



*Global Business Research Congress (GBRC), May 24-25, 2017, Istanbul, Turkey.*

## WRITING STYLES OF CEO STATEMENTS IN SUSTAINABILITY REPORTS

DOI: 10.17261/Pressacademia.2017.684

PAP-GBRC-V.3-2017(111)-p.1036-1042

Arzu Ozsozgun Caliskan<sup>1</sup>, Emel Esen<sup>2</sup>

<sup>1</sup>Yildiz Technical University, Department of Business Administration, Istanbul, Turkey. [ozsozgun@yildiz.edu.tr](mailto:ozsozgun@yildiz.edu.tr)

<sup>2</sup>Yildiz Technical University, Department of Business Administration, Istanbul, Turkey. [emeloz@yildiz.edu.tr](mailto:emeloz@yildiz.edu.tr)

### To cite this document

Caliskan, A.O. and E. Esen, (2017). Writing styles of CEO statements in sustainability reports. PressAcademia Procedia (PAP), V.3, p.1036-1042.

Permament link to this document: <http://doi.org/10.17261/Pressacademia.2017.684>

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### ABSTRACT

Sustainability reporting can help organizations to measure, understand and communicate their economic, environmental, social performance, whether it has positive or negative results. These reports introduce the organizational values, strategy and governance model. In these reports, organizations can manage their self-presentation more strategically from face to face interactions. The purpose of this paper to investigate organization's CEOs statements by using of writing styles in Sustainability Reports. In line with research purpose, 17 companies that are listed in BIST sustainability index were analyzed by looking at their sustainability reports. Writing styles as length, bold and italic sentences, signature of CEO, title, reporting framework, beginning and ending of the messages, photograph of CEO and colors that are used in CEO statements were analyzed. As a conclusion, companies have different writing styles to influence their stakeholders. Almost 1-2 pages are used in reports to inform stakeholders by CEOs. Main topics, valuable explanations, titles and signatures were given in bold or italic figure.

**Keywords:** Sustainability, sustainability reporting, CEO statements, writing styles, impression management.

**JEL Codes:** M10, M14, M40

### 1. INTRODUCTION

There is an increasing interest in impression management tactics in organizations from individual level to organizational level. Impression management that is purposive and goal-oriented behavior is thought to be one of the political behaviors to acquire expected and better results for the organizations. Therefore, impression management is a process, individuals or organizations seek to influence others' perceptions of them in this process. By this way, they can protect their self-image and self-presentation, influence significant people's perceptions about organizations (Chen and Fang, 2008).

Purpose of using impression management tactics is to present a self-serving view of corporate and managerial performance. Main parts of the studies about this impression management literature focused on the choice of graphs or web sites in annual reports to give a favorable impression of management's performance (Godfrey, et al., 2003). In this study, we analyzed writing styles that are selected in messages. This study is based on a sample of 17 Turkish firms that are listed in BIST Sustainability Index.

This paper contributes to the academic literature in different ways, firstly by extending the literature in impression management by looking at writing styles, and then extending the analysis of sustainability reports by focusing the view of

representatives of the organizations. To address these issues, first we mainly examined sustainability reports and CEO statements in these reports, secondly we analyzed how specific types of writing tactics may be used in sustainability reports by giving quotations and examples belong to companies that are listed in sustainability index.

## **2. LITERATURE REVIEW**

### **2.1. CEO Statements and Importance of Writing Styles in Sustainability Reports**

Sustainability is the 21<sup>st</sup> century's mantra that promise a more equitable and wealth society without compromising natural environment and cultural infrastructure. Reaching the promise necessitates broad participation of economic agencies. Rising community concern over environmental issues and structural changes in the government, business, and society relationship force business to take responsibility the creation of more sustainable world. Sustainability reporting has an important role in how companies have come to understand sustainability since it is a valuable medium for managers to identify and address the sustainability challenges and drive improvements in company operations. Sustainability reporting not only enables business to express its sustainability approach and to demonstrate social and environmental performance, but also provides a mirror to the community to evaluate how companies cope with sustainability challenges (Higgins and Coffey, 2016).

