

# 上海交通大学

SHANGHAI JIAO TONG UNIVERSITY

## 学士学位论文

THESIS OF BACHELOR



论文题目：美国企业年报中总裁信函的说服力语言特征探究——基于元功能视角

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**PERSUASIVE RESOURCES IN LETTERS TO SHAREHOLDERS IN THE  
AMERICAN CORPORATE ANNUAL REPORTS  
——FROM THE PERSPECTIVE OF METAFUNCTIONS**

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## 美国企业年报中总裁信函的说服力语言特征探究 ——基于元功能视角

### 摘要

公司年报是上市公司向外界披露企业经营状况的重要文件，是投资者了解企业盈利状况的首要媒介，也是分析人士预测企业未来发展的重要参考因素。而总裁信函作为年报开篇的第一份文件，除商业参考价值之外，还具有不可忽视的语言学价值。作为一种社会性语篇，总裁信的语言学特征一直未得到充分研究。借助系统功能语法的理论框架，本课题从元功能角度出发，从 2014 年美国财富 500 强中随机抽取 35 家公司的年报，截取总裁信作为研究对象，以小句作为研究单位，采取定性定量相结合的研究手段，分析总裁信在及物性、语气和主位结构三大系统中如何实现概念元功能、人际元功能及谋篇元功能，运用统计学知识总结分布规律和使用偏好，并结合实例讨论背后的原因。本课题进一步以说服力写作策略为参考，总结总裁信语言中的说服力语言资源，评估具有元功能的语言资源是如何有效地传达令人信服的企业信息与形象的，并为中国企业在国际化环境下发布英文年报提供了写作指导。分析结果表明，在及物性方面，物质和关系过程占据主导地位；在语气方面，现在时为主要时态，情态动词中低级情态动词最多，语气附加语中以表强度的附加语占据多数；在主位结构中，单项主位的无标记主语最多，多项主位大多以语篇主位作为开始，另外主位推进模式以主位相同、述位相同和线性主位模式为主。该结果与说服力写作策略相吻合，旨在传达积极、主动、实干、负责的企业形象，以达到披露公司状况，展望企业前景，同时引起投资者共鸣的意图。

**关键词：**总裁信，元功能，及物性，语气，主位结构，说服力写作

# PERSUASIVE RESOURCES IN LETTERS TO SHAREHOLDERS IN THE AMERICAN CORPORATE ANNUAL REPORTS ——FROM THE PERSPECTIVE OF METAFUNCTIONS

## ABSTRACT

The majority of public companies use Annual Reports as leading documents to disclose comprehensive financial information. Those reports also serve as a channel, through which investors gain an insight into companies' operations and financial performances. As the prelude of an Annual Report, a *Letter to Shareholders* is of immense significance not only for business research but also for linguistic analyses. However, as a type of social discourse, *Letters to Shareholders* have not been given sufficient academic attention. In this study, 35 *Letters to Shareholders* are randomly selected from the Annual Reports of the 2014 American Fortune 500 Companies. Clauses as units of analysis are examined in the light of Systemic Functional Grammar and metafunctions. A combination of qualitative and quantitative analytical approaches is adopted to examine how Transitivity, Mood, and Thematic Structure are used to perform the Ideational, Interpersonal, and Textual metafunctions. Statistical analyses, conducted to show the distribution tendencies of different patterns are followed by a further discussion of the underlying reasons. The linguistic features are then compared with persuasive writing tactics to identify the persuasive resources. Results show that Material and Relative Processes take the lead in Transitivity; The Present Tense and Low Modality are principally used in Mood, with a limited application of Mood Adjuncts in which Adjunct of mood takes the lead; as for Thematic Structure, Unmarked Theme far outnumbers Marked Theme in the application of Simple Theme. Multiple Themes mostly start with Textual Theme. The Progression Pattern is dominated by Constant Theme, Constant Rheme, and Linear Theme Patterns. In correspondence with the persuasive writing tactics, companies tend to build a proactive, responsible and trustworthy corporate image to impress the shareholders. The ultimate goal of this study is to offer guidance to domestic companies in composing well-written *Letters to Shareholders* in English to address the challenges of economic globalization.

**Keywords:** *Letter to Shareholders*, metafunction, transitivity, mood, Thematic Structure, persuasive writing

## Contents

1	Chapter I Introduction	1
1.1	Research Background	1
1.2	Significance of the Study	1
1.3	Objectives of the Study	2
2	Chapter II Literature Review	2
2.1	Studies on Systemic Functional Grammar	2
2.1.1	Transitivity	3
2.1.2	Mood	4
2.1.3	Thematic Structure	4
2.2	Studies on Persuasive Writing	5
2.3	Studies on <i>Letter to Shareholders</i>	6
3	Chapter III Methodology and Data Collection	6
3.1	Data Collection	6
3.2	Research Scope and Analytical Approaches	9
4	Chapter IV Results and Discussion	10
4.1	Realization of Ideational Function - Transitivity	10
4.1.1	Statistics	10
4.1.2	Discussion	12
4.2	Realization of Interpersonal Function - Mood	14
4.2.1	Statistics	14
4.2.2	Discussion	17
4.3	Realization of Textual Function - Thematic Structure	19
4.3.1	Statistics	19
4.3.2	Discussion	23
5	Chapter V Conclusion	25
5.1	Major Findings	25
5.1.1	Realization of Metafunctions	25
5.1.2	Persuasive Resources in <i>Letter to Shareholders</i>	27
5.2	Limitations and Suggestions for Further Study	28
	Bibliography	30

## Chapter I Introduction

### 1.1 Research Background

An Annual Report is a leading document used by the majority of public companies to disclose corporate information to the public. As the prelude of an Annual Report, a *Letter to Shareholders*, which is written and signed by the CEO, is of immense significance in two aspects. First, it has a high value in the business sense. Normally, a typical *Letter to Shareholders* serves two different but related purposes. One is to summarize the corporate business performance in the previous fiscal year. The other lies in the company's attempt to bolster investor confidence as well as to reaffirm its responsibilities and obligations to its shareholders and the social well-being. Therefore, the *Letters* have been primarily used for investment evaluation and industrial research. Secondly, it is embedded with non-negligible linguistic features. As a *Letter to Shareholders* is aimed at projecting a positive corporate image to the public and persuading the shareholders to continue investing in the company, it is heavily influenced by certain preferences in the choices of words, structures and grammatical patterns. That fact has made it possible for a systematic discourse analysis.

### 1.2 Significance of the Study

As discussed, Annual Reports and *Letters to Shareholders* are the key to the communication between the corporation and the public in that they reveal internal business operations, retain existing shareholders and attract potential investors. Though abundant resources are available online regarding the Corporate Annual Report which in most cases are found in the Investors section on the official websites, little research, no matter in the business or linguistic sense, has been carried out in this field compared to other financial areas.

More realistically speaking, the linguistic features discovered in *Letters to Shareholders* are relevant to China as well. As a member of the WTO, China has been put under the spotlight with its corporations continuously exposed to the global market. There is mounting awareness that an increasing number of qualified enterprises will go public to become new and dynamic players in the international community within the foreseeable future. By then, all these companies will have to release their Annual Reports in English for the sake of the stock exchange committees, governmental agencies and international shareholders. It is, therefore, vital that the report be well-structured and well-written. Given this, the *Letter to Shareholders*, as the opening statement of the Annual Report, thus plays an especially significant role. Equally, it calls for all the financial students and professionals to be linguistically equipped while composing Annual Reports in English.

The urgency in composing internationally standardized corporate reports mandates serious study of the relevant linguistic tactics. Current researches on Corporate Annual Reports mainly focuses on financial statements and there exist inadequate linguistic analyses on the *Letter of Shareholders*. This thesis is intended to cast more light on that particular subject.

To sum up, the significance of this thesis lies in three aspects. First, it enriches the application of linguistics in the social context, especially the business context. Secondly, it establishes a framework for the writing of a persuasive *Letters to Shareholders* through theoretical analysis. Thus it acts as a guideline for Chinese corporations to release internationally recognized Annual Reports and *Letters to Shareholders*. Thirdly, the thesis provides up-to-date data resources collected from a pool of the Corporate Annual Reports of the 2014 Fortune 500 Companies.

### 1.3 Objectives of the Study

This thesis focuses on the Ideational, Interpersonal and Textual metafunctions in the text of *Letters to Shareholders*. Specifically, Transitivity, Mood and Thematic Structure are the three key aspects that will be looked into respectively. After statistical descriptions are drawn within each metafunction, further discussion will be conducted based on the results to explore the highlights in the data dispersion and to offer insights into the reasons for these features. Finally, all the features will be compared with the persuasive writing tactics to evaluate their effects in conveying convincing messages.

