The President’s Letter to Stockholders: An Examination of Corporate Communication Strategy

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The content of “mass” business communication vehicles, such as employee publications, benefit packages, and annual reports is receiving increased attention from business communication scholars. For example, Haar and Kossack (1990) studied the readability and usefulness of corporate benefit packages. Clampitt, Crevcoure, and Hartel (1986) examined the purpose and “typical” features of employee publications. Barnett and Loefler (1979) examined the effectiveness of accounting and auditing messages. Kuiper (1988) investigated gender representation and climate in corporate annual reports. Courtis (1987, 1986, 1982) and Means (1986a, 1986b) analyzed the effectiveness of corporate annual report prose. The present study examines thematic differences within presidents’ letters in corporate annual reports for evidence of corporate communication strategy.

Approximately $2 billion is spent in the U.S. alone to produce annual reports (Jacobson, 1988). These documents represent a substantial investment to corporations. Annual reports discharge management’s obligation to report to stockholders and the investing public on its stewardship of the business and provide meaningful information for appraising past performance and projecting future opportunities. Diffenbach and Higgins (1987) observe that annual reports are an increasingly popular medium for communicating company strategies. A company earns credibility by convincing others that it is pursuing a sound strategy...
and has an effective planning capability. If others are to know that a company is run well strategically, both internal and external communications must identify with this objective. The president’s letter to shareholders occupies a prominent position to accomplish this objective in annual reports. While the quantitative data in corporate annual reports has been subjected to extensive analysis, the qualitative segments have largely been ignored — most likely because of an absence of common structures and characteristics across financial statements. Yet these components contain top management’s assessments of prospective firm performance.

Most annual reports include a letter from the president or CEO of the organization. Bowman (1984) observes that “although some people maintain that the prose in annual reports is written by public relations people, the truth is that the typical chief executive officer spends considerable time outlining the contents of the report, sketching out much of it, and proofreading and changing most of it to his taste” (p. 63). CEOs see annual reports as major communication devices to many constituencies concerning their and their companies’ performances (Bowman, 1984). Unlike disclosures to the SEC, annual reports to shareholders are fashioned as marketing tools highlighting the firm’s mission, objectives, strategies, and financial performance. While financial portions such as the income statement, balance sheet, and changes in financial position are subject to the scrutiny of the firm’s auditors, the narrative portions of the document are a direct consequence of corporate communication decisions. The president’s letter should then be viewed as downward communication to the firm’s shareholders outlining past operating results and identifying new areas of potential corporate growth and profitability. Such a qualitative measure is an important ingredient in the investment evaluation process. Indeed, a survey of financial analysts found that analysts look to qualitative measures to validate quantitative measures in making investment decisions (Chugh & Meador, 1984).

Studies have shown that investors consider the president’s letter interesting and useful. Although the income statement is the most influential disclosure for investment decision making, the president’s letter is the most widely read section of the annual report (Courtis, 1982; Lee & Tweedie, 1975). Several years ago the SEC commissioned a report that examined the information gathering activities of a large sample of individual investors. Results showed that 91 percent of the respondents acknowledged reading corporate annual reports. Of the narrative components, 77 percent of these investors reported reading the president’s letter at least “somewhat thoroughly” while 74 percent identified it as
being at least "moderately useful" for information purposes (U. S. Congress, House Committee on Interstate and Foreign Commerce, 1977).

The information conveyed in letters to shareholders narrates the successes and failures of individuals (e.g., the CEOs), organizational subunits, and the entire company. These letters provide valuable but often overlooked information. Fiol (1989) notes that while letters to shareholders directly communicate facts about a firm, they also communicate implicit beliefs about the organization and its relationships with the surrounding world. Because of the attention placed on firms by investors, financial analysts, the media, and researchers, the manner in which messages are conveyed in the narratives of year-end reports is an important component of corporate communication strategy. Surprisingly, research in this area has been cursory at best. We believe that an evaluation of presidents' letters in annual reports may lead to a clarification of strategies presently employed by presidents of Fortune 500 firms.

