

Research project cover sheet

To accompany a research project submitted for examination in partial fulfilment of the requirements for the Honours Degree in Psychology / Organisational Psychology

1. Information

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Type of thesis	Systematic Review
Supervisor's name	Sandiso Bazana

2. Declaration by supervisor

Either:

This project has been prepared under my supervision. I have read it carefully and believe that it meets the standards set out in the appropriate guidelines booklet in terms of academic content, clarity of research question, description of methodology, quality of analysis and ethical standards, as well as in terms of format, length, structure and referencing.

Signature and date:

Or:

This project has been prepared under my supervision using the guidelines set out in the appropriate guidelines booklet in terms of format, structure and referencing. However, I am not convinced that it meets the required academic standards with regards to academic content, clarity of research question, details of the methodology, quality of analysis, or ethical aspects.

Signature and date:

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**RHODES UNIVERSITY
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TITLE OF RESEARCH	A Critical Hermeneutics Analysis of CEO/Chairman Letters written to Shareholders of Shoprite Holdings.

PSYCHOLOGY DEPARTMENT RESEARCH PROJECTS & ETHICS REVIEW COMMITTEE (RPERC)	DAY MONTH YEAR				
	SUBMITTED				
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	AUTHORIZED BY:	(Chairperson: Psychology Department's RPERC)			
RHODES UNIVERSITY ETHICAL STANDARDS REVIEW COMMITTEE	DAY MONTH YEAR				
	SUBMITTED				
	APPROVED				
	AUTHORIZED BY:	(Chairperson: Ethical Standards Committee)			

1 GENERAL INFORMATION ABOUT THE RESEARCH

1.1 RESEARCHER'S NAME AND PROJECT'S AFFILIATIONS

This section must make clear how lines of origin, authority and accountability work in a project or study through its affiliations, partnerships and supervision, and must provide clear and up-to-date contact details.

PRINCIPAL INTERNATIONAL RESEARCHER	
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1.2 TYPE OF RESEARCH

MULTINATIONAL		NATIONAL		LOCAL							
STAFF RESEARCH		STUDENT RESEARCH	X								
UNDERGRAD		HONOURS	X	MASTERS		DOCTORAL		PRACTICAL		OTHER	
Specify other:											
This research is a systematic review	YES			X	NO (IF YOU SELECT THIS BOX THEN YOU ARE COMPLETING THE WRONG FORM, YOU MUST SUBMIT AN ETHICAL PROTOCOL)						

1.3 FUNDING

This section must specify sources and amounts of funding that enable the project or study to get off the ground

CONTRACT RESEARCH / EXTERNAL GRANT		RHODES RESEARCH GRANT		PRIVATELY FUNDED		NOT SPECIFICALLY FUNDED	X
<i>If funded externally, state source and amount of funds:</i>							

2 SUMMARY OF THE RESEARCH

Please write brief statements about purpose and methodology here (keep to word limits).

2.1 WHAT IS THE PURPOSE OF THE RESEARCH? (100 words)

<p>This research is a critical analysis of Shoprite’s annual reports particularly CEO/Chairman letters written to shareholders during and after the apartheid era. This paper aims at studying business communication at specific historical junctures using the critical hermeneutics. This is done to uncover the symbolic meaning in business communication which serves the interests of the socially and political powerful. Also, this paper will investigate the usefulness of the CEO/Chairman letters and examine if they give a true and fair view of the company or they are just a rhetorical tool used to convince stakeholders.</p>

This paper makes use of critical hermeneutics as a methodology to analyse the CEO letters written to shareholders. This interpretive approach involves not analysing text as abstracted but also analysing the socio-historical context in which the text is produced.

DECLARATION

THE UNDERSIGNED DECLARE THEMSELVES ACCOUNTABLE TO THE RPERC OR ETHICAL STANDARDS COMMITTEE FOR CONDUCTING THIS RESEARCH PROJECT IN THE MANNER HEREIN DESCRIBED.

SIGNATURE OF PRINCIPAL INVESTIGATOR/RESEARCHER:

____S.MDKN_____

SIGNATURES OF OTHER RESEARCHERS INVOLVED IN THIS PROJECT:

SIGNATURE(S) OF PROJECT SUPERVISOR(S):

DATE: ____29/01/2020_____

A Critical Hermeneutics Analysis of CEO/Chairman Letters written to Shareholders of Shoprite Holdings.

Abstract

This research is a critical analysis of Shoprite's annual reports particularly CEO/Chairman letters written to shareholders during and after the apartheid era. This paper aims at studying business communication at specific historical junctures using the critical hermeneutics. This is done to uncover the symbolic meaning in business communication which serves the interests of the socially and political powerful. Also, this paper will investigate the usefulness of the CEO/Chairman letters and examine if they give a true and fair view of the company or they are just a rhetorical tool used to convince stakeholders.

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A Critical Hermeneutics Analysis of CEO/Chairman Letters written to Shareholders of Shoprite Holdings .

