This article explores how CEOs attempt to influence readers and project a positive personal and corporate image in company annual reports. It examines the role of metadiscourse, as a manifestation of the writer’s linguistic and rhetorical presence in a text, to show how CEOs use non-propositional material to realize rational, credible, and affective appeals. The findings are based on a close textual and linguistic analysis of 137 CEOs’ letters drawn from a range of international and Hong Kong companies, representing a mix of high- and medium-performing corporations from various business sectors and registered with the three major Chambers of Commerce in Hong Kong. Metadiscourse allows CEOs to control the information they provide by using expressions that organize and evaluate that information in order to direct readers how they should understand and appraise the subject matter. The analysis reveals the essentially rhetorical nature of CEOs’ letters by comparing the frequency and distribution of metadiscourse in CEOs’ letters and directors’ reports taken from the same annual reports. The study suggests a descriptive framework for metadiscourse in business communication and points to the need for a rhetorical awareness of this persuasive genre.

Exploring Corporate Rhetoric: Metadiscourse in the CEO’s Letter

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The CEO’s letter to shareholders is the most prominent and widely read part of an annual report. Although frequently criticized as “five pages of financial information and 40 pages of fluff” (Wild, 1997, p. 10), the production of annual reports is a major corporate endeavor, representing a U.S. $5 billion industry in the United States alone (Poe, 1994). Within the report, the CEO’s letter is widely seen as a promotional genre, designed to construct and convey a corporate image to stockholders, brokers, regulatory agencies, financial media, and the investing public (Anderson & Imperia, 1992, p. 114). Generally written as a signed personal letter, the document has enormous rhetorical importance in building credibility and imparting confidence, convincing investors that the company is pursuing sound and effective strategies. So, while research suggests that investment decisions are mainly based on financial data (Epstein & Pava, 1993; Jacobson, 1988), the CEO’s letter is widely read (Coutis, 1982) and its contents are an important means of validating quantitative measures (Chugh & Meador, 1984; Poe, 1994). Thus the letter is a highly rhetorical product that can have a major impact on a firm’s competitive position (Kohut & Segars, 1992).

Despite the importance of the CEO’s letter and widespread concern over its blatant role in promoting an overly positive corporate image, there has been surprisingly little research into how this image is “sold” to readers. Bowman (1984) has shown that CEOs recognize the mar-
marketing significance of their letters (Bowman, 1984); Cross (1990) has shown that the projection of a successful image can take priority over the readers' needs for accurate and useful information. However, other studies of the CEO's letter have largely ignored rhetorical elements, instead focusing on such issues as gender representation (Kuiper, 1988) and readability (Coutis, 1986). Attempts to analyze persuasive features have tended to look only at the content of these letters, largely to determine differences between high- and poor-performing companies (Ingram & Frazier, 1983; Kohut & Segars, 1992; McConnell, Haslem, & Gibson, 1986; Swales, 1988). In sum, there has been little research that specifically examines rhetorical elements of these texts and the ways CEOs typically seek to create a positive perception of themselves and their companies.

This paper examines some critical features of text-level rhetoric to determine how writers project themselves into their texts in order to present an effective corporate picture. I will focus on the role of metadiscourse, a term from discourse analysis which refers to aspects of a text that explicitly relate to the organization of the discourse or to the writer's stance towards either its content or the reader. Thus it is the author's manifestation in a text to "bracket the discourse organization and the expressive implications of what is being said" (Schiffrin, 1980, p. 231). It consists of features which are largely independent of propositional content, but which reveal the writer's conception of audience and the types of appeal that he or she considers most persuasive for that audience. It thus comprises a range of linguistic devices to convey a writer's personality, credibility, reader sensitivity and evaluation of propositional matter (Crismore, 1989; Vande Koppel, 1985).

The study examines how metadiscourse is used to create a positive corporate image in 137 CEOs' letters. It provides a strong argument for the need to study metadiscourse as a component of rhetoric and suggests that those interested in business writing need to become more aware of how metadiscourse is used to accomplish persuasive goals.

**The Concept of Metadiscourse**

Metadiscourse refers to aspects of text structure which go beyond the subject matter and signal the presence of the author. While the term is not always used in the same way (cf. Beauvis, 1989; Swales, 1990, p. 188), discussions of metadiscourse in linguistics typically employ Halliday's (1973) distinction between the ideational elements of a text, that is, its propositional content, and its textual and expressive meanings. Thus the term denotes non-referential aspects of discourse which help to organize prose as a coherent text and which convey a writer's personality, awareness of readers, and stance toward the mes-
sage (Crismore, Markkanen, & Steffensen, 1993). While some analysts prefer to restrict their interpretation of metadiscourse to features of text organization (e.g., Mauranen, 1993), such a terminological extension draws attention to the ways writers reveal both themselves and their communicative purposes. Metadiscourse is a critical element of persuasive discourse as it seeks to influence how readers understand propositional information.

The approach to metadiscourse adopted here is therefore based on a view of writing as a social and communicative engagement between a writer and readers and focuses on the ways writers project themselves into their works to signal their communicative intentions. Essentially, metadiscourse consists of various text tokens that do not contribute to the propositional development of a text but which guide or direct readers to how they should understand, evaluate, and respond to that information. The importance of these signals has been recognized as a means of making texts more “reader friendly” in a range of cultures, disciplines, and genres (Crismore, 1989; Valdero-Garces, 1996; Williams, 1985). Linguists’ attempts to understand the nature of persuasive discourse have shown that metadiscourse is an important element of works such as Darwin’s Origin of Species (Crismore & Farnsworth, 1989) and genres such as science popularizations (Crismore & Farnsworth, 1990) and academic research articles (Hyland, in press).