Some researchers have examined the effectiveness of annual report communication with respect to content, format, and readability. In fact, several studies have concentrated on information disclosure and analysis of user perceptions (Buzby, 1974; Chandra, 1974; Firth, 1978; McNally, Eng, & Hasseldine, 1982; Moizer & Arnold, 1984). However, few studies have focused on the narrative components of annual reports (Ingram & Frazier, 1983; McConnell, Haslem, & Gibson, 1986; Swales, 1988).

This investigation seeks to determine whether differences exist between high performing and low performing firms in terms of the themes present in presidents' letters. Intuitively, these letters should convey different messages. Prior research suggests that bad news firms (poor performers) may provide signals that imitate good news firms (Frazier, Ingram, & Tennyson, 1984), and organizations with low performance may concentrate more on past than future events (Staw, 1980). A comparison of high and low performing firms will provide insight into the communication strategies of top corporate officials. Specifically, this comparison will identify how top executives of prominent U. S. firms relay "good" and "bad" financial and operating results to their constituents and thus offers insights not available in current research which focuses on content and readability regardless of message.

The annual report can either be a "good news" communication highlighting superior corporate performance or a "bad news" message relating sub-par financial results. In either instance, effective communication via the narrative components can influence actions taken by shareholders. Shelby (1988) suggests that communication should be
viewed as a management strategy where choices are made concerning whether to organize material inductively or deductively. Therefore, the manner in which firms convey these types of messages is certainly an important consideration in corporate communication strategy.

According to Conrad (1985), messages should support the image of the organization and its members, be appropriately ambiguous, and be presented in an appropriate mode. “Good news” messages generally follow a “direct plan” which affords individuals an opportunity to create a positive image of their organizations and promote goodwill between their organizations and the recipients of their letters. The majority of research on negative messages, however, has focused on the indirect or circuitous plan (Brent, 1985; Campbell, 1990; Dulek & Fielden, 1990; Fielden, 1982; Mendelson, 1988; Penrose, Rasberry, & Myers, 1989; Riley, 1988). Effective business writers recognize that they have to precondition their readers’ minds to accept a negative message. However, they don’t believe that this practice is appropriate for all types of message situations (Fielden & Dulek, 1987). In fact, some questions exist concerning uniformity or formulaic writing of these and other messages (Driskill & Goldstein, 1986; Salerno, 1988). The indirect style seeks to reduce as much as possible the risk and uncertainty frequently implicit with negative messages. A major goal of communicators is to reduce their own and their audience’s uncertainties through language and information. Uncertainty refers to “what you don’t know about what is going to happen next” (Darnell, 1972). Something has information value if it reduces a receiver’s uncertainty and increases the predictability of future messages. In order to reduce the receiver’s uncertainty in communication, appropriate message codes (themes) must be matched with specific channel capacities to provide the receiver with information (Kreps, 1986).

This investigation attempts to ascertain whether good news and bad news messages are similar in their respective themes. More specifically, the present study addresses the following research questions:

1. Can technical characteristics such as word count, number of sentences, and syllables per word differentiate between high and low performing firms?
2. Can themes within presidents’ letters differentiate between high and low performing firms?
3. Can the time frame of themes differentiate between high performing and low performing firms?
METHODOLOGY