The objectives of this thesis are as follows. First and foremost, it intends to identify the occurrence of Ideational, Interpersonal and Textual structures. Secondly, it intends to reveal the tendencies in the distribution of Transitivity Process, Mood and Thematic Structure. Thirdly, it intends to demonstrate the lexicogrammatic features that *Letters to Shareholders* display to fulfill communicative and persuasive purposes. Fourthly, based on the persuasive resources identified, it intends to provide constructive advices for overseas listed Chinese companies.

## Chapter II Literature Review

### 2.1 Studies on Systemic Functional Grammar

When we are talking about language, in most cases, we are talking about grammar. Two distinctive theoretical perspectives have coexisted since Ancient Greece on conceptualizing grammar, the system of wordings of a language ([6], Matthiessen & Halliday, 2009: 39). One regards languages as a set of rules while the other views languages as a resource for making meaning. In response to the growing demands for the universal and in-depth application of grammatical theory, Systemic Functional Grammar, taking the resource perspective, stresses the meaning potential embedded in languages. Rather than a system of symbols, language is a system of meaning.

In respect of the meaning potential in language, Systemic Functional Grammar emphasizes



the choices of the speakers to realize their intentions in different social contexts through concrete grammatical structure of a language. Bronisław Kasper Malinowski, a leading figure in socio-anthropology and forerunner of Functionalism, initiated the concept of social context and further divided it into situational context and cultural context. Inheriting that idea, the pioneer in Systemic Functional Grammar, M.A.K. Halliday, developed it into the register theory. By applying the language variety of register in the particular choice of field, tenor and mode, speakers are able to communicate with each other under a particular circumstance for a particular purpose. Another revered figure in this field is J.R. Martin, who further developed the register theory by proposing with David Rose the stratified supervenient model of language and of social context ([5], Martin & Rose, 2003: 7). In his model, Martin pointed out the relationship between languages and social contexts by identifying five layers: genre, register, discourse semantics, lexicogrammar and phonology. The first two fall into the scale of social context while the rest fall into the scale of language. The supervenient relationship is that the proceeding one is realized by the one that follows. In this study, therefore, if the discourse is meant to be analyzed, a lexicogrammatical level analysis should be conducted.

The framework of Systemic Functional Grammar can be used to evaluate the *Letter to Shareholders* as a form of social discourse. To figure out exactly how to proceed, however, requires an understanding of the three dimensions of metafunctions, which refer to the different modes of meaning construed by the grammar ([6], Matthiessen & Halliday 2009: 52). The first two metafunctions, Ideational and Interpersonal, are concerned with phenomena outside languages while the Textual function is about how Ideational and Interpersonal metafunctions are realized in the text through different expressions. In each metafunction, Transitivity, Mood and Thematic Structure are examined for concrete analysis.

### 2.1.1 Transitivity

The Ideational metafunction relates to our experience of the world around us and inside us ([6], Matthiessen & Halliday 2009: 54). It is further divided into experiential function and logical function. Transitivity is the major grammatical system concerning Ideational metafunction at the clause rank. Altogether, six process types describe the experience in the exterior and interior worlds, involving participants and the relevant circumstantial element:

- (1) Material Process is a process of doing and happening, involving Actor and Goal.
- (2) Mental Process is a process of sensing in relation to perception, reaction and cognition, involving Senser and Phenomenon.
- (3) Relational Process is a process of being, unveiling the relationship between different entities. The relationship can be attributive or identifying.
- (4) Verbal Process is a process of saying, concerning direct or indirect verbiage to see how information is delivered.
- (5) Behavioral Process is a process of behaving, mostly from the human biological perspective.
- (6) Existential Process is a process of existing.

Above all, Transitivity offers a network of inter-related options for representing different types of experiences ([6], Matthiessen & Halliday 2009: 61). It is thus quite helpful to explore

what experience is most widely recorded in *Letters to Shareholders*.

### 2.1.2 Mood

The Interpersonal metafunction reveals a speaker's attitude and evaluation as he or she takes different speech roles. Subject and Finite make up the mood elements. Residue includes Predicator, Complement and Adjunct. Finite implies different moods. Examining the Primary Tense and Modality can reveal a broad picture of the dominating attitude and stance expressed by *Letters to Shareholders*. The category of Finites is listed below ([1], Hu 2005: 125).

**Table 2.1.2 Category of Finites**

	Positive	Negative
Past	did, was, had, used to	didn't, wasn't, hadn't, didn't+used to
Present	does, is, have	doesn't, isn't, hasn't
Future	will, shall, would, should	won't, shan't, wouldn't, shouldn't
Low Modality	can, may, could, might (dare)	needn't, doesn't/don't+need to, have to
Medium Modality	will, would, should, s/was to	won't, wouldn't, shouldn't (isn't, wasn't to)
High Modality	must, ought to, need, has/had to	mustn't, oughtn't to, can't, couldn't, (mayn't, mightn't, hasn't/hadn't to)

Modal Adjuncts are also examined in order that an in-depth analysis of the Interpersonal metafunction can be achieved. As a group of Interpersonal Adjuncts not falling within the Residue, Modal Adjuncts can be further divided into Mood and Comment ([1], Halliday, 2000:81-82). Mood Adjuncts are most closely associated with the meaning constructed in the Mood system in the scale of polarity, modality, temporality and mood ([1], Halliday, 2000:82). Temporality is closely related to tense, polarity and modality to attitude and probability, and mood to intensity and degree ([1], Halliday, 2000:83). By analyzing Mood Adjuncts, we can get insights into which scale of Mood Adjuncts is most frequently used and what kind of information is delivered. Comment Adjuncts, however, are not within the scope of research because they are less integrated into the Mood structure. Instead, they serve more for textual organization ([1], Halliday, 2000:83).

### 2.1.3 Thematic Structure

As the major system of Textual metafunction, Thematic Structure determines the starting-point of the message ([1], Halliday, 2000:38), whether it is given (Theme) or new (Rheme), and how the information flows (Thematic Progression Pattern). Halliday divided Themes into three categories, namely Simple Theme, Multiple Theme, and Clausal Theme. The classification is, however, somewhat overlapping, as Clausal Theme in most cases can be a Simple Theme or part of a Multiple Theme. In this study, Themes are only classified into two major types, Simple Themes and Multiple Themes. The sub-categories of Simple Theme include Marked and Unmarked Themes. It is noticed that people tend to use the Unmarked Theme, which also acts as

the Subject in the clause. However, the Marked Theme, which is put at a prominent place other than the Subject in the clause, is usually used for some particular reasons. As Halliday has pointed out, Marked Themes usually either express some kind of setting for the clause or express a feature of contrast ([1], Halliday, 2000:48). It is, therefore, worthwhile to probe into the Marked Themes in *Letters to Shareholders* to see how the clauses are organized for purposeful meanings. As for the Multiple Theme, the Textual Elements (continuative, structural and conjunctive elements) come first, followed by Interpersonal Elements (modal, Finite vocative) and Topical Theme. Different applications of Multiple Themes are also expected to deliver different messages. Finally, the Thematic Progression Patterns play a vital role in the information flow and coherence of the text. According to Hu ([11], Hu, 2005: 168-170), the four common patterns of Thematic Progression are illustrated below:

- (1) The Constant Theme Pattern, in which different Rhemes share one Theme

T1 → R1  
T2 (=T1) → R2  
...  
Tn (=T1) → Rn

- (2) The Constant Rheme Pattern, in which different Themes share one Rheme

T1 → R1  
T2 → R2 (=R1)  
...  
Tn → Rn (=R1)

- (3) The Linear Theme Pattern, in which the proceeding Rheme acts as the new Theme

T1 → R1  
↓  
T2 (=R1) → R2  
...  
Tn (=Rn-1) → Rn

- (4) The Cross Pattern, in which the proceeding Theme acts as the new Rheme

T1 → R1  
T2 → R2 (=T1)  
...  
Tn → Rn (=Tn-1)

Apart from how each clause handles information, Thematic Progression offers a full picture of how the discourse is organized. In this way, both micro and macro approaches are applied to thematic analysis.