In sustainability reports, organizations want to give impressions as sustainable actors by balancing between favorable and unfavorable information to their stakeholders (Sandberg and Holmlund, 2015). Impression management can examine management' efforts to execute the interpretation of reports. As a result, in a corporate reporting framework, impression management tries to control and manipulate the impressions to convey information to all stakeholders (Merkl-Davies and Brennan, 2007). With this purpose, board of directors and CEOs can distort readers' perceptions of corporate achievements (Osma and Guilamon-Saorin, 2011). Therefore, purpose of using impression management tactics is to present a self-serving view of corporate and managerial performance.

CEO statements are also known as letters to stakeholders or CEO letter. These letters have served as a primary and powerful means of communicating earnings announcements, financial and accounting analysis, annual performance, sustainability performance and corporate strategy (Conaway & Wardrope, 2010, p. 147; Makela & Laine, 2011). These statements are one of the most readable parts of reports. Also from the company perspective, statements are viewed as an opportunity to serve themselves as positively (Barkemeyer et al., 2014; Bartlett & Chandler, 1997; Hooghiemstra, 2010). In sustainability reports, the Global Reporting Initiative recommended that the CEO statement be included in the profile of the Reporting Organization (Hedberg & Malmborg, 2003).

In reports, CEO statements are driven to readers' attention to scan the information and provoke interpretive and emotional reactions (David, 2001). The usefulness of narrative sections depends partly on its readability and understandability (Smith & Tafler, 1992). When organizations present positive and negative information is presented in a readable and understandable manner, these informations can influence stakeholders' decisions (Hooghiemstra, 2010). These kinds of statements are also attractive for many reasons, such as the importance of a CEO's placement, a CEO who shows public and personal commitment, and corporate leadership (Amernic & Craig, 2004).

The CEO is also engaged in impression management and believes that the organization enhance desirable images and its reputation for their stakeholders by using these written documents (Mohamed et al., 1999). CEO are representative of the organization and can affect followers' attitudes, opinions, and behaviors by using tactics influentially and persuasively (Stanton et al., 2004). In sustainability reports, the reality of CEO statements is presented from the perspective of society at large.

CEOs symbolic influence in their declarations has a positive impact on company reputation and company performance (Pollach and Kerbler, 2011). Therefore, sustainability reports are main tools to present the CEO as competent and reliable to stakeholders inside and outside of the company. Visual elements such as headings, bulleted, colour, shadings, logos, repetition can reinforce key points and it attracts readers's attention (Brennan, Saorin and Pierce, 2009). Apart from the main classification of impression management tactics, we investigated the writing styles of messages by discussing length of the message, bold and italic sentences which are mostly mentioned, signature of CEO, the title of CEO message in the text, salutation sentences, which reporting framework is used, tagline of CEO, photograph of CEO, colors that are used in CEO's messages.

## **3. DATA AND METHODOLOGY**

Our purpose of this study is to understand writing styles tactics used in CEO statements in sustainability reports of listed companies in BIST Sustainability Index. For this purpose, the focus of the sustainability reports is how CEOs use these styles to influence their stakeholders and by this way gave comparison between companies in BIST Sustainability Index. Based on the previous literature, we developed a content analysis of the impression management classification used in CEO

statements. Two authors formed the content categories and defined the list of tactics to eliminate bias. The analysis process began with building of a list of various content categories for written messages CEO statements in sustainability reports were analyzed independently by two authors. In order to explore the thematic structure of the CEO's statement, each sentence read systematically. The styles were categorized. At the end of authors' evaluations, they came together to make comparisons and define discrepancies about their selections in CEO statements to achieve inter-coder agreement. The improved reliability, disagreements about tactic assignments was noted and turned back the statements for improvement. As a result, analysis was made by independently and jointly.

This article provides an overview of writing styles tactics used in CEO statements by answering the following research question:

*RQ1: In sustainability reports, which writing styles are selected in CEO statements?*

**Sample** - In BIST sustainability index, 29 companies were listed for the period between November 2015 and October 2016. We analyzed 17 sustainability reports that we reached from the web site of the companies and also obtained from public relation and investor relations department as shown in Table 1.