The sample for this study was gathered from the Dow Jones News Retrieval Service (DJNR), an electronic database of corporate statistics and information. Firms were selected from Fortune magazine's annual list of the top 500 U. S. corporations ranked by sales. Bowman (1978) recommended that return on equity (ROE) rather than sales be used to compare firms across industries. Although a firm may be the leader in sales, ROE reveals the true financial strength and investment appeal of the entity. Unlike a total sales figure, this calculation is relative in nature thus facilitating the process of identifying high and low performing firms. Price and Mueller (1986), Lenz (1981), Schmidt and Fowler (1990) and Venkatraman and Ramanujam (1986) identify ROE as a widely used measure of financial performance. Both strategic management and marketing studies have used ROE as a measure of financial performance (Bass, Cattin, & Wittink, 1978; Floyd & Wooldridge, 1990; Schendel & Patton, 1978). Therefore, our second step was to re-rank firms on the basis of return on shareholder's equity (ROE). Sample firms were re-ranked on the basis of ROE to contrast less successful companies with more successful companies. The resultant sample consisted of Presidents' letters of the top 25 and the bottom 25 firms of the Fortune 500 based on ROE. Naturally, a firm which earns a sub-par rate of return on shareholders’ equity will have difficulty attracting investors and subsequently raising additional equity capital. In addition, the competence of top management may be questioned after a period of unsatisfactory financial performance. Therefore, the manner in which firms communicate this critical item through the narrative components of year-end reports may be among the firm's most important strategic decisions.

The selection of Fortune 500 firms and their subsequent arrangement accomplishes two critical objectives for this research: (a) By virtue of their membership in the Fortune 500, our original sample includes the largest and most widely followed business entities in the investment world and (b) The sample should consist of firms in which the messages conveyed in the annual report substantially differ.

Clearly, the financial figures and accompanying explanations by top management are the most visible evidence of corporate communication strategy. Firms must fashion their communication to lure and retain the dollar vote of investors. Because of the wide readership and investor interest in their year-end reports, this task is extremely critical for larger entities. It follows that inclusion of such firms within the sample will
reveal corporate strategy in the communication of financial information to large audiences.

**PROCEDURE**

According to Bowman (1978, 1984) annual reports contain much written material that permits the researcher to perform content analysis. This process relies not on causal reading but on a rather explicit counting and coding of particular lines of prose, word usage, and disclosure. This method is appropriate for discerning general themes within a large body of data or when the subject's own language is crucial to the investigation (Holsti, 1969). Content analysis was employed to gain insight about the themes emphasized in the presidents' letters. This technique involves taking the themes conveyed in the presidents' letters, coding and classifying them as precisely as possible, and then summarizing and explaining them quantitatively. One of the strengths of content analysis as a research technique is that it can measure actual behavior as compared to survey research which focuses on how people describe their behavior. The method can be used to uncover systematic differences in the way high ROE firms vary from low ROE firms in the way they communicate their respective financial "pictures." Studies using content analysis, addressing different topics, different industries, and employing different statistical tests, suggest that annual report discussion is a reasonable surrogate for real activity (Bowman, 1984). Because presidents' letters vary in length, layout, and language, a common structure must be used to compare these statements across a wide array of industries and companies.

In the present study, president's letters for 50 companies in the 1989 Fortune 500 were independently coded on a sentence-by-sentence basis. Sentences were selected as the "unit" of analysis since they represent complete thoughts as well as provide the common structure desired. This "unit" was then independently classified by the researchers according to its dominant theme. In addition, each sentence of the sample narratives was categorized on the basis of past or future reference to these themes. High intercoder reliability, the extent to which content classification produces the same results when the same text is coded by more than one coder, was a minimum standard for this investigation. Using Holsti's (1969) formula, the reliability of the procedure ranged from 92 percent to 100 percent. Preliminary analysis of the entire sample revealed six recurring themes:
T1. Environmental Factors. Words and phrases used to address features of the market beyond the control of the firm including "economy," "recession," "inflation," "housing starts," and "legislation."

T2. Growth. References to "rapidly expanding markets," "improving sales trends" and "expanding market share" are used in discussing future growth.

T3. Operating Philosophy. Strategic plans or corporate policies that are expressed in phrases such as "building a strong organization," and "strong position." This includes references to management decisions concerning operations.

T4. Product/Market Mix. Reference to products, product mix, or services that are discussed in either general or specific terms.

T5. Unfavorable Financial Reference. Phrases such as "short term losses" and "reductions in asset size" are used to discuss anticipated declines.