Introduction and Background of the study

A considerable amount of literature has been established that addresses the purpose, design, content, and interpretation of corporate annual reports. The proliferation of corporate annual reports as a form of communication has given a rise to inclusion of Chairman and CEO letters to shareholders, where leadership can provide personalised context and perspective to shareholders for the organisation's performance. Corporate annual reports particularly Chairman and CEO letters to shareholders have given organisational leaders a platform to discuss external factors that have an influence on the performance of an organisation. However, CEO letters to shareholders are not a legal requirement for organisations to include them when compiling their annual report. Regardless, many companies include letters to shareholders in their annual reports in an attempt to attract investors by tilting heavily on the success and accomplishment of the company and fail to recognise challenges and risks that affect organisations. It has previously been observed that excessively positive language in corporate communication may present the company in a misleading way. This means that it is crucial for organisations to acknowledge both internal and external challenges to the business so that trust can develop between the company, its shareholders and market participants. In the context of corporate communication, it is evident that organisations should provide a balanced view of the underlying dynamics of the business. Research about annual reports, particularly CEO/chairman letters to shareholders is important, as these documents have emerged as a powerful platform for communicating internal and external dynamics of organisations that influence their performance. Moreover, the CEO letters written to shareholders is constrained by other meanings and the events that constitute and characterise the socio-political context in which the organisation in question is embedded in (Prasad & Mir, 2002).

Corporate annual reports have become a subject of research in various disciplines. Organisations place pride in these reports as they are regarded as an important form of corporate communication. Corporate annual reports are argued to be a significant form of corporate communication because of their role in outlining and communicating corporate priorities (Prasad & Mir, 2002). These artefacts are referred to as a pinnacle of corporate communication as they act as a representational device of an organisation's past or present performance and give future outlook to shareholders and investors (Prasad & Mir, 2002). Annual reports, particularly CEO letters written to shareholders, have been recognised as an important business communication that can be understood at a factual and symbolic level (Prasad & Mir, 2002).

Prasad and Mir (2002) define the symbolic meaning as any meaning, which is derived from a unit of communication that is not the basic meaning but another meaning that is different from the obvious. This is evident in the case of an annual report particularly CEO letters written to shareholders which at a factual level give perspective on the organisations performance and outline the challenges that the business is facing. But on the symbolic level the same CEO letters written to shareholders may accomplish and reinforce the crafting of the organization's identity and safeguard the organisation's legitimacy and public perception to attract investors (Prasad & Mir, 2002). Therefore, this paper will make use of critical hermeneutics to unveil the symbolic meanings in the CEO letters written to shareholders that serve the interests of the socially and politically powerful group that is the preparers of the reports. Prasad and Mir (2002) argue that to unearth the symbolic meaning of these letters one needs to analyse not only the CEO letters written to shareholders but also the socio-historical context in which these letters are embedded.

This study critically analysed corporate communication and unveiled the linkages between text, context, style, and motive of the letters written by Chief Executive Officers (CEOs) and the chairmen of Shoprite Holdings to their shareholders. A qualitative approach, critical hermeneutics will be utilised in this paper to read and analyse business communication. The motivation in this paper is to show the effectiveness of critical hermeneutic research into organisation and management studies; particularly Industrial/organisational psychology. Shoprite Holdings, Socio-political context, Organisational reports, and Annual reports as an instrument of communication play a major role in this research therefore, they are essential concepts to define in this study.

Organisation Report

Stanton and Stanton (2002) define an organisation report as a legally required formal public document created by a public organisation to communicate the dynamics of the business with the public. Stanton and Stanton (2002) build on this definition, stating that the obligatory component for organisations to publish their corporate reports is based on rules and regulations of each country.

In South Africa, the Company Act requires public companies, especially those listed in the Johannesburg Stock Exchange, to compile and publish their organisation reports annually. Scholars agree that organisation report is a form of corporate communication, but the purpose of its intended communication is subject for debate from the preparers and users'

perspectives. According to Stanton and Stanton (2002:3) from the preparer's perspective; it is argued that an organisation report " is a vehicle to communicate with customers, shareholders, employees, suppliers, media, and government (Judd & Tims, 1991). It is also a sophisticated marketing tool (Bekey, 1990) communicating the "personality and philosophy of the firm to readers" (Anderson & Imperia, 1992,113), and it can impart a particular organizational image for relevant publics (Neu, et al., 1998)" Therefore, the primary purpose of an organisation report is for the organization to account to its shareholders that the company has met its duties as they have put their money into the business (Stanton and Stanton, 2002). In addition, another critical part of the corporate report is that between 1930 and 1950, it was utilized as a major aspect of marketing for building and creating the organisation's own identity, to manage public perception about the organisation and attract investors (Stanton and Stanton, 2002). From the organisation reports' preparers perspective, the emphasis is on communication, marketing, and the organisation's efforts to achieve legitimacy.

The intended purpose of the communication in an organisation report from the preparers point of view is different from that of the users. Over the past decade, there has been a rapid increase in the significance of corporate annual reports and a considerable amount of literature has been published on the usefulness of these documents. In 1975, Epstein conducted research on the usefulness of annual reports as a source of information for making investment decisions. In a sample of 1766 shareholders, his results suggested that only 15% of the respondents relied on annual reports as a basis for making investment decisions whilst 48.8% relied on advice from stockbrokers (Stainbank, 2006). The research concluded that annual reports were not useful to shareholders as they were not meeting their information needs to make investment decisions (Stainbank, 2006). However, this is not to dismiss annual reports' usefulness as a source of information but to emphasise that they cannot be considered as a primary source for investment decisions according to Epstein research (Stainbank,2006).

In contrast, Flynn published a paper in 1987 where a research that was carried out in South Africa revealed that institutional investors ranked annual reports as the primary source of information for making business decisions followed by stockbroker's advice (Stainbank, 2006). According to Flynn research 'institutional investors found the annual report to be the most important source of information for buying, holding, or selling ordinary shares' according to users of an organisation report (Stainbank, 2006: 72). Flynn's results differ from that of Epstein who argued that annual reports were not useful as a primary source of information for making investment decisions (Stainbank, 2006). More recently, literature has emerged that offers contradictory findings to those of Epstein and Flynn. Stainbank (2006)

argues that the importance of annual reports has declined since Flynn's (1987) study. However, this is not to conclude that annual reports are no longer useful but rather their importance has declined as development and advancement emerged. Therefore, annual reports are still supported as a useful source of information by investors but their usefulness as a primary source of information for making investment decisions has declined (Stainbank, 2006). Annual reports are still to date important and relevant secondary sources of information for making investment decisions.