## 2.2 Persuasive Writing

Systemic Functional Grammar offers a theoretical framework of linguistic analysis. One step further, based on the result of discourse analysis, persuasive writing gives the guidance as to how to evaluate the effectiveness of *Letters to Shareholders*. Joan Mulholland emphasizes the application of persuasive tactics to achieve expected effects by pointing out that a good idea may

not necessarily win approval and support in and of itself “without any persuasive planning to produce it in the best possible way” ([7], Mulholland 1994: 11). As a matter of fact, “ordinary talk and writing has as many persuasive tactics in it as are used in political or advertising language” ([7], Mulholland 1994: 11). Mulholland further discusses the nature of persuasion by differentiating it from propaganda. While propaganda emphasizes manipulation of other minds in mass media communications and hardly allows for resistance to its influence, persuasion is a factor of ordinary everyday life. Persuasion includes both mass communications and individual interactions. It acts rather to encourage the other person to share the view of the user than to insist on imposing it ([7], Mulholland 1994: 13). Mostly importantly, Mulholland makes it clear that language is one major tool in the achievement of persuasion. Because language is used to represent the world, to form and sustain relationships, to convey views and thoughts, it could be persuasively used for some purpose ([7], Mulholland 1994: 15). Therefore, *Letters to Shareholders*, as a means of communication with the shareholders, is surely expected to contain certain persuasive resources. Thanks to the catalog of persuasive tactics, it is possible to identify the tactics adopted in the text to testify the effects of the chosen patterns and to establish guidance for future writing of *Letters to Shareholders*.

### 2.3 Letter to Shareholders

Compared with other linguistic studies on *Letters to Shareholders*, the study from a metafunctional perspective is relatively limited, let alone a study featuring persuasive writing. Hyland ([3], Hyland, 1998:224-245) focuses on rhetorical features of *Letters to Shareholders*. He establishes a database of 137 letters and investigates how metadiscourse is employed to create a favorable corporate image. Hildebrand and Snyder ([3], Hildebrandt & Snyder, 1981:5-15) have conducted an analysis on the wording of *Letter to Shareholders*. The result turns out that the expressions are not correlated with the organizational performance in that the tone is mostly positive and optimistic. Domestically, Huang ([14], Huang, 2012:84-90) runs a comparative analysis on distribution and clustering of metadiscourse markers in CEO letters in English Annual Reports released by Western banks and Chinese banks. There lacks studies on Letters to Shareholder from a metafunctional perspective. What's more, the database of *Letters of Shareholders* used in the existing studies is usually not up to date or mostly relevant. This study is intended to fill the gap by collecting the latest data.

## Chapter III Methodology and Data Collection

This study involves a collection of texts. The data collection procedures, the research scope and analytical approaches are as follows.

### 3.1 Data Collection

In this study, all the samples are selected from the Fortune 500, the most representative corporation ranking covering all the industries in the world. As the latest ranking was announced in 2014 based on the avenue in 2013 and the 2014 Annual Reports had already been available by the time when the study started, the 2014 Annual Reports were collected according to the latest company ranking so that the research results would be up to date. A further filter was applied according to the criterion that research samples should be from an English-speaking country with native linguistic competency, namely, America. As a result, a total of 128 companies are identified for further selection, with reliability and objectivity preserved because of the large sample size.

In addition to the pool of targeted samples, the volume of samples is also carefully determined. Totally 35 randomly-selected samples are usually sufficient enough to draw a statistically significant conclusion. It is expected that altogether 128 Annual Reports be collected before a random selection picks out the final 35 samples for systematic analysis.

However, due to the limitation of Internet access, inaccessibility of 2014 Annual Report, nonexistence of *Letter to Shareholders* and other limitations, a total of 41 Annual Reports are downloaded from the official websites. The random selection process further identifies the final 35 samples for linguistic analysis. The following table is an exhaustive list of all the companies selected together with their rankings and industry sectors.

**Table 3.1.1 List of Selected *Letters to Shareholders***

Ranking	Company Name	Sector
1	Wal-Mart Stores	General industrials
5	Exxon Mobil	Oil & gas producers
12	Chevron	Oil & gas producers
29	Mckesson	Wholesaler (health)
34	At&T	Fixed line telecommunications
35	Cvs Caremark	Food & drug retailers
42	Verizon Communications	Fixed line telecommunications
50	Hewlett-Packard	Technology hardware & equipment
60	Costco Wholesale	General retailers
62	Express Scripts	Health care equipment & services
67	Cardinal Health	Wholesaler (health)
71	IBM	Information technology services
82	Citigroup	Banks
87	ADM	Food producers
90	Boeing	Aerospace & defence
92	Procter & Gamble	Household goods
104	Microsoft	Software & computer services
121	Johnson & Johnson	Pharmaceuticals & biotechnology
131	MetLife	Life insurance
134	U.S. Postal Service	Industrial transportation
153	Bunge	Food producers
174	Dow Chemical	Chemicals
181	Caterpillar	Industrial engineering

**Table 3.1.1 (continued)**

Ranking	Company Name	Sector
192	Lowe's	General retailers
228	Schlumberger	Oil equipment & services
234	Sysco	Wholesaler (food)
236	Fedex	Industrial transportation
243	Intl FCStone	Financial services
283	Honeywell	Electronic & electrical equipment
312	Morgan Stanley	Banks
318	Twenty-First Century Fox	Entertainment
399	3M	General industrials
420	International Paper	Forestry & paper
433	McDonald's	Travel & leisure
434	Macy's	General industrials

The following table breaks down the distribution of the industries of the selected companies to show objectivity and representativeness of the data are achieved. In total, 26 business sectors are involved in this study as compared to the overall 53 sectors.

**Table 3.1.2 List of Covered Sectors**

Sector	No.
Aerospace & defence	1
Banks	2
Chemicals	1
Electronic & electrical equipment	1
Entertainment	1
Financial services	1
Fixed line telecommunications	2
Food & drug retailers	1
Food producers	2
Forestry & paper	1
General industrials	3
General retailers	2
Health care equipment & services	1
Household goods	1
Industrial engineering	1
Industrial transportation	2
Information technology services	1
Life insurance	1
Oil & gas producers	2
Oil equipment & services	1

**Table 3.1.2 (continued)**

Sector	No.
Pharmaceuticals & biotechnology	1
Software & computer services	1
Technology hardware & quipement	1
Travel & leisure	1
Wholesaler (food)	1
Wholesaler (health)	2

### 3.2 Research Scope and Analytical Approaches

The study chooses the clause as the unit of analysis, guided by Systemic Functional Grammar. Considering the broad scale of research perspectives, it is noticed that a full analysis of the clauses is beyond the scope of the study. For the sake of the research, process types, Mood and Thematic Structure have been specially explored to reflect the realization of each metafunction. One issue occurs as the clause complex always stands in the way during the analysis. A clause complex, as per the definition given by Thompson, is “a combination of two or more clauses into a larger unit, with there interdependence normally showed by explicit signals such as conjunctions” ([8], Thompson 2000: 194). Therefore, this study takes into account not only clauses but also clause complexes by dividing complexes into sub-clauses at the lower rank, which means that a multi-level analysis is conducted.

The study follows an inductive methodology. Generally speaking, the study adopts a combination of qualitative and quantitative analyses.

The study involves qualitative analysis in two respects. For one thing, in the primary stage of the research, the classification of the linguistic patterns embedded in the texts of *Letters to Shareholders* is principally based on the understanding of the theoretical frameworks of metafunctions. For the other, in the final phase of the research, the results of statistical analysis are compared with the persuasive writing tactics to identify the dominant persuasive resources in *Letters to Shareholders*.

As for quantitative analysis, firstly, the data go through a random selection. Then, after all the clauses and sub-clauses separated from the texts are classified into different pattern groups, a statistical analysis will be done to figure out the tendency and distribution, i.e., the percentage of occurrence of each pattern. The reason why the absolute frequency of occurrence is not considered in this study lies in the disparity in the length of the text. In order that every letter is put on an equal footing, calculating the absolute times of occurrence makes no sense because there is likely to be more clauses falling in a certain pattern in a longer text. An analysis based on the relative frequency, the possibility of occurrence, however, is statistically effective. Such scientific analysis lays the foundation for drawing objective and well-grounded conclusions.

The analytical approaches of this study is all-round, aiming to objectively and scientifically reveal the linguistic features of *Letters to Shareholders*. The data selection is unbiased, because it excludes cultural differences, time gap or influences from non-native speakers. In addition, totally



35 *Letters to Shareholders* covering 26 sectors from American 2014 Fortune 500 companies are selected from the pool to ensure the data sufficiency, objectivity and impartiality.

## Chapter IV Results and Discussion

The self-built corpus containing 35 *Letters to Shareholders* is made up of more than 2500 target clauses. Each clause falls into one of the patterns of each metafunction system. Note that Transitivity, Mood and Thematic Structure are three simultaneous strands. Therefore, each clause is supposed to be endowed with three patterns in the realization of the three metafunctions.

### 4.1 Realization of Ideational Metafunction

#### 4.1.1 Statistics

As the major system of Ideational metafunction, Transitivity consists of six process types. The distribution of the process types within each *Letter to Shareholders* and the total tendency are explicitly illustrated below.