T6. Favorable Financial Reference. References to "gains," "increased profits" and "resumption/increase in dividends" are used when discussing positive returns to the corporation and shareholders.

Stepwise discriminant analysis was employed to determine which of the six themes significantly contributed to the discriminatory model. In addition, discriminant analysis, t-tests, and descriptive statistics were used to ascertain differences in communication strategy among high and low performing companies. Such an approach will uncover individual as well as collective variable characteristics in determining similarities and differences in patterns of communication among high and low ROE firms.

RESULTS

We first analyzed such characteristics as word count, number of sentences, syllables per word, and words per sentence. As shown in Table 1, word count yielded the only significant difference. High ROE firms tended to be more verbose than low ROE firms. Such findings may suggest that "good news" messages (high performance) are cause for more elaboration in the presidents' letter. In contrast, unfavorable results may be communicated in a more concise manner with little elaboration. Obviously, much more needs to be known about the content of these communications in terms of themes before actual corporate communication strategy can be inferred.
Table 1

Technical Characteristics of Presidents’ Letters

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>High ROE</th>
<th>Low ROE</th>
<th>t</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word Count</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>4974.00</td>
<td>212.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>366.00</td>
<td>187.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>955.00</td>
<td>440.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>1445.00</td>
<td>1016.00</td>
<td>2.04</td>
<td>.04</td>
</tr>
<tr>
<td>Number of Sentences</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>214.00</td>
<td>103.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>10.00</td>
<td>7.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>41.00</td>
<td>22.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>63.52</td>
<td>46.76</td>
<td>1.78</td>
<td>.08</td>
</tr>
<tr>
<td>Syllables Per Word</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>1.83</td>
<td>1.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>1.55</td>
<td>1.67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>.06</td>
<td>.06</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>1.73</td>
<td>1.77</td>
<td>-1.81</td>
<td>.07</td>
</tr>
<tr>
<td>Words Per Sentence</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>28.41</td>
<td>30.72</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>15.77</td>
<td>16.73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>3.06</td>
<td>3.04</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>21.71</td>
<td>21.08</td>
<td>.72</td>
<td>.47</td>
</tr>
</tbody>
</table>

Note. Sample consisted of 25 high ROE and 25 low ROE Fortune 500 companies.

Content Analysis

Simple frequency distributions uncovered differences among themes as reflected in Table 2. Results indicate that 85.6 percent of the sentences of high ROE presidents’ letters addressed some past theme in contrast to 75.3 percent for low ROE firms. The large percentage of references to past operating philosophies reflected in both sample groups clearly demonstrated that presidents tend to look towards this theme over others in explaining dramatic corporate information, be it good or bad. It is also interesting to note the high percentage of future references to operating philosophy by low ROE firms.
Table 2 also provides the results of the t-tests used for determining differences among variable means between the two sample groups. Of the twelve variables, six tested as being significantly different between high and low ROE firms. As indicated in Table 2, past references to product/market mix, unfavorable financial references and favorable financial references are significantly different between high and low performing firms. Specifically, high ROE firms referenced the product/market mix theme an average of 10.7 sentences per letter versus 3.0 sentences for low ROE firms. High ROE firms made unfavorable financial references to the past an average of .44 sentences versus 1.64 sentences for low ROE firms. Favorable financial references to the past are made an average of 8.4 sentences by high ROE firms with low ROE firms having an average of 4.5 sentences. Of the six themes with references to the future, only operating philosophy tested significant. High ROE firms made references to this theme an average of 3.12