An organisation report or corporate annual report has been the subject of research in management, communications, industrial psychology, politics, marketing, and accounting. A considerable amount of literature has been established that addresses the purpose, design, content, and interpretation of corporate annual reports. This study will discuss what scholars have found about organisation reports and how it relates to other major variables in this study.

Corporate annual report has generally been discussed as a communication tool that organisations utilise to communicate corporate activities and performance (Stainbank, 2006). According to Stainbank (2006), CEO letters written to shareholders within the annual report, are the most widely read part of the organisation report as they provide a more personalized perspective of the organization's performance. This means that the letters give more context on the challenges and success of the company that helps shareholders and market participants to make investment decisions rather than financial information that may be complex to read when analysing an organisation's performance (Prasad & Mir, 2002). Findings on the article about the usefulness of corporate annual report Stainbank (2006) state that the financial information from organizations' reports is important for making business decisions about buying, holding, and selling of shares. Therefore, a corporate annual report is an important document for institutional investors and shareholders to use to make economic decisions.

Socio-political context

In this paper, the socio-political context refers to the social and political factors and events that were taking place in South Africa from 1979 to 1994. In South African history, the 1970s are referred to as the struggle days as many anti-apartheid revolts erupted in this period internally and externally (Barnes, 2008). Internally the resurgence of resistance politics in the early 1970s is marked by June 1976 where school pupils in Soweto rose up against apartheid education, followed by youth uprisings throughout the country (Barnes, 2008). This was the beginning of anti-apartheid township revolts, as the state of emergency was imposed, where detention without trial was introduced (Barnes, 2008). Another significant aspect of this period is the emergence of international anti-apartheid movements. According to Barnes

(2008) between 1960 and 1990, South Africa was subject to international isolation aimed at influencing the South African government to disassemble the apartheid system. Economic, academic, cultural and sports sanctions were enforced to show that the world did not approve of the countries policies (Barnes, 2008). The economic sanction that prohibited trade and investments with other countries was the most influential sanction that hurt South Africa's economy (Barnes,2008). Financial investment sanction meant a series of disinvestment to South African based businesses by foreign countries (Barnes, 2008).

Barnes (2008) states that the strategy of the liberation movements of that time was economic warfare and industrial sabotage which led to a financial crisis that gripped the country in the mid-1980s. “This financial crisis was brought on by the decisions of private lenders, who judged that South Africa’s faltering economy, market uncertainties and political turmoil combined made it unattractive for investment” (Barnes, 2008:4). The financial crisis riddled with the apartheid system and this external effect with other internal effects have influenced the South African government to reform in the late 1980s (Barnes, 2008). The apartheid government embarked on a series of reforms that lowered the intensity of the system as limited human rights were granted for “black” people and political prisoners were released. Furthermore, in the late 1980s, the last days of apartheid the 1990s and democracy followed in 1994. Having defined the socio-political context during apartheid South Africa it is important to discuss the changes after the system was abolished and the effects this had on local businesses.

The end of apartheid system in 1994 liberated South Africa’s internal political processes and its economic relations with neighbouring countries (Miller, Saunders & Oloyede, 2008). This was good for local businesses, but the effects of apartheid and economic isolation where there as South African businesses were facing higher home production costs and stagnant profit margins after 1994 (Miller et al, 2008). Local producers and traders were forced to move across borders to other Southern African countries in the Southern African Development Communities (SADC) which were characterised by low competition and high returns (Miller et al, 2008). According to Miller et al (2008) this has made South Africa the dominant source of the SADC’s foreign direct investment as the country has made 232 investments in 27 African countries in the first decade after 1994. Miller et al (2008:7) has argued that ‘post-apartheid Southern Africa is the regional space opening up within Africa’ and its democratisation has made it the region’s economic powerhouse. This means that “it attracts foreign investments more than any country in the region” (Miller et al, 2008:15). Miller et al (2008) argue that South Africa has not only become a region's powerhouse but also a launch pad for multinationals that want to invest in the region. The company annual reports are expected to reflect these socio-economic perspectives.

From the standpoint of the socio-economy perspective, the relationship of the preparers and users of corporate annual reports. Stanton and Stanton (2002) argue that the information from organisations reports particularly CEO letters written to shareholders is narrated from the management's perspective and this creates a dysfunctional structural relationship. The management of the organisation has the power to set and shape the agenda in these reports or refrain from publishing certain information to serve their interests (Stanton and Stanton, 2002). Graham (2014) supports this argument by stating that corporate annual reports particularly CEO letters written to shareholders lack a balanced view when reporting on the organisational performance. It is argued CEO letters written to shareholders tend to focus heavily on the positive side when reporting on organisational performance and refrain from publishing the negatives (Graham, 2014). Management focuses on the success and accomplishments of the organisation and ignores the risks and challenges that a company is faced with. Graham (2014) argues that an organisation report particularly CEO letters written to shareholders does not provide a holistic view about the health of the organisation therefore shareholders and institutional investors cannot make wise economic decisions.

An organisation's performance cannot be measured solely on the revenue that a company makes as investors want to know more about customer satisfaction, employee retention and satisfaction within the organisation (Graham, 2014). Employee satisfaction and retention is important as the employees are an integral part of an organisation and its success. Therefore, it is important to highlight that investment decisions are not made only based on how much an organisation makes as suggested by Stanton and Stanton (2002) but rather they are made when the investors have a holistic view about other components that contribute to the success of the company.