**Table 4.1.1 Occurrence of Process Types**

No.	Rank	Material	Mental	Relational	Behavioral	Verbal	Existential
1	1	52.78%	15.74%	30.56%	0.00%	0.00%	0.93%
2	5	50.00%	14.00%	36.00%	0.00%	0.00%	0.00%
3	12	44.19%	11.63%	41.86%	0.00%	2.33%	0.00%
4	29	44.44%	38.89%	16.67%	0.00%	0.00%	0.00%
5	34	34.07%	18.68%	42.86%	0.00%	3.30%	1.10%
6	35	48.88%	13.48%	37.64%	0.00%	0.00%	0.00%
7	42	49.29%	10.71%	35.71%	0.00%	3.57%	0.71%
8	50	45.74%	12.77%	35.11%	0.00%	6.38%	0.00%
9	60	50.00%	12.50%	36.46%	1.04%	0.00%	0.00%
10	62	56.00%	10.67%	28.00%	0.00%	2.67%	2.67%
11	67	51.75%	16.67%	28.95%	0.00%	2.63%	0.00%
12	71	65.56%	8.89%	20.00%	0.00%	4.44%	1.11%
13	82	52.58%	12.37%	30.93%	0.00%	2.06%	2.06%
14	87	67.53%	7.79%	22.08%	0.00%	1.30%	1.30%
15	90	67.53%	3.90%	27.27%	0.00%	1.30%	0.00%
16	92	72.34%	7.45%	19.15%	0.00%	0.00%	1.06%
17	104	56.67%	10.00%	23.33%	0.00%	10.00%	0.00%
18	121	41.86%	13.95%	34.88%	0.00%	2.33%	6.98%
19	131	39.00%	20.00%	34.00%	0.00%	5.00%	2.00%
20	134	61.86%	15.46%	19.59%	0.00%	1.03%	2.06%
21	153	56.60%	6.60%	34.91%	0.00%	0.94%	0.94%



Table 4.1.1 (continued)

No.	Rank	Material	Mental	Relational	Behavioral	Verbal	Existential
22	174	53.06%	14.29%	30.61%	0.00%	2.04%	0.00%
23	181	47.37%	7.89%	39.47%	2.63%	2.63%	0.00%
24	192	57.50%	12.50%	30.00%	0.00%	0.00%	0.00%
25	228	77.27%	9.09%	13.64%	0.00%	0.00%	0.00%
26	234	65.12%	9.30%	23.26%	0.00%	2.33%	0.00%
27	236	59.49%	11.39%	26.58%	0.00%	2.53%	0.00%
28	243	32.26%	19.35%	41.94%	0.00%	3.23%	3.23%
29	283	40.20%	14.71%	36.27%	0.00%	2.94%	5.88%
30	312	54.55%	7.79%	36.36%	0.00%	0.00%	1.30%
31	318	52.86%	7.14%	32.86%	1.43%	4.29%	1.43%
32	399	52.94%	5.88%	41.18%	0.00%	0.00%	0.00%
33	420	60.87%	10.87%	21.74%	2.17%	2.17%	2.17%
34	433	56.52%	4.35%	34.78%	0.00%	0.00%	4.35%
35	434	46.15%	12.82%	37.18%	0.00%	2.56%	1.28%
<b>Total</b>		<b>53.07%</b>	<b>12.09%</b>	<b>31.44%</b>	<b>0.15%</b>	<b>2.09%</b>	<b>1.16%</b>

Though the distribution varies among the texts, some key common trends can still be detected as follows.

- (1) The Material Process turns out to be the dominant process type, accounting for 53.07%, over half of the total occurrence. The individual occurrence ranges from 32.26% to 77.27% with a relatively low coefficient of variation<sup>①</sup> of 19.17%. This indicates that the distribution of Material Process among different samples is relatively of low variance.<sup>1</sup>
- (2) The Relational Process, according to the data, is the second principally adopted process type. It takes up 31.44% of the total occurrence with a coefficient of variation of 25.27%, a little higher than that of the Material Process but still significantly concentrated in the possibility of occurrence. Together with Material Process, Relational Process is also commonly used by most of the CEOs.
- (3) The Mental Process normally ranks third in occurrence, no matter in the general or among each individual sample with only a few exceptions. The coefficient of variation is higher at 49.94%, which implies that the use of Mental Process is more related to individual preferences.
- (4) Apart from the three major process types, Verbal, Existential, and Behavioral Process altogether only account for 3.4% of the total occurrence. The coefficients of variation of these three process types all exceed 100%, which is the benchmark of high variance. This suggests that given the uncommon use of the minor process types, the obvious variance might also be attributed to strong personal preference and taste.

<sup>1</sup> In probability theory and statistics, the coefficient of variation (CV) is a standardized measure of dispersion of a probability distribution or frequency distribution. Distributions with  $CV < 1$  are considered low-variance, while those with  $CV > 1$  are considered high-variance.

#### 4.1.2 Discussion

##### 4.1.2.1 Material Process

The statistical result above indicates that the application of process types is dominated by the Material Process, Relational Process and Mental Process, among which the Material Process takes the strongest lead. This has a lot to do with the characteristics of the discourse of *Letter to Shareholders*. As an important part of the letter, the CEO is supposed to review the key achievements of the company in the prior year, introducing what is going on at present and what is the plan for the future. A language full of motivation and action, which is made possible by the Material Process, is therefore highly effective to impress the shareholders. A typical example goes like this:

*We **provide** not only the products, but also the services, information and advice to help people improve their homes. And to meet customers' evolving expectations, we **are transforming** from a single-channel home improvement retailer to an omni-channel home improvement company. We **are building** on our past success and finding new ways to serve and connect with customers, including innovative approaches to store formats and product presentation, new services and tools, and entry into new markets.*

—2014 Annual Report, Lowe's

The extracted text abounds in action verbs, which enhances the company's image as a proactive doer. In addition to actions, a large number of clauses contribute to dynamicizing positive financial gains.

*Our team **delivered** higher profit per share in 2014; it **increased** to \$5.88 from \$5.75 in 2013 and, excluding restructuring costs, it **improved** even more – from \$5.97 in 2013 to \$6.38 in 2014.*

—2014 Year in Review, Caterpillar

The most frequently used verbs regarding positive financial gains include *increase*, *rise*, *grow* and *improve*. Rather than simply stating the achievements, the CEO highlights the continuous upward trend of the corporate development to meet the expectations of the shareholders by using the Material Process.

##### 4.1.2.2 Relational Process

The Relational Process plays a vital role in the text. It usually refers to the attribute of the Participant and explains the relationship between involved participants. The Relational Process can be highly effective in that it clearly depicts the state of the company, the network of relationship within the company, and it also builds links with the shareholders. Some Relational Processes have really a firm tone, which is effective to impress the readers.

The Relational Process, subjectively speaking, can be applied to delineating the psychological state of the CEO. See the example below.

*I **remain** excited, passionate and confident in this great Company and its very bright future.*

—2014 Annual Report, The Dow Chemical Company

In a concise and intensive way, the Identifiers pile up to explicitly unveil the CEO's

psychology. Those Identifiers are so positive and expressive that the shareholders are not likely to let go such a sparkling of passion.

Other Relational Processes are used to present a state of being in an objective way.

*It is a great time to be a part of Honeywell. What we have accomplished **has been** very rewarding of course for us, our customers, and our shareowners. What gets us excited though **is** seeing how much more is possible! We **have** so much upside, so much more we can do. It's not like we are having to look for ideas. They **are** all around us. That's what makes it exciting to be a part of Honeywell.*

—2014 Annual Report, Honeywell

The cited example explicitly expounds the company's relationship between what it has achieved and what is lying ahead. Different from Material Process, which emphasizes a state of action, Relational Process stresses a state of being, which is non-action. Comparatigve analysis is made possible by looking into the two ways of describing financial gains. The relational perspective goes like this:

*Our earnings-per-share growth target **is** 9 to 11 percent per year, on average; in 2014, earnings-per-share grew 11.5 percent. Our organic growth target **is** 4 to 6 percent per year, on average; in 2014, we grew 4.9 percent organically. Our target for Return on Invested Capital **is** approximately 20 percent; in 2014, we achieved 22 percent. Our Free Cash Flow Conversion target **is** approximately 100 percent; in 2014, we hit 104 percent.*

—2014 Annual Report, 3M

It is clearly noticed that non-action process leads to facts and highlights while action process contributes to changes and achievements. Both are highly indispensable to *Letters to Shareholders*. However, in order to present a proactive image, the Material Process has a bigger say, while the Relational Process takes the supportive role.

#### 4.1.2.3 Mental Process

The Mental Process is marked by the verbs indicating inner mind movements, such as believe, expect, like, want and see. *Letters to Shareholders* make full use of the Mental Process to invite the shareholders to envision the prospect of the company and share all the feelings with the CEO. An intensive application of Mental Process can be found below.