Metadiscourse therefore involves linguistic elements that help realize the rational, credible, and affective appeals that contribute to the persuasiveness of a text. It is an important means of supporting the writer’s position and building writer-audience relationships. The study reported here shows that its role in the CEO’s letter is also rhetorical, galvanizing support by building credibility, resolving uncertainty, and avoiding disputes.

**Corpus and Methodology**

The corpus for this study consisted of CEO’s letters from 137 annual reports published in Hong Kong between 1992 and 1994 (see appendix). All the reports were written in English (although over half the companies also produced a report in Chinese) and ranged in length from 16 to 116 pages. The corpus was compiled by obtaining reports from companies registered with the Hong Kong, U.S., and U.K. Chambers of Commerce who produced reports in English and then making a random selection. All the reports collected therefore had an equal and independent chance of being chosen. The sample includes a broad cross section of large blue chip, privately owned, and medium-sized companies active in Asian markets in a variety of different sectors. Almost all the companies are quoted on the Hong Kong stock exchange,
and the sample represents a mix of businesses of interest to Hong Kong and international investors.

The reports were scanned to produce an electronic corpus of just over half a million words after excluding text associated with tables and other graphics. The corpus was then divided into three main sections according to the subgenre: (a) CEOs' letters, (b) directors' reports, and (c) other disclosures. The third category appeared in about half of the annual reports and, under various headings, provided extensive detailed descriptions of company activities in various divisions and regions.

Although this study focuses on the CEOs' letters (175,152 words), a random sample of 110 complete Directors' reports taken from the same reports was also analyzed (122,511 words). While perhaps more familiar to British than to U.S. analysts (e.g., Holmes & Sugden, 1994; Hussey & Bishop, 1993), the directors' report is a compulsory catalogue of details required by the Hong Kong Companies Ordinance and, for listed firms, the stock exchange. It reviews the year and describes important events affecting the company, changes in fixed assets, details of directors, and so on. Such an objective digest of statutory information provides a useful contrast to the CEO's letter, which is voluntary and not subject to official audit. So while the quality of information provided in the letters may vary enormously, the CEO's letter is likely to play a more rhetorical role in company communication.

Both quantitative and qualitative approaches were used to analyze this corpus. First, an inventory of metadiscoursal markers in other domains and genres was compiled by two experienced applied linguists working separately and consulting reference grammars and the research literature on modality and metadiscourse (e.g., Holmes, 1988; Hyland, 1996a; Kjellmer, 1994; Quirk, Greenbaum, Leech, & Svartvik, 1972). This inventory was supplemented by the intuitive suggestions of colleagues in the departments of Business Studies and English at my institution. The final list was approved by everyone involved in its compilation.

The CEO and director corpora were then analyzed with Microconcord to find the range and frequency of all 250 items in the inventory. Microconcord is a small but powerful Windows-based text-processing program which allows users to compile general text statistics, wordlists, and concordances. A concordance is a collection of the occurrences of a word-form, each in its own textual environment, and each concordance was carefully examined to ensure that the target items expressed metadiscourse meanings. Two departmental colleagues and I then independently coded large samples of the analysis according to the schema described below. An inter-rater reliability of 0.83 (kappa) was obtained
for this analysis, indicating a high degree of agreement. We discussed all discrepancies and resolved them.

**Functions of Metadiscourse**

The taxonomy employed here, based on the scheme for identifying cultural variations in essay writing developed by Crismore et al. (1993), distinguishes textual and interpersonal metadiscourse and further classifies more specific functions within these types. This system offers a comprehensive and pragmatically grounded description, but it was modified slightly as we began to analyze the CEO data in order to achieve consistent coding. The revised version therefore minimizes overlapping functions and eliminates categories identified purely by formal, rather than functional, characteristics (see Table 1).

<table>
<thead>
<tr>
<th>Category</th>
<th>Function</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Textual Metadiscourse</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logical connectives</td>
<td>Express semantic relation between main clauses</td>
<td>in addition / but / therefore</td>
</tr>
<tr>
<td>Sequencers</td>
<td>Denote sequence of text material</td>
<td>first / next / finally / then</td>
</tr>
<tr>
<td>Frame markers</td>
<td>Explicitly refer to discourse acts or text stages</td>
<td>finally / to repeat / my goal is</td>
</tr>
<tr>
<td>Endophoric markers</td>
<td>Refer to information in other parts of the text</td>
<td>noted above / see below</td>
</tr>
<tr>
<td>Code glosses</td>
<td>Help readers grasp meanings of ideational material</td>
<td>namely / e.g. / in other words</td>
</tr>
<tr>
<td><strong>Interpersonal Metadiscourse</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hedges</td>
<td>Withhold writer's full commitment to statements</td>
<td>might / perhaps / it is possible</td>
</tr>
<tr>
<td>Emphatics</td>
<td>Emphasize force or writer's certainty in message</td>
<td>in fact / definitely / it is clear</td>
</tr>
<tr>
<td>Attributors</td>
<td>Indicate the source of quoted information</td>
<td>according to / X says</td>
</tr>
<tr>
<td>Attitude markers</td>
<td>Express writer's attitude to propositional content</td>
<td>surprisingly / hopefully</td>
</tr>
<tr>
<td>Relational markers</td>
<td>Explicitly refer to or build relationship with reader</td>
<td>between us / you can see / I / we</td>
</tr>
</tbody>
</table>