**Table 1: Sample of the Study**

Number	Organization	Year of the report	Report Name
1	Akbank	2014	Sustainability Report
2	Anadolu Efes	2014	Sustainability Report
3	Arçelik	2014	Sustainability Report
4	Brisa	2014	Sustainability Report
5	Coca Cola	2014	Sustainability Report
6	Doğuş Otomotiv	2014	Corporate Responsibility
7	Erdemir	2014	Sustainability Report
8	Ford Otosan	2013-2014	Sustainability Report
9	Garanti Bankası	2014	Sustainability Report
10	İşbankası	2014	Sustainability Report
11	Koç Topluluğu	2014	Sustainability Report
12	THY	2014	Sustainability Report
13	Tofaş	2014	Sustainability Report
14	TSKB	2013-2014	Sustainability Report
15	Tüpraş	2013	Sustainability Report
16	Turkcell	2012-2013	Sustainability Report
17	Yapı Kredi	2014	Sustainability Report

As listed in Table 1, 17 companies of BIST sustainability index is the sample of this study. Although 10 companies (Aksa Energy, Migros, Petkim, Saf GYO, TSKB, TAV, Türk Telekom, Ülker, Vakıflar Bank, Vestel) are in the BIST Index, they do not make sustainability disclosures as a report; therefore we were obliged to remove them from our sample. 2 of them (Aselsan A.Ş. and Sabancı Holding) do not have any CEO statement in their sustainability reports; again we removed them from the sample. In addition, 1 company (Otokar) was excluded since there is general manager message in the report. Companies of the sample are distributed among different sectors, banking (5), food, drink and tobacco (2), machine (1), tyre (1), wholesale trade (1), holding (2) (these companies are not listed in sector), manufacturing (3) and transportation, communication (2).

#### 4. FINDINGS AND DISCUSSIONS

##### Length of the Message

Almost all reports that we analyzed in the context of CEO message in sustainability reports are between 1-2 pages. This limitation is acceptable to give the main and related topics of the fundamental idea of representatives of company. One of the longest reports belonged to Garanti Bank with 3 pages and 1179 words. When we compared the other messages in reports, in each slide, there were two pages and at the beginning of the message, at the left side, there was a photograph of CEO in whole one page, at the right side, message was given. Another long message was in Coca Cola's report with 2 pages, 1562 words. On the other hand, Turkcell CEO's explained his expectations on sustainable life and creating better world in only one page.

##### Bold and Italic Sentences

When we analyzed the italic and bold sentences in the study, it was seen that whereas some companies mentioned only the title of message, signature, name and surname of CEO, some other companies focused on sustainability, bringing people together in creating value, enhancing wellbeing, protecting environment, principles of sustainability, allocating resources. On the other hand other companies gave no mention in their CEO messages. As an example, Tofaş's report was discussed, the bold part stated as *"we are completing a year where we sustained our pioneering position in the automotive sector and created sustainable value for our shareholders. We are now pursuing the future with firm steps with about 6,500 employees, our capabilities in new vehicle development, and our production and investments in global standards"*.

### **Signature**

At the end of the messages, CEOs usually used their signatures, name and surname and the title, also some of them used "sincerely", "yours sincerely", "king regards" sentences, some of them had no signatures and no information after completing the messages.

### **Title**

The title of the CEO message were mainly classified as "Message from the CEO", "CEO statement", "CEO message". There was no title of the message in Turkcell's reports

### **Reporting Framework**

Firm's sustainability reporting guidance includes GRI's sustainability reporting standards. This standards help understand and communicate the impact of business on critical sustainability issues. In CEO messages, GRI, G4 standards were mentioned mostly, but in some reports, firms disclosed the most critical impacts on the environment, society and economy based on G4 guidelines, but this guideline was not emphasized in CEO message itself.

### **Beginning of the Message**

At the first part of the message, CEOs used some particular words to address their main stakeholders in their messages. CEOs started with "Dear Stakeholders", "Dear Esteemed Stakeholders" and "Distinguished Stakeholders" in their messages. CEOs of Coca Cola, Erdemir Group and THY did not want to prefer any salutation while they were starting their messages.

### **Ending of the Message**

At the end of the message, CEOs wanted to thank for their contribution and support and show gratitude to all their stakeholders as employees, suppliers, dealers and distributors, business partners and so on. Furthermore, they gave promise about continuing their investments and efforts for sustainable life and future and create better world.

### **Photograph**

Photographs of CEOs were analyzed based on posture, body language, colors and background (outside and inside). Many CEOs preferred to use portray photograph in their message with black-white, colorful, some CEOs used their firm's logos or Atatürk's photograph on their background. Some photographs of CEOs that show the whole body represent comfortable position.