*Clearly, we are seeing tremendous opportunities for growth throughout the enterprise, and I **believe** that our integrated model will allow us to take full advantage of them. In closing, I **want** to thank our board of directors and the 217,000 colleagues who work so diligently across CVS Health.*

—2014 Annual Report, CVS Health

And see also:

*We **believe** these initiatives will enable us to accelerate growth and generate higher returns... I **expect** that we'll return more than \$30 billion to shareowners over the next five years... Of course, we **anticipated** these trends and have invested not only in the fastest-growing economies, but in industries like healthcare and retail that should drive profitable growth for years to come.*

—2014 Annual Report, UPS

The CEO resorts to Mental Process to express personal feelings and expects the shareholders to put themselves in the same shoe. Shareholders thus are apt to share the same feeling with the CEO, holding strong beliefs in progress and improvement, facing uncertainty with hope, and looking forward to a bright future. The spiritual power embedded in the Mental Process serves as a key driver in the effectiveness of *Letters to Shareholders*.

#### 4.1.2.4 Three Minor Processes

The three minor processes are led by Verbal Process. Though not widely used, the Verbal Process does to some extent fuel the impressiveness of the letter. Verbiage saves the information from being distorted, and thus plays an important part in stating the company's strategies.

*For example, we announced a consumer-oriented connected-car product called Verizon Vehicle at the North American International Auto Show in early 2015...In February, we announced an agreement to sell our wireline properties in California, Florida and Texas...At the same time, we announced that we are returning \$5 billion to shareholders through an accelerated share repurchase program.*

—2014 Annual Report, Verizon Communications

The verb “announce” here indicates that the information is officially proved. The CEO discloses key business strategies to the public shareholders with sincerity and solemnity, revealing his willingness and readiness to take on corporate responsibility and accountability.

What follows the Verbal Process is the Existential Process, which is mostly for stating a fact. “There be” is the most commonly used structure. For example, as the 2014 Annual Report of Citigroup goes, “While **there may be** fluctuations from quarter to quarter, we are committed to keeping Holdings at or slightly better than break-even for the foreseeable future.”

Finally, the Behavioral Process takes a minimal part. This phenomenon is highly understandable in that the *Letter to Shareholders* is about the company, not human beings. What are described are the business activities rather than biological activities.

## 4.2 Realization of Interpersonal Metafunction

### 4.2.1 Statistics

#### 4.2.1.1 Occurrence of Finite

As a vital part of the Mood structure, Finite tells a lot about the realization of Interpersonal metafunction. The Finite within each clause is categorized into six types, three of which are primary tenses while the other three are modality. For the detailed categorization of Finite, please see Table 2.1.2 for reference.

**Table 4.2.1.1 Occurrence of Finite**

No.	Rank	Primary Tense			Modality		
		Present	Past	Future	Low	Medium	High
1	1	64.21%	25.26%	9.47%	1.05%	0.00%	0.00%
2	5	72.22%	18.52%	7.41%	1.85%	0.00%	0.00%
3	12	45.95%	40.54%	13.51%	0.00%	0.00%	0.00%
4	29	47.06%	41.18%	5.88%	0.00%	0.00%	5.88%
5	34	56.94%	20.83%	22.22%	0.00%	0.00%	0.00%
6	35	72.26%	21.90%	3.65%	0.73%	1.46%	0.00%
7	42	71.30%	25.22%	0.87%	2.61%	0.00%	0.00%
8	50	49.28%	36.23%	13.04%	0.00%	1.45%	0.00%
9	60	58.33%	41.67%	0.00%	0.00%	0.00%	0.00%
10	62	71.15%	26.92%	1.92%	0.00%	0.00%	0.00%
11	67	63.00%	32.00%	4.00%	1.00%	0.00%	0.00%
12	71	56.25%	28.13%	10.42%	0.00%	5.21%	0.00%
13	82	66.18%	27.94%	2.94%	2.94%	0.00%	0.00%
14	87	51.43%	35.71%	12.86%	0.00%	0.00%	0.00%
15	90	47.50%	40.00%	8.75%	1.25%	0.00%	2.50%
16	92	62.35%	18.82%	18.82%	0.00%	0.00%	0.00%
17	104	40.00%	42.50%	17.50%	0.00%	0.00%	0.00%
18	121	77.50%	7.50%	15.00%	0.00%	0.00%	0.00%
19	131	68.18%	19.32%	4.55%	1.14%	6.82%	0.00%
20	134	47.31%	39.78%	11.83%	1.08%	0.00%	0.00%
21	153	69.57%	11.96%	9.78%	4.35%	4.35%	0.00%
22	174	60.00%	33.33%	6.67%	0.00%	0.00%	0.00%
23	181	57.14%	33.33%	7.14%	2.38%	0.00%	0.00%
24	192	88.10%	9.52%	0.00%	2.38%	0.00%	0.00%
25	228	21.43%	71.43%	4.76%	2.38%	0.00%	0.00%
26	234	26.19%	69.05%	4.76%	0.00%	0.00%	0.00%
27	236	71.79%	19.23%	0.00%	2.56%	1.28%	5.13%
28	243	50.00%	50.00%	0.00%	0.00%	0.00%	0.00%
29	283	58.23%	35.44%	5.06%	0.00%	1.27%	0.00%
30	312	63.89%	19.44%	11.11%	1.39%	2.78%	1.39%
31	318	57.38%	36.07%	3.28%	3.28%	0.00%	0.00%
32	399	54.00%	40.00%	6.00%	0.00%	0.00%	0.00%
33	420	44.44%	31.11%	8.89%	2.22%	2.22%	11.11%
34	433	72.73%	13.64%	13.64%	0.00%	0.00%	0.00%
35	434	81.69%	15.49%	1.41%	1.41%	0.00%	0.00%
<b>Total</b>		<b>60.70%</b>	<b>29.10%</b>	<b>7.48%</b>	<b>1.14%</b>	<b>1.01%</b>	<b>0.57%</b>

Present Tense far outnumbers the Past and Future Tenses. The percentage of occurrence of the Present Tense is 60.70% and its coefficient of variation is 24.24%, meaning that most CEOs

share a common preference in using the Present Tense. Notably, the Past Tense occupies a larger percentage than the Future Tense in terms of the overall dispersion. Some special cases do occur that the proportion of Past Tense is much higher than or comparable to the Present Tense, reflecting CEOs' diverged preference in emphasizing the business development period, to focus on whether the present going-on, or the previous achievements.

Though taking up a relatively small percentage, Modality does plays a significant part between lines. Low Modality, showing mild claim, capability and probability, is the most welcomed among the three, followed by Medium and High Modality.

#### 4.2.1.2 Occurrence of Mood Adjunct

Mood Adjunct is a sub-category of Modal Adjunct, apart from the Contextual Adjunct in the Residue structure or Conjunctional Adjunct. It has three focuses. Adjuncts of temporality emphasize the tense and time point in the clause. Adjuncts of modality point out the probability, usuality and obligation. Adjuncts of mood stress obviousness, intensity and degree ([1], Halliday, 2000:83).

Due to a limited application of Mood Adjuncts, the statistical result shows an extremely high dispersion. Generally speaking, mood is of the highest proportion, despite a number of cases in which only one or two clauses use Mood Adjuncts.

**Table 4.2.1.2 Occurrence of Mood Adjunct**

No.	Rank	Temporality	Modality	Mood
1	1	11.11%	33.33%	55.56%
2	5	0.00%	0.00%	0.00%
3	12	50.00%	0.00%	50.00%
4	29	0.00%	0.00%	0.00%
5	34	66.67%	0.00%	33.33%
6	35	0.00%	0.00%	0.00%
7	42	0.00%	0.00%	0.00%
8	50	0.00%	0.00%	0.00%
9	60	0.00%	0.00%	0.00%
10	62	0.00%	0.00%	0.00%
11	67	16.67%	33.33%	50.00%
12	71	0.00%	0.00%	100.00%
13	82	0.00%	0.00%	100.00%
14	87	0.00%	0.00%	100.00%
15	90	0.00%	0.00%	0.00%
16	92	0.00%	0.00%	0.00%
17	104	0.00%	0.00%	0.00%
18	121	0.00%	0.00%	0.00%
19	131	0.00%	0.00%	0.00%
20	134	0.00%	0.00%	100.00%

Table 4.2.1.2 (continued)

No.	Rank	Temporality	Modality	Mood
21	153	0.00%	0.00%	0.00%
22	174	0.00%	0.00%	0.00%
23	181	0.00%	0.00%	0.00%
24	192	0.00%	0.00%	0.00%
25	228	0.00%	0.00%	0.00%
26	234	0.00%	0.00%	0.00%
27	236	0.00%	0.00%	0.00%
28	243	0.00%	0.00%	0.00%
29	283	100.00%	0.00%	0.00%
30	312	0.00%	0.00%	0.00%
31	318	0.00%	0.00%	0.00%
32	399	0.00%	0.00%	0.00%
33	420	0.00%	0.00%	0.00%
34	433	0.00%	0.00%	0.00%
35	434	0.00%	0.00%	0.00%
Total		25.71%	20.00%	54.29%

## 4. 2. 2 Discussion

### 4. 2. 2. 1 Finite

Finities are never separately distributed. A comprehensive application of Finite almost occurs in every Letter to Shareholder. The *Letter to Shareholders* of Morgan Stanley can be used to show how the particular use of the Finite helps to manifest different time points and layers of modality.