Table 2
Themes and Time Perspectives

<table>
<thead>
<tr>
<th>Time and Themes</th>
<th>High ROE</th>
<th>Low ROE</th>
<th>t</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T1 Environment</td>
<td>4.0</td>
<td>1.6</td>
<td>1.66</td>
<td>.10</td>
</tr>
<tr>
<td>T2 Market Grants</td>
<td>9.8</td>
<td>12.6</td>
<td>-0.20</td>
<td>.84</td>
</tr>
<tr>
<td>T3 Operating Philosophy</td>
<td>35.8</td>
<td>39.8</td>
<td>0.57</td>
<td>.57</td>
</tr>
<tr>
<td>T4 Product Mix</td>
<td>20.1</td>
<td>7.1</td>
<td>2.50</td>
<td>.02</td>
</tr>
<tr>
<td>T5 Unfavorable Financial</td>
<td>0.8</td>
<td>3.8</td>
<td>-2.83</td>
<td>.01</td>
</tr>
<tr>
<td>T6 Favorable Financial</td>
<td>15.1</td>
<td>10.4</td>
<td>2.73</td>
<td>.01</td>
</tr>
<tr>
<td>Total</td>
<td>85.6</td>
<td>75.3</td>
<td>2.02</td>
<td>.04</td>
</tr>
<tr>
<td>Future</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T1 Environment</td>
<td>2.2</td>
<td>0.7</td>
<td>1.12</td>
<td>.27</td>
</tr>
<tr>
<td>T2 Market Grants</td>
<td>4.3</td>
<td>4.1</td>
<td>6.64</td>
<td>.53</td>
</tr>
<tr>
<td>T3 Operating Philosophy</td>
<td>5.9</td>
<td>17.6</td>
<td>-3.21</td>
<td>.00</td>
</tr>
<tr>
<td>T4 Product Mix</td>
<td>1.4</td>
<td>1.2</td>
<td>0.47</td>
<td>.64</td>
</tr>
<tr>
<td>T5 Unfavorable Financial</td>
<td>0.0</td>
<td>0.2</td>
<td>-1.00</td>
<td>.33</td>
</tr>
<tr>
<td>T6 Favorable Financial</td>
<td>0.6</td>
<td>0.9</td>
<td>-0.40</td>
<td>.69</td>
</tr>
<tr>
<td>Total</td>
<td>14.4</td>
<td>24.7</td>
<td>1.28</td>
<td>.21</td>
</tr>
</tbody>
</table>

Note. Sample consisted of 25 high ROE and 25 low ROE firms. Values reported show the percent of sentences that address a particular theme.
sentences; low ROE firms made references to this theme an average of 7.6 sentences. Collapsing the twelve variables into a past-future dichotomy yielded the following results. High ROE companies made references to the past an average of 45.5 sentences per president’s letter while low ROE firms had an average of 32.4 sentences. T-tests comparing total past references regardless of theme yielded significant differences between high ROE firms and low ROE firms. High ROE companies made references to the future an average of 7.6 sentences while low ROE firms had an average of 10.7 sentences. Future references regardless of theme yielded no significant differences (t = 1.28, p = .21). This finding is not surprising since future events are uncertain and preserving the credibility of top management is a critical concern.

**Discriminant Analysis**

One method for determining the simultaneous effect of many variables is discriminant analysis. In this study, variables with the most discriminatory ability were identified using the Statistical Analysis System (SAS) STEPDISC procedure. The SAS DISCRIM procedure was then employed to gauge predictive ability (SAS User’s Guide, 1989).

Stepwise discriminant analysis identified future references to operating philosophy and environment as well as past references to unfavorable financial events, product/market mix, and favorable financial events as variables which contributed significantly to the discriminatory model (See Table 3). Using these variables, a linear discriminant function was developed via SAS along with posterior probabilities for membership in each classification.

**Table 3**

**Results of Stepwise Discriminant Analysis**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Partial R$^2$</th>
<th>F</th>
<th>Prob. F</th>
</tr>
</thead>
<tbody>
<tr>
<td>T3F</td>
<td>0.1767</td>
<td>10.304</td>
<td>0.0024</td>
</tr>
<tr>
<td>T6P</td>
<td>0.1598</td>
<td>8.936</td>
<td>0.0044</td>
</tr>
<tr>
<td>T4P</td>
<td>0.1247</td>
<td>6.554</td>
<td>0.0138</td>
</tr>
<tr>
<td>T1F</td>
<td>0.0961</td>
<td>4.786</td>
<td>0.0339</td>
</tr>
<tr>
<td>T5P</td>
<td>0.0674</td>
<td>3.180</td>
<td>0.0814</td>
</tr>
</tbody>
</table>

*Note.* Variables are themes in descriptions of the future (F) or past (P).