### **Colors**

In the CEOs message part of the sustainability reports, firms particularly used their corporate colors, also earth and environment, sustainability oriented colors as blue, green and grey colors were frequently used.

### **Table 5: Writing Styles in Messages**

	Length	Bold and italic sentences	Signature	Title	Reporting Framework	Beginning	Ending	Photograph	Colors
Akbank	3 pages, 989 words	Akbank has focused on creating sustainable value.....	end with signature, name and surname and title	Message from the CEO	GRI, UNGC	Dear Stakeholders	..... my thanks to our employees, as well as our stakeholders....	Yes, there is portray of CEO with black-white.	Corporate colors are used as Red, White and Black.
Anadolu Efes	2 pages, 1.115 words	Anadolu Efes operates with the mission of bringing people together .....	end with signature, name and surname and title	CEO statement	No reference	Dear Stakeholders	thank all our stakeholders, employees, suppliers, dealers and distributors....	Yes, there is portray of CEO with black-white.	Corporate colors as white, blue and gold.
Arçelik	2 pages, 860 words	We will continue to create value for our country and for our world,....	Sincerely, end with signature, name and surname, title and company name	Message from the CEO	GRI, G4	Distinguished Stakeholders,	.... my thanks to our employees, the most significant factor in our global successes and high objectives....	Yes, there is portray of CEO with colors	In the cover, there is a picture of earth with blue color. For environment focus, blue and green colors
Brisa	2 pages, 912 words	Only name and surname of CEO is given with bold figures.	Sincerely, End with name and surname. There is no signature.	Message from the CEO	GRI, G4-1	Dear Esteemed Stakeholders,	I owe all our stakeholders, who stood by us through our journey of sustainability,....	Yes, there is a portray of CEO with colors	There is a light blue color background of CEO message.
Coca Cola	2 pages, 1562 words	me: Enhancing personal well-being we: Building stronger communities world: Environment	Sincerely, end with name and surname, title and signature,	Message from the CEO	GRI, G4	There is no salutation message	I am pleased to present our 2014 sustainability report, and I thank you for your interest in our sustainability journey	Yes, there is a portray of CEO with colors. Background of photo consists Coca Cola's logo.	Corporate colors, white, red and black are mostly used.
Doğuş Otomotiv	2 pages, 1247 words	Only title of the message is mentioned.	Sincerely, end with name and surname, title and signature,	CEO's Message	GRI, G4	Dear Stakeholders,	.... will continue to see our employees as the most valuable investment of our Company,	No photograph	White, black, gold, different from corporate logo
Erdemir	1 page, 732 words	Main principles of sustainability are given as italic.	end with name and surname, title, there is no signature.	Message from the Chairman of Board of Erdemir Group	No reference	There is no salutation message	.... I would like to thank all of our stakeholders who have always supported us..	Yes, there is a body photograph of CEO in outdoor.	Corporate colors especially red are not used, instead colorful geometrical figures are used.
Ford Otosan	2 pages, 1011 words	.... become one of the flagships of Turkish economy and automotive industry....	End with signature, name and surname, title	Chairperson Statement	It is not mentioned in the message clearly but on the right corner of the page the GRI symbol (G4-1, G4-2) is used	Dear stakeholders	.... we continue our studies and investments for the sustainable development	There is a photograph of whole body of CEO by walking.	Corporate logo color, white, blue and black
Garanti Bankası	3 pages, 1779 words	..... are committed to contributing to sustainable growth..... financial renewable energy investments	End with sincerely, signature, name and surname, title and sustainability information	Message from the CEO	GRI, G4	Dear stakeholders, (mentioned twice in message)	our valued stakeholders.... play a crucial role in guiding us to determine the material sustainability issues.	There is a photograph of CEO who seems as comfortable.	Corporate colors especially green color is mostly used.
İş Bankası	2 pages, 999 words	... we strive to allocate the resources entrusted to us in an efficient manner..	Ends with yours sincerely	CEO's message	No reference	Esteemed Stakeholders,	..... extend my deepest gratitude to our shareholders, business partners, employees and customers for their support	Portray of CEO with colors	Corporate color with white, blue, black
Koç Topluluğu	1 page, 678 words	Their group companies: Arçelik and Tofaş are mentioned with bold.	Ends with signature, name and surname and title.	Message from the CEO	Not mentioned in the message. But at the bottom of the page, G4 and G4-2 are given.	Dear stakeholders,	... thank all of our stakeholders, especially our employees, shareholders, suppliers, dealers, and business partners..	Portray of CEO in outdoor.	Corporate logo colors red, white and black
DOI:10.17261/Pressacademia.2017.684	1 pages, 937 words	Only title of the message is bold		CEO message	G41040	There is no salutation message	... will continue to make its best efforts and investments for a sustainable future.	PressAcademia Procedia	No copy, only white page
Tofaş	2 pages, 1185 words	..... we are completing a year where we sustained our pioneering position....	Ends with signature, name and surname, title	Message from the CEO	G4-1, G4-2	Dear stakeholders	.... we will continue to improve our sustainability performance with the power...	Portray of CEO with colors	Black and white, bright blue.
			Ends with king regards, signature				I wish this report		