#### (1) The Present Tense

The Present Tense, as seen in the letter, usually contributes to the description of general and current situations.

*In Institutional Securities, the deposit base enables us to support clients through expanded corporate lending via relationship and event loans. Within Wealth Management, we have a significant opportunity to continue balanced loan growth given our sizable, underpenetrated client base. With no bricks and mortar, an embedded client base and the required infrastructure investments behind us, the incremental margin on lending products is particularly high.*

It is also used to introduce the business strategy.

*The first part is to optimize the commodities business by reducing our exposure to physical oil commodities, and as such, we are committed to selling our global oil merchanting business, having already sold TransMontaigne last year. The second is to centralize the management of resources across all the fixed income businesses...The third is the continued reduction of risk-weighted assets (RWAs)...*

#### (2) The Past Tense

It is necessary in the *Letter to Shareholders* to review what the company has achieved and



how the business performed during the prior fiscal year. As a result, the Past Tense is widely used to illustrate the exciting performance and also lays a foundation for envisioning a prosperous future.

*Last year, we doubled our share repurchase program and dividend. Last month, we received approval from the Federal Reserve Bank for a \$3.1 billion share buyback and the ability to increase our dividend.*

It is noted that the Past Tense is usually marked by temporal adverbials to specify the time point of when the action happened.

### (3) The Future Tense

The Future Tense is an effective device to introduce the future plan and anticipation.

*Over the longer term, we will benefit from our focus on high net worth and ultra high net worth clients... Another key driver of higher returns will be the continued execution of our US bank strategy in both our Wealth Management and Institutional Securities businesses... Besides growing the top line across all of our businesses, we will also benefit from a lower expense base.*

### (4) Low Modality

A Low Modality usually emphasizes capability and possibility of achieving the goal.

*As we do at the beginning of each year, we have laid out specific milestones for 2015, so that investors can measure us and hold us accountable as we work toward sustained and higher returns.*

### (5) Medium Modality

Medium Modality expresses a sense of anticipation that the strategy will finally be successfully implemented, resulting in satisfactory yields.

*The resulting client-focused business should become more capital efficient and earn returns in excess of its cost of capital, while being consistent with the regulatory environment.*

### (6) High Modality

High Modality is mostly used to highlight the company's willingness to take on responsibilities and obligations to improve business performances. Forcefully expressed and impressively stated, it sounds like a promise that the customer-oriented company will make all the efforts to keep. The rare occurrence of High Modality is understandable, because the company is likely to try every means to eliminate the possibility of breaking the promise.

*Our culture must complement and reinforce our systems for ensuring that the risks we take are sensible, controlled and sized properly.*

It should be clear that the occurrence of different Finites is usually woven with each other. The meaning that a CEO intends to convey is construed by a set of purposefully arranged devices, which, in this case, is Finite. A review on the previous performance may directly lead to the introduction of the future blueprint. A statement of the present situation is likely to be followed by a sincere promise of the corporate social responsibility.

What we could conclude from the distribution and the text is that CEOs are most likely to refer to the company's current situation. The application of the mild Low Modality suggests the prudence, genuineness and a sense of responsibility in expressing opinions.

## 4. 2. 2. 2 Mood Adjunct



The *Letter to Shareholders* of Cardinal Health is typical of the use of Mood Adjuncts. In this study, basically Mood Adjuncts are examined within the category of Modal Adjunct while Comment Adjuncts are beyond the scope of the research.

(1) Adjunct of temporality

*Of particular note, we were able to absorb a revenue headwind of nearly \$17 billion due to the fiscal year 2014 first quarter expiration of the Walgreens contract and **still** grow our non-GAAP earnings over the prior year.*

Adjuncts of temporality has the markers such as yet, just and still. By using “still” in this case, the writer tries to imply that despite some adversities, the company is on the right track, able to make constant progress and generate earnings.

(2) Adjunct of modality

Adjuncts of modality are filled with the writer’s personal interpretations. In addition, the writer successfully shifts the attention of the readers to the message to come in virtue of the Modality Adjunct.

***Equally important**, we begin our fiscal 2015 stronger and better positioned than ever to address the needs of a healthcare system looking for solutions to two very basic questions.*

(3) Adjunct of mood

*We have, **in fact**, broadened the product line as well as increased the number of Cardinal Health branded products to this important channel of the home.*

“In fact” is the most preferred Adjunct of mood in the sample texts. It connects the reality with the expectation. The two aspects are originally inconsistent with each other. Also, stating facts is a useful technique to build a trustworthy corporate image. This is probably why the Adjunct of mood is the most popular. But still Mood Adjunct is rarely used, implying that straightforward and non-modified messages are highly favored in *Letter to Shareholders*.

## 4.3 Realization of Textual Metafunction

The realization of Textual metafunction is examined in two ways. The study focuses on Thematic Structure, which is further divided into Thematic Elements and Thematic Progression Patterns. The review on Thematic Elements is conducted from a statistical perspective while the review on Thematic Progression Patterns from a descriptive perspective, each backed by representative examples.

### 4.3.1 Statistics

The distribution of Thematic Elements is looked into from two dimensions. One is general and the other is detailed. A broad picture is firstly drawn on the distribution of Simple Theme and Multiple Theme. Then each of them goes through a breakdown to see what exactly is the case within each category.

Table 4.3.1.1 Occurrence of Theme

No.	Ranking	Simple Theme	Multiple Theme
1	1	89.16%	10.84%
2	5	100.00%	0.00%
3	12	94.74%	5.26%
4	29	100.00%	0.00%
5	34	86.11%	13.89%
6	35	88.32%	11.68%
7	42	95.61%	4.39%
8	50	94.20%	5.80%
9	60	85.92%	14.08%
10	62	86.54%	13.46%
11	67	89.80%	10.20%
12	71	87.37%	12.63%
13	82	71.64%	28.36%
14	87	88.24%	11.76%
15	90	97.56%	2.44%
16	92	97.65%	2.35%
17	104	70.00%	30.00%
18	121	97.50%	2.50%
19	131	86.36%	13.64%
20	134	85.87%	14.13%
21	153	95.65%	4.35%
22	174	86.96%	13.04%
23	181	90.48%	9.52%
24	192	75.61%	24.39%
25	228	88.10%	11.90%
26	234	90.48%	9.52%
27	236	94.37%	5.63%
28	243	63.64%	36.36%
29	283	92.31%	7.69%
30	312	95.71%	4.29%
31	318	93.33%	6.67%
32	399	98.00%	2.00%
33	420	90.70%	9.30%
34	433	90.91%	9.09%
35	434	88.73%	11.27%
<b>Total</b>		<b>89.90%</b>	<b>10.10%</b>

The distribution witnesses the dominance of Simple Theme. With an overall proportion of nearly 90%, Simple Theme has a coefficient of variation as low as 9.28%, which means that Simple Theme takes up roughly the same percentage in those letters. Although the percentage of Multiple Theme is relatively low, generally 10.10%, the variation is larger, suggesting that the proportion of Multiple Theme differs more significantly among the samples.

**Table 4.3.1.2 Occurrence of Simple Theme**

No.	Ranking	Unmarked Theme	Marked Theme
1	1	77.03%	22.97%
2	5	68.75%	31.25%
3	12	66.67%	33.33%
4	29	64.71%	35.29%
5	34	64.52%	35.48%
6	35	73.55%	26.45%
7	42	66.06%	33.94%
8	50	70.77%	29.23%
9	60	81.97%	18.03%
10	62	57.78%	42.22%
11	67	72.73%	27.27%
12	71	71.08%	28.92%
13	82	66.67%	33.33%
14	87	53.33%	46.67%
15	90	73.75%	26.25%
16	92	78.31%	21.69%
17	104	75.00%	25.00%
18	121	64.10%	35.90%
19	131	59.21%	40.79%
20	134	63.29%	36.71%
21	153	80.68%	19.32%
22	174	65.00%	35.00%
23	181	76.32%	23.68%
24	192	80.65%	19.35%
25	228	56.76%	43.24%
26	234	60.53%	39.47%
27	236	73.13%	26.87%
28	243	50.00%	50.00%
29	283	75.00%	25.00%
30	312	65.67%	34.33%
31	318	53.57%	46.43%
32	399	67.35%	32.65%
33	420	71.79%	28.21%
34	433	80.00%	20.00%
35	434	79.37%	20.63%
<b>Total</b>		<b>69.57%</b>	<b>30.43%</b>

From the table above, it can be told that almost seven out of ten Simple Themes are Unmarked Themes. CEOs tend to treat the subject as the starting point of the information. A detailed account of the Marked Themes will be given in the discussion part.