**Textual metadiscourse** refers to devices which allow us to recover the writer's intention by explicitly establishing preferred interpretations of propositional meanings. Devices in this category therefore help form a convincing and coherent text by relating individual propositions to each other and to readers. While these items are often considered essential to readability, their use calls attention to the speech act itself, and their form depends on the writer's assessment of what needs to be made clear in order to achieve particular goals with a given audience. Textual metadiscourse can therefore represent the degree to which the writer wishes to intrude into the text to restrict the reader's selection of alternative interpretations. Items in this category performed five main functions:

1. **Logical connectives**, mainly conjunctions and adverbial and propositional phrases, help readers interpret pragmatic connections between ideas by signaling additive, resultative, and contrastive rela-
tions in the writer's thinking. Concordance lists were carefully screened to ensure items performed such a metadiscoursal rather than a purely syntactic role, where the term was required to create a well-formed sentence. For example, coordinating conjunctions such as and, or, and but were counted only if they were "rhetorically optional" in the sense that they constrained the interpretation of the message rather than just contributing to the coordination of sentence elements.

2. **Sequencers** are enumerative items like first, then, for one thing, and numbers and letters used for listing.

3. **Frame markers** draw attention to the writer's discourse goals (I argue here, my purpose is), label stages in the text structure (to conclude, in sum), or indicate topic or argument shifts (well, now). Items in this category therefore provide interpretive framing information about longer elements of the discourse.

4. **Endophoric markers** refer to other parts of the text (we noted above, see page 4).

5. **Code glosses** provide additional information to assist interpretation and ensure the writer's intention is understood by explaining, comparing, or expanding what had been said. They are introduced by phrases like such as or for instance or are included in parentheses.

**Interpersonal metadiscourse** reveals the author's attitude towards both the propositional information and the readers, thus contributing to the development of a writer-reader relationship. It is essentially evaluative and relates to the level of personality, or **tenor**, of the discourse, influencing such matters as the author's intimacy or remoteness, expression of attitude, commitment to propositions, and degree of reader involvement. Again, there are five subcategories. The first two categories represent authors' epistemic assumptions, i.e., their assessments of possibilities, and thus indicate their confidence in the truth of the propositions the devices accompany. In addition, the balance of hedges and emphatics plays an important role in argument because their use to strengthen or weaken statements also recognizes the reader's need for consideration and respect (Myers, 1989).

1. **Hedges** are items such as possible, might, and perhaps which mark the writer's decision to present propositional information tentatively (Holmes, 1988; Hyland, 1996a & b).

2. **Emphatics** indicate the writer's assurance: it is obvious, definitely, and clearly.

3. **Attributors** indicate the source of information.

4. **Attitude markers** express an attitude to textual information, conveying surprise, judgements of importance, obligation, agreement, and so on, and include attitude verbs, modals, and sentence adverbs.
5. **Relational markers** explicitly seek to involve the reader by selectively focusing their attention, emphasizing a relationship, or by including them as participants in the text situation. Devices include second-person pronouns, first-person pronouns, imperatives, questions, and asides that interrupt the ongoing discourse.

While every care was taken to include only those items which expressed metadiscoursal meanings, the imposition of discrete categories inevitably conceals the polypragmatic character of discourse. Language use is invariably "fuzzy," which means that meta- and propositional discourse cannot always be distinguished and that types of metadiscourse do not exclusively perform either textual or interpersonal functions.

Instead, these categories overlap because writers, in their attempts to be persuasive, may appeal to readers on both affective and logical levels simultaneously. Barton (1995), for example, has pointed out that textual contrastive connectives like *but* and *however* can also serve interpersonal functions as they solicit a reader's positive response by indicating politeness or a shared emphasis when presenting claims. Similarly, hedges not only mark uncertainty but also perform an important affective role, while attitude markers and code glosses also imply a stance towards the reader. The important point is that writers frequently seek to accomplish several objectives simultaneously, and we must be aware of this multi-dimensional aspect of language. Writing effectively means anticipating the needs of readers, both to follow an exposition and to participate in a dialogue, and it should be no surprise that many devices perform both functions at once.

Although it is often impossible to map precise functions onto particular items unequivocally, our coding decisions were based on what appeared to be the primary function of an item in a particular context. We avoided double coding by deciding to count all connectives as textual metadiscourse and to include both the epistemic and affective meanings of hedges under one term. Logical connectives form a conceptually coherent group which principally act to tell readers how to interpret propositional relationships. Limitations on the strength of statements are relatively easy to identify as hedges and are distinct from other kinds of attitudinal tags. Thus words, phrases, main clauses, and typographical marks were all included as metadiscourse. Clusters of devices from different categories were counted separately if a single predominant function could not be identified.

**Overall Results**

The quantitative analysis revealed considerable differences within and between the two genres. While metadiscourse occurs in both CEOs' letters and directors' reports, and while both employ more tex-
tual than interpersonal forms, the former contain about two and a half times more metadiscourse per 100 words and include six times more interpersonal metadiscourse (Table 2).

The CEOs' letters contain about one metadiscourse device every 50 words. These are typically connectives or hedges (comprising 66% of all items) with little endophoric or attributional signaling. The directors' reports show a similar overall percentage of connectors and hedges, although with fewer than half the occurrences per 100 words. The strikingly different frequencies demonstrate the distinct nature of the two documents, with the directors perceiving less need to exercise control over the discourse by marking the organization of their prose or its affective implications. The CEOs, on the other hand, clearly see a need to intervene by displaying an alignment to their readers and informing them of their intentions, meanings, and attitudes.