As shown in Table 4, the discriminant model was able to correctly classify 92% of low ROE firms based on the variables generated via the stepwise procedure. Of high ROE firms, the model correctly identified
Table 4
Confusion Matrix

<table>
<thead>
<tr>
<th>Actual</th>
<th>Predicted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High ROE</td>
</tr>
<tr>
<td>High ROE</td>
<td>16 (64%)</td>
</tr>
<tr>
<td>Low ROE</td>
<td>2 (8%)</td>
</tr>
</tbody>
</table>

Note. Predictions based on linear discriminant function including variables shown in Table 3.

64 percent. Overall, the model correctly identified 39 out of a possible 50 firms resulting in 78 percent accuracy.

DISCUSSION

The most significant finding of the present study is the ability to correctly classify firms based on themes emphasized in their respective presidents' letters. These results confirm that within annual reports, consistent communication strategies are being followed based on favorable or unfavorable company performance. The results of this study should encourage more attention to the challenges of effective corporate communication strategy. Since annual reports are some of the most visible examples of such strategy, further analysis of the prose within these documents may shed more light on the techniques used by top management to communicate firm performance.

Other results indicated a predominant emphasis on the past by both groups of presidents' letters. This finding is supported by Staw (1980) and Staw, McKechnie, and Puffer (1983) who suggested that organizations with low performance may concentrate more on past than future events since efforts to justify performance may lead to a retrospective, as opposed to a prospective, focusing. Given that the purpose of the annual report is to capsule firm and industry events of the past year, this finding should not be surprising. However, the large percentage of past references does seem to indicate that top executives feel more confident discussing a certain past rather than an uncertain future. Avoiding uncertainty in communicating firm performance may indicate a strategic communication decision. Such a proposition would explain why investors may perceive the presidents' letter to be of limited use in investment decision making. One study reported that investors ranked the presidents' letter tenth of 11 annual report components in terms of usefulness in investment decisions (Most & Chang, 1984).
In addition, low ROE firms tend to be more forward looking as evidenced by their relatively high number of future references when compared to high ROE firms. Emphasizing future opportunities over poor past financial performance may be evidence of sound communication strategy at work. While strategic communication is still the exception rather than the rule (Diffenbach & Higgins, 1987), perhaps we are beginning to see evidence that corporations are recognizing the relatively untapped payoffs in this area of corporate communications.

Clearly, financial reporting involves more than accounting documents filled with static "hard numbers." Explanation of corporate events and subsequent financial performance is a dynamic process that has a major impact on a firm's competitive position. The results of this study support Bowman's (1984) research which found that content analysis of annual reports can be a useful tool for understanding some issues of corporate strategy. Though researchers have long been intuitively aware of the link between organizational beliefs and strategic behavior, it has been difficult to identify these associations. Perhaps annual reports provide a valuable resource for examining these connections.

Several limitations to the present study should be noted. First, firms were selected without regard to trends in past performance. The content of the presidents' letter may be conditioned by operating results in previous years. Second, the firms examined were selected without any consideration to the type of industry. Confounding variables may be controlled by examining firms within a single industry or by examining individual firms over several consecutive years. Perhaps other measures of success such as sales volume, stock price trends and so on need to be examined in terms of their relationship to corporate communication strategies.

Future research examining corporate communication strategy should attempt to link events with specific communication strategy. Clearly, corporate communication does not follow a generic pattern. Rather, events such as mergers and acquisitions, corporate reorganization, disasters, or changes in top management may suggest specific strategies that organizations employ in communicating such developments. In addition, the importance of communication as a strategic tool for organizations might be explored in such areas as news releases, press conferences, and speeches by top management.
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