**Table 4.3.1.3 Occurrence of Multiple Theme**

No.	Ranking	Textual Theme	Interpersonal Theme
1	1	88.89%	11.11%
2	5	0.00%	0.00%
3	12	100.00%	0.00%
4	29	0.00%	0.00%
5	34	90.00%	10.00%
6	35	68.75%	31.25%
7	42	60.00%	40.00%
8	50	75.00%	25.00%
9	60	70.00%	30.00%
10	62	85.71%	14.29%
11	67	70.00%	30.00%
12	71	66.67%	33.33%
13	82	94.74%	5.26%
14	87	87.50%	12.50%
15	90	100.00%	0.00%
16	92	50.00%	50.00%
17	104	100.00%	0.00%
18	121	100.00%	0.00%
19	131	83.33%	16.67%
20	134	76.92%	23.08%
21	153	50.00%	50.00%
22	174	66.67%	33.33%
23	181	75.00%	25.00%
24	192	70.00%	30.00%
25	228	100.00%	0.00%
26	234	100.00%	0.00%
27	236	75.00%	25.00%
28	243	87.50%	12.50%
29	283	83.33%	16.67%
30	312	100.00%	0.00%
31	318	75.00%	25.00%
32	399	0.00%	100.00%
33	420	100.00%	0.00%
34	433	100.00%	0.00%
35	434	100.00%	0.00%
<b>Total</b>		<b>81.50%</b>	<b>18.50%</b>

From the breakdown table of Multiple Theme, it is noticed that clauses mostly start with Textual Theme if Multiple Theme is applied. This is mostly because of the arrangement of Multiple Theme in which Textual Theme always comes first, followed by Interpersonal Theme

and Topical Theme. In some cases the identified Textual Theme is followed by an Interpersonal Theme but this Interpersonal Theme is not taken into account since the statistics only include the element of Multiple Theme that occurs first in each clause to directly observe the CEO's preference of using Multiple Theme. It seems that CEOs are more concerned with the coherence and logics in the letter than addressing individual comments.

### 4.3.2 Discussion

#### 4.3.2.1 Simple Theme

Unmarked Themes are the most widely used among all the Themes. As they are really common, the application of Unmarked Themes will be associated with the discussion on Constant Theme Thematic Progression.

Unlike Unmarked Themes, however, Marked Themes deserve special attention. An element other than the subject is put ahead in the position of Theme for a reason. It can be the object, adverbial, complement, predicative and even a subordinate clause. After careful observation, the Marked Theme mainly serves for the following purposes.

- (1) To indicate environmental circumstance:

*At Express Scripts, we act.*

— 2014 Annual Report, Express Scripts

Short as the sentence is, it is of great power. In addition to the concise wording and concentrated organization, Unmarked Theme also plays a critical role. The prepositional phrase emphasizes where the speaker is, stressing that it is the company of Express Script that proactively takes concrete actions to strive for the prosperous future.

- (2) To indicate temporal circumstance:

*Throughout 2014, Express Scripts acted with bold purpose and executed with excellence as we successfully controlled costs while improving patient outcomes...*

— 2014 Annual Report, Express Scripts

Temporal Unmarked Theme mainly serves for clarifying the time point or time period when the action takes place to avoid misunderstanding.

- (3) To indicate the state of being:

*Facing this challenge head-on, we took the lead in advocating for fairer drug pricing — not just for hepatitis C drugs, but for all drugs...*

— 2014 Annual Report, Express Scripts

This type of Unmarked Theme usually highlights the status quo or state of being at the time.

- (4) To build logical connection via subordinate clauses:

*While we have already done so much to revolutionize the pharmacy benefit, there is so much more we can do.*

— 2014 Annual Report, Express Scripts

Adverbial clauses are widely used as Unmarked Theme. Instead of the main clause, subordinate clause is projected to create logic flow while also enhancing the coherence of the text.

- (5) To indicate the means:

*By focusing solely on what matters to our clients and patients, we create opportunities for*

*our size and scale to deliver value in every patient and client interaction.*

— 2014 Annual Report, Express Scripts

This type of Unmarked Theme answers the question of “How”, which is the key part that the writer intends to address. Unmarked Theme makes it possible to put the means under the spotlight.

(6) To indicate the receiver of the message

*To all of my colleagues at Cardinal Health, my gratitude for your talents, your spirit and your readiness to respond to important challenges and to do so with your eyes always on the patient.*

— 2014 Annual Report, Cardinal Health

This Unmarked Theme points out to whom the message is delivered. By emphasizing the receiver of the message, the writer tries to cause a reverberation in the heart of the receiver and to restate the responsibility that the company is willing to take on.

#### 4.3.2.2 Multiple Theme

A comprehensive yet clear analysis can be made through the following example.

*And then, of course, there are our extraordinary efforts in improving hepatitis C care.*

— 2014 Annual Report, Express Scripts

As we can see, the example adopts the Textual Theme and the Interpersonal Theme at the same time. The Textual Theme serves for the smooth flow of the text and the Interpersonal Theme adds to the writer’s personal attitude. There is no doubt that a coherent text creates an enjoyable reading experience, thus helpful to achieve the desirable effects of the *Letter to Shareholders*. Equally, any hint of personal opinion helps to establish a sense of intimacy between the addresser and the audience.

#### 4.3.2.3 Dominant Thematic Progression Patterns

After reading through all the *Letters to Shareholders*, it is noticeable that not all the clauses can be categorized into one particular Thematic Progression Pattern because only a few demonstrate explicit features. The Constant Theme Pattern has the most adherents, together with the Constant Rheme Pattern. The Linear Theme Pattern, though not as commonly found as the first two, makes irreplaceable contributions to the coherence of the text. The Cross Pattern, however, is not clearly manifested between lines. The distribution of Thematic Progression Pattern suggests that CEOs prefer to use straightforward and one-way flow of information to minimize the possibility of confusion and misunderstanding.

(1) The Constant Theme Pattern

The discussion of Constant Theme Pattern takes into account the most popular Simple Theme of “We”.

*We have an exciting and deep product pipeline across the entire enterprise; We are changing the way we interact with our customers; We are evolving our structure to be more effective and efficient to drive growth.*

— 2014 Annual Report, Johnson & Johnson

The uniform “We” in the parallel structure creates an overwhelming power in emphasizing

the company's readiness to take actions with full sense of responsibility. A sense of rhythm also heightens the readers' interest in the text.

### (2) The Constant Rheme Pattern

*In a year full of competitive challenges and industry disruption, **we** grew revenues, added millions of customers, bolstered our network superiority, executed a big strategic transaction, paid \$7.8 billion in dividends, and invested and innovated for the future. In the process, **we** showed that Verizon has what it takes to succeed over the long haul in a rapidly changing industry.*

—— 2014 Annual Report, Verizon Communications

The Constant Rheme Pattern has also a parallel structure and a rhythmic feature, with its stress in the back. In this structure, Unmarked Themes are used as the determiner and followed by the part that really matters——How to survive the tough industry situation.

### (3) The Linear Theme Pattern

*We invest in price to bring everyday low prices (**EDLP**) to more customers around the world. **EDLP** earns trust with customers because we're driven to keep our cost structure low. That commitment to price is central to our brand – regardless of the format.*

—— 2014 Annual Report, Wal-Mart Stores

*Cloud and mobile technologies are redefining how **people** work and play.*

***Three billion people** will soon be connected to Internet-enabled devices;*

*212 billion sensors will come online in a few short years...*

—— 2014 Letter to Shareholders, Microsoft

Though not parallel in structure, the Linear Theme Pattern helps establish a smooth information flow in which the tail of the former clause is connected with the head of the latter one. The clauses, in this way, are no longer isolated, but united together as a whole. The Linear Theme Pattern causes no difficulties in understanding, and is thus highly desirable to satisfy the readers while also reserving the full content of the message.

## Chapter V Conclusions

### 5.1 Major Findings

The Corporate Annual Report and the *Letter to Shareholders* are the key to the communication between the corporations and the public in revealing the internal business operation, retaining existing shareholders and attracting potential investors. As a type of social discourse, the *Letter to Shareholders* should be linguistically studied. The Systemic Functional Grammar makes it possible to explore the linguistic features of the *Letter to Shareholders* from the perspective of metafunctions. In a qualitative and quantitative review of the three systems of Transitivity, Mood and Thematic Structure based on 35 samples randomly selected from American 2014 Fortune 500 Companies, the major findings are listed below.