Table 2
Functions of Metadiscourse in Company Reports

<table>
<thead>
<tr>
<th></th>
<th>CEOs' Letters</th>
<th>Directors' Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Per 100 words</td>
</tr>
<tr>
<td><strong>Textual</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logical connectives</td>
<td>2241</td>
<td>1.29</td>
</tr>
<tr>
<td>Code glosses</td>
<td>1589</td>
<td>.91</td>
</tr>
<tr>
<td>Frame markers</td>
<td>331</td>
<td>.19</td>
</tr>
<tr>
<td>Sequencers</td>
<td>189</td>
<td>.11</td>
</tr>
<tr>
<td>Endorphic markers</td>
<td>182</td>
<td>.06</td>
</tr>
<tr>
<td>Totals</td>
<td>3599</td>
<td>2.06</td>
</tr>
</tbody>
</table>

Despite the differences in the frequency of metadiscourse found in the two kinds of text, there are considerable similarities of usage within these categories. As Table 3 shows, the logical connectives *and*, *also*, and *but*; the hedge *would*; and code glosses (particularly those in parentheses) are among the most frequently occurring devices in both corpora. The proportion of metadiscourse these terms comprise suggests a tremendous rhetorical divergence between the two types of writing, with 85% of the directors' list drawn from textual categories but only 60% in the CEOs' sample. Metadiscourse in the directors' reports is almost formulaic, with the ten most frequent items accounting for 81% of all devices. In contrast, the ten most frequent items account for only 51% of the CEOs' metadiscourse.
Rank | Term | % of total | Rank | Term | % of total
---|---|---|---|---|---
1 | and | 13.3 | 1 | and | 31.6
2 | also | 9.4 | 2 | mentioned above | 11.4
3 | parentheses (code gloss) | 6.2 | 3 | also | 8.5
4 | but | 4.6 | 4 | shown in/on | 7.9
5 | approximately | 4.1 | 5 | approximately | 5.8
6 | however | 2.9 | 6 | parentheses (code gloss) | 5.3
7 | I would like | 2.8 | 7 | in addition | 3.3
8 | about | 2.7 | 8 | would | 2.8
9 | as a result | 2.3 | 9 | given/set out below | 2.6
10 | I/we believe | 2.3 | 10 | but | 2.3

Although these two genres differ considerably in terms of form and content, the directors' report is not merely a list of hard financial data. Certainly the report contains accounts and tabular information, but it is largely composed of running text (averaging about 1,200 words in this sample). It typically includes a review of the development and activities of the company and its subsidiaries during the year, information on company training and employment policies, and a summary of acquisitions and disposals. The differences in metadiscourse between this report and the CEO's letter therefore relate to different purposes rather than simply different formats. While directors' reports are often a simple record of company particulars, the CEO's letter represents corporate communication decisions which involve attempts to influence the audience.

**Rhetorical Effects of Metadiscourse**

In the CEO's letter, the rhetorical purpose is essentially persuasive, seeking to gain the reader's acceptance for the particular definition of reality preferred by the writer. While ostensibly an informative genre, which lays out an objective assessment of the company's activities, performance, and future plans, the CEO's letter clearly moves beyond passive disclosure to what amounts to the marketing of a corporate ideology. The choice of strategies available to the writer includes the form of presentation, the degree of explicitness, the level of formality and distance, and the arguments. All essentially depend on the writer's perception of what is likely to increase the credibility of certain propositions in the reader's mind. For the CEO's letter, the audience can include a variety of stakeholders and interest groups. If the writer has no clear idea of this composite audience or if one particular constituency is privileged, then the rhetorical effectiveness of the letter may suffer (Cross, 1990).
Metadiscourse is critical in addressing readers as it allows writers to process and refine ideas out of concern for possible reactions to the propositions conveyed. It helps CEOs to engage their audience, signal propositional relationships, apprise readers of varying certainty, and guide their understanding of the information presented. In other words, metadiscourse accomplishes persuasive objectives by contributing to the same rational, credible, and affective appeals which have characterized persuasive discourse since Aristotle. Metadiscourse indicates rational appeals when it explicitly links ideas and arguments; it relates to credibility appeals where it concerns the writer's authority and competence and to affective appeals when it signals respect for the readers' viewpoint or that the message has direct relevance to the audience. I will now discuss how metadiscourse is used in the CEOs' letters to realize these aspects of classical rhetoric.

**Rational Appeals: Signaling Meaning Relations**

Rational appeals to readers (corresponding to the Greek concept "logos") are mainly accomplished through the propositional content of the text: how writers choose to define problems, support claims, validate premises, state conclusions, and so on. The logic connecting these elements, however, is also a critical part of a text's overall persuasive force. The identification of individual statements and the relations among them are interpretive acts by the writer which are signaled by metalinguistic markers of argumentation. Microstructural analysis of the textual metadiscourse devices employed can help distinguish the detailed structure of the persuasive appeals employed in a text.

Textual metadiscourse helps readers understand how the text is organized by explaining, orienting them to, and guiding them through the information. It functions rhetorically to point readers in the direction of the argument intended by the writer. It is no surprise therefore to find that CEOs' letters contain over 60% more textual metadiscourse per 100 words than do directors' reports. In particular, the CEOs take considerably more trouble to label parts of the discourse macrostructure explicitly in order to ensure the reader understands either the discourse act being performed at a particular point (1-2) or the writer's purpose at that juncture (3-4). (In these and all of the examples which follow, emphasis is added to identify the metadiscourse device.)