With all the above, the internal socio-political onslaught and upheavals, including the economic instability did not stop a group of South African businesspeople from developing a big retail store company called Shoprite Holdings in 1979. The company was established and existed in an environment where there were a series of urban uprising, strikes, consumer boycott (Barnes, 2008).

Case study of Shoprite

Shoprite holdings is a South African company led by Pieter Engelbrecht as a CEO and Christo Wiese as a chairperson (Shoprite, 1976). This company opened its doors in 1979 in Western Cape, South Africa. It was established to provide for middle to lower income earners (Shoprite, 1976). It then expanded its branches outside Western Cape to Northern Cape after four years of existence. Around the 80s, this company was listed on Johannesburg stock

exchange as the best in the grocery stores category (Shoprite,1976). The company then expanded its wings outside South Africa to other African countries. After 1990, Shoprite holdings started with the acquisition of Checkers chains and other franchises and it has now become the parent company to many subsidiaries (Shoprite, 1976). The Holding company Shoprite comprises the following entities: Shoprite supermarkets, Checkers supermarkets, Checkers Hyper, Usave stores, Hungry lion fast food outlets, MediRite pharmacies, Liquor stores and various furniture outlets including OK furniture and House & Home (Shoprite,1976). By 1991, Shoprite Holdings had already increased its footprint by four folds, and it had a wide representation in central Africa and outside the continent (Shoprite, 1976). What made this organisation an area of interest is that it was established in the 1970s which are characterised by political instability, riots and violence. But the company thrived regardless and sustained itself. This brand today is known nationwide as one of the big grocery chains despite the socio-political challenges that it has faced in the years of its establishment and during the apartheid era.

Theoretical Framework

The purpose of this research is to study the CEO letters written to shareholders of Shoprite Holdings and examine how the communication differs in the wake of apartheid era and post-apartheid regime. It analyses the degree of transparency of this organisation during these different times as the CEO letters written to shareholders are a voluntary communication. This means that an organisation chooses the information they want to disclose based on the picture that they want to create for themselves and what they want to be associated with. Therefore, this paper will use hermeneutics as a theoretical framework which also forms part of methodology to analyse how the CEO communication written to shareholders differs before and after the apartheid regime.

Critical Hermeneutics Approach as a Theoretical Framework

The term hermeneutics can be traced back from the Greek language as it is derived from a verb 'hermeneuein' which means 'to interpret'(Robinson & Kerr, 2015:8). Hermeneutics has been described in literature as a theory of interpretation as it was first used as means of interpreting the bible (Robinson & Kerr, 2015). But later it evolved as it was introduced as a social science methodology that focuses on textual interpretation (Robinson & Kerr, 2015). According to Robinson and Kerr (2015) this methodology was then developed by various hermeneutic writers to help develop an understanding of a text within the research process. This theory of interpretation as a social sciences methodology helps researchers to understand a text by engaging it through a network of meanings to unearth the symbolic meaning of the textual communication (Robinson & Kerr, 2015).

The role of symbols in managerial communication has been central therefore, it is important to explain the term and its particular relevance to hermeneutics. Prasad and Mir (2002:94) states that a symbol may be defined as “ an object that conveys not only a manifest or surface meaning but also another meaning that is different from the obvious ”. This means that the symbolic meaning which is another meaning that is different from the obvious, of CEO letters written to shareholders is what this study aims to unearth. Moreover, Prasad and Mir (2002:95) states that “the symbolic meaning of an object is simultaneously facilitated and delimited/ constrained by the network of meanings, values, and beliefs that constitute and characterise a given societal culture in which the organisation in question may be embedded”. This statement shows the relevance of symbolic meaning to hermeneutics as it is stated above that hermeneutics studies aim to promote understanding through the process of interpretation

by engaging the text through a network of meanings similar to network of meanings by which the researcher understands herself in relation to the world (Robinson & Kerr, 2015: 5). However, this mean that to arrive at an informed understanding of a text or to develop a symbolic meaning of a text, a researcher has to take part in an ongoing dialogical interaction between context, elements of the text, and their own presuppositions, pre-understandings or prejudices (Robinson & Kerr, 2015). Having defined what is meant by hermeneutics, the paper will now move on to discuss how it has been used in management and organisational studies.

According to Robinson and Kerr (2015) hermeneutic-inspired research began to appear in management and organisational studies discipline in the 1990s. The earliest and most influential research was conducted by Phillips and Brown in 1993 and over the last decade more hermeneutic-inspired research has emerged (Robinson & Kerr, 2015). Before proceeding to examine how this approach has been used it is important to state that hermeneutics has influenced the development of organisational studies fields, such as culture, identity and situated learning (Robinson & Kerr, 2015). This approach has been used in management and organisational studies to study business communication and make sense of the apparent absurdities, contradictions, and oppositions within an organisation (Robinson & Kerr, 2015). This is done by following the hermeneutics process which considers the social, cultural, and historical context which the business communication was produced in to uncover the symbolic meaning (Robinson & Kerr, 2015). This can be exemplified in the most influential work undertaken by Phillips and Brown in 1993 by critically analysing a business communication of an advertising company in Canada using critical hermeneutics. The results unveiled the hidden meanings that served the interest of the organisation as the analytical framework demonstrated how the company structured the target group to receive the text and weaved together a number of highly legitimate societal myths in order to produce a legitimate corporate image (Robinson & Kerr, 2015). Prasad and Mir (2002) also state that many organisations make use of business communication to serve their interests by communicating implicit beliefs about the organisation and its relationship with the surrounding world. Therefore, the hermeneutics approach is important to uncover the symbolic meaning of business communication which is different from the obvious hidden that serves the interest of the socially and politically powerful (Prasad & Mir, 2002).

