Virtanen observe that genres which are found at the private end of the continuum need to be learnt to an extent. Successful persuasive strategies are part of the insider knowledge in the discourse community owning the genre (2005, p. 15). It is debatable whether texts in annual reports and on company websites belong rather to public or private communication (cf. Vestergaard and Schroder, 1985, pp. 13–14). On the one hand, they are available to the general public, but on the other hand, the authors of the documents have a certain limited group of readers in mind and they focus on them, which is a feature of private communication.

This might also apply to company reports, since neither their content nor their form are appropriate or interesting for the general public, although they are, in theory, fully public and accessible to everyone. Conversely to private genres, the ones at the other end of the continuum, namely public persuasive genres, are accessible without special training or limitations (Halmari and Virtanen, 2005, p. 15).

4. Credibility of a source in the business environment

Successful persuasion in the business environment is fundamentally conditioned by the credibility of the source of information. The source is often anonymous and undisclosed, as the texts have a virtually institutional authorship. On the other hand, there are texts – whether letters from top executives addressed to shareholders in annual reports or testimonials on corporate websites or in companies’ printed presentations – which reveal authorship explicitly. The top executives, often portrayed in photographs, are supposed to be successful, industrious and responsible people, and therefore also respectable and trustworthy.

This analogy is associated with the concept of discourse coherence, defined as a collaborative achievement of the participants involved in an interaction, “who use their experience of the world and discourse processing (...)” (Dontcheva Navrátilová, 2011, p. 87). Processing a discourse adequately, i.e. creating a coherent representation of the reality in the minds of discourse participants, “involves the interpretation of explicit (cohesion) and implicit (inferences) cues by interactants, who draw on their experience (...) to check whether incoming information coheres with previously processed information”

(Gernsbacher, 1997, qtd. in Dontcheva Navrátilová, 2011, p. 87).

As Sperber et al. (2010) claim, the audience do not have to accept and believe a message; they can understand it even without this. The speaker/writer must establish epistemic trust and epistemic vigilance. The process of epistemic vigilance is based on the assessment of the reliability of the speaker/writer and the assessment of the reliability of the content conveyed (Dontcheva-Navrátilová, 2011, p. 85). The source of information (the speaker/writer personally), must be regarded as trustworthy. Here, two conditions must be met: the speaker must be seen as competent, i.e. being in possession of reliable and relevant information, and the speaker must also be seen as benevolent. Benevolence is understood as the expression of a willingness to share information (Sperber et al. 2010, as qtd in Dontcheva-Navrátilová, 2011, p. 86). What is of high importance in persuasive business documents is that the source (speaker) should also be attractive for the audience. The attractiveness of the source (reflected in the attractiveness of the message) is a function of the reputation of the source.

Letters by top executives which directly address anonymous shareholders, business partners and investors share many properties with the genre of public speeches in politics, where the audience is also anonymous, but similarly well definable. Dontcheva-Navrátilová asserts that in order to build up a well-constructed argument, the speaker makes an effort to persuade the audience to believe the speaker's interpretation of the conveyed information (2011, p. 86). The persuasive force of a speech is enhanced by two main strategies, namely by coherent shifts of topic and by the use of explicit markers of logical relations (*ibid.*).

5. Persuasion using positive words

As Van Dijk emphasizes, “negative topics have negative consequences in the minds of the recipients” (2000, p. 34). It follows, by negation, that positive, pleasing topics should have positive consequences in the minds of the target readership or audience. Logically, negative topics should thus either be avoided or transformed linguistically (if the unethical strategy of reporting untrue facts is excluded). Though the use of positive emotions to evoke the conveyance of unfavourable facts might be criticised as “window dressing” etc., it has an undoubtedly positive persuasive impact on the recipient, which is the pragmatic goal of the speaker/writer.

Informing about positive developments and achievements rather than about negative trends and failures is naturally in the best interest of a business entity which has external stakeholders. The most important of these – shareholders, potential investors and creditors – must be informed about the company's successful operations in order to keep their favour, avoid fears and panic in the case of setbacks, and ensure continued funding necessary for the business's operation and expansion. The strong correlation between positive and optimistic information and support for a company's endeavour is reflected in the tone of the company's reports for external users, which are primarily annual reports, press releases or information on the company's own website.