(1) *In conclusion,* the group is very optimistic about the prospects of the plastics industry.  
(Wing On, 1994)

(2) *To illustrate* how attractive this market is, in 1992 the New York tri-state area accounted for more than . . .  
(Chase Manhattan, 1993)

(3) *I wish to record my appreciation* of their contribution. (HK Bank, 1994)

(4) *I will now discuss* each of these core businesses. (Pacific Concord, 1993)
Similarly, we find almost four times more code glosses in the CEOs’ letters. Code glosses help readers grasp the significance of particular information in the way the writer intends, frequently by comparing an item with previous results, expanding an item, or explaining potentially problematic material.

(5) The group is continuing to develop its three major housing estates, namely Laguna City, South Horizons, and Kingswood Villas according to plan. (Cheung Hong Holdings, 1994)

(6) Group earnings for the year, representing H.K. $2.14 per share (1992 H.K. $1.91), have increased by 11.9%. (China Light & Power, 1994)

(7) The point is—it didn’t matter. (General Electric, 1993)

The principal means of making the argument structure of a text explicit is through logical connectives. These denote how the writer intends the meaning relations between ideas to be understood and are expressed through conjunctions such as and or but, sentential adverbs like nevertheless or consequently, and by prepositional phrases such as due to and in spite of. As we would expect, these occur significantly more frequently in the CEOs’ letters. To a greater extent than directors, CEOs must explicitly state their views, organize their ideas, and build arguments by indicating clear lines of thought through surface logicality.

(8) This view must be tempered by the continuing delay in bringing about a successful conclusion to the Uruguay round of GATT talks which is so crucial to the world’s free trade talks and therefore the well being of our core business. (Orient Overseas, 1992)

(9) Profitability was outstanding and the company continued to broaden its customer base by developing new dealer relationships. Likewise, as in prior years, portfolio credit quality was maintained at high levels. (Dao Heng Bank, 1993)

(10) Hong Kong’s export and entrepot trade performance is expected to improve, buoyed by economic improvement in most western industrial countries. On the other hand, in view of the high inflation and overheated economy in China, macro-economic restraint policies are likely to continue in 1995. (Wing Lung Bank, 1994)

Clear differences exist in the variety of forms and types of relations employed in the two genres. Table 4 shows far heavier use of additive connectives in directors’ reports, while CEOs appear to employ more contrastive and resultative connections. One reason for this difference is the relative complexity of argument found in CEOs’ letters. Directors’ reports are often simple inventories of the principal activities of the group, details of directors, and a summary of trading results. In the CEO’s letter, though, we are far more likely to encounter explanations for results, justifications for particular courses of action, and discussion of the problems and opportunities currently experienced by the firm. Such topics necessarily require connectors which indicate...
exceptions to general situations, deviations from plans owing to particular circumstances, and causal dependencies between propositional elements.

### Table 4
**Categories of Logical Connectives**

<table>
<thead>
<tr>
<th>Category</th>
<th>CEOs' Letters</th>
<th>Directors' Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additive</td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Contrastive</td>
<td>918</td>
<td>57.8</td>
</tr>
<tr>
<td>Resultative</td>
<td>316</td>
<td>19.8</td>
</tr>
<tr>
<td>Totals</td>
<td>1539</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Additive</td>
<td>679</td>
<td>82.3</td>
</tr>
<tr>
<td>Contrastive</td>
<td>83</td>
<td>10.1</td>
</tr>
<tr>
<td>Resultative</td>
<td>63</td>
<td>7.6</td>
</tr>
<tr>
<td>Totals</td>
<td>825</td>
<td>100</td>
</tr>
</tbody>
</table>

The only category of textual metadiscourse more frequent in the directors’ reports than in the CEOs’ letters is endophoric markers, devices which refer the reader elsewhere in the text or document for further information. This difference is explained by the tendency to concentrate an increasingly wide range of items into the directors’ report so that it is often “little more than a clearing house for reference to other parts of the annual report” (Martin, 1989, p. 78). The CEO’s letter on the other hand is a relatively self-contained document; its mean length of only 1,278 words offers little opportunity for the kind of development that might require more referring expressions.

**Credibility Appeals: Creating an Ethos**

The rational appeal of a well signaled and explicit argument structure is only one dimension of a rhetorically effective letter. Persuasive discourse also depends on the writer’s credibility. The perceived integrity and authority of the writer is particularly important in CEOs’ letters (Epstein & Parva, 1993; Jacobson, 1988) where “honesty” (Cato, 1994, p. 29) and “candour” (Poe, 1994, p. 17) are seen as essential elements of credible communication. While some CEOs may have a high profile image prior to their pronouncements in the annual report, all writers have to re-establish their ethos in their texts. Metadiscourse involves linguistic elements which help realize ethos (Crismore & Farnsworth, 1989), projecting the writer into the document to present a competent, trustworthy, authoritative, and honest persona. The aspects of metadiscourse which contribute most to the CEO’s credibility appeals are hedges, emphatics, relational markers, and attributors, all of which help to indicate writers’ assessments of truth and their convictions in their views.

Credibility is obviously most easily gained on the strength of company successes, and, in such circumstances, CEOs may be able to draw on external sources to underline the authority of their assertions. Although rare in this genre, attributions occasionally occur where they
lend support for either the CEO’s views or his or her role in leading a thriving company. In the next two examples, attributions to sources work with positive evaluations and highly-charged expressions to reinforce an emphatic endorsement of the company’s performance.