To conclude this section a brief summary will be provided on how the hermeneutics approach will be used in this study connected to the context. In this study the hermeneutics approach will be used to explore the complex relationship between text and context to uncover the hidden meaning in CEO letters written to shareholders of Shoprite Holdings. This paper will achieve this by detailing the South African context between the year 1970s to 1990s in which these letters were produced in. The hermeneutics cycle which will be discussed further under

the methodology section will be utilized as a formal method for analysing organisational text. Moreover, critical hermeneutics will be used to explore how the context might shape the meaning within a text (Robinson & Kerr, 2015).

Research Aim

The aim is to explore what the CEO/Chairman reports attempt to communicate and why regarding the socio-political and economic contexts within which Shoprite existed and still exist as a company in apartheid and post-apartheid South Africa.

Methodology

This section begins with a description of qualitative study, research design, the criteria for the selected organisation, data, and the collection of the artifacts. Thereafter the method of textual analysis is explained thoroughly.

Qualitative Research

This is a qualitative study. Qualitative research approach helps the researcher to view the data more extensively than quantitative research. This means that qualitative research focuses on analysing non-numerical data to uncover symbolic meaning, opinions, and experiences that people have (Bryman, 2012). This study is concerned with retaining the rich meanings when interpreting data to uncover a particular phenomenon (Bryman, 2012). This is achieved by looking into the role of contextual factors in shaping the phenomenon of interest (Bryman, 2012). Hence then, the qualitative approach was deemed as desirable to this study. This is because the qualitative based approach provides means to contextualise, interpret, and gain in-depth insight about the text by taking into consideration the socio-historical contexts in which it is embedded in. The second advantage of using the qualitative approach is that it is less controlled, and it allows the researcher to understand the social world through the interpretation of those who live in it (Bryman, 2012).

Research Design

The purpose of this research is to study CEO letters written to shareholders to examine how business communication differed before, and after the apartheid regime, an interpretation of these differences and creation of an in-depth understanding is achieved in this paper. Critical hermeneutics was used to shed some light that business communication has underlying facts which are different from the obvious. According to Karlsson and Rutgersson (2014) companies choose the information that they want to disclose in their annual letters and by doing so they are able to create a picture of themselves that they want to be associated with to attract investors. Therefore, the hermeneutics approach was utilised to uncover the symbolic meaning in CEO letters.

This study made use of the annual reports of Shoprite Holdings and a textual analysis was carried out. The CEO letters were analysed using critical hermeneutics as a methodology to study business communication. By conducting hermeneutics study it became possible to do a critical analysis of

the text and the context in which it is embedded in to make an informed conclusion (Prasad & Mir, 2002).

Sample

This study was made on the CEO letters from 1979 to 1994 to enable an analysis that included the dimension of apartheid era and how communication differs in different situations. In order to see how communication in CEO letters changed before and after the apartheid era the CEO letters from 1974 to 1994 were chosen.

Selection of the company

The company was chosen on the basis that it had to be established before democracy and it had to be operational after 1994. Since a part of the purpose was to examine the difference before and after the apartheid era, an organisation which was affected by the apartheid system and thrived post-apartheid was selected.

Collection of Data

The CEO letters used in this study were collected directly from the company's website. This is existing data which is publicly made available by organisations to shareholders, potential investors, and the general public.

Data analysis

Furthermore, the data collected is processed and analysed following the critical hermeneutics cycle which is premised upon the following five key concepts that helps to interpret the symbolic meaning of a text:

- The hermeneutic circle which states that a text can only be interpreted by situating it in totality of its historical context (Prasad,2002). Prasad (2002) continues to argue that a part can only be understood from analysing the whole and to understand the whole one needs to understand the parts that make it. This means that the politics of the context shapes text production therefore, it is important for the researcher to explore the context in which the text was produced in (Robinson & Kerr, 2015).
- Hermeneutics horizon which takes into consideration that the interpreter's views will influence the process of analysis. Prasad (2002) argues that just like the CEO letters written to shareholders are embedded in historical-cultural context, the person seeking to interpret the communication is also embedded in historical-cultural context. The interpreter will always argue certain views of the text and the context (Prasad, 2002). This simply means that the researcher enters the hermeneutics process with pre

understandings and experiences that can change or will be modified by the process (Robinson & Kerr, 2015).

- Fusion of horizons seeks to integrate the historical-cultural context of the text with that of the interpreters to get an unbiased understanding of the communication. This takes place when the interpreter goes through the process of understanding the context in which the text was produced in and the historical context of the text becomes more accessible and part of the interpreter's experience (Robinson & Kerr, 2015). At this point the horizons of the worlds have fused allowing the interpreter an understanding of each world (Robinson & Kerr, 2015).
- Rejection of the author's intentionality when conducting the analysis becomes important as it allows all aspects of the text to be subject to critiques of authenticity, possible bias and of the ideological elements of the text (Prasad, 2002). The linking of text to context paves the way for unveiling the ideological meaning of text and the manner in which groups utilise their power to attain their interests.

The critical hermeneutic has followed a four staged process that begins with the selection of a text and reading it to analyse language use and identify themes. In this paper, the CEO letters of Shoprite Holdings written to shareholders from 1979 to 1994 are selected as text for analysis. The following step will be laying out the context and taking into consideration the historical and social political context of South Africa within which the letters were produced. The analytical stage follows where textual interpretation is produced through analysing the relationship between what is considered as the abstract meaning of the text and what has foregrounded as the anchored context in which the text was produced. In this stage the interpretation of the text is produced by analysing what the text means within the context that it has been produced in, then the hermeneutic circle is closed.