#### 5.1.1 Realization of Metafunctions

As the major system of Ideational metafunction, Transitivity consists of six process types.

The distribution of the process types within each *Letter to Shareholders* and the total tendency are explicitly illustrated that the application of process types is dominated by the Material Process, Relational Process and Mental Process among which the Material Process takes the lead. This has a lot to do with the characteristics of the discourse of the *Letter to Shareholders*. As an important part of the letter, the CEO is supposed to review the key achievements of the company in the prior year, introducing what is going on at present and what is the plan for the future. A language full of motivation and action, which is made possible by the Material Process, is therefore highly effective in impressing the shareholders. The Relational Process also plays a vital role in the text. It usually refers to the attribute of the participant and explains the relationship between involved participants. The Relational Process can be highly effective in that it clearly depicts the state of the company, the network of relationship within the company and also builds link with the shareholders. Different from Material Process which emphasizes a state of action, Relational Process stresses a state of being, which is non-action. Contrastive analysis is made possible by looking into the two ways of describing financial gains. The result turns out that non-action process leads to facts and highlights while action process contributes to changes and achievements. Both are highly indispensable to the *Letter to Shareholders*. However, in order to consolidate a proactive image, the Material Process has a bigger say, while the Relational Process takes the supportive role. Additionally, The *Letter to Shareholders* makes full use of the Mental Process to invite the shareholders to envision the prospect of the company and share all the feelings with the CEO. By arousing the echoes of the shareholders with the spiritual power, the Mental Process serves as a key driver in the effectiveness of the *Letter to Shareholders*. As for the three minor processes, the Verbal Process is useful to address official messages, the Existential Process used to state facts while the Behavioral Process is the least used in that the letter is about the business, not human beings.

The realization of Interpersonal metafunction is reviewed from the system of Finite and Mood Adjunct respectively. Speaking of the Finite, Present Tense far outnumbers the Past and Future Tense. Notably, the Past Tense occupies a larger percentage than the Future Tense in terms of the overall dispersion, reflecting the CEO's pride in the prior accomplishments. Though taking up a relatively small percentage, Modality plays a vital role between lines. Low Modality is the most welcomed among the three, indicating mild claim, capability and possibility, followed by Medium and High Modality. It should be clear that the occurrence of different Finites is usually interwoven with each other. The meaning that the CEO intends to convey is construed by a set of purposefully arranged devices, which, in this case, is Finite. A review on the previous performance may directly lead to the introduction of the future blueprint. A statement of the present situation is likely to be followed by a sincere promise of the corporate social responsibility. What can be concluded from the distribution and the text is that CEOs are most likely to refer to the company's current situation. The application of the mild Low Modality suggests the prudence, genuineness and a sense of responsibility in expressing opinions.

As for the realization of Textual metafunction, Thematic Elements and progression patterns are the two systems that are analyzed. In the distribution of Thematic Elements, statistics attest to the dominance of Simple Theme, in which the Unmarked Theme is more widely used. The use of Marked Theme is usually for specific purposes, either to indicate the circumstance of the action or to establish logical connection. On the other hand, the relatively higher coefficient of variation of



Multiple Themes suggests that although small in figure, the proportion of Multiple Theme differs more significantly among the samples. Within that category, the Textual Theme serves for the smooth flow of the text and the Interpersonal Theme adds to the writer's personal attitude. There is no doubt that a coherent text creates an enjoyable reading experience, thus helpful to achieve the desirable effects of the *Letter to Shareholders*. Equally, any hints of personal opinion help to establish a sense of intimacy between the addresser and the audience. Finally, with regard to Thematic Progression Patterns, the Constant Theme and Constant Rheme Patterns are the most commonly used, both parallel in structure, rhythmic in style and overwhelmingly impressive in expression. Though not parallel in structure, the Linear Theme Pattern helps establish a smooth information flow in which the tail of the former clause is connected with the head of the latter one. The clauses, in this way, are no longer isolated, but united together as a whole, with no difficulties of understanding.

Overall, the result goes in line with the relevancy of the *Letter to Shareholders* to the present situation in pursuit of straightforward, modest, intimate and responsible messages.

### 5.1.2 Persuasive Resources in the *Letter to Shareholders*

Based on the catalog of persuasive tactics, some matched strategies are detected that can find their correspondence in the *Letters to Shareholders*. They not only specify the persuasive resources embedded in the discourse but serve as the guidance, addressing the problem of how to compose a Letter to Shareholder which is well-received by the shareholders and potential investors.

#### (1) Principle of least effort: Do not make others work hard at interpretation

As is stated by Mulholland, a basic interactive principle is that all participants will take the route of least cognitive effort, if at all possible, as they communicate or interpret others' communications (Mulholland, 1994: 284). This kind of preference of the audience requires that the *Letter to Shareholders* should be easily accessible and ideally readable without causing any confusion or misinterpretation. To this end, several techniques can be applied.

The first sign is the dominance of Unmarked Theme. As the clauses follow one-way progression, readers don't need to worry that there might be some complicated structures. Marked Themes, instead of worsening the situation, actually help to specify the important circumstantial elements, thus making the messages clear.

The second sign is the Constant Theme and Constant Rheme Progression Pattern. The parallel structure causes no difficulties in reading. The Linear Theme Pattern makes easier the interpretation work in another way. It helps establish a smooth information flow in which the tail of the former clause is connected with the head of the latter one. The clauses, in this way, are no longer isolated, but united together as a whole. The Linear Theme Pattern causes no difficulties in understanding, and thus is highly desirable to satisfy the readers and also to reserve the full content of the message.

Another driver is the Textual Theme. It makes sound contributions to the coherence of the text.

#### (2) Persuade by sheer weight of evidence

If you want to prove something, let the facts speak for themselves. The factual evidence is revitalized through Material Process and consolidated through Relative Process. Most importantly, relate the evidence to the present.

(3) Statistical support: Bring figures as evidence for one's idea

The *Letter to Shareholders* is full of numbers. This has a lot to do with the function of the discourse. It is supposed to review the accomplishments in the previous fiscal year. Inspiring statistics is the best storyteller. Abundant evidences can be found in the letters, activated by the Material Process, which emphasizes the on-going progress, and the Relative Process, which states the facts of improvement.

(4) Praising another person: Give some praise to another person

Praise can be addressed to the general nature of a person, or to his or her specific qualities. The usual intention when praising the person is to please that person, and so to make the person respond well to the praiser. It is highlighted that almost in each selected *Letter to Shareholders*, the CEO expresses gratitude to the employees and shareholders by recognizing the contributions of the management team and the faithfulness of the investors. A “thank you” note, in this way, enhances the corporate image, motivates the morale and wins the trust of the shareholders.

(5) Promise: Declare a commitment to undertake some action

A promise is made to encourage the audience to believe that the thing promised will occur. This is activated by the use of modal operators such as must and would as well as the future tense. Note that High Modality is rarely used because the company is likely to try every means to minimize the possibility of breaking the promise if not 100% sure. Therefore, the *Letter to Shareholders* encourages moderate promise.

(6) Sympathize: Show fellow feeling with others

Mulholland emphasizes the tactics of showing sympathy with the negative feelings of others. Drawing on that, one can appreciate the underlying significance of arousing the readers' sympathy with the feelings and attitudes of the writer. The word “sympathy” here, therefore, has no derogatory connotation, but a neutral statement that the two parties share some feelings. CEOs have put much emphasis on the mental influence by using Mental Process, Mood Adjunct and Interpersonal Theme. Facts are soulless, but emotions and comments are the mental dialogues among people who can think independently. Sympathy creates bond between the writer and the readers. But notice that Mood Adjunct and Interpersonal Element should be used with caution otherwise the *Letter to Shareholders* may lose its objectivity and public functions.

## 5.2 Limitations and Suggestions for Further Study

Though comprehensive and in-depth analysis has been done on the *Letter to Shareholders*, the study is far from complete. The study does not cover the whole resource of the *Letter to Shareholders*, nor the whole system of metafunction, leaving some systems such as Logic, Voice

and Polarity untouched. What's more, the study only pays attention to the lexico-grammar level, not involving other dimensions in grammatical analysis such as register and genre analysis. The discussion is only based on a limited volume of available samples, and the categorization process may not be accurately done due to partial understanding of Systemic Functional Grammar and careless mistakes. The conclusion, though robust and convincing in itself, may only reveal one small portion of the linguistic features of *Letter to Shareholders*, like the tip of an iceberg.

Further study, therefore, is expected to focus on a broader source of text on a broader theoretical framework. Accumulation of knowledge and analysis skills is expected, and the data should be treated with absolute care.

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