Positive messages in business texts are conveyed via similar tools as those used in advertising messages because their persuasive goals are largely identical: to inform about the existence of a product/company, to evoke positive reactions, to draw attention

to a product, company or accomplishment, and to generate a willingness to buy/invest. Business reports express many of the 42 emotional appeals that Pollay (1983) identified for advertising, e.g. performance, productivity, wisdom, security, durability (orig. “durable”), convenience (“convenient”), morality, tradition (“traditional”), popularity (“popular”), nurturance (Vysekalová et al., 2014, p. 82-83). They also share with advertising such tools as positive evaluative adjectives (*new, original, excellent, extensive, broad, important*), superlative adjectives and adverbs (*the widest...ever available, our first-party premium...*), strong, vivid, dynamic and often unrestricted verbs and nouns (*a positive impact, to capitalise on..., maintain, lead*), words with positive connotations (*ambition, commitment, opportunity*), etc. (see Examples 1 and 2, emphasis added).

(Ex. 1) Our **ambition** for Windows 10 is to **broaden** our economic **opportunity** through three key **levers**: an **original** equipment manufacturer (“OEM”) ecosystem that creates **exciting new** hardware designs for Windows 10; our own **commitment** to the **health** and **profitability** of our **first-party premium** device portfolio; and monetization **opportunities** such as services, subscriptions, gaming, and search advertising. Our OEM partners are investing in an **extensive** portfolio of hardware designs and configurations for Windows 10. We now have **the widest range** of Windows hardware **ever available**.

(Microsoft, *AR 2016*, Business)

(Ex. 2) The employment policies aim to **balance** the **rights** of colleagues along with the responsibilities of the Group in order to **drive** the business **forward**. The policies are regularly **reviewed** and **updated** with input from colleagues that represent different areas of the business. The overall aim is to have policies that are **fair**, **legally compliant**, and **cost effective** as well as **empowering** line managers.

BA continues to drive **genuine** and **effective engagement** with colleagues, putting the customer at the **forefront** of everything it does and **maintaining** a **high performing** organisation. BA’s objective is to have **involved** colleagues, with **deep knowledge** of their customers, who are **empowered** to deliver **outstanding** customer **service**.

(British Airways, *AR 2016*)

This does not mean that companies misinform or even lie. Their communication strategy is rather based on the selection of positive facts, highlighting and linking them with the company’s strategy and goals. Contrariwise, negative information is not given such wide publicity; it is used selectively and interpreted with respect to its objective causes, which lie outside of the company, or with respect to possible solutions which the company intends to implement. Elimination of negative developments is a natural ambition of every business; once the negative phenomena are spotted, every well-managed company starts identifying their causes and applying measures to their moderation or complete elimination (see Ex. 3). Persuasive means are used to communicate outside the company, where too much emphasis on such negative phenomena might cause undesirable worries and reactions

which could damage the business.

(Ex. 3) The Group's strategy is to **maintain its flexibility** and **wide range** and to **capitalise** on changing customer preferences and demand, shifting towards regional and special beers. **Ability to promptly** react to market trends and to **introduce new** beer types while **maintaining economies** is perceived as **very important** by the Group. Focus on promotion and sale of such beers and also on premium segment is believed to have a **positive impact** on the Group's financial performance. (Pivovary Lobkowicz Group, *AR 2014*)

The message a company sends to the public about itself can be compared to a "value statement", and its image is then "what the majority of the public presumably perceives the subject to stand for" (Marconi, 2004, p. 80). As Marconi admits, many people believe that there is a big gap between image (or perception) and reality, although he strongly opposes this belief (2004, p. 81): "To assume that perception is not reality is to suggest that a subject's image is a lie. Obviously, that is not always the case and, as a rule, it is hopefully rarely the case." As much as a company's priority should be to create a positive image for itself, it must do this responsibly and stick to facts so that it does not harm its precious reputation.

Potential business threats that may have a negative impact on the company's situation are treated using several types of lexico-pragmatic devices:

1) verbs which are semantically positive, while referring to the elimination of a potentially negative phenomenon (e.g. a threat that policies would become obsolete):

(Ex. 4) The policies are regularly **reviewed** and **updated**... (Pivovary Lobkowicz Group, *AR 2014*)

2) verbs referring to long-term policies, generally considered as useful, positive and efficient:

(Ex. 5) The Group's strategy is to **maintain** its flexibility and wide range and to **capitalise** on changing customer preferences and demand... (Pivovary Lobkowicz Group, *AR 2014*)

3) adjectives and adverbs which are semantically positive and refer to current policies and actions, which are thus stressed as more important and overshadowing negative past events:

(Ex. 6) Ability to **promptly** react to market trends and to introduce **new** beer types while maintaining economies is perceived as **very important** by the Group. (Pivovary Lobkowicz Group, *AR 2014*).