Analysis and Results

This analysis will follow the four-stage process described above under the methodology section. We begin with our choice of text and the South African political context as our interpretive entry point. This study will then give a narrative account of relevant contextual factors, followed by our interpretation, which shows the use of business communication by organisations.

First Stage: Choosing and Reading the text

This study began with letters written to shareholders published in the annual reports of Shoprite Holdings between before and after apartheid. This company is currently referred to as “the largest supermarket retailer on the African continent” with 2829 stores in 15 countries (Miller, Saunders & Oloyede, 2008). The corpus of texts that we were able to locate that are analysed here are from 1987 to 2000. The Chairman letters written to shareholders were produced during a historical period of apartheid system which was categorised by political and economic instability. The letters discuss a range of issues e.g., the organisation's performance and expansion, business-employee's relations, and effects of the political and economic conditions on the organization.

In reading these texts to understand their meaning, we focused on the content of the letter and the social political context in which they were produced as an entry point for our interpretation. Our decision to focus on the socio-political context was based on our perception that every organisation is embedded in the context in which it operates and this reference to the context would reveal the hidden symbolic meaning of the business communication that other researchers would have found to be unimportant. We felt that this study was particularly appropriate in this period of a pandemic where businesses are increasingly required to deal with environmental issues or external factors that affect their employees and their operations. The way businesses communicate with shareholders addressing the influence of external factors on the business revenue and success is of added interest to symbolic researchers in this period. Our motive here is to unveil the hidden meanings of business communication that serves the interests of the socially and politically powerful.

Second Stage: Laying out the context.

In the second stage of analysis, we relied in secondary sources to develop a historical context in which the organisation was embedded in, before and after the apartheid era. Thus, we came to understand the political instability in the areas of operations, the economic sanction that prohibited trade and investments with other countries and business expansion after the apartheid era which is characterised by large foreign investment. Therefore, laying out the historical context of South Africa is important to unearth specific contextual issues faced by the organisation at the time these CEO letters were produced (Prasad and Mir, 2002). The context will be narrativized under three thematic heads: political instability in areas of business operations, financial crisis in the mid-1980s , and high foreign investments.

Political instability in areas of business: Shoprite Holdings was established in 1979 in a context which is characterised by political instability and unrest. Under the apartheid system racial segregation policy which meant that the so called 'black' South Africans must live in townships whilst 'whites' lived separately in town/cities. Many of these anti-apartheid revolts erupted in townships causing disruptions in business operations. This is because the riots and strikes made it hard for employees to reach their places of employment as townships were shut down and travelling to work meant that employees were putting their lives at risk. For companies this meant that they were faced with low productivity as some employees could go to work. Moreover, business confidence evaporated in the face of 1970s anti-apartheid movements and national economic recession followed. Therefore, this meant that large and small businesses were impacted as there was low demand and the general fear of uncertainty.

Financial crisis in mid-1980s: Furthermore, the protests and government crackdowns of 1970s drew international attention to how bad the apartheid system was for the nation. This has resulted in the United Kingdom and United States to impose economic sanctions on South Africa (Barnes, 2008). Financial investment sanction meant a series of disinvestment to South African based businesses by foreign countries (Barnes, 2008). This had a negative effect on South African based companies that received financial investment from these western countries and the economy as large as capital fled the country. Barnes (2008) states that the strategy of the liberation movements of that time was economic warfare and industrial sabotage which led to a financial crisis that gripped the country in the mid-1980s. Now the apartheid government faced with the financial crisis, internal and external pressure resolute to reform in the late 1980s (Barnes, 2008). Black people were granted human rights and political prisoners were released and this lowered the intensity of the apartheid system in early 1990 and democracy was in 1994 when black South Africans were allowed to vote for the first time.

High foreign investments: Moreover, after 1994 the economic sanction which was imposed on South Africa was lifted. South African based companies could now receive financial investments from foreign countries, and this was good for business. But because the effects of apartheid and economic isolation were there, South African businesses were facing higher home production costs and stagnant profit margins after 1994 (Miller et al, 2008). This resulted in many South African local producers and traders to expand across borders to Southern African Development Communities which were characterised by low competition and high returns (Miller et al, 2008). This means that South African businesses received foreign financial investments which allowed them to expand to SADC countries. According to Miller et al (2008) this has made South Africa the dominant source of the SADC’s foreign direct investment as the country has made 232 investments in 27 African countries in the first decade after 1994. This resulted in South Africa being the region’s economic powerhouse as “it attracts foreign investments more than any country in the region” (Miller et al, 2008:15). Therefore, post-1994 South Africa based businesses focused on attracting foreign investment to expand to the African continent and the country has become the region's economic powerhouse.

Third stage: Closing the Hermeneutic Circle

The next step in hermeneutic analysis entails discovering possible relationships between the text and the historical context in which the text was produced. In this stage we revisited the CEO letters written to shareholders in order to identify elements that refer to the political instability after apartheid era and identify the lack of engagement with the socio-political context before the apartheid era to uncover the symbolic meaning. On the basis of this paper, we argue that the CEO of Shoprite exploited the political instability caused by the apartheid system to justify their negative growth at specific historical points and in doing so to safeguard the organisations legitimacy.

The following textual extracts illustrate the application of the critical hermeneutics’ method. These extracts were chosen on the basis that they were produced before 1990 and they have a common theme which is highlighting organisational success under an unstable political context.