(11) *We’re the top-rated underwriter of emerging markets debt, according to Euromoney, and International Financing Review named Chase “Emerging markets debt house of the year.”* (Chase Manhattan, 1994)

(12) *Other research indicates that the overall satisfaction of merchants with American Express improved dramatically in 1993.* (American Express, 1993)

When external attributions are not available, the writer has to build an ethos through an appropriate presentation of self by “accentuating the positive” and stamping an authority on the text. One way CEOs can do this is through the use of emphatics to underline their certainty and boost their presence in the discourse. Emphatics are widely used by CEOs to demonstrate a confident, decisive, and commanding image. They help the writer to instill confidence and trust in shareholders and potential investors through an impression of certainty, assurance, and conviction in the views presented.

(13) *As our H.K. $31,400 million worth of aircraft and equipment orders clearly show, we remain very confident about the future of Hong Kong.* (Cathay Pacific, 1994)

(14) *Commercial activities in China will definitely create unprecedented opportunities....* (Ryoden Developments, 1993)

(15) *We firmly believe we are well positioned to become a multi-media technology leader.* (Vtech Holdings, 1994)

An interesting feature of this attempt to build a personal ethos is the extensive use of first-person pronouns in the CEOs’ letters: 489 compared with a total of 41 for all personal pronouns in the directors’ reports. When combined with emphatics, personal pronouns express personal beliefs, strengthening the writer’s presence in the text and directly aligning the CEO with the viewpoint expressed. Personal attribution joined to epistemic verbs of judgment represents an overt acceptance of personal responsibility and is the most explicit attempt to build a personal ethos of competence and authority:

(16) *I know from my year as chairman of the Administration Board that budgeting has been a very delicate operation over the last two years.* (Hong Kong & Shanghai Bank, 1994)

(17) *I am sure that our company will continue to grow in 1993.* (Crocodile, 1993)

(18) *I believe strongly that our people should share in the success of Cable and Wireless and be well rewarded for exceptional personal performance.* (C&W, 1994)

In examples 17 and 18, first-person pronouns and emphatics combine effectively to promote the image of a determined, confident, positive hand at the helm of the company.
First-person pronouns are rare, however, where a more diffident ethos is promoted. The CEO's presentation as a commanding authority figure may not always be appropriate, particularly in years when the company has not performed as hoped. At such times the Chair has to be more conservative, and reconsider the values of a business culture which tend towards an "overly positive emphasis" (Cross, 1990, p. 198). The goal of building credibility through frank admissions and rhetorical honesty is thus often tempered by the need to retain investor confidence during times of indifferent performance. The delicate equilibrium between confidence and candor is partly reflected in the balance between emphatics and hedges in CEOs' letters. By enabling them to encode a point of view toward what they say, epistemic markers contribute to a CEO's ethos. The degree of commitment or assurance they invest in statements provides readers with an image of authority and sincerity.

At various points, CEOs seek to present a reassuring image of a modest, trustworthy, and cautious steward of the company, a person who can be relied on to make honest assessments of future possibilities and who takes few risks with investors' capital. This self-projection is mainly accomplished through the use of hedges, which comprise nearly a quarter of all metadiscourse items in the corpus. An apparent reluctance to assert the unequivocal truth of his or her views can help strengthen the CEO's reputation as a person whose word is tempered by regard for restraint, integrity, and an honest admission of market vagaries and company setbacks.

(19) At this juncture however it would appear that local infrastructure projects . . . should take up most of any slack caused by slower growth rates in the PRC. (Dao Heng Bank, 1993)

(20) It is possible to envisage a future when many banking services will be delivered direct to the home or business place via television screens. (Barclays, 1993)

(21) Each of the above projects has resulted in significant increase of rent and there is good reason to believe that future endeavors will produce similar results. (Amoy Properties, 1994)

Developing such an image can promote the credibility and humility of the CEO, restoring some humanity to a faceless corporation, and making it easier for stockholders to identify with the ideals and objectives of the company. On the other hand, of course, the CEO's letter publicly links the Chief Executive with his or her opinions, and so represents careful decisions concerning the degree of commitment he or she wishes to invest in them. Withholding commitment, often by use of hedges without an explicit agent, can therefore also be a prudent insurance against overstating an assertion which later proves to have been in error.
Hedges, then, are an important means of mitigating the directness by which disappointing results or failed projects are presented and are found in other business genres where political delicacy is required (Hagge & Kostelnick, 1989). Tentative and cautious expressions anticipate reader responses to bad news while seeking to retain an ethos of credibility gained by frankness and clarity. By allowing the writer to assume some distance from a statement, hedges help avoid direct responsibility for it. This minimizes damage to personal credibility while simultaneously conveying a professional ethos of honesty and openness.

(22) *Generally* our Service businesses made good progress.

(Inchcape Pacific, 1993)

(23) Some improvement *may be possible* in 1994 as a result of the expansion of the customer base at Global Container Base at New Jersey, USA.

(Orient Overseas, 1993)

(24) *At this stage,* the 1994 results are *unlikely* to show significant growth over 1993.

(Cathay Pacific, 1993)

The predominance of hedges over emphatics in the corpus is partially a consequence of this need to soften the announcement of poor results and account for setbacks. However, they occur in an environment in which writers strive to project an overall impression of confidence, assurance, and optimism. The rhetorical use of metadiscourse in the construction of a CEO’s ethos therefore appears to be double-edged. Emphatics allow writers to project a credible image of authority, decisiveness, and conviction in their views. Hedges help CEOs to demonstrate personal honesty and integrity through a willingness to address hard realities, albeit behind a shield of mitigation.