(Ex. 7) We strive to make computing more **personal** by putting users at the core

of the experience, enabling them to interact with technology in more **intuitive**, **engaging**, and **dynamic** ways. (Microsoft, *AR 2016*, Business)

(**Ex. 8**) We developed Windows 10 not only to be **familiar** to our users, but more **safe**, **secure**, and always **up-to-date**. Windows 10 is **more personal and productive** with functionality such as Cortana, Windows Hello, Windows Ink, Microsoft Edge, and universal applications. Windows 10 is designed to foster innovation – from us, our partners, and developers – through **rich** and **consistent** experiences across the range of existing devices and **entirely new** device categories. (Microsoft, *AR 2016*, Business)

4) positive nouns, mostly deverbal:

(**Ex. 9**) BA continues to drive genuine and effective **engagement** with colleagues, putting the customer at the **forefront** of everything it does and maintaining a high performing organisation. (British Airways, *AR 2016*)

The avoidance of words with negative connotations – and, conversely, the preference for those with positive connotations – can be illustrated on a sample of 30 lexemes, 15 negative and 15 positive, forming approximate pairs of opposites. The research was done on the complete subcorpus of English business texts in the *CECSD* corpus. The words were searched for in the base form only, ignoring different grammatical forms, and the specific context was not identified either. It is obvious that some words are used in fixed expressions without communicating any particular evaluation, either positive or negative (e.g. *profit and loss*), and some may be used in a negated sense (e.g. *avoid losses*), which enables words with prevalingly negative connotations to be used in a positive sense and vice versa.

Words with generally positive connotations			Words with generally negative connotations		
Word (<i>word class</i>)	Rate of occurrence (in the corpus)	Rate of occurrence (per 1 million)	Word (<i>word class</i>)	Rate of occurrence (in the corpus)	Rate of occurrence (per 1 million)
commitment (<i>n</i>)	64	479.65	negligence (<i>n</i>)	0	0
opportunity (<i>n</i>)	97	726.97	threat (<i>n</i>)	4	29.98
profit (<i>n</i>)	80	599.56	loss (<i>n</i>)	100	749.45
effective (<i>adj</i>)	39	292.29	ineffective (<i>adj</i>)	1	7.49
innovative (<i>adj</i>)	31	232.33	conservative (<i>adj</i>)	4	29.98
new (<i>adj</i>)	440	3,297.58	old (<i>adj</i>)	14	104.92

outstanding (<i>adj</i>)	15	112.42	poor (<i>adj</i>)	2	14.99
stable (<i>adj</i>)	19	142.40	volatile (<i>adj</i>)	10	74.95
successful (<i>adj</i>)	37	277.30	unsuccessful (<i>adj</i>)	0	0
updated (<i>adj</i>)	11	82.44	unchanged (<i>adj</i>)	11	82.44
promptly (<i>adv</i>)	6	44.97	slowly (<i>adv</i>)	2	14.99
achieve (<i>v</i>)	60	44.67	miss (<i>v</i>)	0	0
approve (<i>v</i>)	12	89.93	reject (<i>v</i>)	1	7.49
strengthen (<i>v</i>)	28	209.85	weaken (<i>v</i>)	3	22.48
succeed (<i>v</i>)	6	44.97	fail (<i>v</i>)	6	44.97
Total / corpus	945	N/A	Total / corpus	158	N/A

Tab. 2. Rate of occurrence of words with generally positive vs. generally negative connotations in the English business subcorpus of *CECSD*.

The sums of occurrences in this sample reveal that prevalingly positive words are used more frequently than prevalingly negative ones (here six times more). Words are deliberately chosen to evoke positive impressions, which complements other strategies of processing and presenting information outlined in Chapter 6.