Text	Code 1	Code 2	Anchor (Main idea taken from the
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label			codes) in relation to what the code/s communicate
Text A	<p>“In the year under review Shoprite has not only consolidated its extreme strong position in the Western Cape but it has become through its growth in sales and profits, one of the leaders in the food retailing market. The company’s performance reflects a high degree of resilience in the face of continued recession and depressed customer spending.”</p> <p>(Shoprite, 1987: 5)</p>	<p>“Shoprite was first listed in Johannesburg Stock Exchange in December last year. The lively trading of shares is an indication of marketplace confidence in the company’s future.”</p> <p>(Shoprite, 1987: 5)</p>	<p>Exaggeration of positive results in spite of the socio-economic and political upheavals</p>
Text B	<p>“It is gratifying to report that the company has once again had an outstanding year. Turnover rose by 44 percent to R246,4 million with attributable earnings up 86 percent to R5,1 million”.</p> <p>(Shoprite, 1988:3)</p>		<p>Justification of the exaggerated positive results by numbers</p>
Text C	<p>“Shoprite has developed a share incentive trust which encourages Shoprite employees at all levels to acquire shares in the company”. “It is our conviction that employees as well as members of the public should be provided with easy access to a share in our business”.</p> <p>(Shoprite, 1989:3)</p>		<p>Emphasises the easy accessibility of shares to potential investors.</p>

Text A illustrates the positive outcomes of the company and the listing of the company on JSE is used to create legitimacy and reduce uncertainties about the future (the trading of shares on JSE is referred to as an indication of marketplace confidence in the company’s future). Furthermore, the writer continues to emphasise the competitiveness of the organisation by contrasting the organisational success with the negative operational environment which is characterised by continued recession and depressed customer spending. Then Text B provides figures to justify or validate the above claims about organisational success and competitiveness. The last extract Text C mentions how employees at all levels are encouraged to acquire shares in the company to emphasise the easy accessibility of shares to potential investors.

Looking into the above data it can be argued that this information was carefully selected and intentionally structured in this way to shape the public's perception about the organisation. This claim is consistent with that of Muldoon (2017) who argue that organisational leaders make use of their power to decide what information they publish or retain in their CEO letters written to shareholders. The above extracts Text A, Text B and Text C which were produced before 1990 have a positive theme into them which shows that the chairman of Shoprite has made use of his power to decide to publish positive information in the letters irrespective of the political instability of the country. According to Muldoon (2017) this is done to create and shape the public's perception about the organisation. From reading the above extracts the listing of the company on JSE in Text A creates the idea of an elevation of the corporate to a standard where stability and consistency are achieved, and uncertainties are reduced. Furthermore, the writer continues to make a contrast that the organisation is thriving despite continued recession and depressed customer spending to bring down the public's expectation about the organisation's performance. This is done to emphasise organisational success and competitiveness in spite of what is happening in the environment. Then the figures in Text B justify the claims made about organisational success and stability by showing how much the business makes in sales despite the unfavourable conditions in the trading environment. So above, the preparer of the letters has created the organisation's positive image by managing the public's perception through selection of information and structured writing to attract investors. This can be shown by Text C where the chairman of Shoprite makes use of the letter in 1989 to encourage employees at all levels to acquire shares in the company. Taking context into consideration where under the apartheid system the employees at lower levels at Shoprite were subjected to cheap labour and paying government taxes which made economic success quite impossible. This means that encouraging employees including those in lower levels to acquire shares in the company which they cannot afford is used as a strategy to create this idea of equitable distribution of wealth and emphasises the easy accessibility of shares to potential investors. Therefore, according to Stanton and Stanton (2002) from the preparer's perspective organisational reports specifically the chairman letters written to shareholders specifically are used as a marketing tool for building and creating the organisation's image to attract investors.

Consistent with literature, this research found that companies exaggerate positive results and avoid disclosing the negatives to create an image for themselves that they want to be associated with (Karlsson & Rutgersson, 2008). It is shown in this study that the CEO letters written to shareholders before 1990s under the apartheid governance only exaggerate the positive outcomes and do not take into consideration the socio-political context in which these letters were produced in (Prasad & Mir, 2002). The letters do not mention how the political

instability and the economic sanctions in the mid-1980s had affected the organisation (Barnes, 2008). These results are in line with the legitimacy theory where companies avoid disclosing sensitive information during bad times, hoping to shift focus from poor outcomes with the aim of attracting investors (Karlsson & Rutgersson, 2008). According to the above data we can infer that the information was angled in the interest of Shoprite Holdings and the CEO/chairman letters written to shareholders before 1990 under the apartheid system do not give a true and a fair view of the company but rather, they are a rhetorical tool to convince stakeholders (Karlsson & Rutgersson, 2008).

As stated above the CEO letters written to shareholders before 1990 did not take into consideration the socio-political context in which they were produced under but after 1990 we saw a change in the tone of these letters. The CEO/Chairman of the company started discussing how the organisation was dealing or affected by the socio-economic and political issues of the country. Therefore, this paper will analyse how the company repositioned itself post-1990 by examining the extracts below.