**Affective Appeals: Relating to the Reader**

In addition to presenting a rational argument and a credible persona, writers also have to attend to the desired effects of their text on readers (pathos). In particular, they need to consider readers’ attitudes to the argument and whether they will perceive the discourse to be relevant and important to them. Clearly the CEO’s letter will seem relevant to those who look to it as a guide to investment, but writers also have to actively create a dialogue to involve their audience in the message of the text. This affective element involves the writer in looking at the text from the readers’ perspective, addressing their situation, empathizing with their values, and directly inviting them to respond. The use of interpersonal metadiscourse demonstrates that the writer has taken the prospective reader into consideration. It is more reader-centered than ethos strategies. The categories of relational markers, attitude markers, and hedges, together with the manipulation of pronoun reference, contribute to the development of a relationship with the reader which helps realize affective appeals.
One aspect of affective appeals is the writer’s personal evaluation of what he or she is discussing. Such attitudes can be of surprise, agreement, pleasure, emphasis, and so on.

(25) Fortunately, in the past few years we have taken full advantage of the rising markets. (Amoy Properties, 1994)

(26) Hopefully these new ventures in a market with tremendous potential will bring more profits to the group. (Ming Pao Daily, 1993)

(27) The reason for this level of performance and, more importantly, the 120 (Swire, 1993)

The expressions in examples 25-27 carry (or rhetorically appeal to) an implicit assumption that the reader will experience the discourse in the same way. They therefore emphasize a priori assumptions about shared purposes and understandings. This is particularly clear when considering the use of obligation modals in this corpus. Necessity modals such as must, have to, need, and should contribute to affective appeals by aligning the goals and desires of the writer with those of the reader. They express the belief that something should be done, while rhetorically presupposing that the reader will concur:

(28) Customers must be offered a speedy response, flexibility, innovation, value for money, and, above all, improved quality of service. (Barclays, 1993)

(29) At the same time, it is essential that we should make a great effort to appreciate what is going on in China and respond accordingly. (Ming Pao Daily, 1994)

Metadiscourse “relational markers” also build writer-reader relationships. Questions, for example, explicitly seek to draw the reader into the discourse as a participant in a dialogue (30), while asides and comments interrupt the flow of propositional information to address the audience directly on the discourse itself (31).

(30) Have we made progress? Yes. Can we do more? Definitely. And we intend to. (Chase Manhattan, 1993)

(31) . . . but successful Asian economies — and there are a growing number of them — display certain shared characteristics. (Hong Kong Bank, 1993)

The affective appeal of these devices is achieved by demonstrating common ground with the reader, triggering agreement on the claims discussed by presenting oneself as a person with similar views, interests, and objectives as the reader.

A more explicit means of appealing to an audience is to both personalize the discourse and more closely involve readers by directly addressing them using second-person pronouns:

(32) Of all the headlines of the past year our favorites, and perhaps yours, were the ones reporting that Union Carbide was the year’s best performing stock. . . . (Union Carbide, 1992)

(33) The board has good reasons to be optimistic about the future of the group; and so should you, too. (Elec & Eltek International Holdings, 1994)
(34) As we enter the third era, your company can be counted upon to play an important part in the smooth transfer . . . (China Light & Power, 1993)

First-person pronouns can also explicitly contribute to the development of a relationship with the reader when they collocate with attitude markers. While they also help to build credibility through the writer's alignment with emphatics, the use of first-person can play a significant affective role by emphasizing the CEO's personal disposition or sensibilities. These examples demonstrate the impact of this strategy, as can be seen by comparing 36 with 26 above:

(35) We cannot, of course, achieve our international aims without strengthening our home base, and I am glad to say that financially we are in good shape. (HKIE, 1994)

(36) It is my hope that it will further enhance the good image of the Group both in the eyes of our international investors and the public at large. (Amoy Properties, 1994)

Similarly, although less frequently, the inclusive use of third-person forms also contribute to the persuasiveness of a text by making the shared interests of writer and reader transparent (37-38). The effect of strategic pronoun use can be clearly seen where different forms are used together (39):

(37) Let us hope that Government sees no reason to increase betting duty further for many years to come. (Royal Hong Kong Jockey Club, 1994)

(38) The directors are confident that our company can maintain a solid growth momentum in 1994. (Li & Fung, 1993)

(39) On your behalf also, I would like to thank all our workforce who have contributed to the results achieved by our company. (Nestle, 1993)

For clarity of exposition I have presented different metadiscourse items as having distinct rhetorical effects, but it should be clear from the examples that devices can perform more than one function simultaneously. The overlap is particularly notable in the use of interpersonal markers to convey both affect and credibility. The dual pragmatic role of surface features and the desire of writers to perform functions simultaneously mean that differentiating these two functions can be difficult. One example of this is the use of hedges. The high frequency of hedges in this genre results from the fact that hedges build both ethos and pathos in persuasive writing. Hedges help realize an ethos of cautious restraint by mitigating commitment to the truth of statements and also signal courtesy by demonstrating a reluctance to express views categorically. Thus a CEO might weaken the expression of a proposition not only to express doubt about its truth but also to convey an attitude of tact and deference to the reader (Myres, 1989; Hyland, 1996b). Hedges acknowledge that a categorical assertion is rarely an appropriate persuasive resource.

Identifying the predominant pragmatic function of a hedge in any particular instance is often perilous as both meanings are frequently
intended. The clearest examples of "politeness" uses would seem to be where the hedge suggests a reluctance to assert a proposition where reasons for such reluctance are not apparent in the text. Thus the writer seems to have little need for caution in the next examples:

(40) Indeed, two events that occurred during the year might be regarded as milestones of the group's history. (Hopewell Holdings, 1994)

(41) Members are probably aware that a third international . . . (Royal Hong Kong Jockey Club, 1994)

While most references to probabilities or writer commitments to the truth of statements also appear to carry affective meanings, the writers in these examples are simply acting in a unassertive, deliberate manner in order to show that they respect readers' rights to think otherwise.