THY	2 pages, 932 words	Only title of the message is bold	-	CEO message	G4	There is no salutation message	... will continue to make its best efforts and investments for a sustainable future.	No photograph	No color, only white page
Tofaş	2 pages, 1185 words	..... we are completing a year where we sustained our pioneering position...	Ends with signature, name and surname, title	Message from the CEO	G4-1, G4-2	Dear stakeholders	.... we will continue to improve our sustainability performance with the power...	Portray of CEO with colors	Black and white, bright blue.
TSKB	1 page, 666 words	Only title of the message is mentioned.	Ends with king regards, signature and in separate part, name,surname and title are given.	CEO's message	GRI, G4	There is no salutation message	I wish this report will inspire our sector and stakeholders.	Portray of CEO with black and white	Grey, white and blue (except corporate color)
Tüpraş	1 page, 894 words	Only title of the message is mentioned.	Ends with name and surname, title	Message From The Chairman	G4-1, G4-2	Dear Stakeholders	..... thank all our stakeholders, especially our suppliers and business partners,..	Portray of CEO with colors. There is a photograph of Atatürk on the font.	Black, White and dark blue, not related to logo
Turkcell	1 page, 440 words	Only the name and surname of CEO is mentioned.	Ends with yours sincerely, name and surname, signature.	No title	No reference	Dear Stakeholders,	... believe that we can achieve a sustainable life and create a better world...	Full body of CEO in a comfortable position	Light Grey, black, not related to logo
Yapı Kredi	2 pages, 1058 words	Only title of the message is mentioned.	No signature, only name, surname and title are given.	CEO message	G4-1, G4-2, G4-EC2	Esteemed Stakeholders,	.... will continue to support sustainable development for our country today and in the future.	Portray of CEO with colors.	White and dark blue (except logo color)

## 5. CONCLUSION

In sustainability reports, CEOs select information in their statements to give impressions as sustainability ambassadors by reflecting corporate successes and failures. Main purpose of this study is to understand CEO messages in sustainability reporting from the perspective of writing styles that are categorized as length of the message, bold and italic sentences, signature, title of the message, reporting framework, beginning and ending of the messages, photograph, colors. For this purpose, which writing styles are used by CEOs in reporting could appeared. Sustainability reports of 17 companies that are listed in Borsa Istanbul Sustainability Index were investigated by content analysis.

When we analyzed the length of the messages, almost 1-2 pages are used in reports to inform stakeholders by CEOs. Main topics, valuable explanations, titles and signatures were given in bold or italic figure. Generally, after sincerely, sincerely yours, signature comes after. As reporting framework, GRI and G4 have been mentioned. Messages usually starts with "Dear Stakeholders", ends with thanks to our stakeholders, "We will continue our investments and efforts". Photographs are used; also corporate colors are frequently reflected as message background.

Corporate relations directors and investment relations managers should focus on sustainability reports to be well understood by stakeholders, by this way, they can be more clear and transparent from the perspectives of them. It is important to use correct impression management tactics to sustain the trust to investors, customers and all stakeholders and inform their activities more consciously.

### **Limitations and Recommendations for Further Studies**

The research has number of limitations. This paper attempted to make the content analysis by emphasizing impression management tactics in the limited companies. In further studies, the scope of this study should be enhanced, also not only the CEO messages, but also main parts of the sustainability reports should be analyzed by looking at these tactics, also comparisons between companies can be given to show cultural differences among them.

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