Text label	Code 1	Code 2	Anchor (Main idea taken from the codes) in relation to what the code/s communicate
Text D	<p>“Shoprite like any other company had to struggle with the social disruption associated with political negotiations, which erupted into violence and lawlessness. The consequences of the latter were a decline in consumer spending, unemployment, and accelerated impoverishment”.</p> <p>(Shoprite, 1992:3)</p>		Alludes the impact of the upheavals on the company but does not illustrate any commitment of the company to actively playing a role to avert the upheavals.
Text E	<p>“The turbulent socio-political condition has put the company’s performance into test. Unemployment continued to squeeze the consumer spending which resulted in a decrease in retail activity. This was compounded by increases in criminal activity experienced through the industry which included vehicle hijacking, armed robberies, trolley losses and attacks on stores”.</p> <p>(Shoprite, 1994: 3)</p>		Again-the company sees itself through the letter as a victim of these upheaval that have affected its bottom line.
Text F	<p>“Various training schools have been established countrywide to provide new and existing staff with skills. These programmes have been boosted by internally developed aid and they are updated to be in line with the recommendations in the Skills Development Bill”.</p>		The company has contextualized the issue and engaged with its necessary role of being an active player rather than playing the victim.

	(Shoprite, 1999:6).		
Text G	<p>“In addition to its commitment to staff, Shoprite Checkers continue to play a significant role through its social responsibility programme. The group is particularly responsive to community needs which arise in times of disaster and collection for this purpose now exceeds R1 million”.</p> <p>(Shoprite, 1996:5)</p>		The company has positioned itself to be an active player in averting social ills.

To give context, apartheid came into an end in the early 1990s as most of the apartheid laws were reformed and that led to the formation of democratic government in 1994. In the early 1990s black people were granted human rights, political prisoners were released, and most importantly the economic sanction was lifted. This meant that South African based companies could receive financial investments from foreign countries. So, the company had to position itself in their CEO/Chairman letters written to shareholders post-1990 to inform potential investors about how the company was dealing or affected by the socio-economic and political issues of the society. Therefore, post-1990 the organisation could not no longer ignore what was happening in the South African context, so the company had to position themselves within the socio-political context with the aim of attracting stakeholders.

After 1990 the CEO/Chairman letters written to shareholders started to mention how the socio-economic and political issues have affected the organisation. In these reports the CEO/Chairman of Shoprite exploited the socio-political instability to justify the negative outcomes of the business. In Text D the CEO/Chairman of Shoprite attributed the decline in consumer spending, unemployment, and accelerated impoverishment to the social disruptions associated with political negotiations. In Text C the author continues to argue that the criminal activities such as vehicle hijacking, armed robberies, trolley losses and attacks on stores were the results of the turbulent socio-political condition. So, the socio-political issues that took place in the context were used as a corporate strategy to safeguard the legitimacy of the organisation (Karlsson & Rutgersson, 2008). It is important for the organisation to use self-serving attributions to defend the poor outcomes so that they could still attract stakeholders (Karlsson & Rutgersson, 2008). According to Karlsson and Rutgersson (2008) this was done by making use of externalities as an explanation of poor outcomes so that the organisation does not take responsibility. Therefore, the CEO/Chairman letters written to shareholders alluded to the impact of the upheavals on the company but did not illustrate any commitment

of the company to actively playing a role to avert the upheavals. Instead, the company sees itself as a victim of the social upheavals which then justifies its lack of active engagement with the socio-political challenges.

On the contrary Shoprite did not engage with the socio-economic and political issues which affected the organisation during the apartheid system until 1996 where the company started to actively engage for the first time with social issues that had indirect influence on the organisation. So, post-apartheid specifically from 1996 we observe a change in the CEO/Chairman letters written to shareholders as they included section that were covering community relations and socio-economic environment. For the first time the company did not see itself as a victim of social upheavals but rather it had an action plan in place to actively engage with the socio-economic and political challenges. One may wonder why now? Why now does the preparer or the CEO of the company engage the organisation with the context in the CEO/Chairman letters written to shareholders? It can thus be suggested that the CEO/Chairman of Shoprite was forced by legislations of the new government to actively engage with the socio-economic and political challenges of the context in which they operate in. For example, Text F shows how the Skills Development Act has compelled the company to provide training for its employees in the post-apartheid South Africa to expand their knowledge and competencies so that black people could also qualify for the jobs that were previously classified as 'white people's jobs' (Berrisford, 2011). South Africa was not characterised by social inequality only in terms of education but also in terms of access to basic services. So, the democratic government made efforts to combat the social imbalances through the impulse given to the private sector to give back to the communities in which they operate in (Berrisford, 2011). The companies are not obliged to engage in social responsibility programmes but if they do it looks good on their corporate profile as it shows their active engagement with the socio-economic and political challenges. Therefore, these findings help us understand the shift from not discussing the socio-economic and political issues during apartheid to actively engaging with these externalities in CEO/Chairman letters written to shareholders.

As mentioned in the literature review corporate annual report particularly the CEO/Chairman letters written to shareholders are not useful to the users to make investment decisions as they do not give a holistic view about the company. Results have shown that the CEO/Chairman of a company who is the preparer of these letters make use of their power to decide what information should be published or retained to create and shape the public's perception about the organisation. The current study found that the CEO/Chairman letters written to shareholders does not give a true and a fair view of the company but rather, they are a marketing tool which has been used to attract stakeholders. Therefore, these results are consistent with the reviewed literature which suggested that the CEO/Chairman letters written

to shareholders are not useful as a primary source of information for making business decisions.

Conclusion

Company annual reports specifically the CEO/Chairman letters written to shareholders tell us that there is more to business communication than the factual meaning. Business communication has a symbolic meaning which is another meaning that is different from the obvious. Hermeneutics allows us to uncover or unveil the hidden meanings in business communication which serves the interests of the socially and politically powerful. This is achieved by analysing the socio-historical context in which these letters are embedded in. From the letters and the discussion, it is clear that the preparer or the CEO/Chairman of the organisation has power to decide what information should be published or retained and how it is structured. Therefore, this gives the CEO/Chairman of the organisation power to create and shape the public's perception about the organisation.

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