Conclusions and Implications

I have argued that metadiscourse is a ubiquitous feature of the way CEOs portray their awareness of how best to represent themselves and their companies. The study suggests that those interested in the relationships of language and rhetoric to business communication must be concerned with the influence of metadiscourse on persuasion. But while it seems clear that metadiscourse is central to the creation of rational, credible, and affective appeals in CEOs' letters, future work needs to investigate its importance in other genres and contexts and discover how best to make these features salient to students.

One of the most important implications of this study is that the concept of metadiscourse opens a new area for research in the study of business discourse. The results provide a strong argument for studying metadiscourse as a component of corporate rhetoric and provide baseline data for comparisons with other genres and business domains. It would be interesting to determine which forms and meanings characterize different types of reports or business letters, for example, identifying both the relative frequencies of the items employed and the aspects of context and writer purposes which most influence the functions they convey. In company reports, it might be rewarding to examine the use of CEOs' metadiscourse in high- and low-performance companies, good and bad years, or different commercial sectors. In other words, the devices and analysis reported here may reveal the distinguishing features which operate in specific contexts. Further research in this area may reveal that the ways writers control the expression of textual and interpersonal relationships within a text are as vital to the rhetorical success of a text as its propositional content.

Finally, the analysis may help students of business communication understand and gain control of metadiscourse in their own reading and writing of business genres. Such studies can help learners gain a better understanding of the strategies used in corporate messages and
develop a more effective rhetorical and verbal repertoire to use in the professional domains in which they will find themselves. CEOs' letters are among the most widely read and easily accessible documents companies produce. Often readily encountered by shop-floor employees and small investors, annual reports are now distributed internationally. They thus represent part of the growing global hegemony of English and the increasingly insistent undercurrent of a promotional culture in informative discourse. Analyses such as the one presented here can therefore help consumers of these documents develop a rhetorical awareness of written managerial persuasion.

NOTE

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REFERENCES


APPENDIX

Corpus of Company Annual Reports

ACT Group Plc.
Allied
American Express Company
Amy Properties
ARCO Chemical Company
AT&T
Avon Cosmetics (FEBO) Ltd.
Bank of China
Barclays Plc.
BASF
The Bank of East Asia Ltd.
The British Bank of the Middle East
Burmah Castrol Plc.
Cable and Wireless
Carlingsford Insurance Co. Ltd.
Carhavy Pacific Airways
Century City International Holdings Ltd.
The Chase Manhattan Corporation
Cheng Hsiong Holdings Ltd.
Cheung Kong (Holdings) Ltd.
Chinese General Chamber of Commerce
China Overseas Land and Investment
Chow Sang Sang Holdings International
China Light and Power Co. Ltd.
Crocodile Garments Ltd.
The Cross-Harbour Tunnel Co. Ltd.
Dairy Farm International Ltd.
The Daiwa Bank Ltd.
Dow
The East Asiatic Company
Elec & Eltek
Emperor (China Concept) Investments Ltd.
Emperor International Holdings Ltd.
Evergo International Holdings Co.
First Pacific Co.
Furama Hotel Enterprises
General Electric Co.
Glynhill International Ltd.
Goldlion Holdings Ltd.
Gold Peak Industries Ltd.
The Grande Group
Great Eagle Holdings Ltd.
Harbour Centre Development Ltd.
Hong Kong Aircraft Engineering Ltd.
Hong Kong & China Gas Co.
The Hong Kong and Shanghai Hotels Ltd.
Hong Kong Bank
Hong Kong Electric Holdings Ltd.
Hong Kong Institute of Engineers
Hong Kong Land Holdings Ltd.
Hong Kong Telecom
Hang Lung Development
Hang Seng Bank Ltd.
Hopewell Holdings Ltd.
HSBC Holdings Plc.
Hutchinson Whampoa
JCL Hong Kong
Incheape
Island Dyeing and Printing Co.
Jardine International Motors
Jardine Matheson
Johnson Electric Holdings Ltd.
Jusco
Kowloon-Canton Railway Corp
Kowloon Motor Bus Co. Ltd.
Li & Fung Ltd.
Lui Chong Hing Investment Ltd.
MC Packaging (HK) Ltd.
Mandarin Oriental International Ltd.
Marks & Spencer
Mass Transit Railway Corp.
Ming Faon Enterprises Corp. Ltd.
Mobil
Motorola
National Mutual Asia Ltd.
Nestle
Northern Telecom
NYK Line
Ori\textsuperscript{\textdagger}n Overseas (International Ltd.)
Pacific Concord Holdings Ltd.
Paliburg International Holdings Ltd.
Prudential Corp Plc.
Regal Hotels International Holdings
Reuters
The Royal Hong Kong Jockey Club
Royden Development Ltd.
SAS Institute
The Shui Hing Company Ltd.
Shun Tak Holdings Ltd.
South China Industries Ltd.
The South China Morning Post
Starlight International Holdings Ltd.
Stelux Holdings Ltd. 92
The Stock Exchange of Hong Kong Ltd.
Sun Hung Kai Properties Ltd.
Swire Pacific
Texas Instruments
UDL Holdings Ltd.
Union Carbide Corp
Unisys China/Hong Kong Ltd.
VTech Holdings Ltd.
Wah Kwong Shipping Holdings Ltd.
The Wharf (Holdings) Ltd.
Wing Hang Bank Ltd.
Wing On Company International Ltd.
Wing Lung Bank Ltd.
Yangtsekiang Garment Mfg. Co. Ltd.
YGM Trading Ltd.