6. Strategies for the presentation of potential business threats and negative facts

From the corpus of selected parts of annual reports, several strategies can be formulated that are used when business threats, negative events and trends need to be reported. They are as follows:

- (i) A problem is a challenge.
- (ii) A difficulty has proved our strength.
- (iii) A difficulty has enabled us to show our resourcefulness.
- (iv) The problems were overcome thanks to our preparedness.
- (v) There are minor difficulties, but major successes.
- (vi) The problems were not as serious (for us) as they seemed to be at the beginning.
- (vii) The problems are a general and widespread phenomenon, not affecting only us.
- (viii) The problem is a (temporary/inevitable) side-effect of a positive development.
- (ix) The problem has been solved and it is not worth talking about any more.

(x) The problem is natural and inevitable (and was expected).

Strategies (i)-(iv) can be subsumed under the heading FACING A PROBLEM, whereas strategies (v)-(x) share the property that can be labelled as RELATIVISING A PROBLEM. The identified strategies are considered as typical, but this paper does not claim that the given semantic continuum is described completely.

6.1. Strategy of FACING A PROBLEM

(i) A problem is a challenge.

This approach presents a problem as an inevitable and stimulating phenomenon in the life of an organisation. It motivates the business to revisit its practices used so far and to invent and implement new ones.

(Ex. 10) In reviewing performance in 2016, the Board **noted with approval** the traction now evidenced from management actions **to reshape** the Group and **address the challenges** brought about by the continuing low interest rate environment. (HSBC, *AR 2016*)

(ii) A difficulty has proved our strength.

A problem is not only a motivation for its elimination, but it also demonstrates how strong, robust and resilient the organisation is.

(Ex. 11) As the year progressed from a first half defined by economic anxiety and volatility to a second half impacted by a series of political upsets and surprises, **we demonstrated the power and resilience** of Citi's unique global franchise by helping our millions of customers and clients around the world navigate an environment far more challenging than anticipated. (Citi, *AR 2016*, Letter to Shareholders)

(iii) A difficulty has enabled us to show our resourcefulness.

Similarly to (i), a problem is no threat for the organisation, but the focus here is on its implicit ability to solve the problem efficiently, creatively and inventively.

(Ex. 12) Sustained geopolitical and macroeconomic uncertainty in the U.S. and E.U. through 2016 prompted customers to adopt a wait-and-see approach to investing in large-scale infrastructure projects. While **working to sharpen and focus our offerings** across industries, **ABB used this period of global uncertainty to strengthen operational excellence**. Our white-collar productivity program outperformed expectations, allowing the company to increase its cost-reduction target by 30 percent, saving \$1.3 billion. (ABB Group, *AR 2016*, The Chairman and CEO Letter)

(iv) The problems were overcome thanks to our preparedness.

The organisation is rational, realistic and well-informed, so problems are expected as an objective fact and the company prepares procedures to deal with such disruptions in

normal operation when they occur.

(Ex. 13) Historically, growth has recovered quickly following major economic shocks. The geographic spread of our installed base and wide customer base **spreads our risk and reduces our exposure to any one shock**. (Rolls Royce, *AR 2016*, Market review)

6.2. Strategy of RELATIVISING A PROBLEM

(v) There are minor difficulties, but major successes.

A variation on the classical dialectics which stresses a continuous effort to reestablish balance and mutual elimination of two opposing forces, combined with the idea of prevalingly positive development.

(Ex. 14) During 2016, we completed an extensive strategic portfolio review for the Power Grids division. We listened carefully to all stakeholders and considered all views on how to create maximum value for ABB shareholders. In October we announced the Power Grids division would **continue its transformation** under ABB's ownership and, **through that, this business can unlock the most value** for shareholders, customers and employees.

(ABB Group, *AR 2016*, The Chairman and CEO Letter)

(vi) The problems were not as serious (for us) as they seemed to be at the beginning.

If this was the case, this information is given to explain retrospectively what once was the reason for concern, which eventually ceased to be so serious. Problems that have remained and are still a threat should be reported truthfully, without relativising them.

(Ex. 15) The uncertainties created by such changes **temporarily influenced** investment activity and contributed to volatile financial market conditions. Against this background, HSBC's performance in 2016 was broadly satisfactory. **Encouragingly**, operating performance in the second half of the year **was much stronger than expected** and compared with the prior year, as businesses and financial markets **responded more optimistically than predicted** to these events. (HSBC, *AR 2016*)

(vii) The problems are a general and widespread phenomenon, not affecting only us.

The company's policies and management are not to blame; the company is one of the victims of a trend.

(Ex. 16) Overall there has been a slowdown in **all major geographical markets** for new aircraft orders after a period of higher than normal order placement for new airframe products in recent years (principally Airbus A350 XWB and A330neo, and Boeing 787 and 777X). (Rolls Royce, *AR 2016*, Market review)

(Ex. 17) Sustained geopolitical and macroeconomic uncertainty in the U.S. and E.U. through 2016 prompted customers to adopt a wait-and-see approach to investing

in large-scale infrastructure projects. (ABB Group – AR 2016, The Chairman and CEO Letter)

(viii) The problem is a (temporary/inevitable) side-effect of a positive development.

This relativising strategy is often combined with the technique of contrast (cf. strategy (v)), respecting also the rule that if the negative phenomenon is mentioned earlier, and the positive one later, then the more permanent effect (in the minds of readers/hearers) will rest with the latter piece of information. The following extracts (Ex. 18 and 19) illustrate the seemingly negative, yet positively interpretable correlation between rising distribution and organisational costs and rising sales, as well as between staff costs and bigger output:

(Ex. 18) On the contrary, the distribution **costs** and cost related to agreements with pubs **went up due to higher sales. Staff cost** in 2014 **went up moderately due to more intensive work on beer bottling.**

(Pivovary Lobkowicz Group, *AR 2014*, Operational & Financial Review, section Costs)

(Ex. 19) In our Global Consumer Bank, we continued to focus our footprint with the announcement of plans **to divest** our retail banking and credit card businesses in Argentina, Brazil and Colombia, strategic decisions that **enable us to consolidate our finite resources on our three major consumer markets:** the U.S., Mexico and Asia.

(Citi, *AR 2016*, Letter to Shareholders)

(ix) The problem has been solved and it is not worth talking about any more.

In the following extract (Ex. 20), the reporting company informs the reader about talks with a potential investor and their termination, but the text ends there. The company avoids mentioning the reasons for the termination and thus eliminates the risk of giving information about possible problems of its own. On the other hand, it seems to be logical that if there is no tangible outcome of the negotiations and thus no effect on the ownership of the company, there is no need to talk about the matter any further.

(Ex. 20) On 30 July 2014, PLG made public the information that a negotiation has been conducted by a potential buyer – a fund managed by Enterprise Pivovary Lobkowicz Group, a.s. Investors with an aim to acquire an equity stake in PLG. In April 2015, the Company announced that negotiation with the potential buyer **was terminated** and that the transaction in concern **will not happen.**

(Pivovary Lobkowicz Group, *AR 2014*, Operational & Financial Review, section Negotiation with respect to a potential sale of the majority stake)

(x) The problem is natural and inevitable (and was expected).

This strategy is based on admitting sincerely that business is not completely predictable, that a subject has to consider the interplay of diverse factors with uncertain outcomes, and

that the low phases of the business cycle must be endured and countered. It is necessary to bear in mind that business poses constant threats and volatility is a natural part of it.

(Ex. 21) Aftermarket demand for engines on 50-70 seat aircraft **is reducing in line with expectations**. (Rolls Royce, *AR 2016*, Market review)

7. Conclusions

As Marconi correctly says about a company's efforts in the area of public relations, a company is similar to an individual in that "it is true that *actions speak louder than words*, but words *do* matter in creating and maintaining a reputation" (2004, p. 81). The message a company publishes about itself employs suitable strategies and linguistic means to create a positive image in the eyes of the public and thus strengthen the business's reputation. Company annual reports and company profiles rely on many tools that are also used in marketing communication and advertising, but reports must naturally stick to the facts and give a serious impression, so some efficient tools (such as humour, hyperbole, metaphor, implicit comparison with competitors, etc.) must be avoided.

Logically, negative phenomena make up a minority of the reported facts and trends in company annual reports. A successful, long-living organisation carries out its business, and does so prevalently successfully. Although negative phenomena are reported sincerely, objectively and materially, there is a space on the linguistic level to mitigate the message. This paper suggests that there are two main moderating strategies, that of facing and that of relativising a problem. In these, ten more specific strategies were identified and demonstrated by examples. This list is probably not finite; only the most obvious strategies have been named.

As an old saying asserts, "beauty is in the eye of the beholder". Top managers and their staff, who are the authors of texts in annual reports, realise this fact. The strategies help to communicate the message to the target audience, influence its attitude, enhance the company's image and preserve its reputation. If this functions well, the strategies prove their persuasive force and thus their usefulness.

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